



SUCCESS STORY

Farmers Join Forces to Compete

A cooperative strengthens small farmers' market presence



Photo: AMP

Petro Fedyna, the director of the cooperative, presents dried fruit samples.

Agrodvir has developed relationships with several processing plants, including Vattyus, which it easily supplied tons of potatoes, carrots, bulb onions, white cabbage and Brussels sprouts.

Small-scale farms in Zhovkva, a town in Ukraine's Lviv Oblast region, faced a marketing challenge when produce processors and wholesalers began to seek raw material from larger agricultural entities, rather than individual producers. The large farms are more able to meet contract terms, and dealing with fewer producers simplified buyers' accounting operations.

In effort to adjust to a new market trend, six Zhovkva farmers decided to register an agricultural service cooperative called Agrodvir. They first had the idea six years earlier, after participating in USAID-supported study tours to Poland and Hungary, and in 2004, with assistance from another USAID-supported agricultural program, the farmers could prepare all the necessary legal documents. USAID advised them on the importance of hiring qualified employees and assigning clear responsibilities. They were also assisted in setting up cooperative accounting and tax payment systems.

Agrodvir was registered on February 6, 2004. By mid-2005, there were nine Agrodvir members farming a total of 255 hectares of land, including 12 hectares of orchards.

The cooperative's clear, innovative vision for developing business won it a grant from USAID to purchase fruit and vegetable drying equipment. This equipment has allowed the cooperative to process fruits and vegetables that don't meet the highest standards of the fresh market and would otherwise have gone to waste. In mid-2005, the cooperative forecast that the drying facility would bring in additional revenues of up to \$94,300.

The members of Agrodvir made \$145,000 in gross revenue their very first year. The cooperative has also developed relationships with several processing plants, including Vattyus, which it easily supplied tons of potatoes, carrots, bulb onions, white cabbage and Brussels sprouts. In 2005, the cooperative is fulfilling a major contract with Intermarket Wholesale Company, among others.

Telling Our Story

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