

Small farms and organic production

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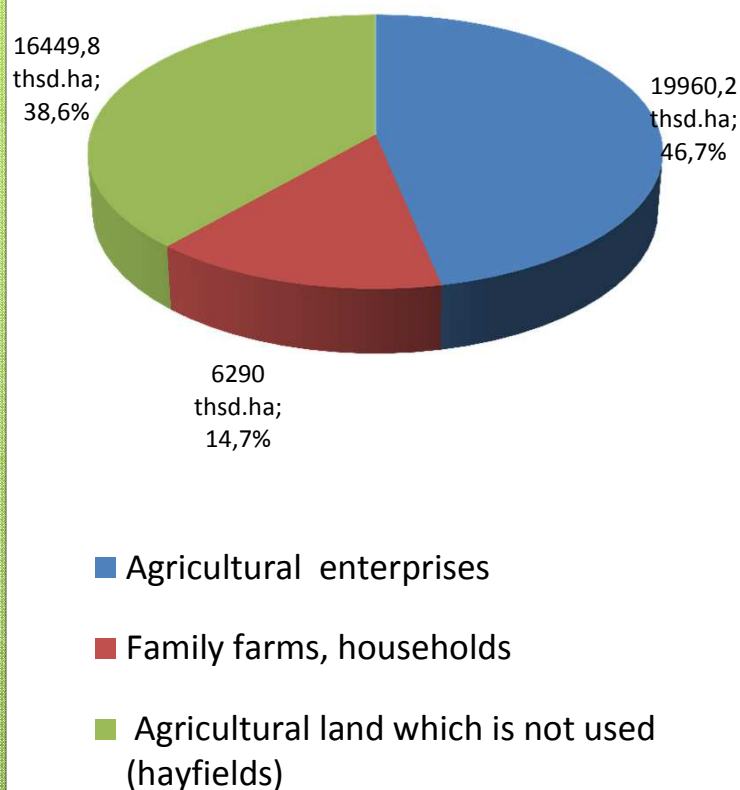
What is Organic?

Production of organic products (raw materials) - production activity (including cultivation and processing) of individuals or legal entities, during which chemical fertilizers, pesticides, genetically modified organisms (GMOs), preservatives, etc., are not used at all stages of the process.

Methods, principles and rules are defined by the Legislative act for natural (environmentally friendly) products production, as well as natural resources conservation and restoration.

Organic products - products obtained as a result of certified production in accordance with the requirements of the Law of Ukraine "On the Production and Circulation of Organic Agricultural Products and Raw Materials"

Structure of agricultural land of Ukraine (01/01/2018)



Organic production in Ukraine

- 529 operators of the organic market;
- 410.55 thousand hectares of certified organic agricultural land;
- 1% of the total agricultural land of Ukraine;
- 540,0 thousand hectares of wild plants (mushrooms, berries)



Types of Organic Products Produced in Ukraine:

- cereals, legumes and oilseeds;
- milk and milk products;
- fruits, vegetables, greens;
- melons, grapes;
- meat and meat products;
- bakery products, flour;
- vegetable oils;
- juices, syrups, jams;
- berries, mushrooms, nuts, honey.

The largest producers of organic products in Ukraine:

1. **Organik Milk Ltd.**

(Organic Milk TM)

2. **EthnoProduct Ltd**

(TM "Ethnoproduct") - dairy and meat products

3. LLC "Old Poritsk" (TM "Staroporitske") – milk products

4. **"Organic original" Ltd.**

(TM "Ecodor") - grocery

5. "Gallex-Agro" - an export oriented grain producer.



529 operators of the organic market:

- 375 agricultural producers of organic products
- 154 - traders, processors, wildlife plants purchasers.



The personal peasant economy (Household) is a business individual activity conducted without legal entity creation by a person or persons who are in family relationships and live together, in order to meet personal needs through production, processing and consumption of agricultural products, sales of its surplus and provision of services using the private peasant farms property, including rural green tourism.*

*** Law of Ukraine “About personal peasant economy”,
№ 742-IV, 05.04.2015**





Agricultural land of Ukraine

42.7 million hectares (01/01/18), of which:

PRIVATE FARMS AND HOUSEHOLDS:

- 10.9 million hectares,
Including:
 - ❖ private farms 4.6 mln.ha
 - ❖ households 6.3 mln.ha

100 LARGE AGRICULTURAL ENTERPRISES:

- 6.3 million hectares



25.5%



14.7%





Households - Ukrainian “phenomenon”



✓ Employment of **4.7** million persons



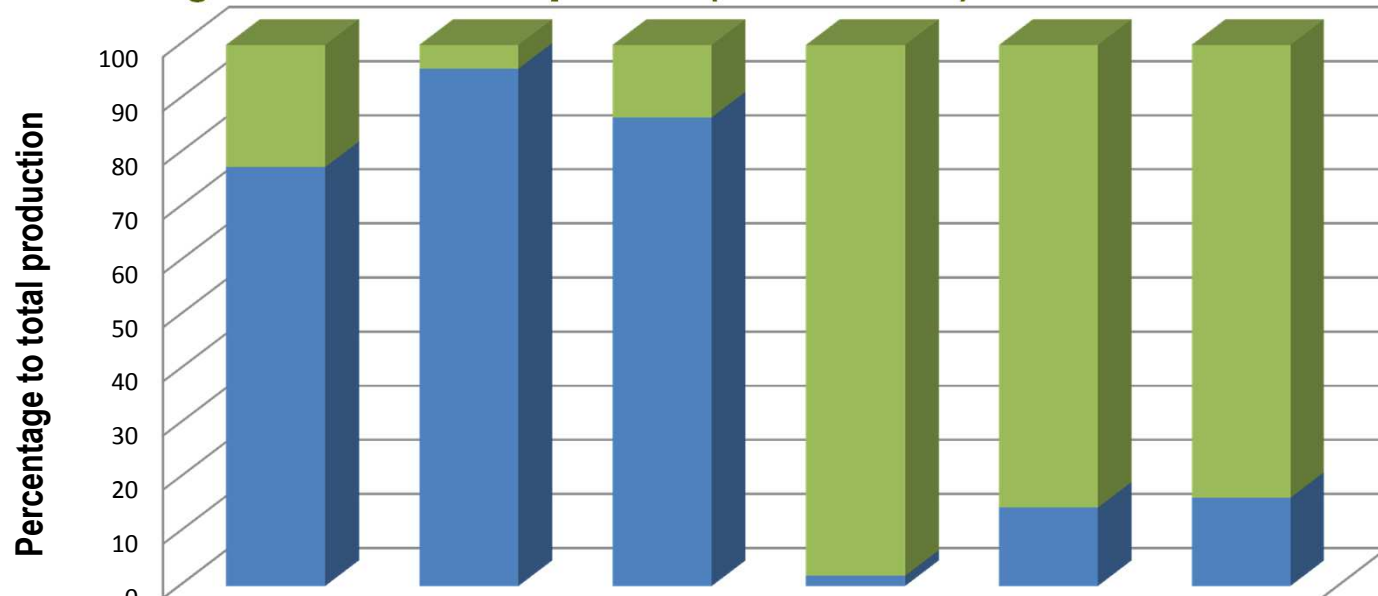
✓ **6.3** million hectares agricultural land

✓ Produce about **43.6%** of the total volume of agricultural products





Structure of agricultural crops production by types of agricultural enterprises (01/01/2018)



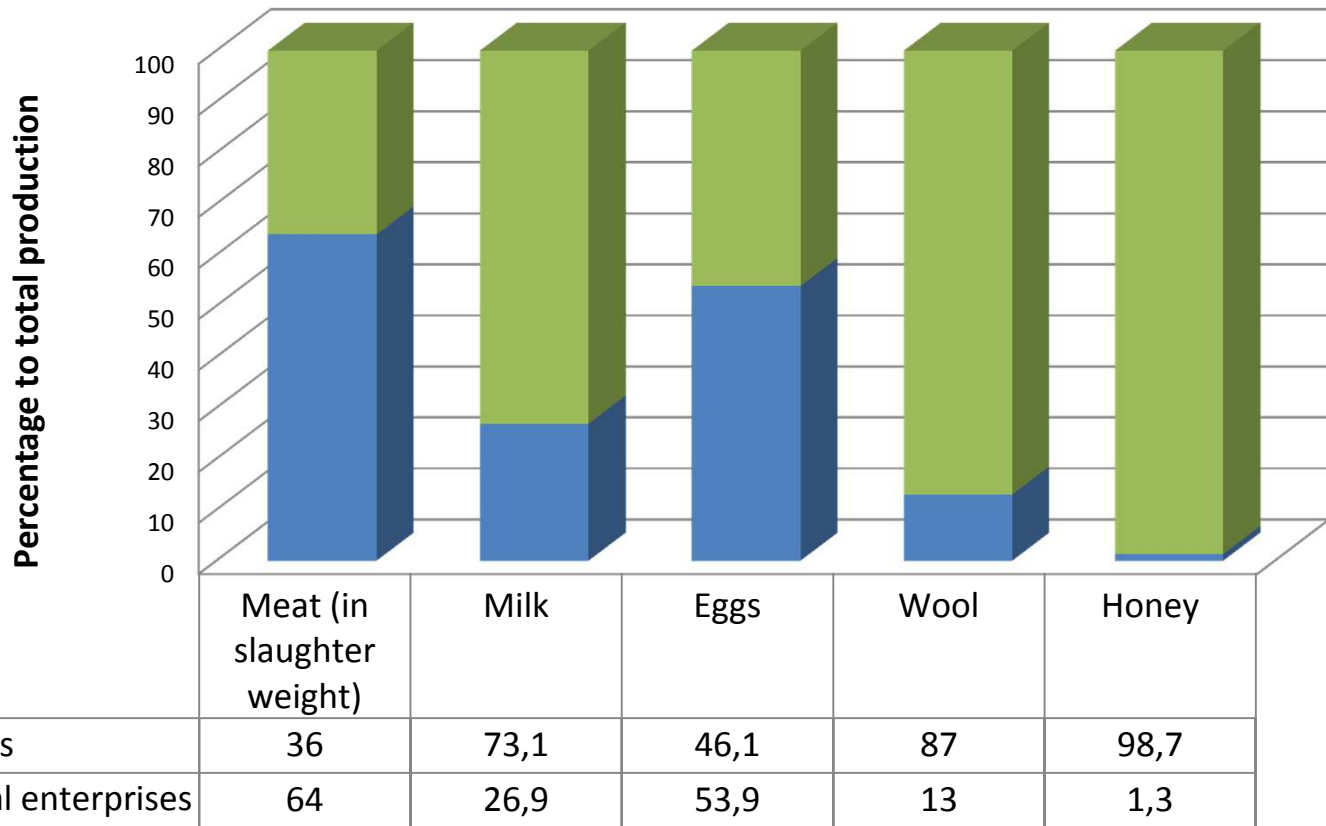
	Grain and leguminous crops	Factory sugar beet	Sunflower	Potatoes	Vegetables	Fruits and berries
Households	22,6	4,4	13,4	98,1	85,5	83,7
Agricultural enterprises	77,4	95,6	86,6	1,9	14,5	16,3

Source: State Statistics Service of Ukraine





Structure of animal products production by types of agricultural enterprises (01/01/2018)

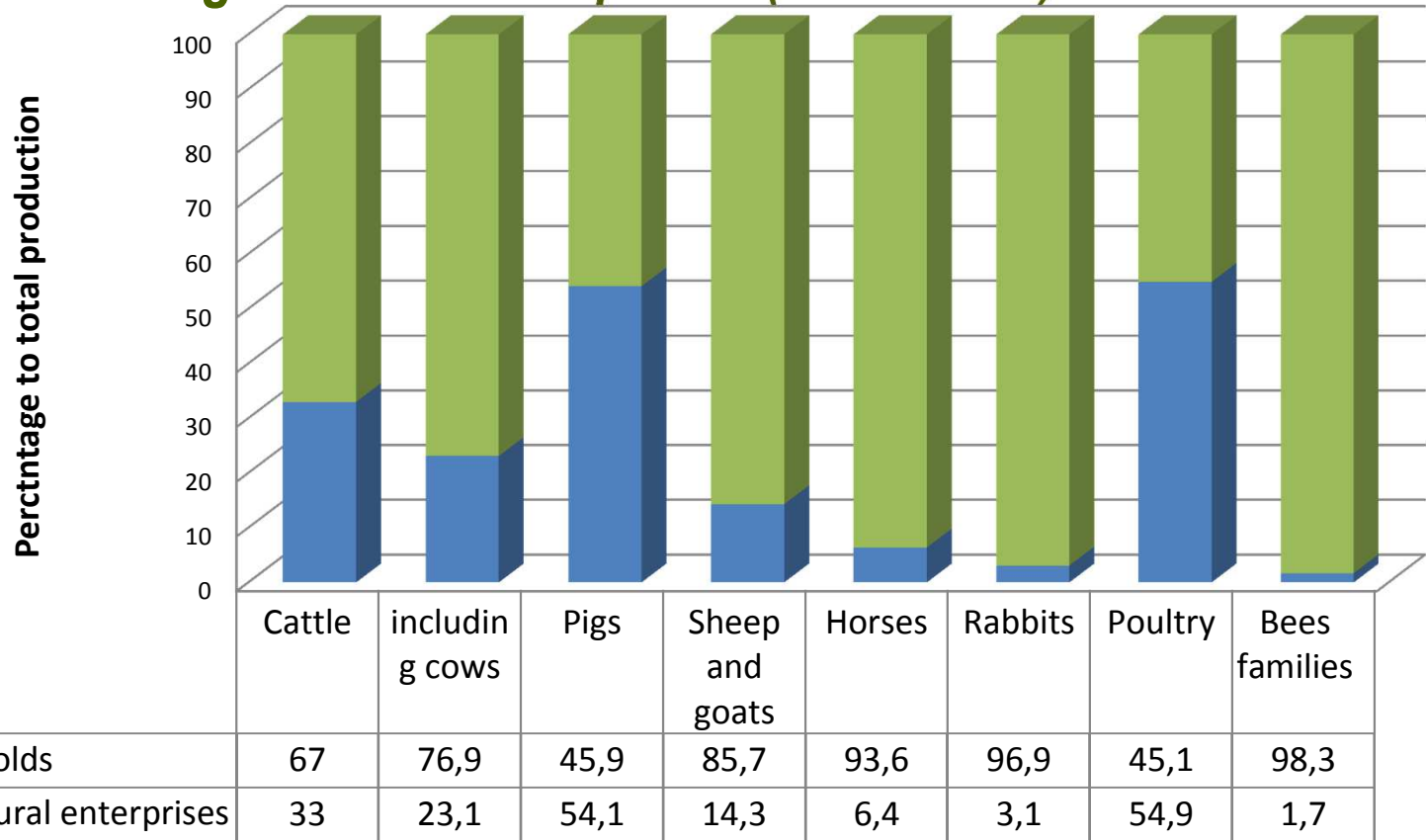


Source: State Statistics Service of Ukraine





Structure of agricultural animals amount by types of agricultural enterprises (01/01/2018)



Source: State Statistics Service of Ukraine





Legal base of organic production

- **Law of Ukraine** "On the Production and Circulation of Organic Agricultural Products and Raw Materials"
- **Law of Ukraine** "On Basic Principles and Requirements for Organic Production, Turnover and Organic Products Marking"
- **Organic subordinate acts:**
 - ❖ Detailed rules for the production of organic products (raw materials) of vegetable origin
 - ❖ Detailed rules for the production of organic products (raw materials) of animal origin
 - ❖ Detailed rules for the production of organic products (raw materials) of beekeeping
 - ❖ Detailed rules for the production of organic seaweed



Requirements for the production of organic products

- An organic farmer maintains healthy microflora and soil structure;
- Biological and balanced agrotechnologies that protect the land from pests (useful plants and insects, birds, essential oils);
- Soil protecting crop rotation and technologies restraining the development of storms (cover crops, mulching, mechanical cultivation);
- Uses of natural fertilizers (compost, siderates, natural minerals).



Large agricultural enterprises (agroholdings)



- apply chemical fertilizers and pesticides;
- high probability of growing genetically modified plants;
- application of high-tech technology;
- narrow specialization;
- do not take into account local or regional ecological balance;
- profit is the main purpose of production



Households and family farms



- use organic fertilizer;
- use siderate crops;
- expanding crops of perennial herbs;
- use natural plant protection products;
- manual soil cultivation;
- diversified production;
- full organic production cycle



Difficulties in certifying agricultural products produced by private farms:

- Private farms are not subjects of entrepreneurial activity;
- High cost of certification pass;
- The duration of the certification process is up to two years;
- Complex production workflow;
- Limited access to knowledge, state support and consumer markets



Proposed approaches for supporting organic farmers:

- To enable farmers to become full-fledged players in the agricultural market;
- Provide appropriate tax breaks at the same level as farmers in European countries;
- Ensure access to state financial support;
- Facilitate open access to knowledge, practice and organized markets.



Thank you for attention!

