

Organic Products Market in Ukraine: State And Prospects of Development

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Abstract

The production of organic products has been one of the most urgent tasks for modern society for many years. Ukrainian society is increasingly interested in what "organic production" and "organic products" are. Along with the promotion of a healthy lifestyle, the relevance of organic products is growing. Therefore, the purpose of the study is to determine the state of production and sale of organic products on the market of Ukraine.

By the method of theoretical generalization in the article typical features of organic production are given; using the method of analysis and synthesis, the current situation in the organic market is considered, including available land resources, number of producers, cost of sales; graphical and tabular methods were used for optimal visualization of the results of the study.

The study analyses the relevance and importance of organic agriculture and farming, considers key aspects of organic production, the importance of certification and well-established legislation that will help enterprises engaged in the production of organic products to develop. The importance of introducing the marketing concept into the practical activities of enterprises engaged in the production of organic products is noted. The importance of applying effective marketing approaches to product promotion to the consumer is emphasized and the main types of product promotion of organic origin are noted. The elements that form marketing channels for the production of organic products are indicated. It is noted that the market for organic products is gradually developing and expanding, which allows consumers to buy more and more organic products.

The research conducted in the article is aimed at informing domestic specialized manufacturers about the possibilities of diversification of the product range and marketing of their products both in the domestic and international markets in accordance with modern consumer needs.

Keywords: Producer, Market, Organic Products, Consumer, Certification, Legal Regulation.

Introduction

Organic agriculture is one of the most promising businesses, contributing to the transition to sustainable development and a green economy. This is important for humanity because the agro-industrial complex provides jobs for almost a fifth of the world's population, but at the same time is one of the largest polluters and one of the largest consumers of drinking water. And organic agriculture helps to restore soil fertility, preserve biodiversity, reduce the negative impact on water resources. In addition, organic products have a positive effect on human health.

A full-fledged domestic market of organic products with a complete production cycle is formed rather slowly. The social and environmental usefulness of organic products requires increased attention to its promotion in the market and the formation of commitment and loyalty of consumers. Under these conditions, the importance of marketing management of the industry and its organic sector in order to strengthen market positions and competitiveness.

The process of formation and development of the organic market of Ukraine unites unique and important for all mankind life values of each organic company. However, it is necessary to constantly analyse the state of development and conditions for the creation of competitive production and distribution chains. Today, the formation of an effective market environment in Ukraine is influenced by: the development of domestic trade, work with consumers, and increasing demand for organic products.

Material and Methods

Theoretical and practical aspects of the functioning of the market of organic agricultural products and food products, the organization of organic agricultural production are thoroughly disclosed in the works of domestic and foreign scientists:

S. Ilyashenko (2013) in a monograph using marketing methods and tools explored the problems and outlined the prospects for the introduction of environmental innovations as a prerequisite for the transition to sustainable development. The paper highlights the approaches to motivating the creation and implementation of environmental innovations, developed the principles of the mechanism of implementation of environmental innovations.

The article by T. Dudar and O. Dudar (2014) reveals the main trends in the organic sector and potential opportunities for expanding the domestic market of environmentally friendly agricultural products based on international standards, substantiates the conceptual model of organic agri-food market infrastructure to ensure quality and safety of agri-food products in Ukraine.

T. Zaychuk (2009) paid attention to the definition of marketing tools for the formation of domestic demand for organic products and ways to minimize the economic risks of organic production.

E. Milovanov (2012) in his work highlighted the main prerequisites for the need for state support for organic production in the world. He analysed the European experience of supporting organic agriculture and highlighted the main areas of financial support under the EU Common Agricultural Policy.

N. Buga, I. Yanenkova (2015) substantiated the results of expert evaluation of consumers' attitude to organic products. Problems and reasons for the unsatisfactory level of development of organic production were identified. The peculiarities of the organic-oriented model of development of the agricultural sector of the economy were determined.

V. Artysh (2014) analysed the state of organic production in the European Union.

T. Chaika (2012) considered the problems that create obstacles to the development of organic production in the agricultural sector of the economy.

N. Lampkin, S. Padel, K. Foster (2000) in their work conducted as part of a research project on organic farming and SAR, assessed the impact of the 1992 SAR reform on organic farming, and explored, how organic farming can affect achieving the goals of EU agricultural and environmental policy.

Catherine Badgley, Jeremy Mogteider, Eileen Quintero, Emily Zakem, M. Jahi Chappell, Catia Aviles-Vazquez, Andrea Samulon, and Yvette Perfecto (2007) conducted a study that suggests that organic agriculture can make a significant contribution to global supply, while reducing the harmful effects of conventional agriculture on the environment.

M. Jaime, J. Coria, H. Lew (2016) analysed the impact of the Common Agricultural Policy of the European Union on the use of organic production technologies by farmers.

Janike Edward, Carolyn Dimitri, and Lydia Oberholzer (2011) studied changes in supply and demand for products with organic labeling.

Aims

Determining the state of production and realization of organic products on the market of Ukraine.

Results and Debate

Environmental security, in particular the safety of the human environment, is one of the highest priorities for the development of society, as stated in the National Security Strategy of Ukraine. Creating conditions for maintaining ecological balance on the territory of Ukraine, modernization of communal infrastructure, strengthening environmental protection, the introduction of new systems of waste management and reduction of industrial emissions, ensuring efficient use of natural resources, protection of forests and reservoirs, development of protected areas, prevention of negative consequences emergencies of natural and man-made nature and their elimination (The national security strategy of Ukraine» (2020)).

The study of the nature of the current relationship between nature and man, overcoming the contradictions of their development suggests that the solution lies in the plane of systemic action, a systemic approach. At the same time in the system "nature-society," it is necessary not just to move from "human interests" to "natural interests", but to consider them as a single system of eco-development, based on the interests of a holistic socio-natural development system - in order to further its systemic development in the desired eco-evolutionary direction" (Hvesik M.A., Stepanenko A.V. (2014)).

Ukraine's accession to the world community, WTO membership, Ukraine-EU Free Trade Area action require in-depth attention to export-oriented industries, enterprises, and industries, finding ways to ensure maximum adaptation of agricultural production to EU standards and WTO requirements. Cooperation in the international dimension opens up great opportunities for realizing the potential of the agricultural sector of the national economy and poses new challenges.

In the context of research, we first consider the state of development of organic agricultural production, the main function of which remains unchanged throughout its existence. It can be formulated as ensuring, through a system of cross-border exchange, the interaction of all elements of the world food system and all parts of the food chain to supply the planet's population with the nutrients needed to sustain life.

According to IFOAM, organic agriculture is a production system that maintains the health of soils, ecosystems, and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than on the use of resources with harmful results (Basic Standards: approved by the IFOAM General Assembly. (2002)). This definition emphasizes that organic agriculture is aimed at working with ecosystems, biogeochemical cycles of substances and elements, supports them, and gets the effect of their optimization.

Definitions of organic agricultural production, which are found in numerous domestic and foreign scientific publications, emphasize primarily its technological features of an applied nature, the implementation of which does not violate self-healing processes in nature and agricultural resources. In particular, O. Rudnytska (2007) understands the term "organic agricultural production" of agricultural practice without the use of synthetic pesticides and fertilizers, based on the maximum use of biological factors to increase natural soil fertility, agroecological methods of pest and disease control, biodiversity benefits and more. Artysh V.I. (2005) reveals the essence of organic agriculture as one that provides «... environmental protection; prevention of soil degradation processes that occur during intensive agriculture; improving the health of the population as a result of the use of environmentally friendly products.

In Ukraine, producers began to consciously engage in organic production in the late 1990s. Actively developing the domestic market, our state is increasingly asserting itself in the international market of organic products, entering the world leaders in terms of agricultural land used for its cultivation, increasing the range of products offered and the geography of supply.

Demonstrating in recent years a stable positive dynamics of growth of agricultural land, which is certified organic production, there is a steady growth in both the number of operators of the organic market and the level of consumption of organic products in Ukraine, which contributes to the tendency organic raw materials. These include cereals, flour, dairy and meat products, juices, honey, oils, teas, and herbs.

Official statistical surveys of IFOAM confirm that if in 2002 there were 31 farms registered in Ukraine, which received the

status of "organic" in 2020, there were already 722 organic farms (Fig. 1, 2).

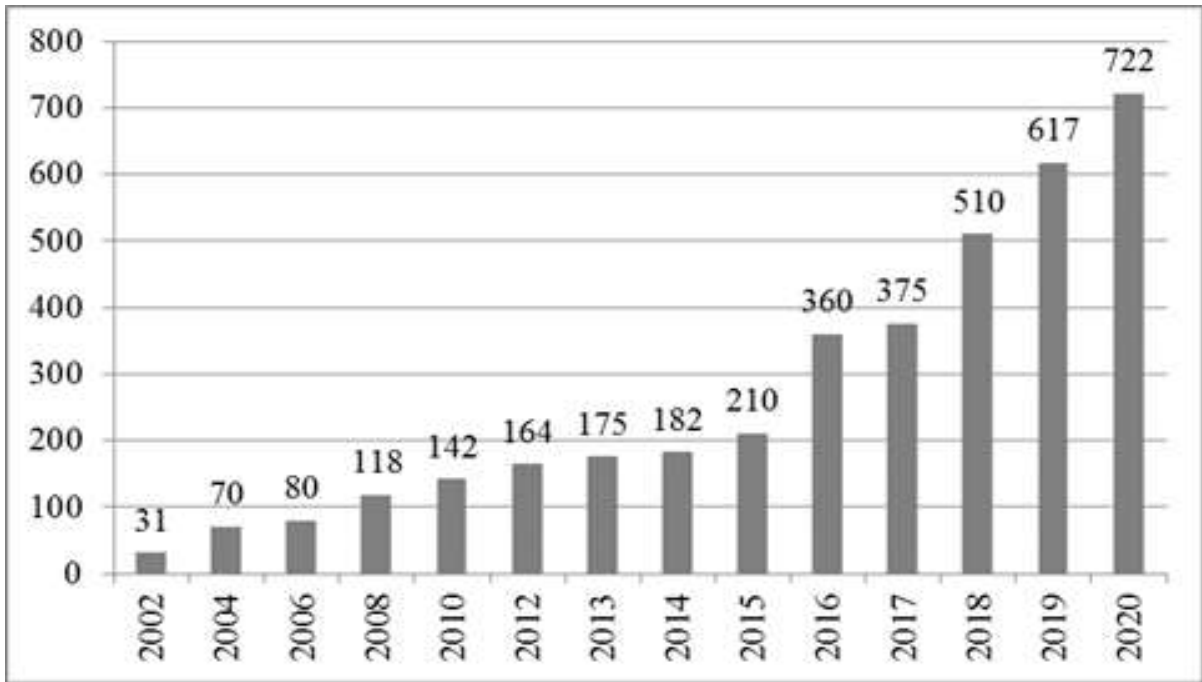


Fig.1. Number of certified organic farms in Ukraine (Organic in Ukraine. (2021))

Most Ukrainian organic farms are locating in Kyiv, Odesa, Kherson, Poltava, Vinnytsia, Zakarpattia, Lviv, and Zhytomyr regions. Ukrainian certified organic farms - of various sizes - from a few hectares, as in most European countries, to several thousand hectares of agricultural land. Given the growing number of small organic farms, their specialization is focused primarily on growing fruits and vegetables, and berries. However, the export orientation of producers, especially legumes and berries, remains a fact.

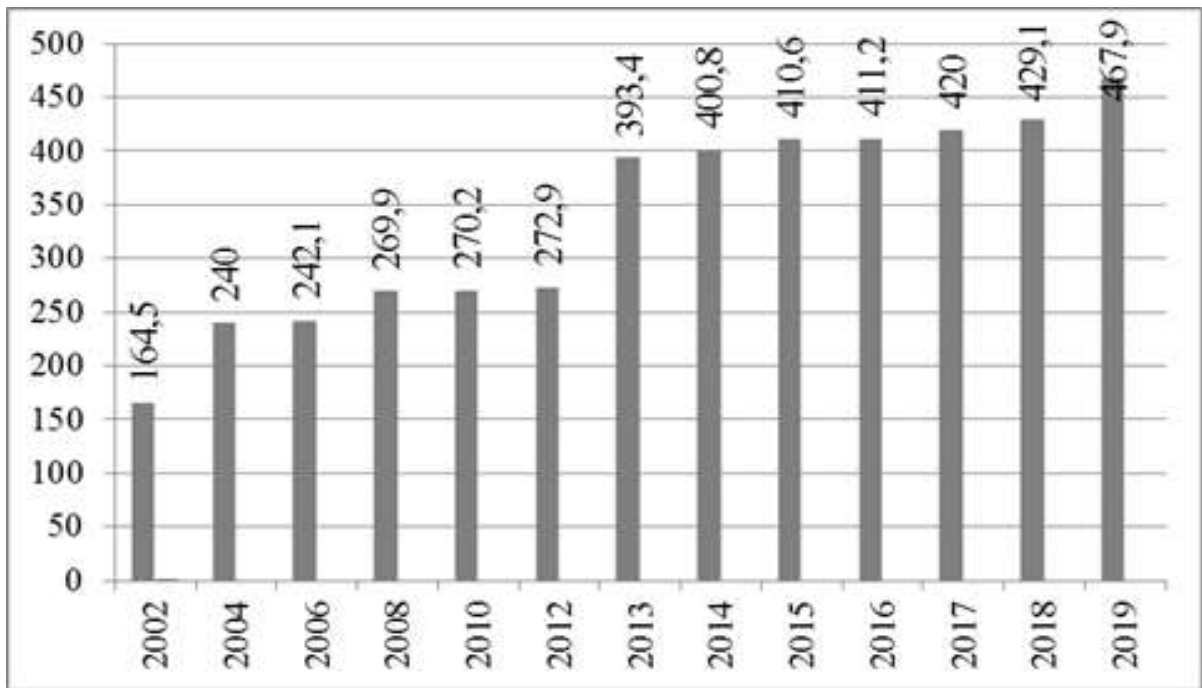


Fig. 2. Total area of organic agricultural land in Ukraine, 2002-2019 (Organic in Ukraine. (2021))

Ukraine took second place in the supply of its organic raw materials to the EU and first place among other European

countries. 95% of exported products are raw materials, and the remaining 5% increases the list of processed products (chocolate, ice cream, various cereals) (Ukraine took second place in the supply of its organic raw materials to the EU. (2020)). However, in recent years there has been a tendency to actively fill the domestic market with domestic organic products by establishing their processing of organic raw materials. According to the research of the Federation of Organic Movement of Ukraine, since the early 2000s in our country there has been a stable annual growth of the domestic consumer market of organic products, showing the data shown in Fig.3.

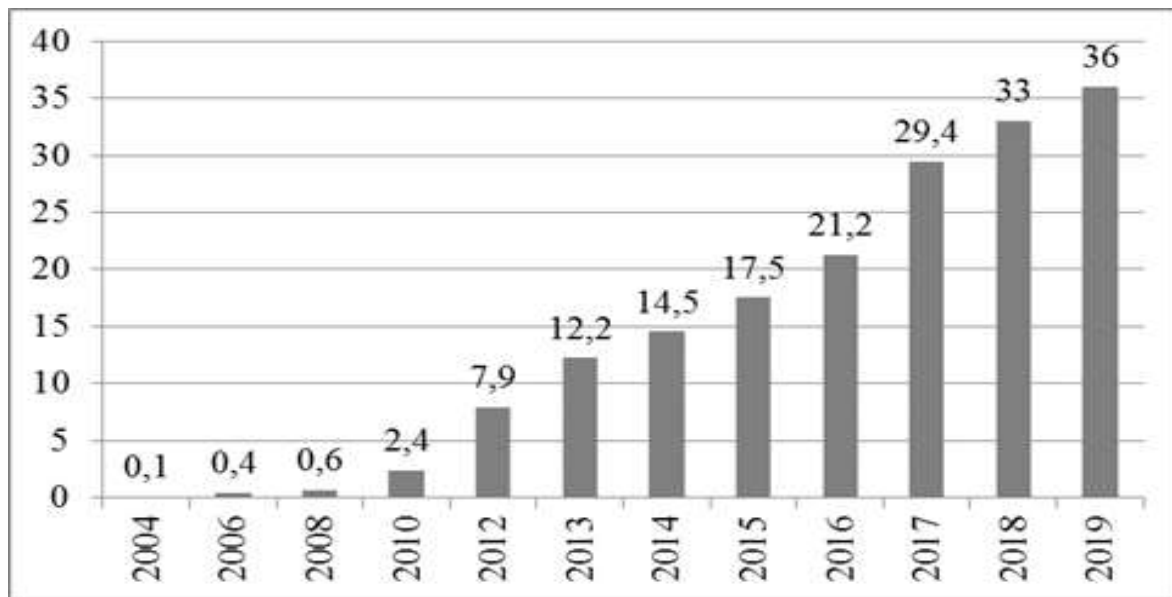


Fig. 3. Volumes of the consumer market of organic products in Ukraine, 2004-2019, million euros (Organic in Ukraine. (2021))

An important condition for ensuring the commercial success of the enterprise in the market of organic products is the orientation of the final results to the needs and demands of end-users and ensure their effective satisfaction. This means that to avoid problems with the sale of its products on the market, the company must constantly study consumer behavior, their requirements, the level of satisfaction of needs for a particular organic product, motives, product market structure, and adjust its production activities according to these requirements. production of such goods that the consumer needs in the market. Ensuring the implementation of this principle is possible only if the implementation of the marketing concept in the practice of enterprises engaged in the production of organic products.

It is important to apply effective marketing approaches to product promotion to the consumer. The main types of promotion of organic agricultural products should be considered: advertising, personal selling, sales promotion. An extremely important role belongs to the key elements of the formation of marketing channels for the sale of organic products by producers, some of which are in the process of formation, and others are just being formed (ECO-MARATHON: Green Business Ukraine. (2019)).

In the domestic market of Ukraine, organic products are distributing in most cases through direct distribution channels: sales on the farm, in open markets, farm shops, fairs, and mainly through door-to-door sales. In rare cases, organic products are distributing through indirect distribution, through specialized health food stores and supermarkets.

A significant number of domestic farms are unable to produce adequate quantities of organic products for the consumer market. Therefore, a small proportion of the organic products they produce are distributing through direct channels. Direct distribution increases income because the money on the trading margin remains on the farm.

For domestic producers of organic products, direct sales are the easiest way to sell. The production unit, which wants to engage in direct sales of organic products, is facing numerous organizational changes. To start with direct sales, the producer, in addition to his main activity of organic production, assumes new responsibilities, such as storage, processing, and sale of its products, which sometimes brings numerous economic obligations.

The sale of finished products significantly increases income, but also activities in the economy. Only farms with well-developed entrepreneurial characteristics can meet all the requirements. Moreover, these farms must also meet other requirements for direct sales, such as the type of goods sold on the farm, the market, and the production capacity of the farm. Farms wishing to engage more directly in direct sales should invest in storage, processing, and distribution goods,

especially if they are in the process of converting from conventional to organic production when this is necessary to prevent contact of traditionally produced products with organic.

Door-to-door sales include online sales through social networks or websites, ordering by phone. The question of the method of delivery is decided by consumers themselves, depending on the term and conditions of storage of products.

Organic producers are active participants in fairs. Among the most famous among organic producers of Ukraine is the "All-Ukrainian Fair of Organic Products" where domestic producers demonstrate their products and the world fair of organic products BioFach in Nuremberg (Germany).

Indirect distribution channels for organic products in Ukraine are wholesale and retail trade.

Retail trade in organic products takes place through supermarkets and hypermarkets, specialized health food stores, and, as a new type of retail trade in the Ukrainian market, organic supermarkets.

In general, supermarket chains show varying degrees of interest in natural foods. The motives for their entry into the organic market are different, and they use different strategies when selling organic products.

The main distribution channels for organic processed products in cities are supermarkets. According to the register of importers of organic food, these are such supermarket chains as "Furshet", "Velyka Kyshenya", "NOVUS", "Silpo", "EcoMarket", "Fora", "Rost", "Digma", "Fozzi". Marketopt. The network through which organic products are distributed is growing. Most points of sale are located in Kyiv, cities with a population of millions, and regional centers.

Organic stores are gaining popularity in Ukraine: "Eco-club", "Natur Boutique", trading house "Organic Era" which offer their customers a wide range of organic certified food, as well as organic cosmetics, household goods, and children of domestic and imported production, goods can also be ordered in their online stores. In addition, companies - "Natur Boutique", "Eco-Chic", "Glossary", trading house "Organic Era", offer organic catering services - on-site restaurant service. Also, in Ukraine, there is an eco-estate "Maison Blanche", certified by the international environmental program Green Key, which includes an eco-hotel, cafe, shop. The eco-estate is decorated with natural materials, the rooms are cleaned with organic products, and guests are offered organic cosmetics.

Producers of organic consumer goods are beginning to actively use natural materials: wool, vine, hemp, cotton, as well as clay, wood, and glass because natural materials guarantee the durability of things and allow you to save natural resources in case of excessive consumption. In the Ukrainian market, they are represented by the following eco-brands - "DevoHome", "Green Elvis", "ZERNO", "AVOSKA", "Her", "Ochi Coffee", "Ecopack Gifts", "OZERO", "Raw Flaw" (ECO-MARATHON: Green Business Ukraine. (2019)). Such products are becoming quite popular for the category of eco-consumers and attract other buyers to the culture of eco-consumption.

Organic companies pursue a constant marketing policy aimed at promoting this area, using the following methods of influence: conferences, exhibitions, advertising campaigns, various promotions, tastings (if it is food). By such measures, producers draw the attention of potential consumers to organic products, and with the right tactics of action inclines them to buy. All these methods of sales promotion are a very powerful channel of influence on the formation of ecological thinking and consumption, as the consumer receives not only a quality product but also the complex consumer value of the product, which includes important basic needs - safety and health. Information support of useful organic goods saves resources and time and is an important element in the system of environmental marketing.

Ukrainian consumers are becoming more informed and knowledgeable, and as a result, their inquiries about product characteristics are changing and becoming more demanding. They do not believe in advertising fiction, carefully study the composition of products, labeling, product characteristics, read publications that expose unscrupulous manufacturers, and already know most of the deceptive marketing techniques.

Special labeling helps to distinguish organic products from those available on store shelves.

"Labeling - information about organic products, the state logo for organic products, applied to the label, packaging, packaging, container, counter label, necklace, label, cork, insert or other elements of packaging that accompanies such products or refers to it, respectively to the requirements of the legislation in the field of organic production, circulation, and labeling of organic products ". That is, a special logo must be placed on the label of organic products (approved by the order of the Ministry of Agrarian Policy dated 22.02.2019 №67 "About the statement of the state logo for organic production"(2019). The logo consists of a graphic image of two circles that intersect, forming a figure in the form of a plant leaf, as well as the inscription "Organic product" (Fig. 4). It is forbidden to use on product labels the names: "organic", "biodynamic", "biological", "ecological", "organic" and any monosyllabic derivatives of these words with the prefixes "bio-", "eco-", etc. any languages. The application of the image of the State logo indicates that the producer of

organic products has passed special certification and has the appropriate documents.

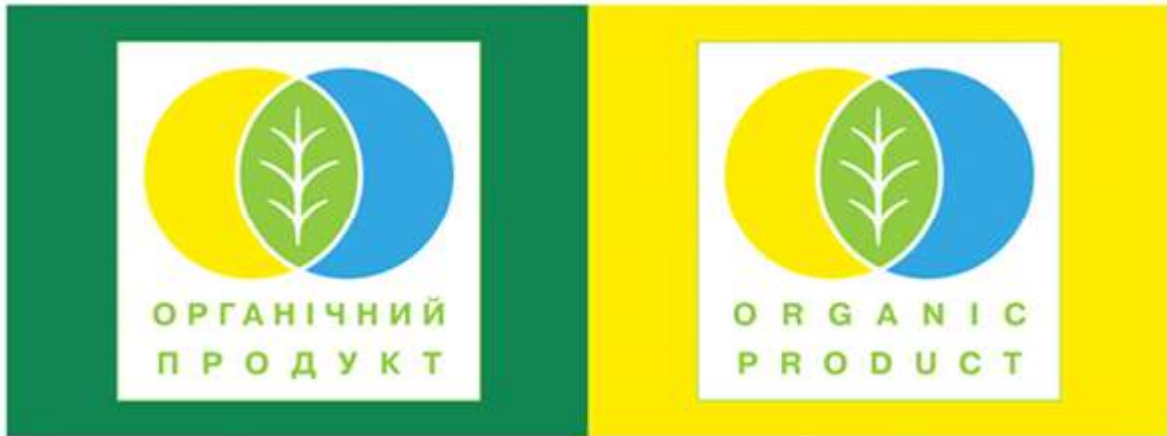


Fig. 4. Logo for organic products of Ukraine

According to the law, organic production and circulation of organic products in Ukraine are subject to certification - i.e. undergoing a special procedure for compliance of organic production and circulation of organic products with the requirements of legislation in the field of organic production, circulation, and labeling of organic products. Logistics, storage, and sale of organic products by catering establishments and retailers do not require certification.

In Ukraine, such certification is carried out by a special authority, which is entered in the State Register of Certification Authority. The certification decision is made after the inspection if all the necessary documents were available. At the same time, it is very important that the operator is well prepared for the inspection.

The mechanism of control is prescribed in the law of Ukraine "About the state control over compliance with legislation on food, feed, animal by-products, animal health and welfare" (2017) and is based on a risk-based approach. Control over the activities of certification bodies is in accordance with the law of Ukraine "The basic principles of state supervision (control) in the sphere of economic activity" (2021).

Violation of the requirements of organic law provides for quite severe penalties (Level of responsibility: Who and what fines will be paid in case of violation of organic law. (2020)):

- labeling of products with the state logo for organic products or use in the labeling of designations and inscriptions "organic", "biodynamic", "biological", "ecological", "organic" and/or any monosyllabic and/or derived words from these words with prefixes "Bio-", "eco-", etc. in any language, in the absence of a certificate certifying compliance of the production process and its circulation with the requirements of legislation in the field of organic production, circulation and labeling of organic products - entail the imposition of fines on legal entities in the amount of eight minimum wages, for individual entrepreneurs - in the amount of five minimum wages;

- non-fulfillment, untimely fulfillment of legal requirements (instructions, administrative acts) to eliminate violations of legislation in the field of organic production, circulation, and labeling of organic products - entail the imposition of a fine on legal entities in the amount of eight minimum wages, on individual entrepreneurs - in the amount of five minimum wages;

- failure to provide, untimely or inaccurate information on the volume of organic products put into circulation - entail the imposition of a fine on legal entities in the amount of five minimum wages, on natural persons-entrepreneurs - in the amount of three minimum wages.

Responsibility of certification authority:

- non-fulfillment, untimely fulfillment of legal requirements (instructions, administrative acts) to eliminate violations of legislation in the field of organic production, circulation, and labeling of organic products - entail the imposition of a fine of eight minimum wages;

- violation of the requirements for certification of organic production and/or circulation of organic products, which resulted in the illegal issuance of a certificate - entails the imposition of a fine of sixteen minimum wages;

- failure to provide, untimely provision or provision of inaccurate information, or a report on the certificates issued by them - entail the imposition of a fine of five minimum wages;

- repeated violation of the requirements for certification of organic production and/or circulation of organic products, which resulted in the illegal issuance of a certificate - entails the imposition of a fine of twenty-four minimum wages.

Responsibility of persons who sell products labeled as organic:

- putting into circulation or sale of products without a certificate certifying compliance of the production process and/or its circulation with the requirements of legislation in the field of organic production, circulation, and labeling of organic products or legislation of the country of origin of such products entails eight minimum wages, for individual entrepreneurs in the amount of five minimum wages.

The State Food and Consumer Service have the right to apply to the Ministry of Agrarian Policy with a request to exclude a certification authority from the Register of Certification Authorities or to exclude an operator from the Register of Operators. In case of violations, the Ministry of Agrarian Policy has the right to apply to the National Accreditation Agency with a request to deprive a specific certification authority of the accreditation certificate.

Inspection and certification is an extremely important component of organic production. For example, a farmer grows tomatoes following the principles and rules of organic production, and then these products reach the consumer. And in this way, all stages: production, packing, warehousing, transportation, placement on trade areas - are inspected and certified. If the consumer in the store wants to know who grew specific certified organic tomatoes or from which wheat organic cake is made, he will be able to trace not only all stages of organic production but also accurately identify the area, district, farm, and even the field where this product is produced grown (Guidelines for labeling of organic food and feed. (2019))

Ukrainian consumers, as well as European ones, strive to consume safer and higher-quality products (Fig. 5).

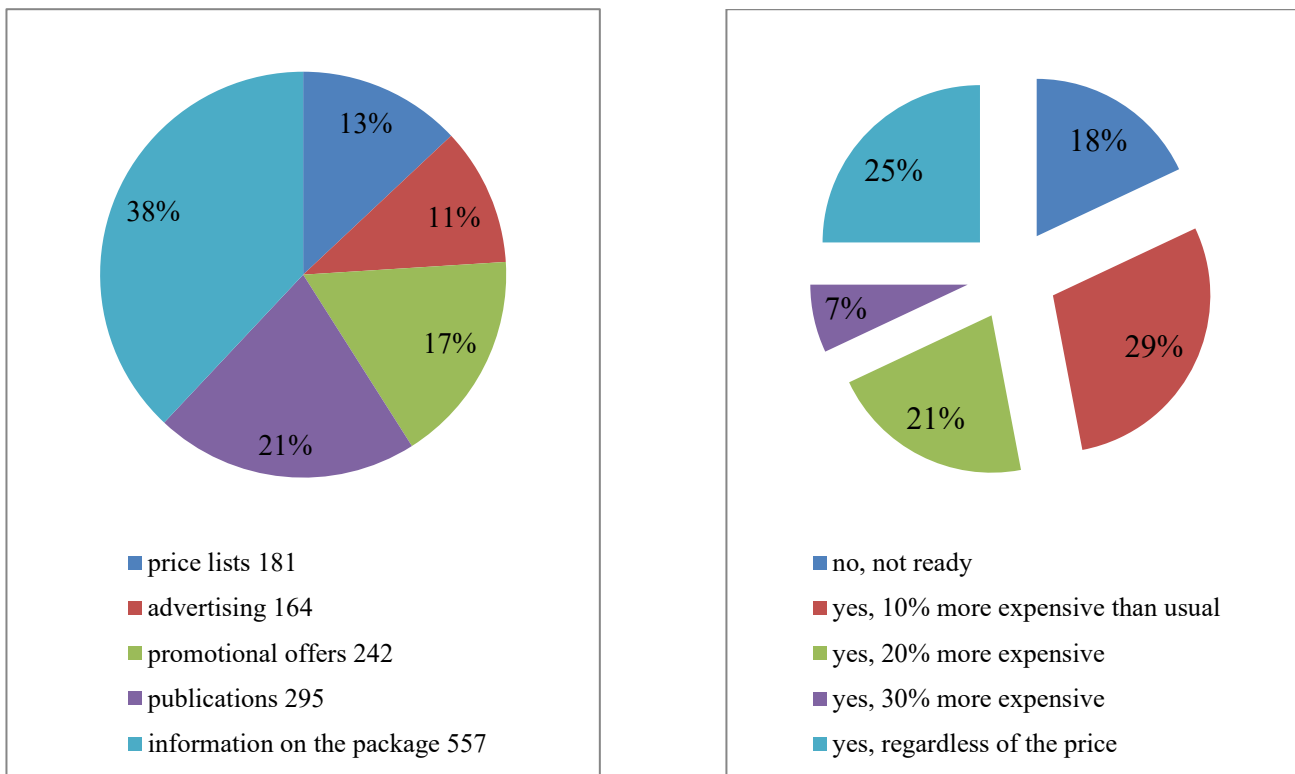


Fig.5. Survey data of Ukrainian consumers (International Federation of Organic Agricultural Movement. (2021))

According to the survey, in 2019, 84% of Ukrainians are consciously ready to choose products with improved environmental performance and pay more for them, if they are confident in its benefits. Willingness to buy such products regardless of the price was expressed by 25% of respondents, to pay 10% more than the average market price - 29%, 20% more - 21%, and 30% more - 7%. Only 18% are not ready to overpay.

A distinctive feature of consumers who focus on organic products is environmentally friendly is the unambiguous indicator of the environmental safety of products. 47% of respondents believe that the conclusions of state control bodies guarantee the environmental safety of goods.

But 51% of consumers of this type are willing to buy organic products, while 27% agree to pay for them 1.5-2 times more than traditional. In this segment, more than half of the respondents have higher education; their age is from 31 to 50 years;

20% hold managerial positions or are entrepreneurs with a high monthly income. Thus, the segment of consumers who are focused on organic products is the most active, solvent, and environmentally motivated population. The purchase of environmentally friendly products for consumers-fans is equally due to the reputation of the brand and the recommendations of friends, acquaintances, relatives (International Federation of Organic Agricultural Movement. (2021)).

One of the important issues for the development of the organic market in Ukraine is the need to regulate the regulatory framework, which will ensure the activities of producers according to domestic organic standards with appropriate control by both certification bodies and the state. Thus, in 2013, the Law of Ukraine "On Production and Circulation of Organic Agricultural Products and Raw Materials" was adopted, which was valid until August 2, 2019. However, it is better to say that the Law was ineffective because the provisions of the document were imperfect and, in most cases, did not meet the requirements of European regulation in the field of organic production, circulation, and labeling of organic products.

In order to improve the principles of legal regulation of organic production, circulation, and labeling of organic products and adaptation of organic legislation to EU law, with the support of the public sector and organic market specialists, executive authorities adopted a new Law of Ukraine "On Basic Principles and Requirements for Organic Production, circulation and labeling of organic products" (962496-VIII, entered into force on August 2, 2018, came into force on August 2, 2019).

First of all, the Law takes full account of EU directives and regulations, which allows adapting Ukrainian legislation to European legislation; production requirements were improved, provisions on assessing the suitability of land for the production of organic products were removed, which contradicted international practice; the principles of production certification have been changed; requirements for certification bodies, the inspector for organic production have been significantly improved.

Currently, experts of the working group at the Ministry of Agrarian Policy on the development of legislation in the organic field, which includes experts from the Federation of Organic Movement of Ukraine, are working on the development of bylaws that are important for the functioning of the organic market.

Thus, the resolutions of the Cabinet of Ministers of Ukraine and the orders of the Ministry of Economic Development, Trade and Agriculture of Ukraine, as well as the former Ministry of Agrarian Policy and Food of Ukraine, have already been approved:

- order (detailed rules) of organic production and circulation of organic products;
- the procedure for maintaining the State Register of operators producing products in accordance with the requirements of legislation in the field of organic production, circulation and labeling of organic products, the State Register of certification bodies in the field of organic production and circulation of organic products, the State Register of organic seeds and planting material;
 - the procedure for maintaining the List of foreign certification bodies;
 - state logo for organic products;
 - a list of substances (ingredients, components) that are allowed to use in the process of organic production and which are allowed to use in the maximum permissible quantities;
 - the procedure for confirming the special knowledge of the inspector on organic production and/or circulation of organic products in the field of organic production;
 - the procedure for certification of organic production and/or circulation of organic products;
 - the procedure for reviewing appeals against decisions of certification bodies;
 - application form for inclusion in the Register of certification bodies in the field of organic production and circulation of organic products.

The Ministry of Economy, according to the requirements of the above-mentioned Law, is completing the preparation and approval of regulations relating to the following issues:

- requirements to the material and technical base and other infrastructure objects necessary for the performance of functions on certification of organic production and/or circulation of organic products;
- the procedure for reporting by certification bodies to the Ministry of Economy and the State Food and Consumer Service on the certificates issued by them;
- the procedure, periodicity of declaring and submitting consolidated materials on the volumes of organic products that are put into circulation by certification bodies to the Ministry of Economy and the State Food and Consumer Service (orders of the Ministry of Economy).

An important event for the organic movement in Ukraine was the adoption of the Law of Ukraine "On Amendments to the Law of Ukraine "On State Support of Agriculture of Ukraine" (2019) and other laws of Ukraine on the functioning of the State Agrarian Register and improving state support for agricultural producers products"(2020). The adopted Law provides:

- state support for producers of organic agricultural products is carried out by allocating budget subsidies per unit of arable land and/or one head of cattle;
- reimbursement of up to 30 percent of the cost of certification of organic production;
- reimbursement of up to 30 percent of the cost of purchasing permitted plant protection products and fertilizers, seeds, planting material, and fodder.

In accordance with the provisions of the new law, the authority to exercise state control (supervision) in the field of organic production, circulation, and labeling of organic products is given to the State Food and Consumer Service, which will inspect the activities of operators and certification bodies market for inorganic products labeled as organic (New requirements for organic production, circulation and labeling of organic matter are being introduced. (2019)).

The European integration processes of the agricultural sector, the adaptation to the requirements of European food legislation, and the signing of the Association Agreement with the European Union, the opening of borders for trade, including food, helped business leaders to think about how to establish sustainable trade with Europe. This requires compliance with the following conditions: first, it is the harmonization of Ukrainian food legislation with European; the second condition - methods and principles of activity of official state controlling bodies should correspond to methods and principles of activity of such bodies in the EU - according to the European legislation; the third is a requirement for the enterprises and suppliers of raw materials. Its implementation depends on many factors, ranging from the type of product and the type of technological processes that exist in production, and ending with the size of the enterprise. Compliance with these requirements will allow you to work in the EU market, in other markets.

Introduction of European standards in the economy of regional nature management, ecological innovations are recognized as an indicator of sustainable and balanced development in conditions of competition. This is confirmed by international policy documents and statistical reports in which environmental innovations are treated as innovations that increase the efficiency of natural resources from an economic point of view, reduce the negative impact of human activities on the environment or increase the resilience of the ecological system. The introduction of environmental innovations contributes to the development and expansion of the market for organic products. However, today in Ukraine there are no tools for managing environmental innovations, no effective mechanisms for regulating, and state incentives for innovative developments in nature management under the condition of decentralization (Martienko A.I., Bondarenko S.A. (2015)).

The strategic vision of Ukraine's sustainable development is based on ensuring environmental security, national interests and fulfilling Ukraine's international obligations regarding the transition to sustainable development. This development involves:

- overcoming imbalances in the economic, social, and environmental spheres;
- transformation of economic activity, transition to the principles of "green economy";
- building a peaceful and secure, socially cohesive society with good governance and inclusive institutions;
- ensuring partnership between public authorities, local governments, business, science, education, and civil society organizations;
- full employment;
- high level of science, education, and health care;
- maintaining the environment in a proper state that will ensure the quality of life and well-being of present and future generations;
- decentralization and implementation of regional policy, which provides for a harmonious combination of national and regional interests;
- preservation of national cultural values and traditions (Strategy of sustainable development of Ukraine until 2030. (2019)).

Based on the above, the main areas of regulation of organic production in the direction of environmental safety are:

- control of ecological quality and safety of agricultural products, ecological audit of the content of hazardous substances in agricultural products and natural environments, analysis of potential sources of pollution, forecasting and

assessment of environmental risks;

- environmental monitoring, soil protection, protection of groundwater, rivers, and lakes;
- optimizing the impact of agriculture on climate change, reducing greenhouse gas emissions;
- implementation of concepts of ecological agriculture, ecological certification, and labeling.

Note that organic production offers an alternative food system that can increase agricultural productivity, ensure social justice and preserve the environment.

Organic production and environmentally friendly technologies should be considered as an innovative product that combines scientific and technical novelty, technological originality, industrial application, and commercial implementation. Taking into account the environmental component involves creating conditions for producers to access the market of organic products based on the principle of partnership between producer and consumer. According to experts, the decisive factor in achieving environmental safety is environmentally friendly technologies, rather than achievements in research and development. Because the progress of science in the field of organic production is due to the objective need to preserve the environment and is impossible without integration.

Conclusion

It can be argued that the development of the organic market is particularly important and promising for Ukrainian farmers, consumers, and the state as a whole, especially in the context of ensuring a healthy diet and preserving the environment. The creation of proper legal support for the activities of organic producers, as well as the introduction of a clear and effective system of state support, creates the conditions for further promising and competitive existence.

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