



- A European Quality Family -

Bioland Markt Gmbh & Co. KG

- One of the largest marketing organization in the German and EU market with excellent access to suppliers and processors
- Purchasing raw materials in different European countries for more than 15 years
- Purchasing directly from the producers nearly all kinds of crops and products, especially those that cannot be produced in Germany or are not available in the requested quantity and/or quality
- Offering maximum supply security to our customers/processors and ensure full transparency on the origin of the products

Bioland Markt GmbH & Co. KG

- Purchasing and marketing of organic grains (wheat, ruy, spelt, oat, barley, corn etc.) pulses (peas, horsebeans, lupins, soya) oilseeds (sunflower, flax, rapeseed) and others (buckwheat, millet) in Germany and 12 other European countries
- Providing seed and other agricultural inputs for organic farmers
- Purchasing and marketing of organic meat (pork, cattle, veal, lamb)
- Strong relationship to Bioland e.V. - Germanies largest organic farmer association

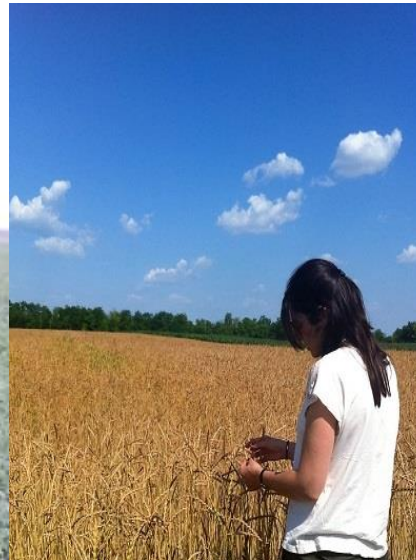
Our quality requirements

- Minimum quality requests:
- EU Regulation 834/2007 and 889/2008
- Additional quality request:
- Bioland e.V. standard – in accordance with Bioland association.



How do we cooperate with farmers in other countries

1. Negotiating and contracting (short and long term cooperation possible)
2. Our representatives meet farmers “on the sites” explaining our contract conditions in their language whenever possible
3. Visiting the fields, checking storage capacities etc.



How we do it

4. Additional CB checking the production before harvest in accordance with BM requirements
5. Taking the samples after harvest, organize analysis
6. Fetching the goods (in bulk or big bags)



Additional activity

- Being in regular contact with the farmers
- Making “on site” visits, building a personal relationship and exchanging experience
- Organize training days in accordance with the needs
- Building up a national and international network of suppliers and customers
- Focusing on the market and meeting its needs



What we expect from partners

- Cooperation concerning longer storage of goods
- To be open for additional checks and controls
- Open and honest cooperation
- Long term partners
- To become a part of ARGUS, our „European Quality Family“
- Fair play relations in all fields of cooperation!
- Advantages for both sides make the cooperation realistic, but an honest and open relation guarantees a long lasting cooperation!

ARGUS

=

**Partnership between
farmer, trader and processor**

**– our way towards a European Quality
Family**

GERMANY

- Wheat
- Rye
- Spelt
- Oats
- Barley
- Turnip rape
- Beans
- Lupines
- Corn
- Triticale

LATVIA

- Oats
- Wheat
- Triticale

ESTONIA

- Oats
- Peas
- Rapeseed

LITHUANIA

- Oats
- Wheat (feed)
- Lupines
- Rapeseed
- Peas
- Buckwheat

UKRAINE

- Soy
- Corn
- Lupines
- Sunflowers
- Buckwheat
- Millet

ROMANIA

- Spelt
- Sunflowers
- Rapeseed
- Soy
- Corn

SERBIA

- Sunflowers
- Rapeseed
- Wheat
- Soy
- Corn

CROATIA

- Spelt
- Sunflowers
- Rapeseed
- Wheat
- Soy

SLOVAKIA

- Oats
- Wheat
- Sunflowers

AUSTRIA

- Wheat
- Corn
- Spelt

POLAND

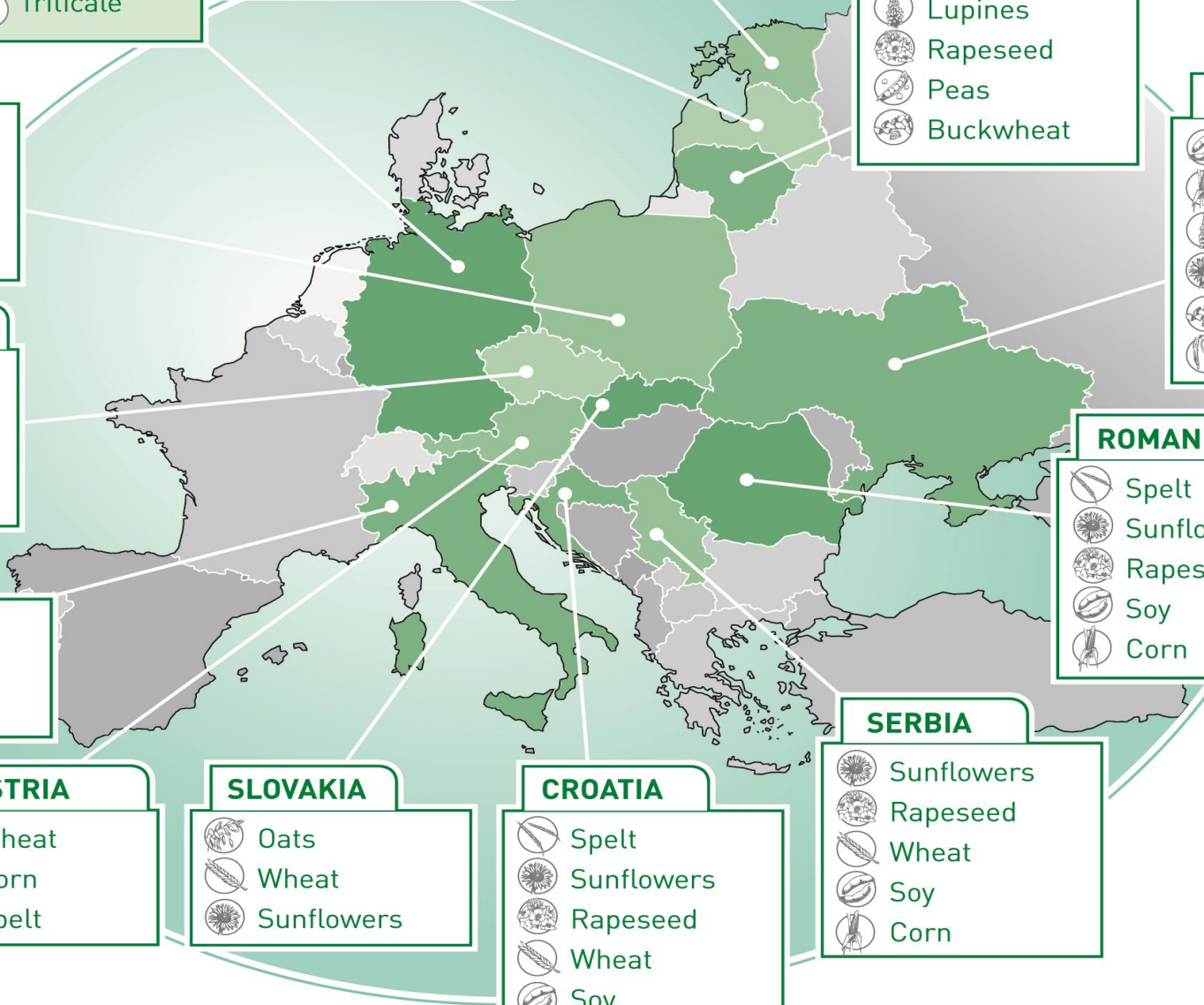
- Oats
- Rye
- Lupines
- Buckwheat

CZECH REPUBLIC

- Wheat
- Corn
- Spelt
- Oats

ITALY

- Wheat
- Sunflowers
- Soy



Benefits

Access to various marketing channels:

- 1.) Bioland approval system
 - 2.) Bio Suisse
 - 3.) Premium markets
- Longterm marketing possibilities
 - Consultancy (adapted crop planning + crop rotation + soil management etc.)

First contact

Talk & decision on
cooperation

Consultation & farm check

Signing the general
agreement

Annual negotiation
& crop planning

Assignment of the
control

Pre-harvest
contract or
multiannual
contract*

Control and results

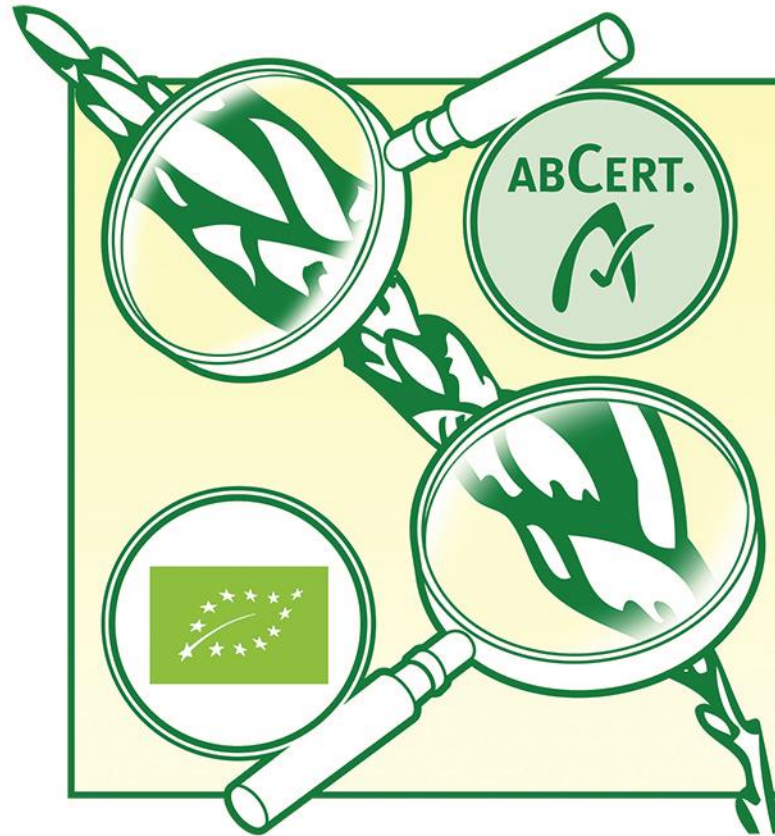
Quality analysis
crop

Decision: marketing channel
&
Precise planning: Supplying and
fetching of the goods

Bioland approval decision /
Bio Suisse certification

* Under the condition of successful controls

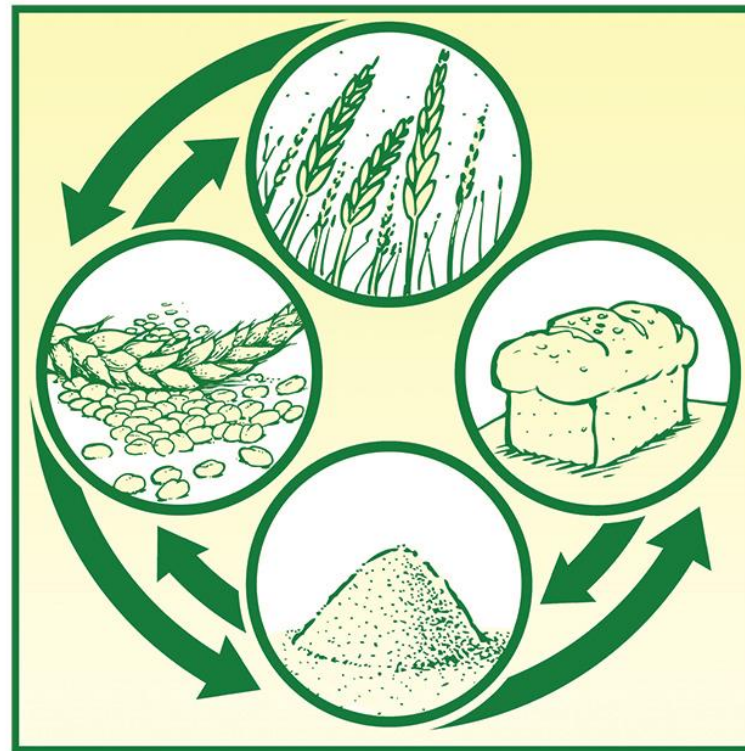
Control



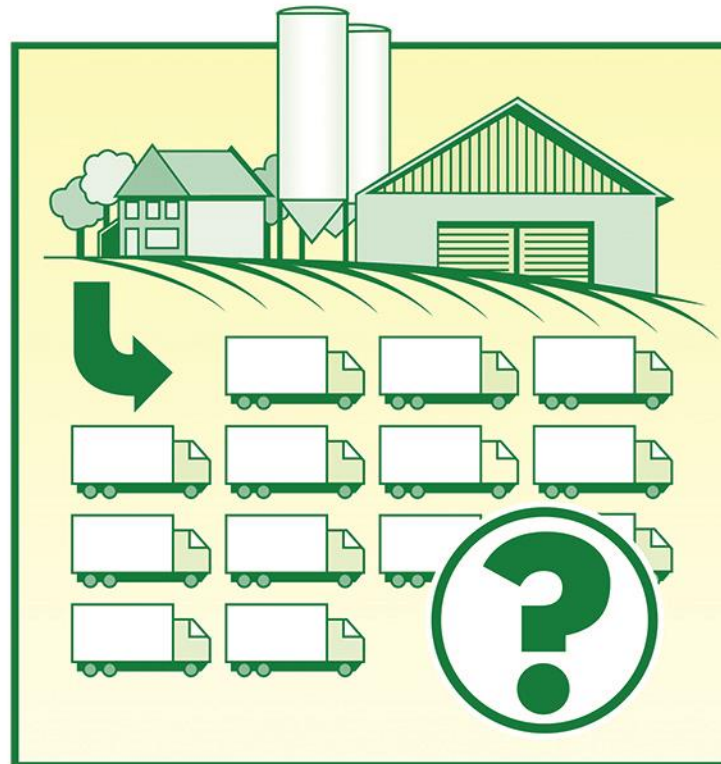
Liability



Transparency



Safety



Analysis



Ukrainian procurement experience

- Procurement of organic grain since 2012
- Substantial expansion of product range and increase in volume (in 2016: 30 times higher than in 2012)
- Broad range of farms (between 400 ha and 10,000 ha)
- ✓ 100 % organic products
- ✓ Additional inspections under the Bioland guidelines were accepted and passed by the farm
- ✓ Seeking long-term cooperation

Conclusion:

Additional inspections carried out by ABCERT/ CERES are useful and necessary because of certain issues:

- Derogating from EU regulations
- Encountering problems related to crop rotation
- Engaging in parallel cultivation (if the manager also runs conventional farms)
- Using dressed seeds
- Providing insufficient documentation

Ukrainian origin – sales experience

Customer:

- Meal mills, wholesale bakeries, oil mills, feed plants, large farms (buying forage parcels)

Category I

- Refusing any products of Ukrainian origin; not accepted by end customers

Category II

- Refusing products of Ukrainian origin since the “EU agriculture label and its image” cannot be changed

Category III

- Premium customers accepting products of Ukrainian or third country origin provided that these products comply with the Bioland guidelines and the ARGUS Approach

EU: customer-oriented market

Obstacles:

- Poor image
- Long transport routes
- Packaging of the end product displaying a certificate of origin
- Import and customs regulations
- Special import requirements

Necessary response:

- Meeting high quality standards
- Willing to engage in long-term/continuous cooperation
- Embracing new logistic processing
- Being aware of their responsibility for the whole supply chain



Import regime presents the largest obstacle

Key problems of the new Ukrainian/CIS import regime:

- Focusing too much on analytical parameters instead of improving control systems and process evaluation

Significant trade barriers:

- Costs (approx. 25 -30 €/t)
- Time (delivery delays caused by sampling/analysing)
- Struggling with storage capacity for goods “to be examined”
- Additional cash required by importers to pay for storing the goods to be examined

Recommendations to improve the import regime

- Improving the agencies' work in the third country
- Granting support for advice to individual farms
- Randomised analysis when importing goods – 15 % and in case of initial suspicion. To be preferably implemented in 2017

Thank you for your attention!