



# **PROJECTS OVERVIEW OF AGRI-FOOD CLUSTERS**

**TOP-10 PROPOSAL  
OF UKRAINIAN CLUSTER ALLIANCE  
FOR INTERNATIONALIZATION  
OF THE NATIONAL CLUSTERS AND SMEs SERIES**



**UKRAINIAN  
CLUSTER  
ALLIANCE**

# PROPOSALS FOR INTERNATIONAL PARTNERS

## FOREWORD

The war in Ukraine has been raging for years, leaving a devastating impact on lives of millions of people. Families have been torn apart, communities shattered, and the sound of bombs and gunfire has become an all-too-familiar background noise for those living in conflict zones.

Not only has it resulted in countless deaths and displacement of citizens, but it has also had a significant impact on the country's economy, including its food production industry.

Ukrainian food producers have struggled to survive in the face of the ongoing conflict, which has disrupted supply chains and markets. Many have been forced to deal with increased costs and reduced demand, making it difficult to keep their businesses afloat.

Despite these challenges, however, Ukrainian food producers are resilient and continue to work tirelessly to support the country's economy. They have been quick to adapt to changing market conditions and explore new opportunities, such as exports to new markets. With continued support and investment, the industry has the potential to emerge stronger and more resilient than ever before.

Our projects, such as the Export Logistics Hub, Value-Added Chains, and Rapid Response Centers, are designed to address some of the key challenges facing Ukrainian food producers in the current economic and political environment.

The Export Logistics Hub aims to improve efficiency and competitiveness of Ukrainian food exports by providing a central hub for shipping and logistics. By consolidating shipping and transport of goods, we can reduce costs and improve delivery times, making Ukrainian food products more attractive to foreign buyers.

The Value Added Chains project is focused on helping Ukrainian food producers add value to their products by introducing new processing and packaging techniques. By adding value to their products, Ukrainian food producers can differentiate themselves from competitors and increase their profit margins.

Finally, the Rapid Response Centers are designed to help Ukrainian food producers respond quickly to unexpected market shifts and supply chain disruptions. By providing real-time information and support, these centers can help manufacturers adjust their production and marketing strategies in response to changing conditions.

Overall, our projects are aimed at strengthening the Ukrainian food industry by improving its competitiveness, increasing its value added potential, and making it more resilient to economic and political shocks. By supporting Ukrainian food producers in these ways, we hope to contribute to growth and prosperity of the country as a whole.

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## Project #1: EXPORT LOGISTICS HUB

<b>Participants</b>	<u>Ukrainian side</u> : 16 agri-food clusters. <u>EU side</u> : TBD.
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Assistance in establishing export sales for Ukrainian manufacturers through creation of a hub;</li> <li>• Development of logistics support and coordination of cargoes;</li> <li>• Reduction of cost of logistics transportation in accordance with shipment volumes.</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>• Access to sales channels without high operating costs;</li> <li>• Continuous lead generation of customers through promotion of manufacturers in the hub;</li> <li>• Storage of products in warehouse facilities (convenient and fast loading of containers or trucks);</li> <li>• International platform (full product description, coding for use by end sellers, representation for export under the Ukrainian Food brand);</li> <li>• Presentation of products in a showroom (opportunity to present the real appearance and quality of products).</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>• Combined cargoes with an expanded assortment without a significant increase in logistics costs;</li> <li>• Quick search for the required products for importers;</li> <li>• Savings on shipment of palletized cargoes (up to 2.5 times per 1 pallet/space).</li> </ul>
<b>Period and budgets</b>	2023-2026; 3.2 million euros.

**Cases to be scaled up:** since the beginning of the war in Ukraine, many logistics chains have collapsed. Some industries have stopped their operations, while others have started to increase production. But still, the usual scheme of work has disintegrated.

That is why the U-Food Association has developed a project to help producers to reduce the cost of logistics transportation, help to establish export sales, and assist in development of logistics support and coordination of cargo.

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## Project #2: VALUE ADDED CHAINS

<b>Participants</b>	<u>UA side</u> : 16 agri-food clusters. <u>EU side</u> : TBD.
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Search for potentially interesting niches in the global agri-food space, their research, and analysis;</li> <li>• Building a cluster system of cooperation of market representatives according to their areas of focus;</li> <li>• Assistance in building new value-added chains;</li> <li>• Uniting representatives of the Ukrainian agri-food sector and rebuilding the mechanism for entering the most promising niches of the market.</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>• Organizing support for rebuilding value added chains;</li> <li>• Establishing mutually beneficial and complementary mechanisms of cooperation among representatives of the Ukrainian agri-food sector in the domestic market;</li> <li>• Technological and technical support (organizing technology, personnel, resources, and technical support for project implementation);</li> <li>• Export support (support for exporting products to foreign markets);</li> <li>• Attracting funding for projects.</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>• Building new value added chains;</li> <li>• Entry of representatives of the Ukrainian agri-food sector into potentially interesting global markets.</li> <li>• Integration of domestic enterprises into value added chains to develop the industry of Ukraine and increase competitiveness in global markets.</li> </ul>
<b>Period and budgets</b>	2023-2025, 0.8 million euros.

**Cases to be scaled up:** according to the U-Food Association, Ukraine is more than just a country that sells grain. Introduction of value chains in Ukraine can have several benefits for the economy and business: increased export potential, creation of new jobs, increased profitability, improved product quality, and increased investment.

To summarize, introduction of value chains can be an important step for development of the Ukrainian economy and ensuring competitiveness in the international market.

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### Project #3: RAPID RESPONSE CENTRES

<b>Participants</b>	<u>UA side</u> : 16 agri-food clusters. <u>EU side</u> : TBD.
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Active development of cluster capabilities to carry out 3 key missions during the war period: assisting their own members – SMEs, assisting critical industries, and export-internationalization;</li> <li>• Optimization, within the framework of RRC, of functions for cluster members of the same group based on their primary needs;</li> <li>• Ensuring transition of each cluster (including the eastern regions) to an independent mode of operation in the post-war period.</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>• Integration and interaction of clusters and cluster managers within a particular industry, as well as clusters of critical industries within one RRC;</li> <li>• Creation of an effective management structure for RRC with establishment of corresponding interaction with the UCA management;</li> <li>• Building own portfolio of initiatives, projects, and mini-projects. Starting their implementation;</li> <li>• Developing own export and internationalization activities;</li> <li>• Interaction with local communities and authorities.</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>• The related clusters are integrated and connected in the RRC;</li> <li>• RRC action plans are determined in accordance with the defined areas of responsibility (production, communication), coordinated with the UCA;</li> <li>• Own portfolio of initiatives, projects, and mini-projects. Start of their implementation;</li> <li>• Involvement of authorities and local communities, as well as collaboration with them within the project framework.</li> </ul>
<b>Period and budgets</b>	2022-permanently.

**Cases to be scaled up:** Rapid response centers for producers in times of war are designed to help producers and other businesses in case of production problems.

The main purpose of these centers is to provide a quick response to cases of reduced production productivity, loss of goods, disruption of supplies, and other problems.

Rapid response centers help producers to reduce the risks associated with war and conflict and ensure uninterrupted production and supply of goods. They can also help to preserve jobs and support the country's economy in times of war.

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## Project #4: INTERREGIONAL ASSOCIATION OF POULTRY AND COMPOUND FEED PRODUCERS OF UKRAINE

<b>Participants</b>	<u>UA side</u> : 16 agri-food clusters. <u>EU side</u> : TDB.
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Expansion of opportunities for small and medium-sized poultry and compound feed producers;</li> <li>• Development of competitiveness of micro and small poultry enterprises;</li> <li>• Cooperation between the European Association and the Association of Poultry and Compound Feed Producers to harmonize Ukrainian legislation with the EU in the field of food safety and quality, specifically for poultry products.</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>• Organization of specialized training programs (Poultry School, webinars, seminars, and conferences), involving approximately 900 enterprises annually;</li> <li>• Financing of projects;</li> <li>• Information services for analytical research of the Ukrainian market;</li> <li>• Protection of the interests of members and partners of the Association.</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>• Sustainable development of poultry farming in Ukraine through implementation of the European model of cluster production.</li> <li>• Restored and developed production facilities;</li> <li>• Created poultry cluster with participation of EU partner companies. Franchise development of the cluster throughout Ukraine;</li> <li>• Regulation in legislation between Ukraine and the EU in the field of safety and quality of poultry products.</li> </ul>
<b>Period and budgets</b>	TBD.

**Cases to be scaled up:** The full-scale invasion into Ukraine was also felt by poultry and compound feed producers.

The main goal of the Interregional Association of Poultry and Compound Feed Producers in Ukraine is to empower small and medium-sized poultry and compound feed producers for sustainable development of Ukraine's poultry industry by implementing the European cluster production model.

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## Project #5: "WESTERN POLISSIA" INNOVATIVE AGRI-FOOD CLUSTER

<b>Participants</b>	<u>UA side</u> : 16 agri-food clusters. <u>EU side</u> : TBD.
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Comprehensive study of territories;</li> <li>• Cluster investment passport;</li> <li>• Improvement of the region's labor potential;</li> <li>• Quality development of rural areas;</li> <li>• A pilot project for scaling up.</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>• Comprehensive study of cluster territories (cluster, agri-resource, and labor potential);</li> <li>• Investment passport of the cluster;</li> <li>• Programs of local economic development;</li> <li>• Training activities for MSMEs;</li> <li>• Creating a cluster brand and promotion.</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>• Bioenergy system of the cluster;</li> <li>• 3000 workplaces;</li> <li>• 10 processing plants;</li> <li>• Smart specialization of the region (LNTU).</li> </ul>
<b>Period and budgets</b>	3-5 years.

**Cases to be scaled up:** the agri-food cluster "Western Polissia" is focused on conducting research on territories to identify areas that need improvement and development, and strives to enhance the labor potential of the region by offering training and employment opportunities to local residents.

By collaborating with local communities and stakeholders, the agri-food cluster "Western Polissia" aims to create sustainable and thriving rural economies, and seeks to enhance the competitiveness and productivity of the region's agricultural sector.

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## Project #6: ON THE PATHS OF THE TRYPILLIA ANCIENT MOTHER

<b>Participants</b>	<u>UA side</u> : 16 agri-food clusters. <u>EU side</u> : TBD.
<b>Objectives</b>	<ul style="list-style-type: none"><li>• Creating the cluster development strategy;</li><li>• Development of small communities;</li><li>• Involvement of tourism organizations in Moldova and Romania.</li></ul>
<b>Activities</b>	<ul style="list-style-type: none"><li>• Research of tourism, agricultural, and labor resources;</li><li>• Creation of a strategy and plan for local economic development until 2028;</li><li>• Branding and promotion.</li></ul>
<b>Outcomes</b>	<ul style="list-style-type: none"><li>• System of routes, including with Romania and Moldova;</li><li>• 2500 jobs in at least 20 communities;</li><li>• 50 new tourism locations.</li></ul>
<b>Period and budgets</b>	3-5 years.

**Cases to be scaled up:** the agritourism cluster "On the paths of the Trypillia ancient mother" is committed to creating a comprehensive cluster development strategy, recognizes the potential of tourism to drive economic development in the region, and is actively seeking to involve tourism organizations in Moldova and Romania to promote cross-border tourism and cultural exchange.

The agritourism cluster "On the paths of the Trypillia ancient mother" is committed to promoting social and environmental sustainability in the region by supporting local communities and preserving natural resources.

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## Project #7: THE NATIONAL SCIENTIFIC CENTRE "INSTITUTE OF AGRARIAN ECONOMICS"

<b>Participants</b>	<u>UA side</u> : 16 agri-food clusters. <u>EU side</u> : TBD.
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Continuation of development of scientific and analytical forecasts of agriculture in Ukraine;</li> <li>• Development and support of investment, investment and innovation projects, and business projects;</li> <li>• Monitoring of markets and prices for agricultural products and products of their processing.</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>• Development of strategic and short-term projects for development of the agricultural sector and specific rural businesses;</li> <li>• Marketing research;</li> <li>• Development of logistics and investment projects for agricultural business;</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>• Development of new solutions and innovations that can improve the sector's efficiency and productivity;</li> <li>• New opportunities for economic growth and development in rural areas;</li> <li>• Obtaining valuable insights into the value and potential of economic assets.</li> </ul>
<b>Period and budgets</b>	Permanently.

### **Cases to be scaled up:**

The center aims to develop solutions and innovations that can improve the sector's productivity and efficiency, assist in creation of economic structures and associations, guide economic growth and development, as well as provide valuable insights into the state, problems, and prospects of the agricultural sector.

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