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SUCCESS STORY: Credit unions finance agricultural cooperatives of young farmers in wartime Ukraine

September 2022 - Russia’s war against Ukraine since February 2022 has forced millions of Ukrainians to flee the country and seek temporary protection in Europe and elsewhere. However, many more people decided to stay in Ukraine. They chose to forgo opportunities to leave to continue running their businesses in order to support the country’s economy, despite threats to their lives and livelihoods.

Taras and his fellow producers run the berry cooperative *Fayna Poliana* in Ternopil Oblast. The young farmers founded the cooperative back in 2015. They wanted to create a modern deep-freeze facility that would enable them to sell frozen berries at a better price during the off-season. *“If you want to do something quickly, do it yourself. If you seek quality, create a team,”* said Taras. Today their cooperative unites 28 members and helps around 400 people from local villages sell their products. Each has a small but steady income.

Even as the full-scale war started, *Fayna Poliana* did not waver from its plans to expand and export the cooperative’s frozen berries to the EU. For this, they needed additional finance, so they turned to the credit union *Vygoda*. As Taras explained: *“It’s convenient with Vygoda – they are ready to meet our needs. With banks, it’s more complicated.”*

As a partner of the USAID Credit for Agricultural Producers Project (CAP) Project in Ukraine, *Vygoda* was able to access additional liquidity resources through the USAID/Worldwide Foundation for Credit Unions Liquidity Fund. *Vygoda* also followed CAP’s recommendations to collaborate with agricultural cooperatives and finance agricultural processing. This helps avoid long logistical routes and makes products easier to preserve and sell, due to their longer shelf life. *Vygoda* financed six members of the cooperative, providing a total of UAH 3 million (USD 82,000) in loans. These *Fayna Poliana* members used the money to buy plastic containers for storage and transportation.

Vygoda financed 11 agriloans under the Liquidity Fund for a total of nearly UAH 4 million (USD 110,000) since the beginning of war. This has helped the credit union member farmers stabilize their incomes and support other local agricultural farmers during these challenging times of war.



Taras showing the berry deep-freezing facilities, Ternopil Oblast



Raspberry sorting process, Ternopil Oblast

Photo credit (all photos): CAP Project

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