

Dear Stiyka Ukraina partners!

Firstly, I extend warm wishes for a "Happy New Year" to all our partners and express sincere gratitude for your unwavering support for Ukraine. Unfortunately, Ukraine faced a surge of Russian attacks during the holiday season, leaving thousands of villages without electricity and heat amid freezing temperatures as low as -15 degrees. However, this adversity hasn't dampened the spirit of the Ukrainian people. Despite the challenges, they are resiliently looking forward to the arrival of spring and summer.

In this 11th edition of the Stiyka Ukraina Newsletter, we've compiled various news items that shed light on the trajectory of Ukrainian horticulture. The encouraging news is that it's not all gloom and doom. While the economy experienced a 34% downturn in 2022, there is stabilization in 2023. Export, which faced fewer challenges from roadblocks in Poland compared to import, has prompted the horticultural sector to explore strategies to adapt to emerging trends in organic and regenerative horticultural production.

Another positive development is the addition of a new supporter to Stiyka Ukraina: the Municipality (Gemeente) Westland. Situated south of The Hague, this municipality is renowned for its Glasshouse Horticulture, innovations, and industrious people. Towards the end of 2023, we received news that the municipality is keen on supporting our initiative, a development that brings us great joy as we formulate new plans for the upcoming year, 2024!



Should you have any questions or remarks, please feel free to reach out at any time.

Warm regards,

Valeriy Lyashynskyy



The blockade at the Polish border had a more negative impact on imports than exports

Since November 2023, several industry organizations have been blocking the Dorohusk, Hrebenne and Korczowa border crossings in south-eastern Poland.

According to Ukraine's First Deputy Prime Minister and Minister of Economy, Yulia Svrydenko, exporters experienced losses, but they were less significant than those for importers. The availability of an alternative corridor allowed compensating for these losses by establishing the operation of a new maritime corridor.

Yulia Svrydenko added that the Ministry of Economy of Ukraine is working on unblocking the Ukrainian-Polish border. "We are employing various tools and methods, analyzing what other steps we can take to resolve this crisis. However, I believe that stable maritime logistics is a crucial factor, and the establishment of other logistic routes is necessary to eliminate these risks. This is the answer to how to properly organize work in 2024," emphasized Yulia Svrydenko.

According to the calculations of the Customs Service, the Ukrainian budget lost 9.8 billion UAH in November. The export of goods and services from January to November 2023 decreased by 12.4% compared to the same period in 2022.

Source: [AgroNews](#)

Ukraine Gathers Nearly 29 Million Tons of Vegetables



The majority of representatives of small and medium-sized agricultural enterprises in Ukraine believe that agribusiness has a negative impact on the environment.

This was reported by the [Ukrainian Fruit and Vegetable Association](#).

Among the main reasons cited were the use of chemicals, plowing of steppes, draining of marshes, improper waste management, and intensive processing leading to soil degradation.

Many farmers, through in-depth interviews, expressed a lack of understanding of what eco-practices mean in agribusiness. Most of them associate eco-practices purely with organic production, while stating that they do not see economic justification for this approach in their operations.

"However, some survey participants, in the course of the conversation, revealed that they are implementing certain practices on their farms that help reduce or prevent negative environmental impacts. Perhaps they do not always explicitly associate this with specific examples of methods," said Anna Danilyak, an expert in agricultural eco-management at the Center for Environmental Initiatives "Ecodia."

Decarbonization Fund has started operating in Ukraine.

The law providing for the creation of the State Decarbonization and Energy Efficiency Transformation Fund came into effect on January 1 in Ukraine.

The mentioned fund is established based on the European "polluter pays" principle, in accordance with the EU Regulation on Energy and Climate Action Management, which involves targeting environmental taxes for energy efficiency and decarbonization. This principle is applied in 21 EU countries.

Funds accumulated in the State Decarbonization and Energy Efficiency Transformation Fund will come from the environmental tax, as well as international credits and grants. These funds will be exclusively directed towards financing programs and measures for energy efficiency. The Law on the State Budget of Ukraine for 2024 anticipates revenue from the environmental tax amounting to 2.175 billion UAH.

Specifically, these funds will be allocated to state-targeted programs in the areas of energy efficiency, decarbonization, the use of renewable energy sources, and alternative fuels.

Source: [Delo.ua](#)



Shortage of storage facilities will lead to vegetable imports in spring



The construction of dozens of modern vegetable storehouses will allow Ukraine to become independent of imported produce, especially in spring.

"This statement was made by Dmytro Solomchuk, a member of the Committee on Agrarian and Land Policy of the Verkhovna Rada of Ukraine, according to the [announcement from the Ukrainian Parliament](#).

"Ukraine needs to build about 140-150 more vegetable storehouses. Currently, many producers store their products in not entirely prepared warehouses or store them underground, and such conditions negatively affect the quality of the products. Consequently, in April, some goods will have to be imported, as domestic ones will lose their quality," said the parliamentarian.

He emphasized that Ukraine has all the possibilities to fully provide itself with agricultural products. This year, the Ministry of Economy will provide more grants for processing and equipment for this purpose. Our country should produce its own agricultural products, as it is a sign of food independence.



Berry farming in Ukraine in 2023



The year 2023 was very challenging for Ukrainian berry farmers. However, overall, berry farming in Ukraine is expanding, although the dynamics in terms of areas have slightly decreased. Many grant programs contribute to this development.

The president of the Ukrainian Fruit and Vegetable Association (UFVA), shared this information in an [interview with SEEDS](#).

– The year 2023 has passed, it was a challenging year. Could you name at least the top three events of 2023 that had the most impact on the development of the fruit and vegetable business in Ukraine?

– The war is the first and most important factor. The second is the border blockade, but it can be attributed to the first. These are the two main negative events of the past year, in my opinion.

But there is also a positive one – grant programs. They started operating in the fall of 2022, but they can be considered important factors for 2023 since they significantly influenced the development of berry farming in Ukraine.

In general, berry farming in Ukraine is expanding. Areas are increasing. Perhaps the dynamics are slightly lower in terms of areas, but it is necessary to take into account that we, hopefully temporarily, lost some territories where areas were also expanding, particularly in southern Ukraine.

Perhaps processing, it is really difficult to name any plants over the past year, but as for plantations, everything is developing normally.

– You mentioned grants; which programs specifically help our berry farmers?

– As far as I know, these are foreign funds, but the Ministry of Agrarian Policy and Food is the administrator. Everything happens quite quickly and transparently – you simply submit an application for what you want to plant. And if earlier compensation was provided for actual expenses, now they advance you these funds, and you have a year and a half, 18 months, to implement this project according to the grant. This program is still active and will continue to operate next year. It applies not only to berry and fruit crops but also to nuts.

– How is the current situation at the border with berries and fruit crops? They all spoil quite quickly.

– Firstly, it's the middle of winter now, so it's impossible to talk about fresh berries being exported now – where would they come from? Frozen berries are exported. Of course, apples are also exported. But apples are not berries; they store well. It is unpleasant, of course, to stand in line at the border for 4-5 days, but exports are still happening.

– Did the problems with border blockages significantly affect the export of fruit and vegetable products, especially in terms of quantity?

– They did not affect the fact that something spoils on the way. They rather affected the fact that logistics became very expensive due to queues, and this, of course, reduced the economy. The cost of transportation has become more expensive.

The government is preparing special tax conditions for cannabis producers



The Ministry of Finance of Ukraine is developing proposals for the taxation of cannabis production in connection with the legalization of medical cannabis.

The head of the parliamentary committee on finance, tax, and customs policy, Danylo Hetmantsev, noted that cannabis could become one of the non-standard reserves for budget replenishment.

“We have recently legalized medical cannabis. Will the cultivation of cannabis increase the tax base? It will. Can we talk about additional revenues for the budget in this context? We can. I'm serious,” said the deputy.

Danylo Hetmantsev believes that it is too early to discuss what the fiscal effect will be.

“But I am sure that it is wrong to tax cannabis production the same way as wheat production, at 300 UAH/ha. I think it should be more,” added the parliamentarian.

He expressed confidence that European tax conditions for cannabis cultivation should be envisaged, mentioning excise taxes or tax options based on the area as possible mechanisms.

Source: [AgroPortal](#)

