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UKRAINE

FIRST PERSON

Small Farmers Sell to Supermarkets

Supermarket contracts give small farmers a broader, dependable market



Photo: AMP

“I decided to focus my business on increasing the volumes and varieties of greenhouse vegetables and to sell them through supermarkets, thus gaining stability and trust,” said Mykola Chumak.

Mykola Chumak fell in love with the fertile land of Crimea in his childhood, helping his parents work their small parcel of land. Formerly a chief engineer of a state farm, Mykola decided to change tack after Ukraine gained independence. He took up private vegetable farming and has now been a farmer for 14 years. He says his farm saw its greatest success in 2004 — the year he began working with USAID. In October he made an additional profit of 20,000 hryvnia (\$3,775) from cucumber sales alone. By mid-2005, he had signed contracts with two major supermarket chains and sold 17,600 kilograms of produce worth 272,300 hryvnia (\$51,510).

When Mykola first began farming, small-plot vegetable growers sold their produce mostly in open-air markets, since few stores sold vegetables and supermarkets had not yet penetrated the area. He grew grains as his staple and tomatoes and cucumbers only as a side business. But his interest in these vegetables proved to be fortuitous when demand for them increased. By June 2004 Mykola had expanded his vegetable plot to 0.8 hectares of greenhouse, but now he faced the challenge of finding a market for his additional produce.

Emphasizing his vast greenhouse growing experience, USAID helped Mykola arrange contracts with Furchet and Silpo, Ukraine’s dominant supermarket chains. The collaboration allowed Mykola to sell more vegetables at a higher price and secure a direct outlet for his produce throughout the year.

Mykola has expanded production and constructed an additional 0.9 hectares of greenhouses, where he planted more tomatoes and cucumbers, as well as peppers and other greens exclusively for sale to supermarkets. He also hired four new workers. Ever forward-looking, Mykola re-invested additional profits into constructing a refrigeration unit to preserve his produce in the off-season, and he says he has already recouped his expenses. He recently sold his refrigerated cucumbers and tomatoes at a nice profit in a demand-driven market driven by last season’s poor yields.

USAID is stimulating rural incomes and employment in Ukraine by helping family farmers like Mykola profitably meet market needs. By mid-2005, USAID had helped 385 farmers arrange 4,300,000 hryvnia (\$811,000) in contracts with 112 retailers.

Telling Our Story
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