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UKRAINE

SUCCESS STORY

A Free Market Brings Fresh Produce

New strategies help make the transition to a free-market economy



Photo: Oksana Koulakovska, AMP

A Rukavychka customer picks fresh produce.

“The quality of the fresh produce here is always high, and they have a variety of fruits and vegetables,” said Oksana. “Now, instead of wasting my time searching for products at bazaar, I always come to Rukavychka and find everything I need.”

Telling Our Story

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As a vegetarian, Oksana Bondarivska has always had problems finding fresh quality produce. Although there was a small bazaar nearby and several small retailers who sold produce occasionally at the bus station, the assortment and quality were disappointing.

Then, about a year ago, she discovered Rukavychka, a new supermarket with a produce department that satisfies her needs. “The quality of the fresh produce I get here is always high, and they have a variety of fruits and vegetables,” she said. “Now, instead of wasting my time searching for one product or another at the bazaar, I always come to Rukavychka and find everything I need.” A wholly owned subsidiary of Lvivkholod, Rukavychka introduced a fresh produce section thanks to a recommendation from USAID.

Established during the Soviet era, Lvivkholod was mainly a wholesaler of bulk frozen meat and fish products. In the early 1990s, with Ukraine’s economy transforming and marketing channels collapsing, Lvivkholod had to establish a new way of doing business or disappear. After privatizing, Lvivkholod overhauled its ways of doing business and decided to expand into retail. It reorganized its storage facilities and began modernizing its offerings.

In 2003, still looking to find its market niche, Lvivkholod opened its first Rukavychka supermarket. It was then that the company began working with USAID on agricultural marketing. Project specialists advised the company on modern wholesale and retail practices and helped it develop marketing and strategic plans, including setting up a produce department to better meet customers’ needs.

In December 2003, Lvivkholod placed fruit and vegetable displays in Rukavychka, then opened five more stores with fresh produce sections. Today, these modern supermarkets sell about 2 tons of fruits and vegetables each week, and USAID-supported farmers supply 20–80 percent of the produce depending on the season.

Its emphasis on product variety has made Lvivkholod stand out among competitors and survive the difficult transition from a planned economy to a free-market enterprise.