



7/14/2005

Association of Enterprises of Fruits and Vegetable Traders (AEFVT)

Project under FARM Responsive Mechanism

Project: "Producer and Consumer – Linking of Interests"

Final Progress Report

December 2003 – December 2004

I. Executive Summary

The Project "Producer and Consumer – Linking of Interests" was aimed at economic growth in the regions and support and facilitation of the development of civil society in agrarian sector, involvement of public organizations into lobbying activity in order to develop legislative framework in the sphere of entrepreneurship and agricultural production.

The project was implemented by the Association of Enterprises of Fruit and Vegetable Traders in partnership with Alberta Farm Fresh Producers Association.

II. Summary Project Description

a. Background and Rationale for the Project

The Project "Producer and Consumer – Linking of Interests" fit into the main objective and tasks of FARM program as it was aimed at an increase in economic efficiency, equal opportunity for participation of men and women, and envisaged participation of their Canadian partner.

Access to information about supply and demand on fruits and vegetable market; practical experience and knowledge received by the project participants at the result of implementation of the Project shall help agricultural producers and entrepreneurs in agrarian sector to supply and market agricultural products more efficiently; it shall link interests of Ukrainian producers and consumers.

Increase of a range of services and their quality by the Association provided to agricultural producers shall increase membership in the associations of farmers and strengthen their role in development of private business sector in Ukraine.

b. Project Goal/Objectives

The main objectives of the project are the following:

- To expand spheres of public professional associations in agrarian sector and develop range and quality of services provided to Ukrainian producers.
- To develop a consulting line "Hot line for farmers and entrepreneurs in agrarian sector", including issues of taxation, accounting and acting legislation.
- To create efficient system of marketing of agricultural products from a producer to a consumer.
- To design mechanism of lobbying of interests of agricultural producers and entrepreneurs in agrarian sector to recreate and develop agrarian sector of Ukraine and increase livelihood level of rural population in the country.
- To increase knowledge of agricultural producers and entrepreneurs in agrarian sector in business planning, general and financial management, conducting business negotiations.
- To provide access of agricultural producers and entrepreneurs in agrarian sector to credits and investment resources.

- To liquidate “information vacuum” in rural area through publication of information bulletin with latest information on changes in acting legislation, useful information about farm operation and production, etc.

III. Project Achievements

a. Outputs/Deliverables

- At least 400 agricultural producers and entrepreneurs in agrarian sector increase their knowledge in business planning, conducting business negotiations and financial management, receive better understanding of market economy and operate more efficiently.
- At least 5 associations increase their influence; associations provide a wide range of useful high quality services to agricultural producers and entrepreneurs in agrarian sector; efficiently protect rights and interests of their members at various levels of power.
- At least 1000 members of the associations benefit from receiving improved services from the associations.
- Agricultural producers and entrepreneurs in agrarian sector as well as their customers form a single chain of supply and marketing of agricultural produce.
- A number of problems of agricultural producers and entrepreneurs are resolved through establishing efficient dialog between state officials and agricultural producers and entrepreneurs in agrarian sector (simplified system of taxation for agricultural producers in relation to pension fund, fixed agricultural tax, etc.).
- Entrepreneurs in agrarian sector increase and improve their professional approach to conducting business and create positive image of Ukrainian agricultural producer.

During the reported period the following specific results have been achieved:

- 120 participants of the training seminar “How to protect own business” in Vynnytsa and Ivano-Frankivsk oblasts - agricultural producers and entrepreneurs - have learnt about changes in current legislation regulating ag sector operation; they have learnt how to resolve problems faced by them most often legally and protect own business.
- 78 participants of the training seminar “Basic principles of contractual relations” in Vynnytsa and Ivano-Frankivsk oblasts have learnt how to conduct business negotiations and establish partnership relations; they have also learnt how to create a favourable business environment; they have formed new vision and understanding of running businesses in conditions of a market economy
- 116 participants of the training seminar “Key factors of success in business” in Vynnytsa and Ivano-Frankivsk oblasts and Kyiv have learnt how to prepare a business-plan, to get access to credits, and other financial sources. And have received knowledge and skills on how to manage and run their own business in an efficient manner;
- 41 participants of the training seminar “Art of quick sales” in Vynnytsa oblast have received opportunities to conclude business contracts; they started using new marketing methods and technologies;
- 38 participants of the training seminar “Modern methods of lobbying” have learnt how to create situation coalition and received practical skills and practical advice as to realization of lobbying campaigns for protection of their members’ interests.

- 38 participants of the training seminar “Management of the associations” learnt how to develop a strategic plan for their organizations and start offering new services to their members;
- 53 participants of the round table “Introduction of pension reform on condition of preserving of existing simplified system of taxation” in Kyiv have discussed and exchanged opinions about the issue of fixed agricultural taxation, as well as advantages and draw backs of the fixed agricultural tax; the participants have prepared a resolution aimed at the improvement of the existing system of taxation.
- 50 participants of the round table session “From words to work” in Lviv received practical skills related to registration and functioning of the farmers cooperatives for marketing of agricultural products from a producer to a consumer;
- 50 participants of the round table session “Simplified taxation scheme for the farms” in Vynnytsia were introduced into fixed agricultural taxation; they received practical information about advantages and draw backs of the fixed agricultural tax;
- 53 participants of the round table session “Problematic Issues of Registration of Labour Relations between Private Entrepreneurs and Employees” in Kherson have received practical skills on how to resolve problematic issues caused by registration of contractual relations. The participants have put forward a number of proposals aimed at efficient resolution of problematic issues related to registration of labour relations.
- 51 participants of the round table session “The Status and Perspectives of the Development of Insurance of Agricultural Risks in Ukraine” in Lutsk have received practical information on how to reduce and manage risks of their business.
- 500 copies of the manual “Public Hearings as a Lobbying Tool” were disseminated among farmers, entrepreneurs and members of the association which helps them to organize and conduct public hearings in their lobbying activity;
- 500 copies of the manual “How to protect own business” were disseminated among farmers, entrepreneurs and members of the association which helps them to represent and protect their interests when running own business
- In total 2256 agricultural producers of all forms of ownership, entrepreneurs received qualified consultations through “Hot Line” (1916) and “Legal Reception” (340). These consultations covered issues related to taxation, protection of their legal rights as regards their business operation, procedures for legal documents preparation which helped them to increase efficiency of their business operation
- Agricultural producers and entrepreneurs in agrarian sector as well as their customers (fruit and vegetable retail and wholesale traders) formed a single chain of supply and marketing chain through access to marketing information and establishing business relations in fruit and vegetable sector
- Entrepreneurs in agrarian sector increase and improve their professional approach to conducting business and create positive image of Ukrainian agricultural producers through receiving practical training on business plans preparation, application for credit, performance their contractual responsibilities thus creating an image of an Ukrainian agricultural producers as a reliable business partner for local and foreign investors, banking institutions, etc.

IV. Project Sustainability

At the result of the Project implementation a mechanism of partnership has been developed between agricultural producers and consumers of agricultural products linking interests of all participants of a “chain” on a long-term basis.

Participation of the associations of farmers and entrepreneurs from different oblasts of Ukraine in the project linked their interests, helping to develop farmers' associations and increase their membership, which will support Project activity in the future thus developing and strengthening civil society in Ukraine.

AEFVT management has identified new directions of the association development and plans to continue partnership relations with the FARM Program.

V. Comments

Project "*Producer and Consumer – Linking of Interests*" implemented by Association of Enterprises of Fruit and Vegetable Traders has been successfully implemented supporting overall reform of Ukraine's primary agrarian sector and contributing towards civil society development in decision-making processes that positively affect farmers' and entrepreneurs' social and financial status.

At the result of an extensive training program (seminars and round tables, preparation of manuals) participants of the Project have learnt skills how to protect own business in an efficient manner, how to take correct management decisions as to management and running own business. Use of question-answer method during the seminar increases efficiency of collaboration with the state officials and helps to establish dialog; received knowledge and skills which form new vision and understanding of market economy, help to prepare business-plans, provide access to credits and other financial sources; learnt practical skills in business organization, conducting business negotiations and establishing partnership relations, favoring more successful business development;

Currently the producers and consumers are able to conclude long term contracts, implement efficient mechanism for selling and supplying; the associations working in agrarian sector are implementing lobbying campaign through public hearings and test methods of lobbying; agricultural producers and entrepreneurs in ag sector became more confident in own skills and knowledge; they use modern marketing methods and technologies; develop strategic plan for their organization, develop new services for agricultural producers; the associations learnt modern methods of lobbying, professional skills, and receive practical advice regarding representation and protection of their members rights and interests.