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Modern Market Information System Boosts Incomes of Ukraine's Small and Medium Sized Growers

**Agricultural Marketing Project (AMP)
USAID/Land O'Lakes, Inc.**

**Evgenia Malikova
USAID/Ukraine**

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Start up agricultural situation (2003)

- **Focus on commercial crops (grains, oilseeds, etc.) where small farmers could not compete;**
- **No government support to small farmers and very limited access to credit;**
- **Relatively high prices for fruits & vegetables and poor quality of fresh produce in the supermarkets;**
- **Limited access to modern production, storage, post harvest handling and marketing technologies;**
- **No market information;**
- **Less than 5% of farmers had access to the Internet and only a few had cell phones**

The Mission of AMP

To stimulate **increased rural incomes and employment**

by enabling small – and medium – scale family farmers to identify and **meet market needs profitably**

through enhancing quality and production efficiency,

pursuing joint marketing efforts, and **adding increased value** to their products.

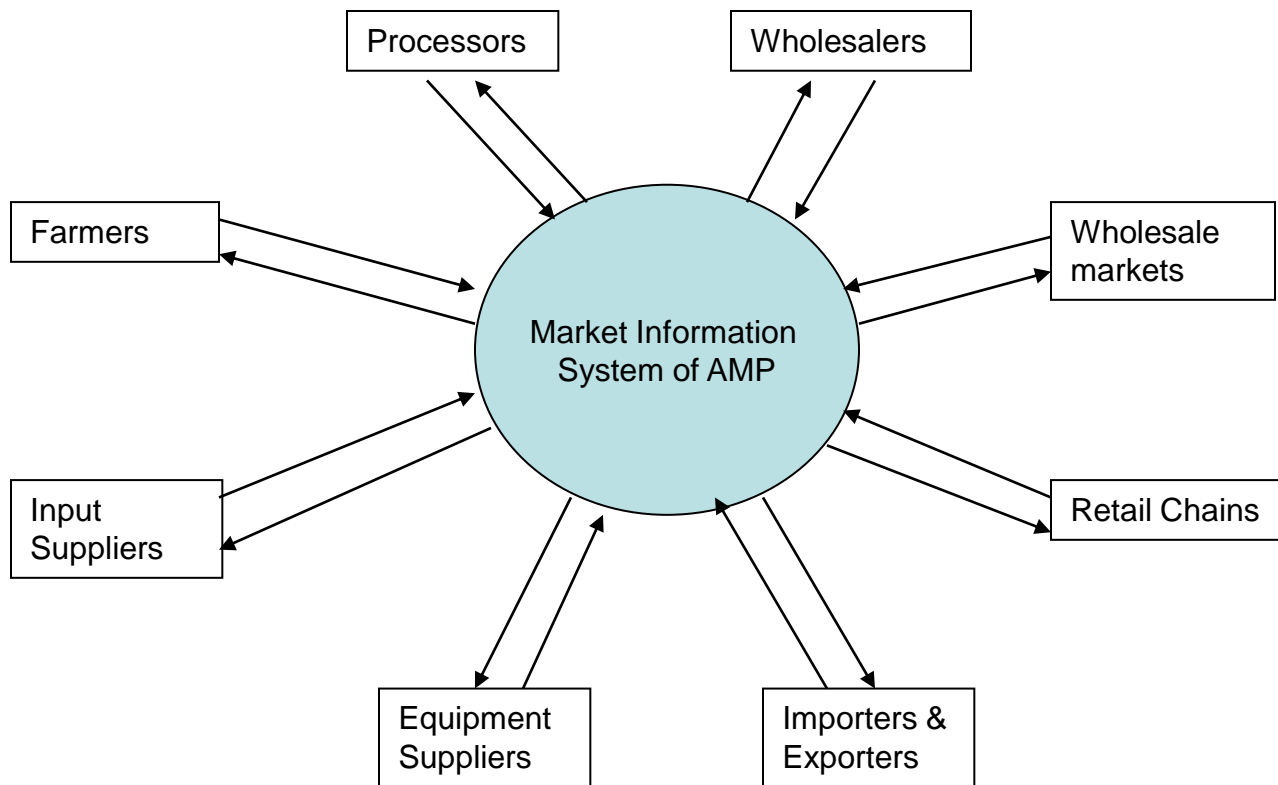
Target Group

- 1) Primarily emerging small and medium sized commercial private farmers with 5 to 50 ha devoted to F&V**
- 2) Wholesalers, processors, and retailers are considered important client groups**

Market Information System Components

- ***Agro-Review:
Vegetables and Fruits***
- **AMP's web site**
www.lol.org.ua
- **AMP's database**
- **MI consultations and training**
- **Bids and offers (price lists)**
- **Publications and research**
- **Wholesale price monitoring**
- **Local & national media contacts**
- **F&V Industry Conference**
- **PR and outreach**

MI exchange with AMP's MIS



MIS Results

MIS is the largest wholesale market for fruits and vegetables in Eastern Europe (weekly offer is estimated at \$15mn);

Web-portal www.lol.org.ua attracts more than 30,000 visitors every month (up to 200,000 hits);

\$20 return on every \$ spent;

Reduced transaction costs to farmers by 100-200 times;

Specialized International Industry Conferences initiated by AMP in Ukraine and Russia became largest traditional industry meetings;

AMP's outreach through MIS and resulting from MIS PR activities was close to 6-7mn people per quarter (13-15% of the country population)

MIS Results (continued)

Several donor projects and farmers' organizations joined AMP's MIS;

MIS helped develop new marketing channels for farmers, gave them a lot of new production and marketing ideas resulting in much higher incomes and new jobs;

Directly and indirectly, MIS resulted in a very rapid increase of investments in the sector (for example, the number of processors grew from around 15 in 2003 to more than 120 in 2006);

Jointly with other AMP's activities, MIS helped most active clients (we had around 950 in total) grow their business by 90-110% per year;

MIS Results (continued)

- **Jointly with other activities, directly created 5,800 rural jobs with a total economic value of \$5-6mn per year;**
- **Facilitated additional sales of farm produce for**
- **\$10-15mn every year;**
- **MIS was almost fully sustainable by the end of**
 - **The Agricultural Marketing Project activities in Ukraine and is continuing to develop as we speak as a business.**

And, most importantly, it gave farmers hope and vital tools to grow their business.

Lessons Learnt

- 1. Properly designed MIS can become a very powerful tool in farm development and give a certain country or a certain sector a major competitive advantage;**
- 2. *MIS affordable to farmers is not easy to sustain without state support in most developing countries where farmers are not fully commercial;***
- 3. Limited or no Internet access is not a limitation. Even if a commercial MIS is too expensive for farmers and is not widely used by them, it can still improve their business through market development.**



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***THANK YOU FOR YOUR
ATTENTION!***