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RESEARCH OF DEVELOPMENT OF ORGANIC SECTOR OF UKRAINE

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Development of the market of organic chemistry is considered. Experience of introduction and certification of organic production is analysed. The main ways of development of the market of organic production in Ukraine are defined. Ways of development of the market of organic production are offered.

Keywords: organic production, organic production, development of the market of organic chemistry.

Formulation of the problem. Worsening of the environmental situation requires fundamentally new approaches for formation and development of the market of organic production in Ukraine. Certification is gaining importance of organic production in accordance with international environmental standards. The development of organic production worldwide will be the result of search of harmonization in relations between society and nature.

Analysis of last publications. The problems of development of the organic production market examined in their works: Artysh V. [1], Voronetska I. [2], Dudar T. [3], Zaychuk T. [4], Ilchuk V. [6], Maslak A. [8], Milovanov E. [9], Kutarenko N. [7], Pisarenko V. [13], Tomaszewska A. [16] and others.

Unsolved parts of the general problem. In the majority of these researches there is an analysis of organic sector of economy. However, the question of comprehensive and solid study of the development of organic manufacture is still not enough discovered. In order to form sustainable organic market in Ukraine further studies are needed.

The aim of the research. Studying of prospects of development of the organic market as main thing direction of development of economy.

The main results of the research. The development of the organic manufacture market is growing rapidly. The organic market has great prospects and huge potential, and is a state's priority of the agricultural sector.

Confirmation of the stable development of the organic sector and Ukraine are achievements of domestic producers, which organic products which were presented at the eighth All-Ukrainian Organic Products Fair, which was held under the Organic week in Ukraine, operating throughout the territory of our country.

The need for further development of organic farming shows the presentation of over two hundred types of certified organic products Ukrainian origin of more than 50 organic producers at the fair. In particular, traditional participants of the Fair were the following manufacturers: PP «Agroecology» PAF «Tarasovka», PE «SPC «Elitfito», Lypkovativskyy Agricultural College, SFG «Wes», LLC «Live earth Potutory», PSC «Zhytomyr butter», NDVP «Autonomous tribal Estate», LLC «Old Por-ytsk», LLC «Organic Milk», OOO «Imex Trade», LLC «Bio-Pharm Agrottrade Ltd.», LLC «Ugochanskuj taste», LLC «Firm Diamond Ltd», LLC «Hlibio Trade», FG Valentine Sabelnikova, FG «Pearl Creek», FSH «Golden Parma», FG «Tizesh», FOP Burnayev, Organic Estate «Ekorodyna». New to the fair visitors presented their products SE Pilot Farm

«Skvyrske», JSC «Agricultural company «Berezan poultry farm», Company «Ahrolider», PE «Granit-Agro». Consumers could buy and sample organic products from well-known domestic brands: TM Kozub, TM PAN ECO, TM «Rud», TM Hlibio, TM handful, TM «Terra», TM «Villa Organic», TM BeBio, TM BIOLOGIC.UA etc. [17].

The positive trend in the development of the organic sector in Ukraine is participation in the annual international exhibition of organic products «Biofah 2016» (BioFach), which was held in Nuremberg (Germany), where leading domestic companies have demonstrated achievements of Ukrainian producers. In particular, in 2016 it was 10 organic producers: Agricultural firm «Pole» (Cherkasy region), the company «Agroecologia» (Poltava region), Haleks-Agro (Zhytomyr region), Granit-Agro (Poltava region), EtnoProdukt (Chernihiv region), the company «Casper» (Odessa region), the company «DIAMOND LTD» (Poltava region), the company «Ahrolider» (Khmelnitsky region), LiQberry (Kiev region), Rivneholod (Rivne region) and Certifying company «Organic Standard» (Kyiv) [12].

The basis for supporting the development of organic agriculture in most developing countries in the world are subsidized. In member states of European Union subsidies for organic farming provided per one hectare and are not directly related to the amount of grown organic food. Higher subsidies typically granted during the transition period when farmers still can not rely on extra charge for organic status of their products. In some countries, subsidies are granted only for a transitional period, while others, such as the Czech Republic, the subsidy level remained unchanged even after the transition to organic production. The Netherlands refused the subsidies per hectare (support offers), preferring to stimulate demand for organic products.

Developed countries have not completely given up subsidizing their own agricultural systems. However, the subsidy is now more focused on the development of rural areas, support of the production changed to support of the manufacturers (in the form of direct payments) and focuses on environmental protection, quality and food safety, and animal welfare.

In the European Union direct payments are available to all farmers who fulfills basic requirements for environmental protection and animal welfare (the system of «cross compliance» under the single payment scheme (single payment scheme, SPS).

Farmers, whose products are organic may be submitted for more subsidies, which are usual-

ly paid during the voluntary agro-environmental measures.

Organic farmers can apply for receiving the additional subsidies, when are usually paid in the process of voluntary agroecological events. In the non EU countries there are different subsidy systems for farmers, who work in the traditional agriculture and in the organic agriculture [11].

Organic farmers, who want to receive subsidies for the organic agriculture need to comply with the additional requirements that are higher than those described in the Resolution of the Council of the European Union № 834/2007. In other words, if the organic farm receives the certification, it doesn't mean that it will automatically receive the subsidy. There are many examples of additional criteria that farmers are to meet. They differ depending on a country [14].

Using the international experience in the area of organic manufacturing support, different methods can be used in Ukraine as well. With this goal it is advisable to use different stimulating methods. There are some methods among all that need to be highlighted: subsidies as the way for the state to support the organic sector; interest among farmers; aware and motivated consumers that have enough information provided, as well as the number of qualified consultants present; different rewards, competitions.

For the functioning of global markets of organic products and the development of organic farming an extremely important role plays warranty system, which includes certain standards, and also inspection and certification agencies. This system ensures compliance of the whole process of agricultural production to the organic standards and the processing of agricultural raw materials to the level of the final production, including its packaging and labeling. As follows, the certification of the organic production is aimed on methods and means of agricultural production as well as processing of raw materials, manufacturing of food products and their delivery to the consumer.

In shaping of standards and international accreditation of institutions, which deal with certification of organic production for compliance to these standards, the main role plays the International Federation of Organic Agriculture Movements (IFOAM) – an international non-governmental organization that unites over 700 active participating organizations in about 110 countries [18]. Today, these basic standards and accreditation criteria that were improved as a result of long and intensive consultations, widely recognized in the world, in particular registered as «international standards ISO». IFOAM Basic Standards actually function as «standards for standards», allowing different variations, and therefore are laid in the basis for many standards in the private sector as well as for state regulation in various countries, in particular the Resolution of the European Union № 834/2007.

The European Union state regulation of organic products is carried out with the help of the Resolution of the EU № 834/2007, which defines the general framework and principles of organic agriculture, requirements to the process of agricultural production, its processing and manufacturing of

food, features and labeling of organic productions; and also the control system of organic products, including in its imports to the EU.

The European Union increasingly stresses the need for objective and quantitative methods conducting inspection of organic farming, such as selection, analysis and evaluation samples.

All private supervisory authorities shall be accredited in accordance with the general EU requirements in relation to authorities that work in certification systems of the products or services (International standard EN 45011/ISO 65). In general, the supervisory authorities shall be impartial during the inspection of companies and must be approved by the representative oversight authorities of the EU countries' member. Supervisory authorities in the organic sector also work in the third countries, which have their own organic legislation (or in countries where there is legislation, but it is not harmonized with European Union legislation), when businesses want to export their products to the EU countries. Now this method is working in Ukraine for producers who plan or export their products to the EU.

In Ukraine organic production is consider to be received from the certified production in accordance with the requirements of the current legislation [5].

It is too early to talk about national system of certification, because the Law, which would regulate organic production in Ukraine is under development. Nowadays, the manufacture of organic production in the country is certified by the representatives of foreign companies, which operate in accordance with the norms and standards valid for the EU countries, sometimes the United States and others. There are about 20 foreign certifying agencies in Ukraine. Such companies as Control Union (Netherlands), IMO (Switzerland), as well as the representatives of Italy, Germany, Hungary, Poland etc. have been working for a long time. In 2009 international accreditation for the right to conduct organic certification was received by the Ukrainian structure «Organic Standard».

The list of accredited certification authorities which operate in Ukraine and included in the official list approved by the European Commission are presented in the table 1. Enterprises have the right to choose a certifying agency.

Analysis of the market for organic products demonstrate imperfections of the national legal framework, environmental standards and certification. To form the organic products sector in Ukraine should intensify the activities of all stakeholders.

Today Ukrainian manufacturers of organic products are working in nonsaturated information space, developing on independently made decisions without essential support of the state. Readiness of the Ukrainian buyers for consumption of organic products is rather low. It highlights the complexity of introduction of the organic product market in Ukraine.

Conclusions. Searching of ways of organic production development in system of domestic economic management, the maximum use of natural potential, implementation of innovative methods of managing, social grounding of organic products value and stimulation of agrarian manufacturers activities.

Table 1

Organic certification units in Ukraine

Name of certification unit	Country	Directions certification					
		A	B	C	D	E	F
Organic Standart of Ukraine	Ukraine						
Institute for Market Ecology	Switzerland	x	x	–	x	–	–
Ecocert SA France	France	–	x		x	–	x
Austria Bio Garantie GmbH Austria	Austria	x	–	–	–	–	
SGS Austria Controll-Co. GmbH Austria	Austria	x	x	–	–	x	x
Control Union Certifications Netherlands	Netherlands	x	–	–	x	–	–
Ekolojik Tarim Kontrol Organizasyonu (ETKO)	Turkey	x	–	–	x	–	–
CERES Certification of Environmental Standards GmbH	Germany	x	–	–	x	–	–
Abcert AG	Germany	x	x	–	x	–	–
Lacon GmbH	Germany	x	–	–	x	–	–
QC&I GmbH	Germany	x	–	–		–	–
BCS Oko-Garantie GmbH	Germany	x	–	–	x	–	–
Bioagricert S.r.l.	Italia	x	–	–	x	x	
Istituto Certificazione Etica e Ambientale (ICEA)	Italia	x	–	–	x	–	–
Suolo e Salute srl	Italia	x	–	–	x	–	–

Source: compiled by the author based [10, 11, 15]

Note: A – crop products not subjected to recycling; B – animals or animal products that have not been processed; C – aquaculture and seaweed products; D – processed agricultural origin for consumption as food; E – processed agricultural origin for use as feed; F – planting material and seeds.

An important direction of activation organic production is a combination of interests of all participants:

– public authorities should expand export capacity and food security; investors should create jobs and its resource base; international funds should create new markets;

– attracting public attention to the most pressing issues of environmental development by enhancing public and scientific organizations can expand the scope of research to attract investment for training new professionals in the field. This will increase the number of organic producers, formation of associations and trade unions, creation of legal framework of organic producers;

– to ensure stable selling for own products of high quality, an expansion of the target market segments should be the basis of middlemen and suppliers of organic products, while consumers should be informed and interested in the consumption of safe and useful products.

Formation of organic market in Ukraine will guarantee food security, increase the investment attractiveness of the agricultural enterprises, create conditions for the sustainable use of agricultural land and reduce the environmental impact, ensure the competitiveness of domestic products in international markets, increase the efficiency of the agricultural sector, form a stable organic market.

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ДОСЛІДЖЕННЯ РОЗВИТКУ ОРГАНІЧНОГО СЕКТОРУ УКРАЇНИ

Анотація

Розглянуто розвиток ринку органіки. Проаналізовано досвід впровадження та сертифікації органічного виробництва. Визначено основні шляхи розвитку ринку органічної продукції в Україні. Запропоновано шляхи розвитку ринку органічної продукції.

Ключові слова: органічна продукція, органічне виробництво, розвиток ринку органіки.

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ИССЛЕДОВАНИЕ РАЗВИТИЯ ОРГАНИЧЕСКОГО СЕКТОРА УКРАИНЫ

Аннотация

Рассмотрено развитие рынка органики. Проанализирован опыт внедрения и сертификации органического производства. Определены основные пути развития рынка органической продукции в Украине. Предложены пути развития рынка органической продукции.

Ключевые слова: органическая продукция, органическое производство, развитие рынка органики.