



SUCCESS STORY: Credit union lending helps agriproducers benefit from lifting of land sale moratorium

The July 1, 2021 lifting of a moratorium on the sale of agricultural land has provided Ukraine’s agricultural producers with new opportunities for growth, yet still poses significant challenges for the smaller ones.

The most important challenge is a lack of access to finance. However, small- and medium-sized agriproducers in Ukraine are not target groups for banks. Rather, credit unions serve as important financial service providers for them. Given the land market opening, the demand for finance through credit unions is growing among those farmers who seek to purchase land.

This was the case for Vitaliy and Oleksandr Yarmosh, brothers and co-owners of a farm in Dnipro Oblast. For more than a decade, they have been producing corn, sunflower seeds, potatoes and wheat on their own 100 hectares (ha)¹ of land, while also leasing 400 ha for production purposes. After the land market opened, one of their lessors made the first offer that would allow them to purchase an additional 5 ha plot. Leasing land increases production costs, so owning additional land would be beneficial. Still, the brothers needed money to make such a purchase. They applied for a loan from Credit Union *Yednannia Cherez Pryrodnyi Zakon (YeChPZ)*, their financial partner for many years. *“The credit union has been supporting us since our farm was established. We’re growing hand in hand. It’s always fast and easy with them,”* said Vitaliy.

Financing a land purchase has specific legal and underwriting requirements and remains a new area for credit unions in Ukraine. Fortunately, Credit Union *YeChPZ* is a partner of the USAID-funded World Council of Credit Unions (WOCCU) Credit for Agriculture Producers (CAP) Project and has been learning about those requirements through a series of trainings and a manual on the specifics of lending for agricultural land purchase. Application of these new skills allowed the credit union to issue a UAH 150,000 (USD 5,700) loan to the farmers to purchase the land. Funds received through the recently launched USD 1 million USAID-funded Worldwide Foundation for Credit Unions Credit Union Liquidity Activity were used to make the loan. The Liquidity Activity was established to help credit unions meet demand for agrilending in their communities.

As a result, on November 4, 2021, the deed for the land purchase was notarized and Vitaliy and Oleksandr became the owners of an additional 5 ha of arable land. Having tested the procedure during this first transaction, the farmers expect additional offers to come from their lessors. They are willing to expand their ownership stake to reduce their production costs in the long run, and their credit union is ready to further support and expand these initiatives.

“Knowledge and financial assistance received from international donors enable us to provide more modern and affordable services to our member agriproducers. We are happy to continue and expand this cooperation,” said Mykola Trifonov, CEO of Credit Union *YeChPZ*.



Farmers Vitaliy and Oleksandr Yarmosh showing their agrimachinery to Mykola Trifonov, YeChPZ Credit Union CEO



Farmer Vitaliy Yarmosh at the barn with products, Dnipro Oblast, November 2021



Farmer Oleksandr Yarmosh in his fields, Dnipro Oblast, November 2021

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¹ 1 hectare = 2.47 acres