

## Promoting organic agriculture through model farms - use of the Leader Approach in Ukraine

TOBIAS EISENRING<sup>1,\*</sup>, THOMAS BERNET<sup>1</sup>, MARTIN LICHTENHAHN<sup>1</sup>, STEFAN SCHÜRMMANN<sup>1</sup>, TORALF RICHTER<sup>1</sup>

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### Author's Background

Tobias Eisenring is the project leader of 'Organic Market Development in Ukraine 2012 – 2016' and senior consultant for the labelling of organic food stuffs, the development of regional brands and geographical indications at FiBL (Switzerland).

### Summary

*Potential for growth within a sector is often developed by a few actors who spearhead most commercial activities. Such actors are generally very innovative but do not always have all the necessary know-how. The Leader Approach has a strong business development focus, aiming to strengthen such pioneers and spread their experience among small and medium enterprises (SMEs) in order to help them to break into the sector and contribute to its growth.*

### Background

The Swiss-Ukrainian project 'Organic Market Development in Ukraine 2012 – 2016', funded by the Swiss Government (SECO), is helping develop new market opportunities for SMEs in the sectors of organic arable crops (for export) and milk and dairy production (for the domestic market). The goal of the project is to develop the Ukrainian organic sector, stimulate economic development and facilitate the integration of certified organic Ukrainian SMEs into world trade.

Inspired by the European Union's Leader Programme, which strengthens innovative actions in rural areas, FiBL decided to adapt this methodology to the specific context within Ukraine and the project's objectives. The EU Leader approach is based on seven features: (1) bottom-up development and strategy implementation (2) local public-private partnership (working groups) (3) integrated and multi-sectoral actions (4) innovation (5) cooperation (6) networking and (7) territorial local development strategy. While the EU Leader approach mostly works at an institutional level, the FiBL Leader Approach is geared towards individual companies working in a growing (organic) sector.

The project works with a "Leader Approach", working directly with key actors (leaders) in the market chain. These leaders are influential actors who have the economic means to drive innovation using their own resources, and to play a pioneering role in developing new markets. The project has a clear market-pull orientation, based on the assumption that there is market potential for specific products, while recognising that strategic collaboration is needed with key actors along the market chain (i.e. processors, traders, retailers) in order to create and exploit demand for the targeted products.

The project choose to work with leaders as they can serve as models, promoting the uptake of organic practices by a wide range of farms/ companies (SMEs) in the regions, including service providers. The Leader Approach builds efficient partnerships with leading companies by focusing on their needs and opportunities. This is in contrast to many methodologies that have a strong research/theoretical focus, which may not be the best way to attract the committed involvement of key actors in the market and sector.

### Main Chapter

#### Why become a leader?

The Leader Approach aims to strengthen the capacity and skills of leaders. On the production level, the focus is specifically on agronomists and farm managers of key agricultural enterprises, who are in charge of operational decision-making regarding production and marketing issues, such as product quality, storage, post-harvest treatment, processing and business development. On the processing/ trader/ retail level, the focus is on marketing specialists and other professionals working in sales and promotion, etc. The project invests in these leaders through individual consultancy training sessions and study tours.

The benefits for leaders are individual. They include (a) tailored advice on production and processing, (b) assistance with finding attractive and relevant markets, both at home and abroad (c) support for product development, and (d) promotion among market stakeholders, etc.

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<sup>1</sup> Department of International Cooperation, Research Institute of Organic Agriculture FiBL, Switzerland, [www.fibl.org](http://www.fibl.org)

\* Corresponding author: [tobias.erisenring@fibl.org](mailto:tobias.erisenring@fibl.org)

### **Passing the experience from the leaders to the SMEs - a step by step approach**

The first step of the programme involved a sectoral assessment which asked the following questions: Which specific sectors should be targeted and why? What types of actors are involved in this sector and what roles do they play? What roles do leaders in the sector play and what potential impact could they have? Which kinds of interventions are needed to stimulate the development of the sector? In Ukraine we focused on two parts of the organic sector, containing around 150 certified businesses, as well as on promoting a regional Carpathian brand.

The second step involved defining an intervention strategy and selecting leaders. After defining the criteria that characterize leaders, a strategy document was developed, outlining how specific interventions should benefit leaders individually and the sector as the whole, defining the intended impact of the programme at these two levels. The relevant information was acquired through interviews with potential leaders that helped us develop company profiles and this then allowed us to draw up a list of potential leaders, taking account of their characteristics and considering who might benefit from participating in the programme. One essential condition is that leaders have to agree to make their farm/ company accessible to other actors within the market chain (SMEs) who can learn from the leader and follow his or her example. In Ukraine, FiBL selected five leaders in the organic arable crops and organic dairy sectors. There are actually over hundred SMEs within these two subsectors.

### **How to reach SMEs and contribute to growth**

This step of the programme involved identifying and defining concrete interventions. The following questions were addressed: What are the concrete activities that will benefit leaders (e.g. specific consultancy with regard to arable crops and dairy) and the two sub sectors? How to plan, implement and monitor these activities, including questions of timing and personnel? How to contractually define the partnership arrangement with Leaders, setting out the agreed activities and the type of commitment expected from each side? We selected field days on the leader farm/company and 1-day seminars as the most appropriate activities for disseminating expertise from leaders to other SMEs.

For activities and events, we defined clear objectives, a target group, responsibilities, and desired results. To ensure success, it is crucial that we provide the implementing actors (leaders and SMEs) with the support that they need.

Finally, the results of the interventions are being evaluated and documented both individually and collectively. This requires much gathering and compiling of information. The conclusions drawn will then be shared in an appropriate way (e.g. video, article, brochure, etc.).

### **Core messages and conclusions**

The Leader Approach is a powerful, market-oriented tool to accelerate the growth of market opportunities. Both leaders and SMEs are benefitting from this approach which is creating a win-win situation. The key to success is (a) tailor made support for leaders and (b) a professional moderation and dissemination strategy for outreach to the SMEs.

### **References**

[www.ukraine.fibl.org](http://www.ukraine.fibl.org)