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SUCCESS STORY: Credit unions continue to finance agribusinesses during the war in Ukraine

June 2022 - In wartime Ukraine, food security has become key in the fight against Russia's invasion of Ukraine. Thus, farmers across the country continue to farm despite the risks brought forth by the war.

Ms. Vira and her family manage a dairy farm in Lviv Oblast. The farm with 75 cattle, of which 31 are milking cows, produces up to 400 liters of milk a day. Since the war began in February 2022, Ms. Vira, like many other farmers, now donates part of the farm's production to help the refugees.

The situation in the country is difficult, but Ms. Vira and her family are working to increase production and expand their business, which will support Ukraine's food security. They have launched cheese production and plan to offer new products. In addition, there is an opportunity to secure a big dairy contract with a new factory to be opened in the region.

To expand and upgrade their productive capacity, the family however lacked funds to build new facilities with the appropriate cooling conditions for livestock breeding – a new method of cattle breeding that is closer to natural conditions, benefits cows and guarantees high-quality production. They applied for a loan from their long-standing financial partner – Credit Union Boikivschyna.

Why a credit union? Ms. Vira explains her choice: *"It's easy to take a loan in my credit union – a couple of days and it's a done deal. And people working there are trustworthy."*

A CAP Project partner since 2017, Credit Union Boikivschyna approved the loan under the financing available through the USAID/Worldwide Foundation for Credit Unions' Credit Union Liquidity Activity. The Liquidity Activity helps credit unions meet demand for agribusiness loans in their communities.

Thanks to the UAH 300,000 (approx. USD 10,000) loan, Ms. Vira and her family built a large hangar, where their herd of 30 new heifers now live in optimal conditions. The family also used the loan to open a shop where they sell their milk, sour cream, butter and craft cheese.

Since the start of the war, from March to June 2022, CAP Project partner credit unions have disbursed UAH 20.36 million (USD 696,000) in agricultural lending through the Liquidity Activity to enable producers to continue operating to support food security and livelihoods as Ukrainian's fight for their country.



Ms. Vira at her farm showing the newly built facility and cattle in Lviv Oblast

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