

Sustainable development potential of small agricultural enterprises in Ukraine

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Number of enterprises

The total number of business entities in the agro-industrial complex (as of January 1, 2023) is 9,007.

Among them:

legal entities - 73182 units, including farms - 49567

Individual entrepreneurs - 17825, including private farms - 1995

**Small farms - 50 per cent, including sole
proprietorships - 29 per cent**

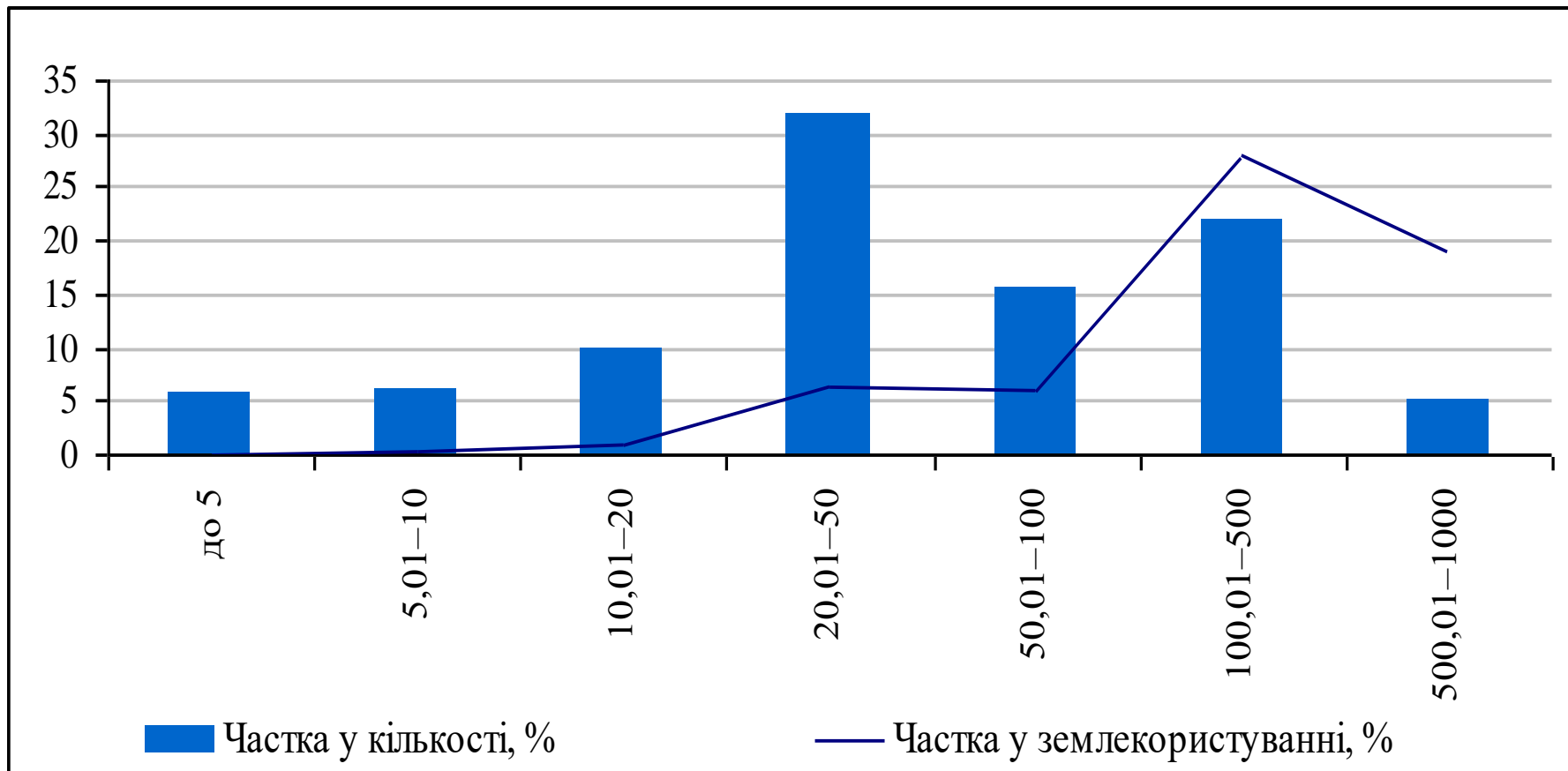
**land under cultivation of 3070 thousand ha / share of
total agricultural land - 7.2%**

Share in gross agricultural production - 8.1%.

**The number of individual farms is 3.9 million,
land under cultivation 6120 thousand ha / share of total agricultural land 14.3%
Share in gross agricultural production - 12.5%.**



Distribution of farms by size of agricultural land, 2021



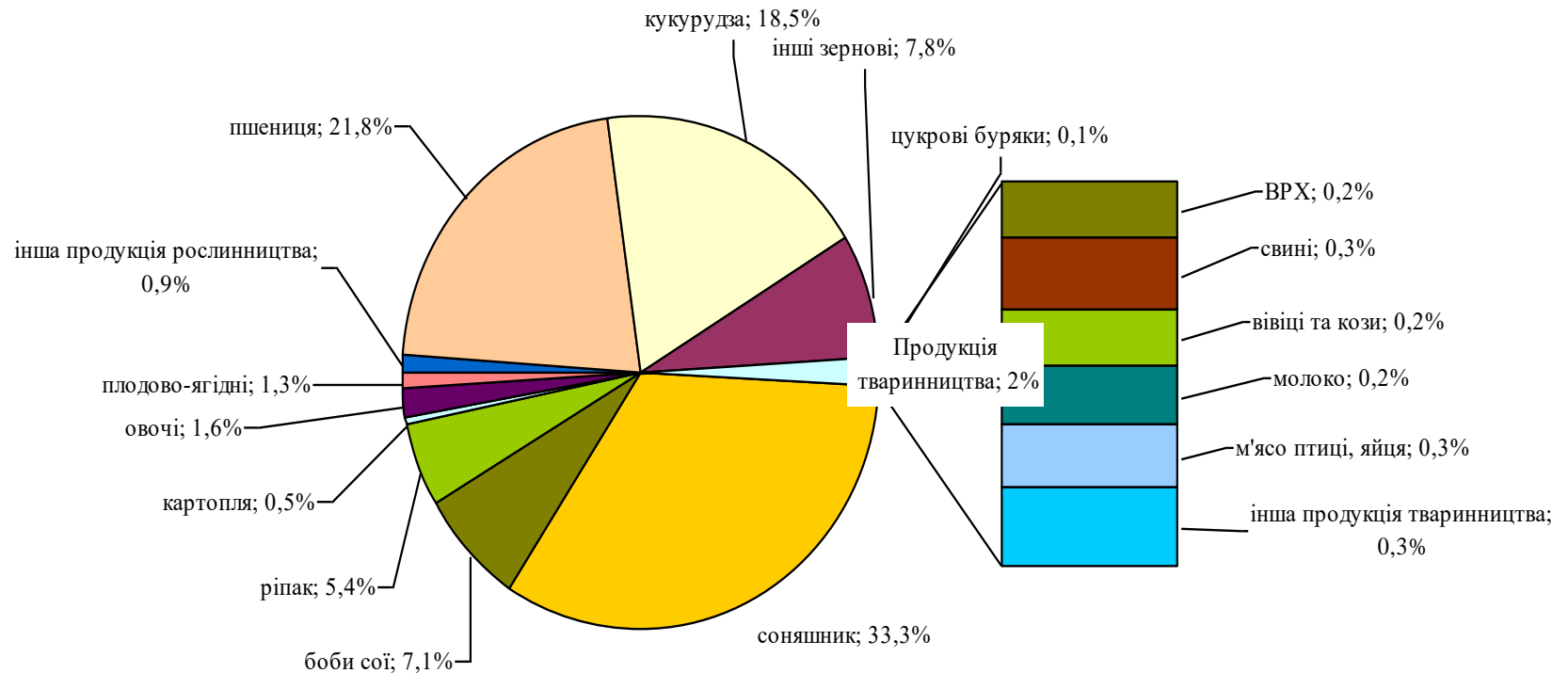


Production by farms, 2021

Total output, billion UAH	90,2
including crop production	86,4
livestock products	3,8
%	13



Income structure of small farms





Farmers' expectations and assessment of the current situation

Trying to stabilise the farm at the current level ("to avoid making things worse") - 45%

Looking for partners and cooperating - 25%.

Shutting down operations and/or preserving their assets to avoid losses - 5%

Cutting farm staff and auxiliary staff, reducing production volumes - 5%

Expanding operations, increasing crop areas, looking for new markets, being ready for change and learning - 20%



RISKS AND CHALLENGES

Reduction of the size of the land bank and reducing sown areas
Negative payback on production
Fluctuations in demand on foreign markets
Complicated relationships with retailers in the domestic market
Changes in traditional export routes and additional associated costs
Implementation of good agricultural practice principles
Low capacity to compete with large-scale farms
Restoration of infrastructure
Unpredictable impact of new legislative initiatives



RECOMMENDATIONS

- Revision of the structure of sown areas and/or production structure;
- transition to energy-efficient production;
- diversification of activities, transition from raw material production to the creation of value chains;
- establishment of a sustainable system of public procurement of agricultural products;
- ensurement of a sustainable network of consulting services;
- acceleration of the completion of the implementation of Ukraine's regulatory framework in line with the requirements of the European Union
- establishment of a dialogue to prove to EU partners that Ukraine is a strengthening force in the agricultural sector for the EU, and that with Ukraine in the EU it will become a powerful global player
- introduction of war risk guarantee programmes and mechanisms for compensating citizens and businesses for lost property



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Thank you for your attention!