
LEGAL ASPECTS OF DEVELOPMENT OF ORGANIC AGRICULTURE IN UKRAINE IN THE CONTEXT OF EUROPEAN INTEGRATION

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ABSTRACT

In modern economic conditions, organic production is gaining global significance, partly addressing food security and contributing to the well-being of the population. Ukraine is in the top-20 of world leaders in the organic movement. In this regard, the prospects for the development of organic farming are considered. The current state of regulatory support for organic production in Ukraine has been analyzed. It is proposed to approve the procedure for certification of organic production, the procedure and requirements for labeling of organic products, as well as requirements for material and technical base and other infrastructure necessary to perform functions of certification of organic production and circulation of organic products. The necessity of approving the criteria for determining the suitability of agricultural lands for use in the process of organic production is substantiated.

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Introduction

In the current conditions of development of the agrarian sector of the economy of Ukraine, there is a close correlation between the global processes of globalization and the formation of a wide range of methods of land management that do not create risks and threats to human health, do not harm the environment. First of all, this can be seen in the transition to organic farming. In this case, regardless of the level of development, ownership or methods of organization - organic agro-production has its specific features, which significantly differs this ecologically oriented direction of agriculture from the opposed so-called intensive system of agro-production.

Researchers around the world declare numerous benefits that organic farming brings, for example: 1) for agriculture: increased soil fertility, stable production and high quality food; 2) for the environment: reduced pollution and conservation of agro-ecosystems;

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3) for the economy: income security and strengthening local communities; 4) for the population: promotion of public health (Roljević Nikolić, Vuković, Grujić, 2017).

Organic agriculture is conceptualized in the way that it protects the soil, water, air, plants, animals and genetic resources, it is not degrading for the environment, it is technically appropriate, economically stable and socially acceptable (Kisić, 2014).

The worldwide public's attention to organic products is steadily increasing. This attitude is caused not only by the concern for the environment, but also by the concern for one's own health. Ukraine does not stand apart from this trend, so organic production is relevant. The domestic consumer becomes more cautious and demanding when choosing food. Consequently, the number of producers of organic products is increasing.

According to the programming documents, organic agriculture is a priority for Ukraine. In particular, this provision is proclaimed in "Medium-term plan of priority actions of the Government to 2020", approved by the Cabinet of Ministers of Ukraine Decree dated April 3, 2017 and the "Farm development and agricultural cooperation Concept for 2018-2020" approved by the Cabinet Order Ministers of Ukraine dated September 13, 2017. These legislative acts provide for the stimulation of an increase in the area of agricultural land on which organic agricultural products are grown or produced, as well as encourage the transition of farms to organic production.

Meanwhile, organic market experts are confident that Ukraine has all the prerequisites to become an organic hub for the European market. According to the Ministry of Agrarian Policy and Food of Ukraine over the last 5 years, organic production has increased by 90%, the area of organic farms has increased from 260 thousand hectares to 421.5 thousand hectares and constitutes 1% of the total area of agricultural land of Ukraine. Also 550 thousand hectares of land reserved for certified wild plants (herbs, berries and mushrooms). Accordingly, the number of producers of organic products is increasing, so as of June 2017, more than 420 producers were registered, which compared to 2011 (260 producers) increased by almost 65% (Yaroshchuk, 2017). These statistics show that Ukrainians have increased interest in this system of agricultural production.

Materials and methods

The methodological basis of the work is a system of general scientific and special methods, which allowed us to investigate the processes and phenomena in their relationship and to solve scientific and applied problems. The general scientific dialectical method became the basis of the scientific work, which made it possible to consider the legal regulation of land use of lands for organic farming in conjunction with other legal phenomena, and the corresponding legal array in the dynamics of its development. The analysis and synthesis helped to investigate the theoretical and practical provisions about the organic agriculture. The comparative legal method was used to compare certain provisions of the land legislation of Ukraine with the EU legislation. The formal-legal method was chosen to establish the content of certain provisions of land legislation, which regulates the procedure for certification and labeling of organic products. The use of the

system-structural method helped to clarify the criteria for determining the suitability of agricultural land for use in the process of organic farming. The modeling method was used in the construction and modification of legal norms proposed as amendments to the current legislation of Ukraine. The method of interpreting legal norms was used to determine the conformity of law with public relations.

Results and discussions

Legal and regulatory support of organic agriculture of Ukraine

At the international level, general principles of organic agriculture are defined by two organizations: Codex alimentarius Commission FAO/WHO-a (Food and Agriculture Organization of the United Nation/World Health Organization) and International Foundation for Organic Agriculture - IFOAM, the roof organization with around 750 members in 108 countries (Znaor, Landau, 2014).

According to IFOAM, organic farming combines all systems that support environmentally, socially and economically viable agricultural production. The main goal of organic farming is to produce high quality food in precisely defined conditions (Stojic, Dimitrijevic, 2020). It also significantly reduces the use of external factors of production (resources) by limiting the use of chemically synthesized fertilizers, pesticides and pharmaceuticals. Instead, agrotechnological measures of a natural nature are used to increase yields and protect plants. Therefore, as an organic can be considered that production of agro-industrial complex which is grown, processed, transported, stored and sold in accordance with the laws of nature. These provisions should also be supplemented by national regulatory documents.

The development of organic agricultural production in Ukraine is a task that can be solved through proper legal regulation. For a long time, the production and circulation of organic agricultural products in Ukraine was not regulated at all. The beginning of legislative regulation of organic crop production is connected with the adoption of the Law of Ukraine "On baby food" on September 14, 2006 (Verkhovna Rada, 2006). This Law for the first time established legal requirements to reduce or even stop the use of agrochemicals on agricultural lands of those farms that produced agricultural products for baby food. In order to implement this Law, the Cabinet of Ministers of Ukraine adopted on October 3, 2007 Resolution № 1195 "On approval of the Procedure for granting the status of a special zone for the production of raw materials used for the manufacture of baby food and dietary food" (Cabinet of Ministers, 2007). However, these legal acts did not provide a proper legal basis for the development of organic farming.

The basis for the development of organic production in Ukraine is the Sustainable Development Strategy "Ukraine – 2020", which aims at the introduction of European standards of living in Ukraine and Ukraine's moving to the leading position in the world. In particular, the vector of development of this strategy is to ensure sustainable economic growth in an environmentally sustainable way. The safety vector implies

observance of the safe state of the environment and access to quality drinking water, safe foodstuffs, which are primarily organic (President of Ukraine, 2015). Moreover, the President of Ukraine issued a Decree “On sustainable development goals of Ukraine until 2030” of September 30, 2019 (President of Ukraine, 2019). Organic production is one of the ways to implement a sustainable development strategy as a basis for ensuring the environmental security of the industry through the integration of economic growth, social protection and environmental protection as complementary elements of effective strategic development of Ukraine.

In order to approximate Ukrainian agricultural legislation with EU legislation in the field of production and circulation of organic agricultural products and food products, the Law of Ukraine “On production and circulation of organic agricultural products and raw materials” was adopted on September 3, 2013. Subsequently, the Law of Ukraine “On basic principles and requirements for organic production, circulation and labeling of organic products” of July 10, 2018 was adopted instead.

In general, the Law “On production and circulation of organic agricultural products and raw materials” of September 3, 2013 contained a large number of instructions, that had to be adopted by the authorities of executive power. However, only 7 of the 23 regulations provided by law were actually approved, which was one of the reasons for the low effectiveness of this Law. In addition, the Law did not fully take into account the content of legal regulation of organic production in the main market of Ukrainian agricultural products - the European Union. All this necessitated the development of a new law on organic farming.

The entry into force of the new Law “On basic principles and requirements for organic production, circulation and labeling of organic products” provides for the intensification of the market of organic agricultural production in Ukraine and the expansion of exports. The following issues were on the agenda: 1) creation of institutional infrastructure, first of all, certification institutions, associations of organic producers and the relevant trade network; 2) integration into existing international structures to facilitate access to foreign markets; 3) improvement of the system of information and consulting support and competent advisory services.

New principles and requirements for the legal provision of organic production were established with the adoption of this law in Ukraine. In particular, it defines the basic principles and requirements for organic production, circulation and labeling of organic products, the principles of legal regulation of organic production, the functioning of the market of organic products, the legal bases of activity of central executive bodies, subjects of the market of organic products as well as directions of state policy in these areas (Verkhovna Rada, 2018).

A number of provisions of the Law “On basic principles and requirements for organic production, circulation and labeling of organic products” need to be detailed and actually implemented through the adoption of government law-making acts. The Cabinet of Ministers of Ukraine must approve the Procedure (detailed rules) for organic production

and circulation of organic products (part 2 of Article 13 of the Law), the Procedure for certification of organic production and circulation of organic products (part 9 of Article 24), the Procedure for maintaining the Register of Organic Seeds and planting material, the Register of Operators, the Register of Certification Bodies (Part 6 of Article 24, Article 31 of the Law). They should change those bylaws that were adopted on the basis of the previous law on organic production in 2013 and are currently in force, namely: Resolution of the Cabinet of Ministers of Ukraine dated August 8, 2016 № 505 “On approval of the Procedure for maintaining the Register of producers of organic products (raw materials)”, Resolution of the Cabinet of Ministers of Ukraine dated August 31, 2016 № 587 “On approval of detailed rules of production of organic products (raw materials) of crop origin”, Resolution of the Cabinet of Ministers of Ukraine dated March 30, 2016 № 241 “On approval of the Detailed rules of production of organic products (raw materials) of animal origin”, etc.

According to the Law of Ukraine “On the fundamental principles (Strategy) of the state environmental policy of Ukraine until 2020” dated December 21, 2010, one of the tasks in the field of integration of environmental policy and improvement of the system of integrated environmental management in agriculture is to create conditions for widespread implementation of farming technologies, which should be organic and environmentally friendly oriented. Also the areas of the use of such technologies should be, at least, doubled (Verkhovna Rada, 2010).

Thus, the success of agribusiness development in the field of organic agricultural production largely depends on the quality of legal support, economic feasibility for both producers and consumers and proper government support for such production. All this should be considered as a single system, the main elements of which are the producer, consumer and the state as a whole.

Conditions and prospects of organic production development

In modern economic conditions, organic production is gaining global significance, partly addressing food security and contributing to the well-being of the population. According to the statistics, organic agriculture is practiced in 172 countries around the world, on around 40.3 million hectares (1% of global agricultural land), on which there are registered 1.8 million farms (FiBL-IFOAM, 2016). In recent years, such production has become especially widespread in EU Member States. In particular, organic production dominates in Spain, with an area of almost 2 million hectares, Italy - 1.5 million hectares, France -1.4 million hectares and Germany -1 million hectares. The number of organic producers in Europe is increasing every year. The leader in the European rating on the number of producers of organic products is Turkey, which has about 70 thousand such enterprises. It is followed by Italy, with almost 53 thousand producers, and Spain is in the third place – 35 thousand producers (Yatsenko, Zavadzka, 2018).

The leading organic products organizations (IFOAM, FiBL, the Datamonitor Group) have estimated global market of organic products at \$ 60 billion. About 1.8 million farms

using 37.2 million hectares are involved in the ecological production of agricultural products and food. At the same time, over a third part of world manufacturers are in Asia, Africa and Latin America. Consumer demand for organic products is concentrated in North America and Europe - the two regions generate 97% of global revenue. Asia, Latin America and Australia are important producers and exporters of organic food (Willer, Lernoud, 2018). The biggest share of the organic market in the entire market is in Denmark, then Luxembourg, Switzerland, Sweden and Austria (Gajdić, Petljak, Mesić, 2018).

The main trend of the world market is the increasing demand for organic products in most countries. The situation in the global organic market is characterized by: 1) concentration of demand in developed countries; 2) increasing demand in developing countries; 3) consolidation of market participants; 4) the development of distribution of organic products.

Organic products have become the most popular in the US and Western Europe. Germany is the leader in organic consumption. This country began to adopt a healthy nutrition policy in the 1980s. Despite the fact that the cost of organic products compared to traditional ones is 40-50% higher, Italians spend an average of € 25 a year on organic products, Swiss - € 105, Danes - € 51, Swedes - € 47. It is also should be noted that in most EU countries, main distribution channels for the producers (processors) of organic food are: direct sale, specialized organic food product stores and supermarkets (Dovleac, 2016; Enjolras, Aubert, 2018).

Most organic farming enterprises in Ukraine are located in the south of the country (Odesa, Kherson regions), in western Ukraine (Chernivtsi, Lviv, Ternopil regions), as well as Poltava region. Quite often these enterprises are participants in international projects (in particular with Switzerland and Germany) on the introduction of organic farming in Ukraine and cooperate with foreign companies. About 60% of areas of crops are occupied by wheat, barley, sunflower and corn. These cultures form the basis of the export offer of Ukrainian organic products. In addition, part of the acreage is allocated to peas, rapeseed, buckwheat, soybeans, rye, oats, sorghum, millet, mustard, sugar beets and others.

According to the Federation of Organic Movement, there are 130 farms in Ukraine that produce organic agricultural products, and their area is only 0.7% of agricultural land. More than 90% of the produced domestic organic products are exported: the sale of products within the country provides producers with a profitability of 70% per hectare, while sales to EU member states - 200% (Willer, Lernoud, 2018).

As it is known, the basis of organic agriculture is the suitability of land for growing environmentally friendly products. In this regard, organic agricultural production is strictly tied to ecologically clean natural lands, which, accordingly, is regarded as a spatial factor, as well as the subject of labor and the main means of labor.

In the current conditions of globalization of economic and social processes, agricultural lands due to the irrational use and impact on them of various environmental pollutants lose the quality properties of the soil. The quality of land improves if it is rationally used as a means of production. However, in order to maintain the required level of fertility, it is necessary not only to reimburse the consumed substances of the soil, but also to restore its quality indicators, which is associated with significant logistical and financial costs. At the same time, the return on major investments is stretched over time and measured in years, which hinders investment in environmentally friendly agriculture. In order to mitigate the impact of these objective factors, land in all countries - regardless of ownership - is considered a national asset, and funds for their preservation are allocated from national budgets. Consequently, the land factor is important for providing organic agriculture in the country and determining its specialization.

The world tends to increase the land area under organic agriculture, especially in EU countries, which is confirmed by the analysis of statistical information FAO. The total area of agricultural land is 11% of the world's land fund, which occupies 1.5 billion hectares, and more than 30 million hectares of which are allocated for organic farming. The largest areas of certified land are in the United States (400 thousand hectares), Argentina (300 thousand hectares) and Italy (120 thousand hectares). Establishing certified production allows not only to meet domestic needs, but also to form export of such products. Liechtenstein (26%), Austria (13%) and Switzerland (11%) are the leaders in the share of organic land in the total area of agricultural land. More than 558,000 farms in 108 countries operate on the basis of organic farming. The annual growth of environmentally friendly products on the world market is 25% (Willer, Lernoud, 2018). Accordingly, the area of organic land is increasing every year, due to the significant demand for these products.

In Ukraine, the area, used for organic production, is only 411 thousand hectares. In the structure of certified organic agricultural lands, arable land occupies 206.5 thousand hectares or 76.4%. Pastures and hayfields account for 57.5 thousand hectares, which is 21.3%, fallow lands - 5.0 thousand hectares (1.5%) and only 1.3 thousand hectares or 0.5% for perennials (Milovanov, Konyashyn, 2019). At the same time, the available soil and climatic conditions allow to expand the areas under this production. However, the lack of infrastructure and state support for this type of business activity and the imperfect legal framework that regulates it, do not allow to quickly increasing organic production.

The scientific literature focuses on the need to develop and approve criteria for determining the suitability of agricultural land for use in organic farming, addressing issues related to soil conservation and protection of their fertility, development and approval of standards for their quality, which would meet requirements for growing organic products of plant origin, etc. (Ignatenko, Fedchyshyn, Bondar, 2019).

The suitability of lands (soils) for the production of organic products and raw materials had to be established in accordance with the provisions of Article 23 of the Law of Ukraine "On production and circulation of organic agricultural products and raw

materials”, which expired in August 2019. Therefore, the question of mandatory regulatory criteria for determining the suitability of agricultural lands (soils) for the production of organic products, including plant products, remains open.

Unfortunately, the current Law of Ukraine “On basic principles and requirements for organic production, circulation and labeling of organic products” also does not provide legal requirements that would determine the criteria to be used in deciding on the suitability of agricultural land for organic production. However, this Law (Part 3 of Article 25) provides that for organic crop production the duration of the transition period for land for growing annual crops may not be less than 24 months before sowing, and for perennial crops (except fodder) - not less than 36 months before the first harvest of organic products (Verkhovna Rada, 2018). Undoubtedly, the assessment of the suitability of agricultural land for the production of organic products of plant origin is a proper guarantee for the production of such products. The lack of legal regulation of such an assessment in Ukraine nullifies the guarantee itself.

It seems that when developing the Procedure for assessing the suitability of lands (soils) for the production of organic products of plant origin, it is necessary to take into account that the cultivation of such products can be carried out within agricultural lands used for commercial agricultural production and personal farming. The assessment of the suitability of land for the production of organic products of plant origin should be based not only on the quality of soils and plants to be grown, but also the remoteness of these lands from sources of pollution. The accumulated content of pollutants in the soil on the relevant land plots should also be taken into account. In addition, when developing criteria for assessing the suitability of land for the production of organic agricultural products, the data of agrochemical certification of agricultural land must be taken into account. Its task is to determine the quality of soils, their changes in the process of economic activity, as well as conditions for the rational use of organic fertilizers, protection from pollution and restoration of soil fertility. Lands that will be assessed as suitable for organic farming, which will confirm the relevant certificate, should be recognized as object of special legal protection.

This means that the legal regime of agricultural land, which is intended or already used for growing organic products of plant origin, should be clarified in the Land Code of Ukraine. In addition, the “Procedure for assessing the suitability of lands (soils) for the production of organic products of plant origin” should be adopted at the level of the Cabinet of Ministers of Ukraine.

In order to make more efficient use of agricultural land for organic production, it is advisable to conduct their inventory, contour and reclamation organization of the territory. For modern organic production, it is necessary to streamline the structure of sown areas, fill crop rotations with legumes and legume mixtures, which, with the help of nodule bacteria, are able to fix atmospheric nitrogen. In the conditions of introduction of organic agriculture, it is important to include in crop rotation the cultivation of green manure crops, expansion of areas under fruits and vegetables.

The current state of the structure of sown areas in organic production shows that almost 200 thousand hectares, or 49%, are cereals. Oilseeds are located on an area of 67 thousand hectares (16%). Only 19 thousand hectares, or 4.7%, are occupied by legumes. At the same time, vegetables are grown only on 8.1 thousand hectares (2%), fruits - 2.4 thousand hectares (0.6%) (Milovanov, Konyashyn, 2019). Such structure of sown areas cannot ensure effective organic farming, crop rotation, preservation of soil fertility. This structure of growing products is typical for the market, which is at the stage of formation with an underdeveloped product range.

According to the existing structure of sown areas, the production of marketable organic products needs to be transformed. In the structure of marketable organic products, the production of winter wheat is 31%, sunflower - 27%, corn for grain - 19%, while soybeans - 5%, and sugar beets only 2%. At the same time, the range of potatoes, vegetables, fruits and berries is completely absent in marketable organic products (Milovanov, Konyashyn, 2019). In addition, the analysis shows that most of the manufactured products were sold as raw materials, without appropriate processing and formation of additional value added.

Significant potential opportunities for the development of the organic sector are concentrated in Ukraine, due to the availability of land potential that is suitable for the production of environmentally friendly products of organic origin.

On the basis of the analysis of ecological and toxicological condition of arable lands of Ukraine carried out by experts of the Institute of Agrochemistry and Soil Science of NAAS of Ukraine, zones of suitability for cultivation of ecologically pure production were allocated (Kysil, 2000). Researchers have shown that anthropogenic pollution of the territory of Ukraine has a local character. Ukraine still has a part of clean lands, where the level of pollution is much lower compared to Western Europe.

According to the Ukrainian scientists, there are four small regions left in Ukraine where soils are not yet polluted to dangerous limits and where it is possible to grow environmentally friendly products at the level of the strictest world standards. These regions are: 1) the North Poltava - covers most of Poltava region (except for the regions adjacent to the cities of Kremenchuk and Komsomolsk), north-western districts of Kharkiv region, south-western districts of Sumy region, south-eastern districts of Chernihiv region and eastern districts of Kyiv and Cherkassy regions (left bank); 2) Vinnytsia-Prykarpattia - stretches a wide strip about 100 km from the town of Popelnya (Zhytomyr region) and extends to the north of Vinnytsia, Khmelnytsky and Ternopil regions in the direction of Lviv; 3) the Southern Podil - includes a small south-eastern part of Vinnytsia region, south-western part of Kirovohrad region, northern Mykolayiv region and northern half of Odessa region; 4) the Northeast-Luhansk - covers Milovsky and Novoposkovsky districts of Luhansk region (Shykula, 1998). But only the presence of areas potentially suitable for organic production is not enough. It should be clear that the transition from conventional (intensive) agricultural production technologies to organic farming is a rather long process and is accompanied by certain risks and the need to solve a number of problems.

Today, one of the most famous “organic” farms in the North-Western region of Ukraine is a private enterprise “Galex-Agro” based in Novograd-Volyn district of Zhytomyr region. This farm is specialized in the cultivation of cereals and industrial crops, milk and meat production. Due to the intensification of production at the farm it was possible to achieve more than 2000 kg/ha of yield of organic rye, and legumes - about 1500 kg/ha. The basis of the farm’s agriculture is the “Drevlyanska” system, which provides a four-field crop rotation: diaper-oat mixture, rye, oat mixture and winter (rye, wheat).

Studies of current trends in the market of organic products on the example of the North-Western region of Ukraine allow us to identify the following trends: 1) interest of agricultural holdings in the development of organic production; 2) preferential conditions for land auctions for organic production; 3) cooperation of producers; 4) expansion of exports of organic products. These trends suggest the expansion of areas under organic products in the short term.

In addition, a significant role in the development of the Ukrainian market of organic products is played by public organizations and projects that focus their activities on various areas of this system of agricultural production. The Federation of Organic Movement of Ukraine, the Union of Participants of Organic Agriculture “Naturproduct”, the Association of Organic Agriculture and Horticulture are functioning successfully today. In 2002, the Association “BioLan Ukraine” was established, which unites the efforts of producers, processors, scientists, and all stakeholders, and serves as a national platform for information exchange. In order to conduct research, promote the production and consumption of organic products in all regions of the country, it is planned to establish Centers for Organic Agriculture. Today such centers are actively working in Dnipro, Poltava, Zaporizhzhia regions.

For a long time in Ukraine there are many international projects aimed at the development of the organic movement. Thus, from 2011 to 2016, the technical assistance project “AgroInvest”, funded by the United States Agency for International Development (USAID), operated in Ukraine. In 2016, two German-Ukrainian cooperation projects “Advising Ukraine on Agricultural Trade - in the framework of the Full and Comprehensive Free Trade Agreement between the EU and Ukraine” and “German-Ukrainian Cooperation in Organic Agriculture” were launched. These projects are supported by the German Federal Ministry of Food and Agriculture.

A foreign investor, who is really interested in working with such an asset as Ukrainian land, can implement such projects, effectively using the current legal field of Ukraine. However, this requires well-thought-out and balanced planning and corporate structuring of business, which takes into account the Ukrainian realities (Ignatenko, Fedchyshyn, Bondar, 2019).

Features of certification of organic products in Ukraine

Ukraine is ranked 11th in Europe in the area of certified land for organic agriculture (Trofimtseva, 2017). Taking into account the fact that in Ukraine today the share of certified organic land in the total agricultural land of Ukraine is less than 1%, and it

ranks 11th in Europe by area, it is possible to conclude there is the great potential for the implementation of this type of production.

Establishment of standards, control and certification of organic production are the most important elements of a system that guarantees the appropriate quality of organic products. The certificate must be obtained by all those involved in the cultivation, processing and preparation for sale of organic products. That is, not only producers but also intermediaries involved in the delivery, packaging and storage of organic products.

According to the Law of Ukraine “On basic principles and requirements for organic production, circulation and labeling of organic products”, organic production and circulation of organic products in Ukraine is subject to certification (Verkhovna Rada, 2018).

This new law has radically changed the approach to the certification of organic production and circulation of organic products, taking into account the EU’s approaches to relevant activities. The key position of this law is the certification of the whole process of organic production, and not only the finished product, as it was provided in the previous legislation. The law defines in detail the grounds and procedure for certification of organic production and circulation of organic products; requirements for the content and terms of the certificate; requirements for the certification body and its functions; conditions for recognition of certificates certifying the production and circulation of organic products in accordance with legislation other than the legislation of Ukraine; requirements for the inspector for organic production and/or circulation of organic products; general principles of maintaining the Register of certification bodies.

The special nature of the above Law has limited the scope of the Law of Ukraine “On technical regulations and conformity assessment”. However, Article 45 of this Law establishes the basic principle of recognition of the results of conformity assessment carried out outside Ukraine: “The results of conformity assessment of technical regulations conducted in another state are recognized and accepted in Ukraine if conformity assessment procedures are applied in that state (even if they differ from Ukrainian procedures) ensure the same or higher level of compliance with the requirements of the relevant technical regulations as the Ukrainian conformity assessment procedures” (Verkhovna Rada, 2015).

In particular, certification of organic production and/or circulation of organic products is interpreted as checking and establishing compliance of production and/or circulation of products with the requirements of legislation in the field of organic production, circulation and labeling of organic products. Such certification is carried out with an annual mandatory on-site inspection by the certification body in order to establish compliance of the production process and its circulation with the requirements of the legislation in the field of organic production, circulation and labeling of organic products. Certification bodies are those subjects of issuing certificates, which confirm compliance of the production process and its circulation with the requirements of the legislation in the field of organic production, circulation and labeling of organic products.

However, the lack of domestic standards and certification systems for organic products forces agricultural producers to use the standards developed in countries where the market for organic products is already formed and relations in this area are clearly regulated. International certification companies help agricultural companies to complete the entire process of certification of production as organic, including the development of a conversion plan, partial production, full conversion of the farm, recommendations for the production of organic crop and livestock products, processing and transportation, inspection, product certification, labeling, packaging and waste disposal.

The most authoritative certification and accreditation organization is the IFOAM, which in 1980 developed the "IFOAM Basic Standards for Organic Production and Processing". Today, IFOAM standards and accreditation criteria are registered as "international ISO standards", on the basis of which national standards of many countries have been developed.

There are more than 15 representatives of foreign certification companies in Ukraine, which carry out certification of agricultural production according to the rules of organic production adopted in accordance with EU Regulation № 834/2007. These companies include: ETKO, a Turkish certification company operating in accordance with the requirements of Council Regulations (EU) № 834/2007 and 889/2008 concerning organic production and labeling of organic products; Control Union Ukraine - representative office of a Dutch company, which provides certification according to the requirements of Regulation (EEC) N ° 2092/91 and some others.

Confirmation of compliance with the standards of a particular country is a necessary component of the product certification procedure, through which it is possible to ensure that products and their production process meet certain norms and standards of the country with which the certification body cooperates.

An example of Ukraine's successful international cooperation in the development of organic agriculture is the implementation of the project "Certification in Organic Agriculture and Development of the Organic Market in Ukraine" (2005-2011), as well as the implementation of its second stage "Development of the organic market in Ukraine" (2012-2018) with the financial support of the Swiss Confederation through the Swiss State Secretariat for Economic Affairs (SECO). The project was implemented by the Research Institute of Organic Agriculture (FIBL Switzerland) in cooperation with key players in the economic sector in Ukraine and the Ministry of Agrarian Policy and Food of Ukraine. As a result of the project, a certification company "Organic Standard" was created, which occupies a leading position in Ukraine. Thanks to the project, the organic market in Ukraine has significantly revived and the number of producers, processors and exporters of organic products has significantly increased.

It should also be noted that certain provisions of the Law of Ukraine "On basic principles and requirements for organic production, circulation and labeling of organic products" should have been to be specified by Resolutions of Cabinet of Ministers of Ukraine. The latter had to be adopted by August 2, 2019 - the date of entry into force of the Law

(paragraph 4 of Section XII “Final Provisions” of the Law), so that the new mechanism of legal regulation of organic agricultural production will work in full. Unfortunately, as of June 1, 2020, the relevant acts have not been approved. As well as, the registers provided by law have not started to operate. Today, only drafts of some resolutions are available on the websites of state bodies, for example, the draft resolution “On approval of the Procedure for maintaining registers”. In addition, there are no requirements for the material and technical base and other infrastructure facilities required to perform the functions of certification of organic production and/or circulation of organic products, as required by law. Only the approval of the whole set of regulations detailing the requirements, procedure and features of certification of organic agricultural products will launch a new mechanism of legislative regulation in this area.

Today the system of certification of organic production is insufficiently regulated by the state. This is manifested both in the inadequate level of regulatory support and the absence of a special certification body. There are no adequate conditions for the development of private certification bodies. Lack of national standards for organic products stipulates Ukrainian agricultural producers are forced to use the services of foreign certification companies. That is why it is advisable to create an independent certification system for organic production. The efficiency of enterprises producing organic products and the development of all organic production depends on the level of development of its certification system.

Despite the fact that the introduction of the system of organic farming creates a number of problems, Ukrainian agricultural producers are ready and plan to partially or completely switch to the production of organic products.

Labeling of organic products

Labeling is a key element of consumer confidence in organic products, as it is the main source of information for consumers. Labeling includes expressions, special marks, trademarks, manufacturer’s names, graphics and symbols placed on any packaging, documents, leaflet, label, board or tag indicating that it is an organic product.

This procedure is regulated by Article 34 of the Law of Ukraine “On basic principles and requirements for organic production, circulation and labeling of organic products”, as well as the order of the Ministry of Agrarian Policy and Food of Ukraine “On approval of the state logo for organic products” № 67 dated February 22, 2019. In 2014, the Ministry of Agrarian Policy and Food of Ukraine developed and published a draft Procedure and requirements for labeling of organic products, which had to define the requirements for labeling of organic products produced, imported and put into circulation in Ukraine. However, this project was never approved by the Government of Ukraine.

It should be noted that the Law of Ukraine “On basic principles (Strategy) of the State environmental policy of Ukraine for the period up to 2030” came into force on January 1, 2020, which regulates, in particular, the goals of sustainable land use and protection, improving environmental performance, including international certification

and labeling systems, etc. (Verkhovna, 2020). However, there is no clear correlation with the field of organic production, which is, in our opinion, a significant shortcoming of this document.

As Ukraine does not have norms or standards that would regulate its own organic market, all domestic organic products are produced according to European standards and meet the requirements of EU regulations approved by the Council Regulation (EC) on organic production and labeling of organic products, or in accordance with NOP standards or the organic standards of any other country. General principles of labeling of organic products are described in the Law of Ukraine “On basic principles and requirements for organic production, circulation and labeling of organic products”, although most manufacturers choose the label described in the standard according to which certification was conducted.

In accordance with European standards, the logo is used when labeling organic products. This logo marks the products of those producers who comply with the requirements of EU standards on organic agriculture. The logo should be applied only to those goods that consist of at least 95% of organic raw materials. Also, when labeling organic products, the certification body and the corresponding number of the manufacturer’s certificate must be indicated 2002 (International Federation of Organic Agriculture Movements, 2019).

On the territory of Ukraine, organic products may have certain types of labeling. In particular, 1) organic logo of the EU, valid in all EU countries; 2) labeling, which indicates the compliance of products with Ukrainian private standards of the Association of Organic Producers “BIOLan Ukraine”; 3) label indicating the compliance of products with the standards of the US National Organic Program (NOP); 4) “Eurolist” or “biolist”, which is the organic logo of the EU (came into force on July 1, 2010); 5) labeling indicating the conformity of products to the National Standards of Japan (JAS); 6) the sign of the first certification organization in Ukraine “Organic Standard”.

Labeling of organic products can be carried out depending on the percentage of organic components used in the production. If organic products contain 95% of ingredients of organic origin, the remaining 5% must be included in the “List of permitted substances” (this list is determined by the requirements of an organic standard). Under other conditions, the product contains ingredients of organic origin. All components must be indicated with their weight.

Conclusions

A study of the current state of development of organic production in Ukraine has shown that the organic line of business is at an early stage of development, although it has great potential.

High demand for organic products in the EU and the limited capacity of its production make Ukrainian organic producers a chance to be a full player in the organic market of the

EU. Moreover, global demand for organic products affects the development of this sector in Ukraine, as Ukraine cannot be separated from globalization processes, especially taking into account WTO membership and intentions for European integration.

However, despite the significant potential and prospects for the development of organic agriculture, there are gaps in the legislation of Ukraine. Today it is necessary to improve the legal framework, which would clearly define the state policy in the field of organic production, create conditions for legislative recognition and protection of organic products, the formation of a national certification system, approval of rules and standards.

In particular, certain provisions of the Law of Ukraine “On basic principles and requirements for organic production, circulation and labeling of organic products” must be specified in the Ukrainian legislation. For example, there is a need to approve the procedure for maintaining the Registers, the procedure for certification of organic production and circulation of organic products, the procedure and requirements for labeling organic products, as well as requirements for material and technical base and other infrastructure necessary to perform functions of certification of organic production and circulation of organic products, so that the new mechanism of legal regulation of organic agricultural production will work in full.

In addition, the legal regime of agricultural land, which is intended or already used for growing organic products, should be clarified in the Land Code of Ukraine. It is also necessary to develop and approve criteria for determining the suitability of agricultural land for use in organic farming, addressing at the legislative level issues related to soil conservation and protection of their fertility, development and approval of standards for their quality, which would meet the requirements of organic production of plant origin.

Conflict of interests

The authors declare no conflict of interest.

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