

Executive summary

Ukraine : third largest potato producer in the world

Before the war, Ukraine was the third largest potato producer in the world. Unfortunately, also the Ukraine potato market has been hit very hard by Russia's war. Cost of production has gone up, seed potato has become unaffordable and / or unavailable for many farmers, output has dropped, market demand has declined and sales prices have become lower. In addition climate change has put Ukraine's potato productivity under further pressure.

NL Ministry of Foreign Affairs helps sustainable rebuilding Ukraine

To provide support, the Netherlands Ministry of Foreign Affairs has established the Ukraine Partnership Facility. This programme supports damage repair and reconstruction projects for the public and private sectors. The Ukraine Partnership Facility aims to help the sustainable rebuilding and recovery of Ukraine's economy and society in the water, healthcare and agricultural sectors. Where possible, projects should improve the position of vulnerable groups such as women and young people.

Rebuilding Ukraine Potato

As potato market leaders, we wanted to pay a sustainable contribution to rebuilding Ukraine and submitted a project plan for this Ukraine Partnership Facility. The content of our plan matched the spirit behind and the requirements of the programme and it was approved by the Dutch granting authority RVO.

Our Ukraine recovery and rebuilding project – the establishment of a Ukraine-Netherlands climate smart potato demonstration centre - will reverse the negative trend in the Ukraine's potato value chain. In short term this project will result in food security. Simultaneously it is the foundation for sustainable economic development in the mid-long term. In short we call our project: "Rebuilding Ukraine Potato".

Climate smart potato demonstration centre: potato production

Our climate smart potato demonstration centre is a high grade seed production location, as well as an education centre. Investments will be made in drip-infrastructure, a cold store and in equipment. In total 100 hectares of potato will be produced under drip-irrigation per year. After harvest the seed potatoes will be stored in the new cold store. They will be distributed to Ukrainian farmers the moment they need it, enabling them to grow 53 million kgs of table potatoes for Ukrainian consumers per year. In total almost 800 Ukrainian farmers will use the seed potatoes for their own production – medium and small sized farmers - over 60% of which are women.

Climate smart potato demonstration centre: potato education

A wide scope of training will be transferred to Ukrainian farmers: cultivation ('GAP: GoodAgriculturalPractices'), equipment handling, cold store management, regenerative farming and business cases training. Education will take place physically at the demonstration centre as well as remotely via digital means (short videos shared via Facebook, WhatsApp groups, YouTube etc.). In total 3,000 farmers will be educated by Agrico Ukraine ('Agrico UA'). Again these farmers are both medium as well as small (household) farmers, men and women. Adopting our practices will increase Ukrainian farmers' yields, it will lower their cost price per kg produced and it will increase their turnover. Hence their profitability will grow.

Rebuilding UA potato partners : Agrico UA, APH & Agrico NL

This project has three powerful partners, all having a solid track record of delivering results in very challenging markets. Agrico Netherlands ('Agrico NL') - a world market leader in seed potato development, production and distribution - is the lead partner. Agrico NL is responsible for project management and reporting. APH Group from the Netherlands ('APH') - one of the largest global distributors of equipment and installations in the grain, potato and vegetable business - is responsible for training the Agrico UA trainers, for the supply and after sales of



various equipment. Agrico Ukraine – Ukraine’s seed potato market leader and representing Agrico NL for almost 20 years - is responsible for establishing the demonstration centre, assuring its operations and educating Ukrainian farmers.

Food security impact and sustainable development

Taken its food security and its foundation for future sustainable growth, naturally our Rebuilding Ukraine Potato project matches many of the Ukrainian and Dutch policy goals. It also corresponds to the broader intervention strategy of international organisations. This project will have a positive impact on at least 7 Sustainable Development Goals ('SDGs'), amongst other zero hunger (SDG2), sustainable economic growth (SDG 8) and climate action (SDG 13). Our re-generative farming practices will also result in environmental improvement. This project is NOT a greenfield. It is upscaling and modernising current Ukrainian operations. This means it will immediately deliver food security results – no time is lost - which is needed taken UA’s war condition. It is important to emphasise this project is a means to the overarching goal: realising food security at shortest notice and creating a foundation for sustainable growth in the future. After the end of the project, all activities – production and education - will continue.

Biggest risk: war disruptions

The biggest risk of our project are disruptions due to Russia’s war. Low and medium disruptions will be managed by a pragmatic approach and flexibility in operations by the project partners. In case of severe disruptions, adjusted activities will be proposed to RVO for approval.

Project: as cost efficient as it can be

The grant will be fully allocated to equipment / hardware investments and all will be used in Ukraine. The project partners are experts in this line of business. We will put in all efforts needed to realise the goals, our highly skilled staff has been allocated to this project. In other words, all capacity building, consultancy, project management, education etc. efforts, and all travel and lodge cost, production cost etc. are fully carried out and fully financed by the project partners. All these efforts are considered as own contribution, meaning no grant money is allocated to our efforts.

This approach makes our project is as cost efficient as it can be. Every tax payers’ EURO is spent on machines and buildings to realise food security at shortest notice. Partners feel this approach matches Ukraine’s situation and the spirit from the Netherlands Ministry of Foreign Affairs behind the grant best.