

SUCCESS STORY: Affordable Credit Union Loan Helps Ukrainian Woman Harvest Crops on Her Farm

March 2024 – Russia’s full-scale invasion of Ukraine and its impact on the national economy made it very difficult for small- and medium-sized farmers to keep their operations profitable. With export channels significantly limited and sales prices for agricultural products dropping, many farmers lacked the financing needed to keep going.

Ms. Maya, the owner of a farm in Cherkasy Oblast that grows soya and wheat, also faced this problem early in the 2024 agricultural season.

To work her 700-hectare of land, she needed a new combine harvester, a very expensive piece of machinery. Since she did not qualify for a bank loan—despite owning a rather sizable and established business—she followed the recommendation of fellow farmers and turned to a local credit union that has been a long-term partner of the USAID Credit for Agriculture Producers (CAP) Project for a loan.



Ms. Maya showing her new combine harvester, Cherkasy Oblast, Ukraine

Thanks to the USAID-funded \$1 million Liquidity Fund, which provides extra liquidity to credit unions through the CAP Project, Ms. Maya received a UAH 3 million (approx. US \$80,000) loan at an affordable interest rate.

Despite a key interest rate of 15%, her actual loan payment is only 8%. That was made possible thanks to the Liquidity Fund mechanism ensuring access to affordable external financing for credit unions. Credit unions can in turn offer less expensive loans to their members – a critical need in wartime.

“We never took a loan with a credit union before, but with these conditions, it’s a very good offer for us”, said Ms. Maya, who has already purchased a new combine and readily awaits the 2024 sowing season.

“Despite all the difficulties, thanks to the support provided, I will continue to cultivate the land and ensure jobs for my 15 employees,” she added.

As of March 31, 2024, the CAP Project has facilitated the disbursement of 1,384 loans through credit unions totaling USD 3.55 million to Ukrainian small and medium-sized farmers under the Liquidity Fund Initiative.

Photo credit: CAP Project

Disclaimer: This success story is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents of this success story are the sole responsibility of World Council of Credit Unions and do not necessarily reflect the views of USAID or the United States Government.