



## Adopting Standards Brings Growth to Business



Photo: Oksana Dorofeeva

Production conveyor at the Aquavit company in Ilyichevsk City, Odessa County.

“Since the beginning of our collaboration with the Institute in March 2003, we have achieved a lot, especially in the development and implementation of HACCP standards.”

– Andrey Mikhailov, the Director of Aquavit Plant

Aquavit, a Ukrainian fish-processing plant in Ilyichevsk City, had reached a crossroads for its future. The company could either focus on the Ukrainian market, or invest in a long-term plan that would allow it to develop export markets and strengthen its position in the local market. To break out of the Ukrainian market, Aquavit had to implement international standards such as the Good Management Practice (GMT) and the Hazard Analysis and Critical Control Points (HACCP).

USAID funded training for Aquavit personnel in HACCP and helped them develop a HACCP plan to address food-safety and quality-control issues. The plan underwent a technical audit conducted by a Louisiana State University AgCenter seafood specialist who found that costly microbiological testing along the entire food processing line did not allow Aquavit to address food quality issues, and at times, the company marketed food that was unsafe. Aquavit implemented the HACCP audit results by reconstructing and expanding their facility. The plant was equipped with modern fish-processing equipment and a second production line was added that doubled Aquavit's capacity.

Adoption of HACCP doubled Aquavit's production capacity, enabling it to increase local market share by 20% and enter export markets in Romania and Moldova. In 2003, production increased by 400 tons per month, leading to an increased annual demand for raw materials totaling \$4.5 million. Over the year, additional sales reached \$9 million and a gross profit of \$4.5 million. The plant expansion led to creation of more than sixty new jobs, and new employees earned \$95,094 in wages in the first year.