



Higher Value Added Trade from the Organic and the Dairy Sector in Ukraine

(Quality FOOD Trade Program)

Fostering value added trade by strengthening product quality and safety as well as trade capacities in the organic and dairy sectors contribute to sustainable and inclusive growth in Ukraine.

Integration into international trade holds large potentials for more growth in Ukraine, in particular in agriculture. Trade with new markets in Europe, the US and Asia is increasing through the implementation of free trade agreements. Yet, the agricultural sector is facing a number of structural challenges which need to be tackled to underpin growth like reforming the land market, upgrading the regulatory environment, enhancing value addition and thus qualifications of the labour force.

Rationale

Agriculture remains a significant sector in Ukraine's economy with GDP contribution of 16%, 20% of employment and a share of 50% of the country's export value. While Ukraine is internationally very competitive as supplier of raw material, value addition and diversification of the agriculture production are rather weak and therefore became a priority of the Government's agro strategy. Quality is an issue in agriculture which is closely tied to a lack of skilled labour force in rural areas.

International and national market trends are favourable, and the business environment improving, providing ample opportunities for Ukraine's agriculture to climb up the value chain. According to the statistical yearbook World of Organic Agriculture 2018, the global organic business continues to boom with annual growth rates of over 10%. The demand for safe and quality food in Ukraine is steadily increasing, especially from a growing and health conscious urban middle class but also in response to quality issues of raw milk which poses a public health risk.

Objectives and activities

The main objective of the Quality FOOD Trade Program is to increase value addition in export and domestic trade from the organic and dairy sectors in order to contribute to the overarching goal of sustainable and inclusive growth in Ukraine. The focus lies on two pillars: 1) strengthening product quality and safety in the organic and dairy sectors, and 2) improving trade capacities in the domestic market and for export with products from the organic and dairy sectors. The capacity building is tailor-made for the responsible entities and staff in the Ministry for Development of Economy, Trade

SECO country
Ukraine

Implementing agencies
FiBL

Beneficiaries
Ministry for Development of Economy, Trade and Agriculture of Ukraine and the State Service of Ukraine on Food Safety and Consumer Protection; Private SMEs

Duration
2019 - 2023

Total budget
CHF 4.2 million

SECO contribution
CHF 4 million



and Agriculture of Ukraine, the State Service of Ukraine for Food Safety and Consumer Protection of Ukraine and private sector stakeholders from the organic and dairy sectors. The program works with a systemic capacity building approach targeting institutions, responsible state entities and business service providers in the organic and dairy sectors, to enhance sustainable impacts.



Program Governance

The Quality FOOD Trade Program in Ukraine is funded by the Swiss State Secretariat for Economic Affairs SECO, with contributions from the private sector in Ukraine, implemented under the leadership of FiBL (Switzerland), the Research Institute of Organic Agriculture, jointly with SAFOSO, a Swiss consulting company for safe food from healthy animals.

The program is active in *two thematic areas* and applies *two implementation mechanisms*, which generate synergies between each other.

Thematic areas

1. Regulatory framework and business environment – product quality and safety in the organic and dairy sectors are strengthened.

The program contributes to increase awareness about organic agriculture and milk safety among public institutions at national and oblast levels so that the partners are competent to conduct their own awareness creation campaigns. Capacities of responsible authorities are built up to improve, adopt and enforce relevant legislation with by-laws, food safety authorities routinely integrate risk-based concepts in their risk-management procedures.

2. Trade development – trade capacities in domestic and export markets with higher value added products from the organic and dairy sectors are increased.

The program contributes to building up capacities among private and public sector service providers to respond to the demands of the organic and dairy sector stakeholders for improving trade with value added products. These efforts are complemented by an organic multi-stakeholder platform which aims at promoting diversified organic trade; and the implementation of a risk-based control program for the safety of raw milk.

Capacity development strategy

To enhance the sustainability of the development impacts, the program works through sector-specific capacity development strategies with strong stakeholder involvement and ownership of activities. While the strategies address all three levels (individual, organizational and sectoral, policy), the institutional development, primarily service providers, and skill building are at the forefront.

- Organic sector
For the organic sector, capacities are developed in the public sector with the responsible entities in the Ministry for Development of Economy, Trade and Agriculture of Ukraine and State Service of Ukraine for Food Safety and Consumer Protection as well as in the private sector such as organic service providers. In addition, an organic multi-stakeholder platform will be established.
- Dairy sector
For the dairy sector, capacities are developed in the public sector with the State Service of Ukraine for Food Safety and Consumer Protection, the responsible entities in the Ministry for Development of Economy, Trade and Agriculture of Ukraine, and in the private sector on a number of associations like the dairy processor associations and milk producers associations.

Follow us on [LinkedIn](#)
www.linkedin.com/company/seco-cooperation

Further information and contact details

Swiss Embassy/Swiss Cooperation Office in Ukraine: www.eda.admin.ch/countries/ukraine/en/home.html

Quality FOOD Trade Program at SECO: info.wehu.cooperation@seco.admin.ch

FiBL-SAFOSO Program Website: www.gftp.org

