## AGRARIAN AND ENVIRONMENTAL LAW. LAND LAW

DOI https://doi.org/10.30525/978-9934-26-040-7-31

## FORMATION OF THE MARKET OF ORGANIC PRODUCTS: WORLD EXPERIENCE AND PROSPECTS IN UKRAINE

#### Ignatenko I. V.

Ph. D. in Law, Associate Professor, Associate Professor at the Department of Land and Agrarian Law Yaroslav Mudryi National Law University Kharkiv, Ukraine

The development of organic agricultural production plays an important role for the efficient use of land-resource potential of rural areas and ensuring employment of the population. In many countries, the production of organic products develops about 40 years, which promote government authorities directly or indirectly supporting producers of such products.

Ukraine is at the initial stage of organic sector development and requires considering international experience in order to form its own effective mechanism for the development of organic agricultural products. Therefore, it is advisable to analyze the experience of the European Union member states, developed economies, as well as countries whose positions in the market of organic products are very similar to the domestic. Based on such consideration, it is possible to propose appropriate measures and tools of influence, the application of which will facilitate the development of the organic sector Ukraine.

160 countries are engaged in the production of organic products. As the calculations show, 78% of all organic lands in the world are concentrated in 13 countries. 32.43% of the total area are located in Australia – the world's largest exporter of organic products, Argentina (11.35% of world organic lands), USA (5.27%), Brazil (4.78%) and China (3, 76%), Uruguay (2.51%), India (2.11%). Among European countries, Spain, Italy, Germany, France and Great Britain are playing a significant role in world production of organic products. The largest areas of organic agricultural land are located in Spain (more than 1.3 million hectares, 17% of all organic agricultural lands),

Italy (more than 1 million hectares, 12.9%), Germany (908 thousand hectares, 11.7%) and Great Britain (726 thousand hectares, 9.4%). This, in particular, is due to the fact that these countries have significant agricultural land areas and a highly developed agro-industrial economy. The greatest development of organic agriculture in relation to traditional agriculture is observed in Austria (16% of all agricultural lands are organic), Sweden (10%), Czech Republic (8.5%) and Latvia (8.5%).

One of the features of the American management model is of interest to Ukraine. In order to allow developing organic agriculture as one of the types of additional income for households in the US only those producers whose annual turnover exceeds 5 thousand dollars can be certified. They can call their products organic, but cannot use national marking. When improving the legislative framework of the Ukrainian market of organic products, it is possible to go for a similar step, which will allow domestic personal subsidiary farms to receive additional earnings. In any case, such manufacturers will be unprofitable to undergo official certification. In this case, it is a likely that this additional earnings for the host of a personal subsidiary will subsequently turn into the main, after which it will already be required to carry out certification. This can become one of the ways involving new manufacturers on the organic market.

Also interesting is the experience of Denmark, Great Britain and Italy, where the state as a part of its social policy delivers organic food in public institutions – especially hospitals, kindergartens and schools. Moreover, in the UK, this happens in private principles – in the interests of strategic business development.

Of course, the organic sector needs state support by providing financial assistance, preferential lending and taxation, etc. Today, in Ukraine there is an acute need to legally identify organic agriculture and take measures for its financial support. Because without state participation, this industrial direction or does not develop at all, or develops very slowly. Significant support can also be the establishment of a state order for the production of organic agricultural products. Another option for state aid is to provide interest-free loans or subsidizing interest rates or compensation for certification costs. In addition to manufacturers of organic agricultural products, subsidies can be provided for processing enterprises and traders.

Foreign experience also demonstrates that regardless of the chosen model of market management of organic products, the level of production of organic products directly depends on the state subsidization of manufacturers and the presence of legislative provision of this agricultural direction. In Ukraine, manufacturers of organic products are currently working in accordance with the legislation relating to all agricultural

commodity producers, and do not have any benefits in obtaining state subsidies.

After Ukraine's entrance to the World Trade Organization, the domestic market of organic products risks to face the expansion of foreign manufacturers that operate in much more favorable financial and legal terms.

Thus, in order for the Ukrainian organic product market, barely starting to function, it requires the formation and implementation of the National Management Model, which will consider both the interests of the development of the domestic market and the interests of exports of organic products. Improvement of legislation and structures of certification and supervisory organizations, drawing up a program of financial, informational and marketing support for domestic producers of organic products – these are events, without which the development of the domestic market of organic products in conditions of severe international competition is practically impossible. For Ukraine, the structure of exports of which is raw material, the formation of organic agriculture with an orientation to the country with a developed national market, but the lack of production base is particularly relevant.

DOI https://doi.org/10.30525/978-9934-26-040-7-32

# ПАРТНЕРСТВО УКРАЇНИ З ВИШЕГРАДСЬКОЮ ЧЕТВІРКОЮ У СФЕРІ ЕКОЛОГІЧНОЇ БЕЗПЕКИ РЕГІОНУ

### Качурінер В. Л.

кандидат юридичних наук, доцент, доцент кафедри міжнародного права та порівняльного правознавства Міжнародного гуманітарного університету м. Одеса, Україна

З географічної точки зору та стратегічного розташування Вишеградської четвірки (V4) має велике значення для України. Польща, Угорщина, Чехія та Словаччина історично сусідні з Україною країни. Вишеградська четвірка має позитивний досвід інтеграції в європейське співтовариство, у встановленні між собою політичного та економічного співробітництва, а також у вирішенні спірних питань.