



Agriculture Sector Sees Boost Through Transparency Challenge

Eighty percent of Ukraine's meat production comes from small-size household farms. Processors, unable to conduct house by house purchasing, buy from the unofficial underground market. Pricing of intermediaries is also unfavorable to producers and processors. Without reliable price information, producers aren't encouraged to produce and processors work at limited capacity.



Photo: Oksana Dorofeeva

Farmers deliver pigs to Charodiy Livestock Market.

Since 2003, sixty-eight market events/sales were held at Charodiy market with recorded sales of 5,200 head of cattle and 2,000 swine.

Results

USAID's development of a direct model has increased producer prices on average of six to eight percent - total estimated increased revenue of \$89,245 with \$36,792 in savings for processors. The development of a direct livestock market has also won over the Ukrainian government administration. USAID's partners will conduct a national seminar based on the Zhashkiv Model Livestock Market case to promote and facilitate the similar centers in other counties.

Initiative

USAID concluded that increasing market transparency through improved trading conditions would attract buyers and sellers to meet directly. USAID funded the establishment of the Charodiy Livestock Market in Zhashkiv, Cherkasy county in Ukraine as a transparent link between producers and processors.

At this market, buyers and sellers can bargain directly for small lots of animals. Veterinary inspection and other required support is provided prior to sales. USAID has also established the Info Center at Charodiy with Internet access and databank to provide market price information. Direct contact between buyers and sellers allows raw material producers to better understand the needs of both the processors and the market, as well as the relationship between price and quality.

For buyers, it provides access to a larger number of livestock (with veterinary control), reducing the time required for gathering raw material, and eliminating intermediary and transportation cost. Transparent pricing has encouraged other producers to sell at the market, and this has resulted in an increased supply of quality raw material to processors who now operate at a higher capacity and lower cost.