

FOREIGN ECONOMIC ACTIVITY OF UKRAINE IN THE FIELD OF ORGANIC PRODUCTION DURING THE WAR

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Introduction. The foreign economic activity of producers of organic products of Ukraine acquired special significance in the conditions of the war. The COVID-19 pandemic and the full-scale invasion of Russia have significantly affected the agricultural sector, in particular the production and export of organic products. In this connection, there is a need to analyze current challenges and find new opportunities to support and develop this industry. Research aimed at revealing the peculiarities and prospects of foreign economic activity of producers of organic products in the conditions of war is extremely relevant, as it contributes to the search for ways to stabilize and increase exports, as well as increase the competitiveness of Ukrainian products on the world market.

Analysis of recent research and publications. Taking into account the recent changes in the agro-industrial complex, the trend towards organic production is actively spreading. Accordingly, scientists actively analyze all processes related to the production, processing and sale of organic products, as in the works of Baldyniuk V.M. [1] outlined the main levels of state regulation of Ukraine's foreign economic activity. The organizational and economic principles of the development of foreign economic activity of agrarian enterprises are very well described in the works of R. B. Batiuk. [2], Broyak A.A. [3], Gadzalo Y.M., Luzan Y.Ya. [4], Krasnikov D., Beketov O. [5], Mazur K.V., Hontaruk Y.V. [6]. In the works of Novytska I.V. [7], Tulchynska S. AT. and Malakhova Yu. R. [8] considered in detail the prospective directions of the development of the management of agro-industrial enterprises and directly those engaged in the production, processing and sale of organic products.

Objectives of the article. The purpose of the study was to consider the latest trends in the dynamics of changes in the external economic activity of organic producers, taking into account the impact of military actions on the territory of Ukraine.

The main material of the study. According to a study by the Ministry of Agrarian Policy and Food of Ukraine [9], conducted through a survey of foreign certification bodies, as of the end of 2022, the total area of rural land allocated for organic production and transition in Ukraine reached 263,619 hectares, which is 0.6% of the total agricultural land in the country.

The structure of organic land is as follows: land with organic status – 246,126 hectares; land in transition – 17,493 hectares. At the same time, the number of operators amounted to 462, of which 380 are agricultural producers [10].

Before the full-scale invasion of Russia, the Ukrainian organic market was actively developing. Supermarkets were expanding the range of organic products in response to growing consumer demand.

The most popular categories of organic products in Ukraine were: vegetables, fruits and mushrooms; cereals, grain products, flour; seeds, oil, etc.

However, the war has made significant adjustments to the development of the organic market. Due to hostilities, the occupation of part of the territory, and logistical problems, domestic sales of Ukrainian organic products decreased by 36% in volume (6,280 tons) and 48.0% in value (about USD 17 million) in 2022 compared to 2021 [11].

Thanks to the resilience of producers, support from international partners and the state, as well as the growing demand for organic products in the world, Ukrainian organic products will once again be able to win over consumers both in Ukraine and in export markets.

Despite the full-scale invasion of Russia, Ukraine has demonstrated the resilience of its organic sector, managing to maintain significant export volumes. According to Organic Standard LLC, in 2022, Ukraine exported 245.6 thousand tons of organic products worth 219.0 million USD. USD to 36 countries. These figures are close to the level of 2021 (261 thousand tons, 222.0 million USD) [10].

The vast majority of organic products from Ukraine are exported to European countries (95.0%). Export volumes by land transport increased, while sea and air transportation decreased.

In 2022, the largest importers of Ukrainian organic products were Austria, the Czech Republic, Germany, Italy, Lithuania, Poland, the Netherlands, Switzerland, the United Kingdom, the United States, and the United Kingdom.

The top 3 exported organic products from Ukraine included corn, soybeans, and wheat. Other products in high demand were sunflower oil, sunflower cake, sunflower, frozen blueberries, barley, rapeseed, millet, and other products.

These figures show that Ukrainian organic products are in high demand on the global market, and Ukrainian producers are able to adapt to new conditions and continue to supply their products abroad.

Today, the Ministry of Agrarian Policy of Ukraine closely cooperates with various international projects aimed at developing the circulation of organic products in Ukraine and organic production in general – see Figure 1.

Representatives of the projects and programs actively contribute to the development of the legislative and regulatory framework, implementation of legislation on organic production, as well as the introduction of a system of labeling and circulation of organic products. They also organize and support various events to promote and support organic production.

With the support of the Ministry of Agrarian Policy and in cooperation with organic sector stakeholders and international development partners, various activities are underway to promote the development of the organic market in Ukraine.

The leading importers of organic products to the EU include the United Kingdom, Ecuador, the Dominican Republic, India, Colombia, China, Peru, Mexico, Ukraine, and Turkey. Together, these ten countries account for almost 63.0% of all organic imports.

Ukraine is a leading exporter of organic products to the EU. In particular, it ranks No. 1 in terms of grain exports (except wheat and rice) and is among the top three exporters of soybeans, oilcake and oilseeds.

In addition, Ukraine rose to 2nd place in 2021-2022 in terms of fruit exports (fresh and dried, except tropical and citrus fruits).

An analysis of the dynamics of Ukraine's foreign economic activity in the field of organic production in 2022-2024 shows significant changes caused by the war, logistics challenges, and the influence of international markets and demand.

According to the Ministry of Agrarian Policy and Food of Ukraine, exports of organic products in 2022 decreased significantly due to the blockade of Black Sea ports and the destruction of transport infrastructure.

However, thanks to international support and the creation of alternative logistics routes, exports partially recovered in 2023 (see Table 1).

In 2022, the total area of certified organic land in Ukraine decreased by 15% compared to 2021 due to the occupation of some territories and the destruction of infrastructure.

In 2023, the area of certified land began to grow gradually thanks to government support and international investment in agricultural recovery.

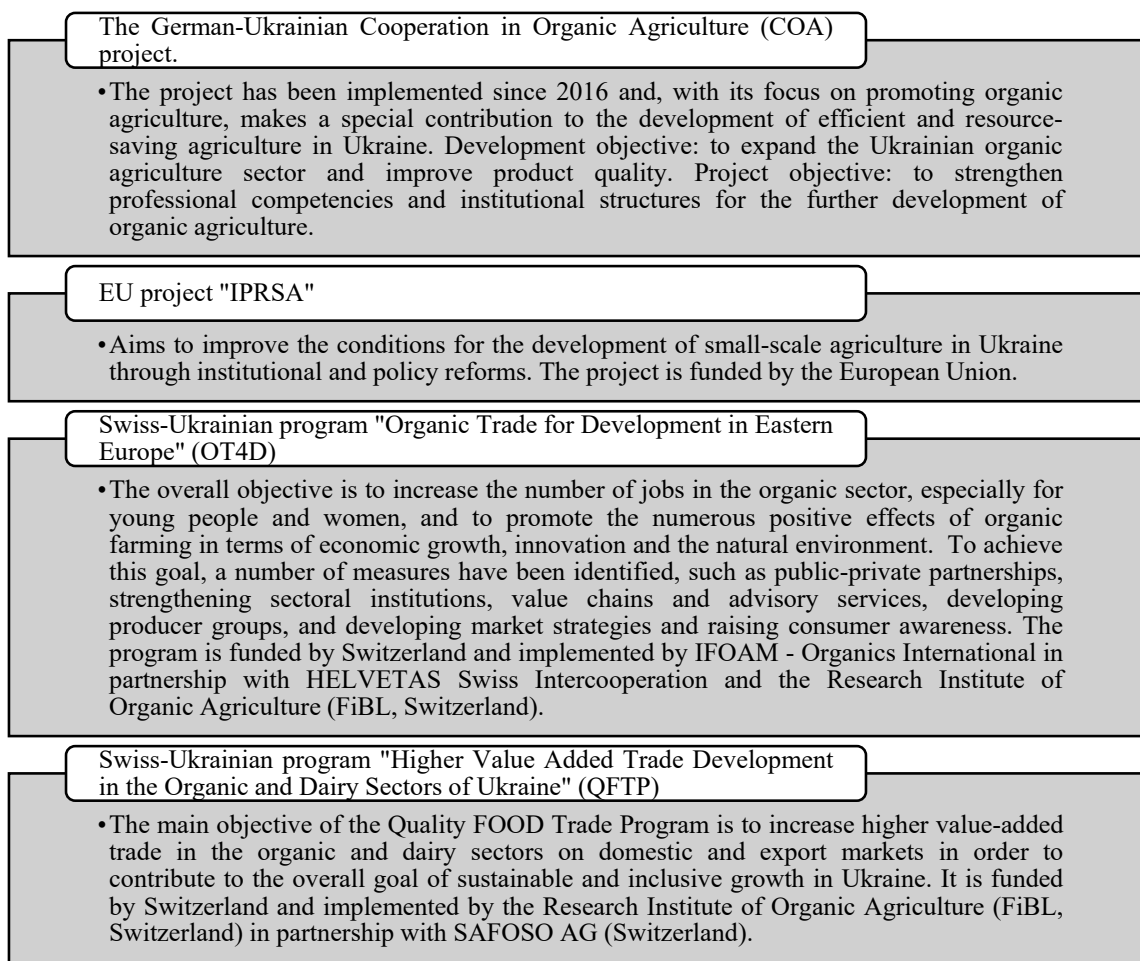


Figure 1. International projects for the development of organic production and organic products circulation in Ukraine

Source: [9]

Table 1

Dynamics of exports of organic products from Ukraine to exporting countries in 2022–2024, USD million

Year	Exports of organic products, mln USD	Main export markets
2022	219,0	EU, USA, Canada
2023	232,0	EU, USA, Canada, Japan
2024 (forecast)	300,0	EU, USA, Canada, Asia

Source: compiled by the authors based on [9]

The main types of organic products exported from Ukraine include cereals, oilseeds, fruits, vegetables, and processed products (organic oils, juices, and canned food) – see Table 2.

Table 2

Structure of exports of organic products from Ukraine by main types, 2022–2024, in %

Types of products	2022	2023	2024 (forecast)
Cereal crops	40%	38%	35%
Oilseeds	30%	32%	34%
Fruits and vegetables	20%	20%	20%
Processed products	10%	10%	11%

Source: compiled by the authors based on data from [9]

Investments in Ukraine's organic sector increased in 2023 thanks to government support programs and international grants. The main areas of investment were infrastructure rehabilitation, logistics development, and the introduction of new technologies in organic production.

In 2023, Ukraine exported 261,000 tons of organic products worth USD 232 million to 42 countries, an increase of 6% in volume and value compared to 2022 [4].

The growth in exports demonstrates the resilience of the Ukrainian organic sector in the face of war. European countries remain the largest importers (94% of exports).

The top 5 exported products include corn (40%), soybeans (17%), wheat (12%), sunflower oil (8%), and sunflower cake (6%). Exports of organic products to Asia and North America are also growing.

In the first 5 months of 2024, exports of organic products from Ukraine amounted to 105,000 tons worth USD 96 million. This is 12% more in volume and 8% more in value compared to the same period in 2023.

This data shows that Ukraine is maintaining the growth dynamics of organic exports. It is expected that by the end of 2024, exports of organic products from Ukraine will reach 300,000 tons worth USD 264 million [12–18].

Imports of organic products to Ukraine started to grow in 2023. The volume of imports amounted to 35,000 tons worth USD 35 million, which is 40% more in volume and 40% more in value compared to 2022. European countries remain the main importers. Mostly organic fruits, vegetables, and seeds are imported.

Also, in the first 5 months of 2024, the volume of organic imports to Ukraine amounted to 18,000 tons worth USD 18 million. This is 20% more in volume and 15% more in value compared to the same period in 2023. It is expected that by the end of 2024, imports of organic products to Ukraine will reach 31,000 tons worth 31 million USD [13–18].

Organic production in Ukraine has demonstrated resilience to the challenges of war. Exports of organic products from Ukraine are growing, and imports are gradually recovering. It is expected that Ukraine will maintain the positive dynamics of the organic sector through 2024.

Conclusions. Thus, it can be concluded that the dynamics of Ukraine's foreign economic activity in the field of organic production in 2022–2024 demonstrates a recovery from the significant losses caused by the war.

Thanks to international support and government programs, exports of organic products are gradually growing, markets are expanding, and the area of certified organic land is increasing.

Investments in the sector contribute to the introduction of new technologies and increase the competitiveness of Ukrainian organic products on international markets.

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Iryna Chychkalo-Kondratska, Doctor of Economic Sciences, Professor, Head of the Department International Economic Relations and Tourism National University «Yuri Kondratyuk Poltava polytechnic». **Iryna Levchenko**, PhD, Docent, Associate Professor of the Department of International Economic Relations and Tourism, National University «Yuri Kondratyuk Poltava Polytechnic». **Ivan Sharyi**, Student, National University «Yuri Kondratyuk Poltava Polytechnic». **Foreign economic activity of Ukraine in the field of organic production during the war.**

The article examines the latest trends in the dynamics of changes in the foreign economic activity of organic producers, taking into account the impact of military operations on the territory of Ukraine, and also identifies the main importers of Ukrainian organic products in 2022, including such countries as: Austria, Great Britain, Italy, Lithuania, Poland, the Netherlands, Germany, the USA, Switzerland and the Czech Republic. In addition, the work examines the dynamics of the export of organic products from Ukraine to exporting countries for 2022–2024. and structured according to the main types of products. International projects on the development of organic production and circulation of organic products in Ukraine were considered. With the support of the Ministry of Agrarian Policy and in cooperation with participants of the organic sector and international development partners, various activities are taking place to promote the development of the organic market in Ukraine. Organic production in Ukraine demonstrated resistance to the challenges of war. It was established that the export of organic products from Ukraine is growing, and the import is gradually recovering. In the first 5 months of 2024, the export of organic products from Ukraine amounted to 105,000 tons worth 96 million US dollars. This is 12% more in volume and 8% more in value compared to the same period in 2023. Such data indicate that Ukraine is maintaining the dynamics of growth in the export of organic products. It is expected that by the end of 2024, the export of organic products from Ukraine will reach 300,000 tons worth 264 million US dollars. The obtained results are of significant practical importance, as they allow: to develop strategies and recommendations for increasing the efficiency of foreign economic activities of producers of organic products; to determine the main directions of support and development of the agro-industrial sector in the conditions of war; to increase the competitiveness of Ukrainian organic products on the world market; ensure the stability and growth of exports, which will contribute to the economic development of the country as a whole.

Key words: agricultural industry, organic production, foreign economic activity, export, import.

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Чичкало-Кондрацька Ірина Борисівна, доктор економічних наук, професор, завідувачка кафедри міжнародних економічних відносин та туризму, Національний університет «Полтавська політехніка імені Юрія Кондратюка». **Левченко Ірина Василівна**, доктор філософії, доцент, доцент кафедри міжнародних економічних відносин та туризму, Національний університет «Полтавська політехніка імені Юрія Кондратюка». **Шарій Іван Григорович**, студент, Національний університет «Полтавська політехніка імені Юрія Кондратюка». **Зовнішньоекономічна діяльність України у сфері виробництва органічної продукції під час війни.**

У статті розглянуто останні тенденції в динаміці змін зовнішньоекономічної діяльності органічних виробників з урахуванням впливу військових дій на території України, а також встановлено основних імпортерів української органічної продукції у 2022 році, серед яких такі країни, як: Австрія, Велика Британія,

Італія, Литва, Польща, Нідерланди, Німеччина, США, Швейцарія та Чехія. Крім того у роботі розглянуто динаміку експорту органічної продукції з України до країн-експортерів за 2022–2024 рр. та структуровано за основними видами продукції. Розглянуто міжнародні проекти з розвитку органічного виробництва та обігу органічної продукції в Україні. За підтримки Міністерства аграрної політики та у співпраці з учасниками органічного сектору та міжнародними розвитковими партнерами відбуваються різноманітні заходи з метою сприяння розвитку органічного ринку в Україні. Органічне виробництво в Україні продемонструвало стійкість до викликів війни. Встановлено, що експорт органічної продукції з України зростає, а імпорт поступово відновлюється. За перші 5 місяців 2024 року експорт органічної продукції з України становив 105 000 тон на суму 96 млн доларів США. Це на 12% більше за обсягом та на 8% за вартістю порівняно з аналогічним періодом 2023 року. Такі дані свідчать про те, що Україна зберігає динаміку зростання експорту органічної продукції. Очікується, що за підсумками 2024 року експорт органічної продукції з України сягне 300 000 тонн на суму 264 млн доларів США. Одержані результати мають значне практичне значення, оскільки дозволяють: розробити стратегії та рекомендації для підвищення ефективності зовнішньоекономічної діяльності виробників органічної продукції; визначити основні напрямки підтримки та розвитку агропромислового сектора в умовах війни; підвищити конкурентоспроможність української органічної продукції на світовому ринку; забезпечити стабільність та зростання експорту, що сприятиме економічному розвитку країни в цілому.

Ключові слова: агропромисловість, органічне виробництво, зовнішньоекономічна діяльність, експорт, імпорт.