

Scaling a Ukrainian Agro-Ecological Enterprise: From National Success to European

Markets

by

Artem Kyselov

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## Abstract

This capstone designs a strategy to turn «Povnyi Koshyk»—a rapidly growing yet fragmented Ukrainian agri-food company—into a streamlined, export-ready platform for the European Union. The main issue was not a lack of resources but weak integration: greenhouse vegetables had become the business's economic backbone, yet logistics, compliance, sales, and mission-aligned assets remained loosely linked, hindering scalable market entry. The analysis combines strategic diagnosis, compliance-focused external assessment, market segmentation, go-to-market planning, organizational redesign, financial modeling, and phased implementation planning. It identifies two export approaches—fresh vegetables and processed foods—each requiring different routes to market, certification setups, and profit margins. The proposed solution advocates a phased model where «Povnyi Koshyk» first consolidates its greenhouse vegetable core, enhances traceability and quality control, tests initial exports via importers and distributors, and then expands into broader retail partnerships. Concurrently, non-core assets like the camp, biodiversity projects, and partnerships are repositioned as ESG, brand, and co-finance levers rather than primary profit sources. The financial model explores three scenarios, showing projected revenue growth from UAH 43.37 million in 2025 to UAH 56.38 million in 2028—an increase of nearly 30%—with an 18% reduction in inefficiencies, staying within the targeted 15-20% reduction range. It highlights that future investments should focus on phased certification, audits, digital traceability, selective greenhouse controls, cold-chain logistics, and market access, rather than large new construction. The implementation plan unfolds over three phases—0-6 months, 6-18 months, and 18-36 months—and assigns clear

owners, milestones, risks, and early-warning indicators, ensuring practicality. The conclusion emphasizes that «Povnyi Koshyk» is more than a diversified agribusiness; it exemplifies a resilient rural ecosystem where export growth, ESG principles, education, and biodiversity are integrated into a sustainable model supporting Ukrainian recovery and deeper EU integration.

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## Prologue

This Capstone is an applied strategic project, not just a theoretical exercise, focused on a real Ukrainian agri-food enterprise functioning under wartime conditions in Volyn Oblast, Western Ukraine.

I chose «Povnyi Koshyk» for this Capstone to test MBA concepts in a real business, not just a simulation. The company had revenue, expanded greenhouse capacity, developed related activities, and built a complex portfolio of commercial, social, and ecological assets. My role was to analyze this existing enterprise and apply MBA tools to develop a more coherent and defensible strategy.

The MBA program at KSE Graduate Business School provided me with three key skills that influenced this project.

Initially, I viewed the domestic market and potential EU buyers as a single broad demand space. However, my marketing strategy coursework taught me to differentiate buyers based on channel logic, risk tolerance, procurement standards, and decision-making processes. This distinction—between an importer who prefers smooth transactions and a retail category manager who prioritizes shelf stability—became the foundation of Chapter 3 and influenced the project's go-to-market strategy.

Second, the programme enhanced my financial modelling skills. It helped me shift from basic cost awareness to a more structured investment approach. In this Capstone, I distinguished between sunk investment and new decision capital, employed scenario analysis instead of single-point forecasts, and assessed unit economics based on

strategic directions rather than just the overall company. Chapter 6 illustrates this method: the UAH 54.16 million greenhouse CAPEX is considered existing infrastructure, while the ROI discussion focuses on the smaller, stage-gated EU-entry project.

Third, the idea of trust cost. In the EU fresh-produce and food sector, the invoice price is just one factor for the buyer. Certification, traceability, cold-chain proof, documentation, and recall preparedness create a parallel cost system that influences whether a supplier qualifies for serious negotiations. This understanding, derived from operations management, strategy, and compliance coursework, transformed how I evaluate export margins and reinforced the dual-track compliance framework discussed in Chapter 2.

## Chapter 1: Strategic Diagnosis of «Povnyi Koshyk»

### 1.1 History and Context of «Povnyi Koshyk»

«Povnyi Koshyk» is a Ukrainian agri-food enterprise that moved from a mixed-farm logic to a greenhouse-led vegetable model under wartime conditions. Between 2023 and 2025, net revenue increased from UAH 5.75 million to UAH 43.37 million, while cumulative CAPEX reached UAH 54.16 million. This step-change was driven by investment in greenhouse infrastructure, cold storage, and electrified irrigation rather than by gradual organic expansion.

The business now sits at a strategic inflection point. It has already proved that greenhouse vegetables can become the operating core, but the rest of the portfolio was not reassembled into a coherent architecture around that core. The managerial question is therefore not whether the enterprise has enough assets; it is whether those assets can be integrated into a scalable, export-ready, and financially disciplined model.

### 1.2 Business Unit Portfolio

The portfolio should be interpreted as a set of assets with unrealised synergy rather than as undisciplined diversification. Some units generate cash, some protect agronomic stability, and others build brand, ESG, or partnership capital. The strategic task is to define the role of each unit relative to the vegetable core.

**Table 1.1**

Business Unit Portfolio of «Povnyi Koshyk»: Strategic Role Classification

Business Unit	Strategic Role	2025 Revenue Contribution	Strategic Value	Key Constraint
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Vegetables (open-field + greenhouse)	Operating core	UAH 38.84M (89.6%)	Export anchor; highest-margin segment	No EU certification; energy/labour risk
Grains & oilseeds	Agronomic support	UAH 3.38M (7.8%)	Soil rotation; land use discipline	Weak standalone margin
Pig farming	Future option	Zero (not operational)	Upside after standardisation	Not in financial baseline
Deer	Non-core asset	Immaterial	Brand and agritourism potential	No operating model
Przewalski's horses	Ecological asset	Outside P&L	ESG narrative; grant logic	Wartime vulnerability
Children's camp	CSR/ESG platform	Separate contour	Social impact; partnership potential	No stable financial model

Vegetables are the confirmed operating engine. Grains and oilseeds play a supporting agronomic role, while pig farming remains an option rather than a current business line. Deer stewardship, Przewalski's horse conservation, and the children's camp are not "noise"; they are non-core assets whose value depends on whether management can convert them into brand trust, partnerships, or future monetisation formats.

### 1.3 Current Revenue Model

The current revenue model is highly concentrated. In 2025, vegetables generated UAH 38.84 million, or 89.6% of revenue, while grains and oilseeds contributed UAH 3.38 million, or 7.8%. Other portfolio components either sit outside the financial baseline or do not yet have an operating model. This means the enterprise has achieved growth, but not yet diversification of cash flow.

**Table 1.2**

Key Financial Metrics, 2023–2025 (UAH thousands)

<b>Metric</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Δ 3Y</b>
Net revenue	5,750	22,021	43,371	7.5x
COGS	7,076	17,924	25,052	3.5x
Gross profit (loss)	(1,326)	4,097	18,319	—
Direct labour	793	2,266	7,670	9.7x
Electricity	564	2,193	2,610	4.6x
Fuel & logistics	1,997	5,354	3,272	(39%)
Seeds & planting material	840	1,846	5,295	6.3x
Selling expenses	222	1,091	2,099	9.5x
CAPEX (cumulative)	155	23,336	54,163	—
Headcount (avg.)	12	16	32	2.7x

Note: The headcount figure in Table 1.2 represents the annual average of full-time equivalent permanent employees used for statutory reporting (Form No. 1-m). As of April 2026, the enterprise employs 80 permanent staff plus up to 150 seasonal workers during peak harvest periods.

2025, electricity 4.6x, seeds and planting material 6.3x, and headcount 2.7x. In other words, the business no longer operates as a small farm with upside; it operates as an infrastructure-heavy production system that requires tighter cost control, operating discipline, and market planning.

At the same time, the commercial model remains narrow: domestic-market sales dominate, the Silpo relationship functions as the main anchor, and EU market access is still blocked by the absence of certification, traceability, and export architecture.

#### **1.4 Main Symptoms of Fragmentation**

The fragmentation problem is visible not in the number of assets, but in the way they currently connect to strategy, operations, compliance, and external positioning.

Table 3 summarises the main symptoms and why they matter economically.

**Table 1.3**

Diagnostic of Strategic Fragmentation

<b>Dimension</b>	<b>Current Manifestation</b>	<b>Business Consequence</b>
Strategy	Portfolio lacks a unified growth logic	Diffuse priorities; weak capital allocation
Operations	Functions and processes scale unevenly	Inefficiency; harder execution
Compliance	No EU certification or traceability system	EU access blocked
Brand	Strong stories, weak umbrella positioning	Low readability for EU buyers
Non-core assets	Camp and conservation assets lack economic integration	Trust and reputation not monetised

Taken together, these symptoms show an architectural gap. Growth in the operating core has outpaced the integration of processes, compliance, brand logic, and non-core asset use. As a result, the enterprise is stronger than a typical farm operationally, but weaker than an export platform institutionally.

### **1.5 Problem Statement**

The core problem of this Capstone is therefore defined as follows: «Povnyi Koshyk» has built a high-growth vegetable business and accumulated several adjacent assets, but it still lacks a unified business architecture that converts this portfolio into an integrated and resilient model.

Without such architecture, the company remains exposed to concentration risk, duplicated effort, delayed EU entry, and under-monetised strategic assets. The central management challenge is not asset creation, but strategic integration around a clear operating core.

The project therefore addresses how to turn a fragmented portfolio into a coordinated growth system with clear roles, clearer economics, and measurable strategic priorities.

### 1.6 Project Goal, Objectives, and Success Criteria

The goal of the Capstone is to design such a system. Specifically, the project translates the diagnosis above into a transformation agenda that strengthens the vegetable core, prepares the enterprise for EU access, and activates selected non-core assets only where they support financial or strategic resilience.

**Table 1.4**

Project Objectives and Success Criteria

<b>Dimension</b>	<b>Objective</b>	<b>Success Metric</b>
Revenue growth	Expand via EU export, processed products, and partnerships	+30–40% in 3 years
Operational efficiency	Standardise processes and cut duplication	–15–20% inefficiency
EU readiness	Build certification, traceability, and market-access capability	EU-compatible model launched
Brand & positioning	Create one brand logic around agri + ESG + biodiversity	Stronger buyer trust
ESG & social resilience	Integrate camp and conservation into a partnership model	Stable partners; new monetisation formats

Success is defined not by expansion for its own sake, but by disciplined integration: 30–40% revenue growth over three years, 15–20% lower inefficiency, an EU-compatible operating model, and a clearer portfolio logic for management and external partners.



## Chapter 2: External Analysis

### 2.1 External Environment for EU Market Entry: PESTEL Through the Compliance Lens

For «Povnyi Koshyk», the external environment of the European Union is not merely a background for strategic choice. It is the force that determines what the company's operating model must become if it intends to enter the EU market on a sustainable basis. The revised EU–Ukraine trade framework and the broader accession logic move market access away from temporary relief and toward a rule-based system of alignment, evidence, and control. In practical terms, the EU no longer rewards agricultural output alone; it rewards auditable systems that reduce buyer risk and can withstand inspection.

Accordingly, PESTEL is used here not as a descriptive checklist, but as a strategic interpretation tool. The purpose of the analysis is to show what new operational discipline the market requires and why this discipline differs by export trajectory. For «Povnyi Koshyk», the critical distinction is between fresh vegetables and processed products. A fresh pepper and a jar of adjika may begin on the same farm, but they enter the EU through two different compliance architectures.

**Table 2.1**

PESTEL Summary for «Povnyi Koshyk»

PESTEL Factor	Key External Trend	Strategic Implication for the Company
Political	Ukraine–EU integration increasingly links market access to alignment with common rules, monitoring, and institutional convergence.	Compliance must be treated as a strategic capability rather than an administrative afterthought.

PESTEL Factor	Key External Trend	Strategic Implication for the Company
Economic	The EU pays a premium for verified quality, traceability, and low buyer risk, while entry requires spending on audits, labs, packaging, and logistics discipline.	Management must separate cost of production from cost of trust and assess margins by export track.
Social	Consumers and retailers expect provenance, traceability, ethics, and sustainability to be evidenced rather than merely claimed.	Brand positioning must rest on proof, records, and consistent operating behaviour.
Technological	Digital traceability, ePhyto, batch records, and recall capability are becoming the practical baseline for reliable trade.	Data discipline becomes operating infrastructure from field or ingredient to final dispatch.
Environmental	Water stewardship, soil management, IPM, waste control, and biodiversity protection are embedded in buyer expectations and residue discipline.	Environmental management must be built into farm and plant routines, not left as ESG rhetoric.
Legal	Fresh produce is governed primarily by SPS, phytosanitary, residue, and traceability rules; processed foods are governed by hygiene, HACCP, labelling, and factory assurance; organic and animal welfare add selective layers.	The company needs two distinct market-entry logics and a selective premium overlay, not one generic export programme.

### 2.1.1 Political Factors

The political dimension matters because EU entry for a Ukrainian agribusiness is inseparable from the broader integration path between Ukraine and the European Union. Candidate status and the institutional deepening of the Association Agreement mean that access to the market is increasingly framed not as a short-term exception, but as participation in a shared space of requirements. For management, this changes the meaning of export: it is no longer just a sales initiative, but a transition into a more demanding governance environment.

For «Povnyi Koshyk», the consequence is direct. Political rapprochement creates opportunity only to the extent that the enterprise can convert it into operational credibility. The business should therefore interpret the EU policy window as pressure to modernise procedures, records, supplier discipline, and quality assurance before scaling commercial promises.

### **2.1.2 Economic Factors**

The economic attraction of the EU lies not only in market size, but in the possibility of capturing a premium for reliability, traceability, and controlled quality. Yet that premium is never free. It must be financed through certification, sampling, laboratory testing, packaging upgrades, cold-chain stability, traceability tools, and internal controls. The real economic question is not whether Europe pays more, but whether the company can earn more after paying the full cost of entry.

This clarifies the difference between production costs and trust costs as an operational priority. Management will apply a dual cost structure across all EU-facing product lines. Production cost includes seeds, labour, energy, irrigation, fertilisers, and transport—the direct inputs required to grow, harvest, and move the product.

Trust cost covers fees for GlobalG.A.P. and HACCP certifications, surveillance audits, laboratory testing for residues, water, and microbiology, as well as subscriptions to digital traceability platforms like FoodDocs. It also includes expenses for cold-chain evidence hardware and monitoring, EU-compliant packaging, labelling, and specification control, along with travel and logistics for buyer development and sampling.

The decision rule for export feasibility is clear: a product line can only enter the EU market if the total of trust cost and production cost still results in a positive gross margin at the target EXW price, based on shelf-price benchmarks (refer to Chapter 4, Table 4.4). If the trust cost surpasses the price premium available in the EU, the product stays in domestic channels until the cost structure improves or the premium increases. This dual-cost reasoning is incorporated into the financial model (Chapter 6, Tables 6.4–6.5) and is reviewed quarterly by the CFO as part of the unit-economics dashboard.

### **2.1.3 Social Factors**

The social environment of the EU market reinforces the compliance logic. Consumers and retail buyers increasingly expect to know where food comes from, how it was produced, and whether the producer can demonstrate ethical and environmental responsibility. Traceability therefore operates not merely as a technical requirement, but as part of the product's social legitimacy.

For «Povnyi Koshyk», this means that Ukrainian origin and resilience can support a compelling market story, but story alone will not survive serious procurement. The social

premium attaches to verified behaviour: transparent input use, documented quality assurance, responsible labour practices, and a sustainability narrative that can be checked against records.

#### **2.1.4 Technological Factors**

The technological factor in this chapter is not about fashionable digitalisation. It is about control. A company that wants to export to the EU needs batch traceability, field and ingredient records, structured shipment data, recall readiness, and disciplined documentation that can move with the product. Without this digital and procedural backbone, scale quickly turns into error.

The practical importance of ePhyto illustrates the point. Digital phytosanitary exchange compresses timelines and reduces tolerance for incomplete or inconsistent data. For «Povnyi Koshyk», this means that harvest lots, dispatch records, commodity codes, buyer specifications, and shipment files have to be organised before the truck is loaded, not reconstructed after a problem occurs.

#### **2.1.5 Environmental Factors**

The environmental dimension is commercially relevant because the EU market increasingly expects evidence of disciplined management of water, soil, nutrients, pesticides, waste, and biodiversity. In vegetable production, these issues connect directly to residue risk, field performance, and buyer confidence. In processing, they extend into cleaning regimes, packaging choices, wastewater, and production waste.

The strategic implication is that environmental discipline should be treated as operating discipline. Water plans, soil testing, IPM routines, fertiliser logic, waste handling, and biodiversity

measures do not sit outside the business model; they help determine whether the model can enter demanding channels without compliance shocks.

#### **2.1.6 Legal Factors**

The legal environment is crucial as it determines the entry point into the EU market. For fresh produce, the emphasis is on the admissibility of shipments, including plant health, phytosanitary documentation, residue regulations, and traceability. In contrast, for processed foods, the legal focus moves to manufacturing systems, requiring hygiene standards, HACCP-based process controls, proper labeling, allergen management, and the capacity to identify and recall affected batches if needed.

This split is decisive for «Povnyi Koshyk». A fresh shipment is judged first as a controlled plant product. A sauce, preserve, or adjika is judged as the output of a controlled food manufacturing system. Organic certification and, in the animal segment, welfare compliance add further layers, but they do not replace the base logic of the category. They sit on top of it and increase both the burden and the strategic upside.

### **2.2 Two Export Trajectories: Two Compliance Civilisations**

The most important external conclusion for «Povnyi Koshyk» is that the EU market does not treat agricultural output as one homogeneous category. Fresh vegetables and processed foods are governed by different risk logics, different control objects, and different buyer expectations. As a result, they should be managed as two separate entry programmes rather than two labels for the same export plan.

#### **2.2.1 Fresh Vegetables: The Logic of Phytosanitary Admissibility**

For fresh vegetables, the consignment is the key focus. Exporters must show that the shipment meets phytosanitary standards, adheres to residue limits, and is traceable to detailed field production records. This involves careful documentation such as field registration, spray and fertilizer logs, water management, segregation of harvest lots, shipment records, and preparedness for inspections.

However, border compliance is just the initial requirement. Serious buyers in organized retail usually require farm-level assurance schemes like GlobalG.A.P., often complemented by GRASP or similar social-responsibility modules. This means that «Povnyi Koshyk» must establish not only the legality of exports but also build buyer confidence at the farm-system level.

### **2.2.2 Processed Foods: The Logic of Manufacturing Control**

For processed products like sauces, preserved vegetables, and adjika, the focus shifts from transportation to the factory system. The essential question is whether the company can consistently produce safe food in a controlled environment. This requires HACCP as a foundation, but practically, it also involves hygienic zoning, approval of suppliers, recipe management, allergen control, label oversight, batch coding, cleaning validation, and recall procedures.

To access more demanding channels, a serious buyer usually expects a recognized factory-assurance scheme like IFS Food or BRCGS Food Safety, with FSSC 22000 serving as a credible equivalent in some supply chains. Essentially, processed export is less about shipping a batch and more about demonstrating the plant's trustworthiness.

### **2.2.3 Strategic Implication for Sequencing**

These two trajectories have different sequencing priorities. Fresh produce can serve as the quicker market-entry driver because the company can shift from farm discipline to shipment discipline without needing to establish a complete processing system first. Conversely, processed foods can become the main source of margins and extended shelf life, but this is only feasible after the enterprise reaches a higher level of process maturity and documentation.

Management should therefore avoid combining both routes into one undifferentiated launch. The correct approach is staged: one workstream for fresh-produce export readiness, another for factory-system build-out, and a governance layer that prevents the company from overpromising before either system is stable.

**Table 2.2**

Comparative Market-Entry Logic: Fresh Vegetables vs. Processed Foods

<b>Criterion</b>	<b>Fresh Vegetables</b>	<b>Processed Foods</b>
Core control logic	Phytosanitary admissibility of the consignment	Food-safety and process control of the manufacturing system
Main public-law focus	Plant health, SPS checks, residues, shipment traceability	Hygiene, HACCP, labelling, allergen control, batch traceability
Main commercial gatekeeper	GlobalG.A.P. plus buyer specifications	IFS Food / BRCGS Food Safety and, in some supply chains, FSSC 22000
Operational records required	Field maps, input logs, water records, harvest lots, dispatch files	SOPs, hazard analysis, CCP monitoring, supplier approval, label control, recall logs
Main failure risk	Border delay, rejection, spoilage, buyer loss of confidence	Audit failure, labelling error, hygiene breakdown, retailer delisting, recall risk

Criterion	Fresh Vegetables	Processed Foods
Strategic role for «Povnyi Koshyk»	Faster route to first EU entry and channel testing	Higher-value route with stronger margin and brand potential, but higher maturity threshold

### 2.3 Certification Landscape and the Cost of Trust

Certification should not be viewed as merely an external administrative burden. For «Povnyi Koshyk», it serves as the mechanism that makes operational discipline transparent to buyers. It translates internal control into reduced perceived risk, which in turn leads to better access, stronger counterparties, and more consistent earnings.

#### 2.3.1 Fresh-Produce Assurance Stack

In the fresh-vegetable track, the assurance stack begins with official phytosanitary readiness and then moves into commercial assurance. ePhyto and shipment discipline enable legal movement across the border. GlobalG.A.P. translates farm routines into a recognised external language of control covering traceability, water management, input discipline, hygiene, and records. Where socially relevant buyer expectations matter, GRASP or a comparable module strengthens credibility around workforce and governance practices.

#### 2.3.2 Processed-Food Assurance Stack

In the processed-food track, HACCP is the legal floor rather than the strategic ceiling. It provides the internal architecture for hazard control, but serious retail and institutional buyers usually look for a more formalised factory-assurance signal. IFS Food and BRCGS are especially

relevant in European retail-oriented supply chains, while FSSC 22000 can support broader food-safety-system credibility in structured supply relationships.

### **2.3.3 Selective Premium Layers: Organic and Animal Welfare**

Organic certification should be viewed as a selective premium overlay rather than a universal label for the whole portfolio. It requires stricter input control, segregation of flows, documentary continuity, and, where relevant, certificates of inspection through TRACES. Its logic is attractive for niche, higher-value products only if the company can preserve integrity across production, storage, and processing.

Animal-welfare standards matter because the future pig-farming direction cannot be built on a purely domestic compliance mindset if the long-term ambition includes European alignment. Even before animal products become an export priority, welfare expectations shape future licence to operate, reputational risk, and the cost of later adaptation.

### **2.3.4 Implications for the Operating Build-Out**

The practical approach involves phased capability development. Initially, the company establishes a baseline for fresh produce exports, including field records, residue management, ePhyto preparedness, traceability, and farm assurance. Next, it develops the factory system with HACCP protocols, specification control, supplier approval processes, label governance, and a third-party assurance scheme suitable for major buyers. Finally, the company selectively implements premium features like organic or welfare-oriented positioning, only where the market economics support the increased complexity.

This sequence matters because the cost of trust escalates with every new layer. If management tries to pursue all layers simultaneously, the likely result is not sophistication but fragmentation.

**Table 2.3**

Compliance Build-Out by Export Trajectory

Track	Public Rules	Buyer Gate	Build Now	Payoff
Fresh vegetables	SPS and plant-health requirements, phytosanitary certificate, ePhyto, residue and traceability discipline	GlobalG.A.P.; buyer specifications; social-assurance add-ons where required	Field registry, input logs, water records, lot coding, shipment files, cold-chain discipline	Fastest route to first EU sales and compliance muscle-building
Processed foods	HACCP-based hygiene system, compliant labelling, batch traceability, allergen and specification control	IFS Food / BRCGS Food Safety; in some supply chains FSSC 22000	Plant zoning, CCP monitoring, supplier approval, label governance, recall readiness, audit routine	Higher-value channel access and stronger margin architecture
Organic overlay	Regulatory organic compliance, segregated inputs and flows, documentary continuity, TRACES-based import documentation where relevant	Specialty buyers and premium channels that pay for verified origin and method	Conversion discipline, segregation, ingredient control, separate storage and records	Selective premium positioning rather than mass-market scale
Animal-welfare overlay	Alignment with welfare requirements relevant to future animal segment development	Buyers and partners that screen for	Housing, handling, veterinary protocols, staff	Lower future adaptation cost and stronger

Track	Public Rules	Buyer Gate	Build Now	Payoff
		long-term ESG and reputational risk	training, welfare documentation	credibility of livestock expansion

## 2.4 Key External Opportunities and Risks

The external environment creates a combination of market opportunity and operating pressure. It opens access to larger and better-paying channels, but only for firms that can absorb the discipline required to enter them. For «Povnyi Koshyk», the issue is therefore not whether the EU is attractive in abstract terms, but whether the company can choose a sequence that captures upside without overextending organisational capacity.

**Table 2.4**

Key External Opportunities and Risks for «Povnyi Koshyk»

Opportunity	Associated Risk	Strategic Meaning for the Company
A more stable EU–Ukraine integration framework creates a clearer long-term direction for market entry.	Alignment to EU rules raises the cost and discipline threshold for participation.	The business must build an EU-ready operating model, not a one-off export workaround.
The EU rewards verified quality, provenance, and traceability with better channel quality and pricing power.	If cost of trust is not modelled correctly, margin can look attractive on paper and weak in reality.	Unit economics must be built by export track, including certification, labs, packaging, and buyer-specific costs.
Fresh vegetables offer the fastest route to test	Border disruption, residue issues, and	Fresh produce should be used as a disciplined entry engine rather than as a promise of effortless scale.

<b>Opportunity</b>	<b>Associated Risk</b>	<b>Strategic Meaning for the Company</b>
channels and establish commercial presence.	spoilage can destroy value quickly.	
Processed foods offer longer shelf life, greater value density, and stronger brand potential.	Factory-system weakness can delay launch, trigger audit failure, or create recall exposure.	Processing should follow, not precede, the build-out of plant-level control and buyer-ready assurance.
Sustainability, ethics, and selective premium layers can differentiate the brand.	Unsupported claims increase reputational and commercial risk.	Narrative should be activated only where it is backed by records, standards, and operational evidence.

## **Chapter 3: Market and Consumer**

### **3.1 Strategic Scope and Segmentation Boundaries**

For «Povnyi Koshyk», the true core focus is food production, primarily vegetables. The current 2025 economic outlook indicates that vegetables, particularly greenhouse-grown ones, are the sole reliable foundation for scalable entry into the European market with their products.

This chapter's strategic focus is narrower and more disciplined than a general market overview. Its goal is to transform that commercial reality into a segmentation framework based on product demand, channel structure, and buyer needs for export growth. The company should be seen not as a set of unrelated activities but as a food business requiring a structured approach for entry into EU markets.

This distinction is important because fresh vegetables, processed foods, and domestic proof-market channels each serve different purposes in market entry. Conversely, activities like the camp, conservation efforts, and other non-core assets should not be viewed as parallel profit pools. Instead, they are relevant as portfolio assets, social contributions, and ESG initiatives, but they do not shape the main commercial strategy of the capstone.

### **3.2 STP Framework for «Povnyi Koshyk»**

#### **3.2.1 Segmentation**

Segmentation should start with the commercial route to market instead of a broad division among all potential engagement groups. On the B2B front, four key segments are strategically important: (1) EU retail, (2) importers and distributors, (3) Ukrainian retail, particularly «Silpo» and similar premium formats, and (4) HoReCa along with specialty organic

stores. These segments have the capacity to move vegetables and selected processed products into established channels.

A fifth segment should be viewed not as the primary sales pathway but as a source of end-demand: Ukrainian diaspora consumers in the EU, particularly for sauces, preserves, and adjika. Their significance is mainly commercial and indirect. They reveal where there is already demand for Ukrainian-origin processed foods, even if the actual sales channel remains B2B, involving importers, specialty stores, premium deli outlets, or select retailers.

For certain segments of the audience, particularly premium food consumers and those driven by diaspora-influenced processed-food demand, an extra psychographic perspective is necessary. While the LOHAS concept - lifestyles of health and sustainability - is still applicable, it should function as an overlay rather than a distinct segment. This approach is most beneficial for premium preserved goods, clean-label branding, and specialty channels, but it holds less significance for mainstream fresh-volume sales, where factors like reliability, pricing strategies, and shelf performance are primary.

### **3.2.2 Targeting**

Targeting should adopt an asymmetric approach instead of a simultaneous “attack on all segments.” In the food sector, the initial focus is on the channel combination that facilitates export learning with manageable risk: importers and distributors in Poland for fresh vegetables (Wave 1), and regional distributors in the Baltic states for premium processed products (Wave 1). Germany, the Netherlands, and Scandinavia enter the roadmap as Wave 2–3 targets, contingent on proof of execution in the beachhead markets.

A second focus should be on premium and value-added processed products available through select Ukrainian retail stores, HoReCa, specialty outlets, ethnic-food importers, and curated diaspora channels in the EU. Though smaller in volume, this approach is strategically important because it enables «Povnyi Koshyk» to pilot shelf-stable products, packaging strategies, and high-margin formats before expanding to wider retail markets.

Ukrainian retail should be viewed as a proving ground rather than the ultimate growth target. It is strategically valuable because it offers shelf evidence, consumer insights, packaging experience, and commercial discipline in a less challenging environment. The broader social and environmental benefits of the portfolio are beyond this chapter's main focus; they enhance legitimacy but do not drive the initial market entry process.

### **3.2.3 Positioning**

The positioning of «Povnyi Koshyk» as an umbrella brand can be described as a reliable food supplier from Western Ukraine, characterized by controlled manufacturing, proximity to EU borders, and disciplined operations. The company should avoid trying to be "everything at once" and instead focus on providing a streamlined supply of products that move easily from field or greenhouse to market, maintaining credible quality, traceability, and commercial transparency.

For B2B food buyers, the positioning should focus on reliability, traceability, and disciplined execution: a Western Ukrainian supplier that minimizes friction rather than adds to it. For processed products, the positioning should include an additional promise: offering clean-label Ukrainian origin in retail-ready formats to meet premium and diaspora market

demands. The broader portfolio's social and environmental credentials can reinforce this message, but they should serve as supporting evidence rather than the main promise.

### **3.3 B2B Buyer Logic and Supplier-Selection Benchmarks**

The B2B layer decides if «Povnyi Koshyk» becomes a category-relevant supplier in export markets or remains solely a source of agricultural products. A common mistake in many agribusiness strategies is viewing B2B buyers as passive outlets for whatever the farm produces. In fact, each channel purchases a different type of risk mitigation. Therefore, the company must develop buyer strategies that are specific, organized, and directly aligned with the export thesis of the capstone.

#### **3.3.1 EU Retail**

EU retail values consistency more than appeal. The criteria encompass clear specifications, traceability, shelf-life management, reliable delivery windows, and margin considerations. For fresh vegetables, success is gauged by maintaining stable visual and technical standards in real operating conditions, such as size, packaging, appearance, cold-chain compliance, and low batch variability. For processed products, additional criteria include clean-label ingredients, suitable packaging, barcode and documentation readiness, recall capacity, and shelf positioning that clearly defines the product's role.

For «Povnyi Koshyk», Poland is the most practical initial volume corridor because of its geographic proximity and an importer with a chain network capable of managing pilot batches. Germany is planned as a Wave 2 target, focusing on premium and specialty validation, and only after the Polish export lanes show consistent OTIF performance and no critical compliance

issues. Essentially, the company needs to tailor its commercial strategy: volume channels must demonstrate control, while premium channels require control and a clear shelf presence.

### **3.3.2 Importers and Distributors**

Importers and distributors buy low-friction execution. Their job is not to teach the supplier how to export; it is to move product with minimal administrative, timing, and quality surprises. The relevant benchmarks here are document accuracy, responsiveness, shipment planning, clarity of lot structure, border-readiness, and the ability to solve problems without escalation. In many cases, this is the most realistic first EU route for «Povnyi Koshyk», because it allows the company to learn the export rhythm through pilot volumes before committing to direct category-buyer relationships.

### **3.3.3 Ukrainian Retail**

Ukrainian retail must be segmented internally. «Silpo» does not buy the same thing as a price-led mass chain. «Silpo» buys a shelf story that still works operationally: visual coherence, product aesthetics, service quality, and the ability to support limited drops, seasonal concepts, or premium positioning. The category manager needs both commercial credibility and content value. A disciplined local listing can therefore function as a brand laboratory for value-added SKUs before broader export rollout.

This makes Ukrainian retail strategically useful beyond immediate revenue. It provides domestic proof, consumer feedback, and photographic shelf evidence. It is easier to speak about premium positioning abroad when the business has already demonstrated that its products can survive real retail conditions at home.

### **3.3.4 HoReCa and Specialty Organic Shops**

HoReCa and specialty organic shops value taste differentiation, batch flexibility, and direct supplier insights. They focus less on large-volume forecasting and more on whether the product addresses a menu, shelf, or curation challenge. For items like sauces, adjika, preserved vegetables, or fermented products, this often serves as the ideal testing ground. This segment also aligns well with a LOHAS-sensitive narrative, provided it is backed by ingredient transparency, credible packaging, and a format that professionals can easily reorder.

### **3.4 Demand Signals Beyond the Core Export Market**

The capstone should remain focused on food products and entering the EU market. While demand signals outside this core—such as diaspora identity, LOHAS-oriented audiences, or CSR-sensitive buyers—are still relevant, they should serve as supporting elements rather than primary growth drivers. Their main strategic purpose is to bolster the processed-food opportunity, enhance the premium positioning, and reinforce the credibility of authenticity and effective governance in sustainability claims.

### **3.5 Buyer Personas and Jobs-to-be-Done**

The segmentation above only becomes practically useful when it is translated into specific jobs-to-be-done. Tomasz, a Polish importer, isn't interested in a “beautiful story”; his priorities are minimizing border issues, ensuring timely deliveries, and avoiding operational chaos. Marta, an EU retail category manager, hires suppliers to maintain category stability through consistent specifications, shelf-life management, packaging compliance, and fewer exceptions. Olena, a Ukrainian consumer in Warsaw or Berlin, purchases processed foods not

just for flavor but for familiarity, trust, and a sense of home. A «Silpo» buyer assesses if the product can serve as a credible shelf story and if the supplier can maintain service quality after the product is listed. A chef or specialty shop owner seeks taste uniqueness, adaptability, and direct insights from suppliers.

**Table 3.1**

Customer Needs by Segment

Segment	Customer Need and JTBD	Strategic Role
EU retail	Category stability, shelf-life discipline, and a supplier who protects the category instead of creating exceptions.	Scale channel after proof.
Importers / distributors	Low-friction export execution: move product across the border without document, timing, or lot-management surprises.	First EU entry route.
Ukrainian retail	Shelf proof: test whether the product works commercially through packaging, service, and real consumer feedback.	Proof market and brand laboratory.
HoReCa / specialty organic shops	Premium differentiation: reorderable products with taste, clean label, and manageable batch complexity.	Margin bridge and reference channel.
Ukrainian diaspora consumers in the EU	Trusted Ukrainian flavours in accessible retail-ready formats.	Demand signal for processed export.

**Table 3.2**

Value Proposition by Segment

Segment	Value Proposition	Channel Logic
EU retail	Traceable farm-to-shelf supply from Western Ukraine with lower execution risk.	Approach after pilot proof via importers or selective direct route.

Importers / distributors	A supplier that reduces export friction through disciplined documentation, batch logic, and responsiveness.	First route for fresh-produce pilots.
Ukrainian retail	A disciplined local supplier with shelf meaning and fast learning loops.	Commercial laboratory before broader EU scale.
HoReCa / specialty organic shops	Authentic products with taste, flexibility, and LOHAS-compatible credibility.	Selective high-margin bridge for premium lines and fermented products.
Ukrainian diaspora consumers in the EU	Processed Ukrainian products translated into export-ready formats.	Reached mainly through trusted B2B intermediaries.

### 3.6 Strategic Synthesis

The chapter arrives at a more specific strategic conclusion than a broad “portfolio of demand logics.” «Povnyi Koshyk» should focus on exporting food products to the European market as the main commercial strategy of the capstone. This involves prioritizing importers, distributors, retail buyers, proof-market partners, and premium niche channels, with vegetables and certain processed products serving as the key offerings.

This segmentation significantly influences the go-to-market strategy. The company shouldn’t target all channels simultaneously or employ a uniform sales pitch across all platforms. Instead, the entry should follow a strategic, evidence-based sequence: demonstrate proof of market at home first, then utilize the importer route abroad, focus on premium processed niches where justified, and only engage in broader retail discussions after establishing credible compliance and service routines.

The wider portfolio continues to be significant, but for a different reason. Social and environmental assets support legitimacy, strengthen brand perception, and increase credibility

of sustainability claims. They should be seen as complementary strategic assets rather than the main focus of the market model.

### **3.7 Primary Market Validation**

The main conclusions of Chapter 3 were confirmed through direct input from experienced market stakeholders. In November and March 2025-2026, three semi-structured interviews were conducted with experts knowledgeable about the EU food market entry and sourcing fresh produce: a Polish importer for organized retail, a Baltic distributor focusing on ethnic and regional foods, and a Ukrainian exporter with active EU contracts. To protect confidentiality, the names of respondents and companies are not disclosed. These interviews functioned as expert validation rather than a statistically representative survey, affirming the market-entry strategy for «Povnyi Koshyk».

The interviews followed a consistent protocol covering five themes. Respondents evaluated new suppliers on price, reliability, documentation quality, certification, and product consistency. They identified the required certificates, records, and documents before starting discussions. The interviews examined acceptable pilot volumes, payment terms, and trial periods for new Ukrainian suppliers. Respondents highlighted main operational risks like logistics, border delays, quality claims, and communication problems. Finally, they considered if EU buyers would work with a Ukrainian supplier demonstrating reliable execution, good documentation, and transparent quality control.

The initial interview was with a Polish importer of fresh produce serving retail and wholesale markets. The respondent acknowledged that while price is important, it isn't the

primary consideration when selecting a new supplier. Instead, factors like reliability, consistent quality, proper documentation, and prompt problem resolution are crucial. The importer mentioned that retail buyers tend to be cautious with new suppliers because of the high costs associated with failed deliveries. Consequently, a supplier offering better documentation and slightly higher prices is often preferable to one with lower prices but weaker documentation.

The Polish importer mentioned that a premium of 5–10% might be acceptable if the supplier guarantees timely deliveries, full documentation, quality, and dependable communication. This aligns with «Povnyi Koshyk»'s strategy to position itself as a reliable, well-documented Ukrainian producer rather than competing solely on cost.

The second interview was with a distributor in the Baltic region specializing in ethnic and regional foods. They mentioned that new suppliers typically do not scale up immediately; instead, they begin with small pilot orders, usually two to five pallets per SKU, and monitor performance over three to six months. During this period, the buyer assesses demand, labeling accuracy, customer complaints, shelf life, responsiveness, and the supplier's capacity to sustain quality.

The Baltic distributor pointed out that certification serves as a barrier rather than a competitive advantage. For fresh produce, GlobalG.A.P. is essential for attracting serious buyers, while processed foods require HACCP and recognized safety standards to gain more retail access. Certification alone does not guarantee contracts but can block negotiations if absent. Therefore, «Povnyi Koshyk» should see certification as a fundamental market access infrastructure rather than a marketing tool.

A Ukrainian agricultural exporter with active EU contracts noted logistics and border-crossing unpredictability as major risks. Buyers accept Ukraine's wartime constraints but won't accommodate delivery uncertainties. The exporter advised new entrants to work with two logistics providers, avoid overpromising, and add a 24–48 hour buffer in early commitments. He also emphasized preparing shipment documentation pre-dispatch, not after.

This finding confirms the multi-carrier logistics architecture introduced later in the project. It also emphasizes that logistics should be viewed beyond just a cost factor. In the EU market entry strategy, logistics plays a crucial role in the overall value proposition, as it influences whether the buyer trusts the supplier's delivery commitments. For «Povnyi Koshyk», this implies that the export model should focus on a few, well-managed pilot deliveries before scaling up.

The three interviews revealed several common insights. First, EU buyers are open to considering Ukrainian suppliers but mainly view them as a risk in execution. Second, certification is important but does not provide a unique competitive edge. Third, small initial volumes are typical and should be seen as opportunities for learning, not as weak sales. Fourth, excellent documentation, responsiveness, and dependable delivery can offset limited EU experience. Finally, adopting a beachhead strategy appears more feasible than attempting to immediately access large retail chains, as it enables «Povnyi Koshyk» to gather proof points before expanding.

These findings endorse the beachhead strategy and phased market-entry plan described in this Capstone. They emphasize two key design decisions: focusing on punctual, complete deliveries as the primary commercial metric and establishing a multi-carrier logistics system to

reduce delivery risks. The interview data also indicates that certification should be seen as an entry requirement rather than a long-term competitive advantage. Consequently, the strongest positioning for «Povnyi Koshyk» is not simply “certified Ukrainian producer,” but rather a “reliable Ukrainian supplier recognized for quality control, comprehensive documentation, and dependable delivery commitments.”

Primary market validation confirms the project's strategy. Interviews suggest «Povnyi Koshyk» should avoid aggressive pricing or broad product expansion initially. Instead, start with a limited export pilot, prove repeatability, build buyer trust, and scale after establishing stable delivery, documentation, and quality routines.

## **Chapter 4: Go-To-Market Strategy**

### **4.1 Strategic Logic and Market Entry Rationale**

This chapter translates the external analysis and market segmentation into commercial decisions: which products, which markets, which channels, in what sequence, and at what cost.

The go-to-market model is built on three principles.

#### **Beachhead Market Selection and Rationale**

This strategy does not regard the EU as a unified market. It starts with Poland for fresh vegetables and the Baltic states (Latvia, Lithuania, Estonia) for premium processed products. This choice is based on data, not ambitions.

Poland was chosen based on four criteria. Logistics ease: Volyn Oblast is just 60 km from the Polish border, allowing 2–3 day deliveries to major distribution hubs. Trade-flow maturity: Poland is the top destination for Ukrainian agricultural exports within the EU, benefiting from established border infrastructure and customs procedures. Retail network size: Biedronka (3,730 stores), Kaufland, and Lidl form a substantial market that can be accessed with few importer relationships. Certification standards: Polish fresh-produce importers primarily meet GlobalG.A.P. requirements, without needing the additional organic certifications required by German bio-retail.

The Baltic states were chosen for processed products based on three factors: a substantial Ukrainian diaspora that drives initial demand for ethnic foods; the retail market structure, with Rimi Baltic (314 stores) and Maxima Group (1,611 stores), which supports

regional distributors managing pilot volumes; and less competition in the ethnic-condiment segment compared to Western European markets.

Germany, the Netherlands, Italy, and Scandinavia remain key target regions for Waves 2 and 3. Entry into these markets hinges on meeting Wave 1 requirements: reaching an OTIF delivery rate of at least 95%, avoiding critical compliance failures, and obtaining confirmed repeat orders. This sequence allows the company to build operational trust prior to entering procurement areas that demand more rigorous oversight.

Focusing on a limited group of carefully selected EU buyers—supported by complete certification and a dependable cold chain—yields higher risk-adjusted returns compared to trying to enter multiple markets at once. This sequencing approach guides all the commercial decisions discussed in this chapter.

#### **4.2 Market Entry Sequencing: From Validation to Scale**

The go-to-market rollout follows a three-stage sequencing model.

##### **Stage 1: Readiness (Months 0–6)**

Phase 1 has one job: build an operation that can pass a GlobalG.A.P. audit. Core deliverables: GlobalG.A.P. IFA and GRASP certification for both open-field and greenhouse operations; establishment of a residue-control programme aligned with EU Maximum Residue Level (MRL) regulations; HACCP implementation for the processing facility; standardisation of packaging, labelling, and shelf-life specifications for all launch SKUs; and execution of a logistics RFQ across three to five carriers to establish rate benchmarks for FTL reefer and LTL pallet shipments. Simultaneously, the enterprise registers in the EU TRACES system for phytosanitary

documentation and, if organic SKUs are included, initiates the electronic Certificate of Inspection (e-COI) process required under Regulation (EU) 2018/848.

### **Stage 2: Pilot Export (Months 6–18)**

Phase 2 launches commercial shipments—small volumes, deliberately. This is a validation run, not a scale play. Processed products (three to five SKUs: adjika, pickled tomatoes, marinated eggplant, fermented vegetables in glass) enter the Baltic markets through two or three regional distributors, targeting Rimi Baltic (314 stores across three countries) and Maxima Group (1,611 stores). Gate conditions for proceeding to Stage 3 are: on-time-in-full (OTIF) delivery rate of 90% or above, shrink within the agreed threshold, zero critical compliance failures, and confirmed repeat orders for at least two processed SKUs.

### **Stage 3: Retail Scaling (Months 18–36)**

Phase 3 shifts to direct DC-to-DC contracts with retail chains, cutting out intermediary margin. The geographic footprint expands to the Netherlands, Italy, and Scandinavia, and the SKU range grows.

**Table 4.1**

Go-To-Market Sequencing Timeline

<b>Stage</b>	<b>Timeframe</b>	<b>Key Actions</b>	<b>Gate KPI</b>	<b>Risk Control</b>
1: Readiness	Months 0–6	Global G.A.P./HACCP certification; packaging standardisation; TRACES registration; logistics RFQ	All certificates issued	No export before compliance clearance
2: Pilot	Months 6–18	Fresh to PL via importer (beachhead); processed to Baltics via distributors; grains via traders. DE fresh pilot only	OTIF ≥ 90%; zero critical failures; repeat orders	LTL pilots before FTL commitment;

		if PL corridor achieves OTIF $\geq$ 95% by Month 12.		stop-rules for weak SKUs
3: Scale	Months 18–36	Direct DC contracts; NL/IT/Scandinavia entry; SKU expansion; ESG monetisation	Gross margin by cluster; time-to-list	Multi-corridor logistics; quarterly carrier RFQ

### 4.3 Product-Market Matrix

The product-market matrix assigns each product cluster to specific target countries, channels, pricing logic, and certification requirements.

**Table 4.2**

Product-Market Matrix: Clusters, Geographies, and Channels

Product Cluster	Wave 1 Markets	Wave 2 Markets	Channel	Pricing Logic	Certification
Grains (wheat, barley)	PL, DE, IT (via traders)	Broader trader network; direct processors	B2B: 2–3 international traders + 1–2 direct processors/feed operators	Index/basis pricing; small margin $\times$ volume; cash-flow stabiliser	Quality COA; MRL/mycotoxin control; organic e-COI if applicable
Fresh vegetables (carrot, potato, onion, beetroot, cabbage)	PL (Biedronka, Kaufland), DE (Lidl, Edeka)	NL (Albert Heijn), Baltics, selectively IT	B2B2C: importer/warehouse $\rightarrow$ direct DC-to-DC after KPI proof	Target return pricing (shelf $\rightarrow$ EXW); total delivered value incl. lower shrink	GlobalG.A.P. IFA + GRASP; MRL residue programme; TRACES/ePhyto
Premium processed (adjika, pickled tomatoes,	Baltics (Rimi, Maxima)	Scandinavia (via distributor); PL/DE	B2B2C: 2–3 distributors $\rightarrow$ direct retailer listings after rotation proof	Added-value pricing; glass packaging; clean label;	HACCP; PPWR packaging compliance; organic e-COI if applicable

marinated eggplant, fermented vegetables)		specialty/ethnic shelves	Resilience Brand premium		
ESG/Camp platform (eco-tourism, youth programmes, biodiversity)	Ukrainian diaspora; CSR partners	Erasmus+/ESC programmes; EU institutional partners	Grant-ready and sponsor-ready formats; paid services; co-financed programmes	Three monetisation streams: paid services, co-financed, donor-backed	Child safeguarding; sanitary permits; programme accreditation

#### 4.4 Entry Strategy by Product Cluster

##### Commodity Grains: B2B Execution Through Traders

Grain functions as a cash-flow engine with minimal brand overhead. Its commercial approach emphasizes execution discipline, including standardized certificates of analysis, consistent quality within specifications, dependable delivery schedules, and quick documentary closure. Pricing is aligned with market indices—such as the EU Cereals Dashboard, which reported wheat (France Grade 1, Rouen) at €204 per tonne as of February 2026 (European Commission, 2026)—with modifications based on quality, basis, and delivery conditions.

##### Fresh Vegetables: Importer Pilot to Direct Retailer Contracts

Fresh vegetables form the scalable core of the export model. The key advantage is geographic: Volyn's proximity within 60 kilometers of the Polish border leads to shorter transit times, less product degradation, and lower shrink rates compared to competitors shipping from central or southern Ukraine. For discount retailers like Biedronka (3,730 stores; Jerónimo

Martins, 2025) or supermarket chains such as Albert Heijn (over 1,270 stores; Ahold Delhaize, 2025), the total delivered cost—including post-delivery waste—is more significant than just the invoice price.

The initial SKU selection focuses on root vegetables and brassicas: carrots, potatoes, onions, beetroot, and white cabbage.

### **Premium Processed Products: Distribution-First in the Baltics**

German bio and organic retail is the most demanding channel—Regulation (EU) 2018/848 requires third-party verification and annual inspections. Our go-to-market sequence deliberately delays entry here. Organic certification is a Wave 2 and Wave 3 investment. In the early stages, resources go to GlobalG.A.P. and HACCP, not to a prerequisite for immediate commercial launch. The Baltics thereby serve as an operational sandbox to validate logistics, shelf-life stability, and baseline HACCP compliance before exposing the enterprise to the intense anti-greenwashing scrutiny and premium compliance demands of the German organic segment.

The processed cluster—adjika, pickled tomatoes, marinated eggplant, fermented vegetables, and selectively chilled salads—enters the EU as a premium ethnic and clean-label category. Shelf price anchors in the Baltics and Scandinavia for comparable ethnic condiments range from €2.49 to €3.79 per unit depending on format and positioning, placing these products in the €9–€13 per kilogram corridor occupied by branded ethnic SKUs in Rimi, Maxima, and S-Group stores.

The channel strategy follows a distribution-first model: two to three Baltic distributors handle initial rotation, shelf placement, and retailer relationship management.

#### 4.5 Logistics Architecture and Cost Structure

The logistics model differentiates by destination and product cluster.

**Table 4.3**

Representative Logistics Cost and Transit Assumptions, Q1 2026

Route	Mode	Cost Estimate	Transit Time	Notes
Volyn → Berlin	FTL reefer	€1,800–2,500	3–5 days	Incl. 15–25% reefer premium; border delays factored
Volyn → Milan	FTL reefer	€3,500–5,000	4–6 days	Via Kraków–Vienna–Brenner or Hungary/Slovenia
Volyn → Warsaw	LTL pallet	€120–220/pallet	2–5 days	Standard euro-pallet up to 500 kg
Volyn → Amsterdam	LTL pallet	€300–500/pallet	4–8 days	Consolidation adds lead time
Volyn → Helsinki	Multimodal	€2,100–2,900	3.5–5 days	Truck → Gdynia → ferry → Karlskrona → Stockholm → ferry → Helsinki
Volyn → Oslo	Multimodal	€2,000–2,700	3–4 days	Truck → Gdynia → ferry → Karlskrona → road to Oslo

Note. \* All estimates are planning ranges for Q1 2026 and are subject to

quarterly RFQ re-pricing. Reefer premium calculated at 15–25% above standard tilt rates

based on DELLA freight exchange data. Multimodal ferry durations from published Stena Line

and Polferries schedules. Transit times include realistic border-crossing delays.

Border management constitutes a critical operational variable.

#### 4.6 Pricing Strategy: Target Return Pricing by Cluster

Pricing in this model begins from the retail shelf and works backward to the producer's EXW price, following a target return pricing methodology.

**Table 4.4**

Indicative Shelf Price Anchors by Product Category and Market

Product	PL (Biedronka)	DE (Lidl/Edeka)	NL (Albert Heijn)	Baltics (Rimi/Maxima)
Carrots, washed, €/kg	0.70–0.95	1.20–1.80	~1.75	—
Potatoes, €/kg	0.40–0.60	0.60–0.80	1.50–1.80	—
White cabbage, €/kg	0.80–1.20	0.80–1.40	—	—
Adjika, 260–300 g jar, €/unit	—	—	—	2.50–3.50
Pickled tomatoes, 680–720 ml, €/unit	—	—	—	2.59–3.29
Marinated eggplant, 350–400 g, €/unit	—	—	—	3.19–3.79

Note. \* Fresh vegetable prices based on publicly available online

listings and promotional pricing from Biedronka (Q1 2026), EDEKA (Q1 2026), and Albert Heijn (Q1 2026).

The pricing discipline differs by cluster. For processed products, the competitive instrument is added value: taste differentiation, glass packaging, clean-label formulation, and the

Resilience Brand narrative justify a positioning in the upper quartile of the ethnic condiment category, typically 20–50% above mass-market pickles on a per-kilogram basis.

## **Chapter 5: Organization Strategy**

### **5.1 Design Premise and Workforce Reality**

The core issue for "Povnyi Koshyk" isn't a shortage of assets but the absence of an operational framework that integrates agricultural production, packing, processing, and mission-driven assets into a unified, controllable system. In line with an EU-market strategy, founder-led coordination alone is insufficient. Exporting fresh produce demands speed, cold-chain management, and disciplined dispatch; processed foods need consistent recipes, food safety standards, and stable specifications; and activities related to the camp and biodiversity must have separate governance to prevent social value from interfering with commercial cash decisions.

The people model must reflect the company's true size. In 2024, the company had 52 permanent employees and about 100 seasonal workers; today, it employs 80 permanent staff and up to 150 seasonal workers during peak season. Many roles within management, supervision, and field operations are occupied by experienced veterans. This is a genuine organizational advantage, providing discipline, resilience, and clear mission alignment. However, this strength translates into better performance only when roles, reporting structures, training, and safety responsibilities are clearly defined rather than informal.

**Table 5.1**

Operating Perimeter and Management Logic

<b>Operating block</b>	<b>Scope</b>	<b>Strategic role</b>	<b>P&amp;L treatment</b>
Production and agronomy	Greenhouse output, open-field vegetables, crop planning, harvest discipline	Supply base for exportable volume and quality consistency	Core commercial unit; measured on cost, yield, and usable output
Fresh produce and packing	Cooling, grading, packing, dispatch, retail/export order execution	First EU-ready revenue lane and main service discipline test	Core commercial unit; measured on OTIF, shrink, and gross margin
Processing and FMCG	Pickled vegetables, sauces, adjika, value-added SKUs	Margin expansion and monetization of non-premium but food-safe produce	Core commercial unit; measured on gross margin per SKU and repeat orders
Mission platform	Camp, biodiversity, selected community partnerships	Brand trust, partnerships, social license, veteran- and youth-oriented impact	Not a profit center; financed through ring-fenced grants or approved surplus

## 5.2 Target Organizational Architecture

The suggested design is a dual-plane model. The commercial core comprises three revenue units: Production and Agronomy, Fresh Produce and Packing, and Processing and FMCG. The mission platform is positioned outside the core P&L and encompasses the camp, biodiversity, and partnership activities. This approach avoids two common pitfalls: commercial

units no longer subsidize social activities via hidden costs, and mission assets do not compete with export operations for daily management focus.

**Table 5.2**

Shared Platforms: Mandate, Owner, and Why They Must Be Centralized

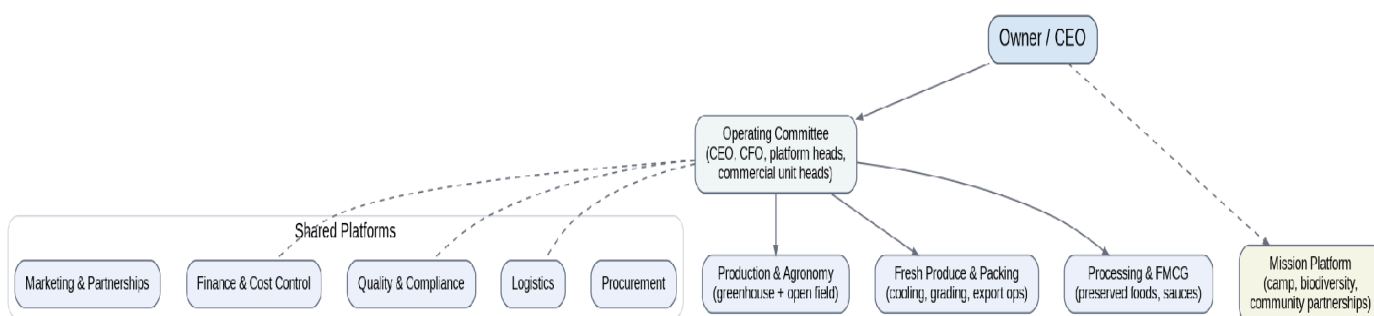
Shared platform	Central mandate	Primary owner	Owner-level effect
Procurement	Category sourcing, supplier list, framework contracts, price discipline, input-quality gates	Head of Procurement	Lower input cost, fewer duplicate purchases, tighter supplier control
Logistics	Dispatch calendar, route planning, warehouse priorities, cold-chain discipline, border documentation flow	Head of Logistics	Higher OTIF, lower transport loss, fewer conflicts over vehicles and storage
Quality and compliance	HACCP, GlobalG.A.P. readiness, traceability backbone, CAPA, label/specification control, audit preparation	Quality and Compliance Lead	EU-ready control system instead of fragmented paper trails
Finance and cost control	Budget cycle, cost-center logic, treasury, transfer pricing, unit economics, management reporting	CFO	Visible profitability by unit and controlled cross-subsidization
Marketing and partnerships	Master brand, retail content, donor relations, partnership governance, commercial message discipline	Head of Marketing and Partnerships	One brand narrative across export, domestic channels, and mission assets

Selective IIoT should be integrated into Quality and Compliance, Logistics, and Production operations rather than launched as a standalone digital program. This includes greenhouse climate monitoring, irrigation control, cold storage, dispatch checkpoints, and

traceability records. Implementing sensors and digital logs in these areas helps to minimize losses, enhance audit evidence, and support future CAPEX justification.

**Figure 5.1**

Proposed Organization Chart for Povnyi Koshyk



### 5.3 Where Duplication Exists Today and What Must Be Removed

Without integration, each unit tends to buy inputs, plan transport, keep records, and explain economics in its own way. That creates the illusion of autonomy but destroys owner visibility. In practice, the result is duplicated spending, avoidable service failures, and hidden subsidies between activities.

**Table 5.3**

Duplication Zones and Redesign Decisions

<b>Duplication zone</b>	<b>Current symptom</b>	<b>Central owner</b>	<b>Redesign decision</b>
Procurement	Packaging, agro-inputs, utilities, and camp supplies are sourced through separate conversations and separate price logic	Head of Procurement	One supplier master, one approval matrix, one consolidated spend view
Logistics	Transport is planned by unit, not by system; vehicles and cold-room capacity are contested during peaks	Head of Logistics	One dispatch calendar and route-priority logic across export and domestic flows
Quality records	Journals, specifications, and traceability evidence are stored in different formats across activities	Quality and Compliance Lead	One record architecture and one audit language for external certification
Financial accounting	Shared costs for labor, storage, utilities, and equipment are allocated informally	CFO	Explicit cost-center rules and transfer pricing between units
Marketing and partnerships	Retail buyers, donors, camp parents, and partners receive different stories about the company	Head of Marketing and Partnerships	One message architecture and one approved partner-facing narrative

#### **5.4 What Is Centralized, Standardized, and Left Inside the Units**

The design principle is straightforward: centralize functions that build scale, standardize those that pose compliance or safety risks, and keep functions that generate differentiation within the unit. This approach is essential to preserve speed while maintaining control.

**Table 5.4**

Centralized vs. Standardized vs. Unit-Specific

<b>Function block</b>	<b>Centralized</b>	<b>Standardized for all</b>	<b>Unit-specific execution</b>
Procurement	Strategic sourcing, supplier master, framework contracts	Vendor onboarding, approval matrix, purchase-order forms	Crop- or SKU-specific requirements; camp supplies
Logistics	Route architecture, warehouse priorities, cold-chain governance	Dispatch rules, shipment documentation, exception handling	Field logistics, packing sequence, event logistics for the camp
Quality, compliance, and IIoT	HACCP system, audit prep, traceability logic, CAPA, sensor-data requirements	Record formats, specification templates, incident reporting	Agronomy SOPs, recipe control, local operating checks
Finance and cost control	Budget cycle, treasury, cost-center logic, transfer pricing, CAPEX gates	Reporting pack, margin bridge, variance review cadence	Pricing and commercial actions inside approved budgets
Marketing and partnerships	Master brand, PR rules, partner governance	Tone of voice, creative approvals, partner onboarding pack	Buyer pitches, trade materials, fundraising storytelling

### 5.5 Operating Model Blueprint

The operating model should clearly delineate decision rights. Unit heads must have the autonomy to fulfill their responsibilities but should not have the authority to change procurement rules, bypass quality controls, or transfer cash between activities. Instead, the

owner and the Operating Committee should resolve conflicts over priorities, capital allocation, and exceptions—without involvement in daily dispatch or irregular staffing decisions.

**Table 5.5**

Decision Rights and Accountability Matrix

<b>Role</b>	<b>Accountable for</b>	<b>Cannot do independently</b>
Owner / CEO and Operating Committee	Group priorities, capital allocation, market-entry sequence, conflict resolution between units, Mission Fund rules	Micromanage daily operating execution or override control policies without formal review
Commercial unit heads	Revenue, plan execution, direct-cost control, contribution margin, team performance	Change procurement policy, quality rules, transfer pricing, or ring-fenced mission funding
Mission platform lead	Camp safety, program quality, partnerships, sponsor relations, mission-budget discipline	Use commercial working capital or commit group resources outside approved mission budget
Platform heads	Policies, standards, suppliers, service discipline, cross-unit coordination	Take over commercial decisions that belong to unit heads
CFO	Cash, budget discipline, unit economics, allocation accuracy, margin visibility	Approve new product or channel moves without an operating case from the unit
Quality and Compliance Lead	Certification readiness, traceability completeness, CAPA closure, label/specification control	Grant procedural exceptions without documented sign-off

Across the enterprise, five processes run on one cadence: annual planning and budget setting; monthly S&OP and demand-supply reviews; weekly harvest-dispatch during season; monthly KPI and cash review; and quarterly quality and compliance reviews. Unit-specific

processes differ: agronomy and harvest in production, cooling and packhouse in fresh, recipe and batch in FMCG, and safeguarding plus partner delivery in the mission platform.

### 5.6 Cross-Subsidization Between the Export Core and the Mission Platform

Cross-subsidization is essential, but it must be transparent and not hidden. The social platform should not use commercial operating funds just because it is strategically important. Instead, it should be financed through clear, explicit rules. This approach safeguards working capital for exports and ensures the true cost of the social mission is visible to the owner.

**Table 5.6**

Rule-Based Cross-Subsidization

Source	Allocation rule	Allowed use	Protective barrier
Premium FMCG margin pool	3%-5% of EBITDA or a defined premium-SKU margin pool after platform costs	Camp scholarships, basic mission-platform operations, selected biodiversity projects	Transfer only after cash and margin thresholds are met
Sponsor or grant inflow	100% ring-fenced by project budget	Educational programs, youth-resilience formats, biodiversity or veteran-oriented initiatives	Cannot be mixed with commercial OPEX or export working capital
Branded impact campaigns	Pre-defined share of gross margin from designated SKUs	Targeted mission campaigns and partnership activations	Separate campaign tracking and monthly CFO review
Fresh-export working capital	No automatic transfer	None	Protected because border delays, cold-chain failures, and receivable timing already create cash risk

## 5.7 Unified KPI Architecture

A matrix functions effectively only when all units communicate using a single managerial language. Consequently, the KPI system should incorporate group metrics, shared-platform metrics, and unit-specific operating metrics. The aim is not to increase reporting but to establish a single, reliable source of truth for export readiness, cost control, and mission discipline.

**Table 5.7**

Unified KPI Architecture

Level	Owner	Core KPIs	Managerial use
Group	CEO + OpCom	Revenue growth, export share, EBITDA margin, working-capital days, waste rate	Checks whether the enterprise grows without destroying cash or margin
Procurement	Head of Procurement	Savings vs. baseline, share of spend under contract, supplier-risk score	Measures scale effects and buying discipline
Logistics	Head of Logistics	OTIF, cost per ton, cold-chain deviations, warehouse loss	Measures service reliability and logistics leakage
Quality and Compliance	Q&C Lead	Audit pass rate, CAPA closure time, traceability completeness, complaint rate	Measures EU readiness and operating safety
Finance and Cost Control	CFO	Budget variance, gross-margin bridge, cash conversion cycle, allocation accuracy	Measures profitability transparency and early warning quality
Production and Agronomy	Unit head	Yield per hectare, cost per ton, harvest loss, labor productivity	Measures field economics and usable supply quality
Fresh Produce and Packing	Unit head	Packing yield, OTIF, shrink, complaint rate per shipment	Measures export-service discipline and execution speed

<b>Level</b>	<b>Owner</b>	<b>Core KPIs</b>	<b>Managerial use</b>
Processing and FMCG	Unit head	Gross margin per SKU, batch yield, OEE, repeat orders	Measures value capture and repeatability of processing
Mission platform	Platform lead	Funded revenue share, sponsor retention, occupancy, incident-free sessions	Measures whether the social block stays sustainable without cash leakage

## Chapter 6: Financials

### 6.1 Modelling perimeter and decision logic

The 2025 greenhouse investment established a foundation. The key question now is: how much additional funding is required for certification, traceability, cold-chain evidence, and precise greenhouse management to turn this platform into a reliable revenue source.

The model separates sunk investments from future decisions. The UAH 54.16 million greenhouse CAPEX in 2025 is seen as already committed infrastructure. ROI focuses only on the 2026–2028 program needed for market access. This distinction is key because the owner now decides only on completing the commercial operating system, not on building the platform.

**Table 6.1**

Key Assumptions and Financial Perimeter of the Model

Assumption	Value	Why it matters
Planning horizon	2026–2028	Three full years after the 2025 greenhouse step-change.
Base year	2025 actual	Revenue UAH 43.37 mn; EBITDA UAH 13.75 mn; net profit ~UAH 7.64 mn.
Revenue target (strategy case, 2028)	UAH 56.38 mn	Exact increase vs. 2025: +29.99%.
Cost target (inefficiency perimeter)	UAH 7.50 mn → UAH 6.15 mn	Exact reduction in avoidable cost pool: –18.00%.
Planning FX (management assumption)	47 / 48 / 49 UAH per EUR	Internal planning rate for 2026 / 2027 / 2028; used for software and certification budgets.

Inflation (management assumption)	8% / 7% / 6%	Applied only in planning envelopes; not a public forecast.
Corporate income tax	18%	Applied to EBIT in the scenario model.
Discount rate for project metrics	20%	Owner-level hurdle rate under wartime and export-entry risk.
Mission Fund rule	3%–5% of EBITDA	Camp and social platform remain ring-fenced from core P&L.
Sunk vs. incremental investment	2025 greenhouse CAPEX is sunk	Chapter 6 ROI evaluates only the incremental 2026–2028 EU-entry program.

## 6.2 Historical baseline: what changed financially in 2023–2025

Historical data shows that 2025 was a stronger sales year and a turning point for the company, shifting from low-margin farming to a controlled-environment business with EBITDA growth. Revenue rose from UAH 5.75 million in 2023 to UAH 43.37 million in 2025, and EBITDA shifted from a loss of UAH 0.86 million to a profit of UAH 13.75 million. This progress was driven by the greenhouse platform, better crop selection, and moving from fuel-dependent field farming to higher-yield, protected-environment production.

This baseline explains why the next phase should be more targeted than the first. The enterprise doesn't require another lengthy construction cycle before testing export readiness. It should focus on maintaining 2025 margins and avoiding value loss from fragmented logistics, inconsistent documentation, and weak channel discipline.

**Table 6.2**

Historical Financial Baseline, Povnyi Koshyk, 2023–2025

<b>Indicator</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Revenue, UAH mn	5.75	22.02	43.37
COGS, UAH mn	(7.08)	(17.92)	(25.05)
Gross profit, UAH mn	(1.33)	4.10	18.32
Gross margin, %	–23.1%	18.6%	42.2%
Controllable OPEX, UAH mn	0.46	0.51	4.56
EBITDA, UAH mn	(0.86)	3.58	13.75
EBITDA margin, %	–15.0%	16.3%	31.7%
Depreciation & amortization, UAH mn	(1.00)	(1.89)	(5.59)
Net profit / (loss), UAH mn	(1.86)	1.43	7.64

**6.3 Three cases, not one fantasy**

The base case assumes the company mainly sells domestically with few organizational changes. The strategy case details plans to gradually obtain certifications, develop traceability, improve retail discipline, and enter specific EU markets. The stress case considers potential delays, slower sales growth, and logistical challenges during the initial export cycle.

**Table 6.3**

Three-Case Financial Frame for 2028

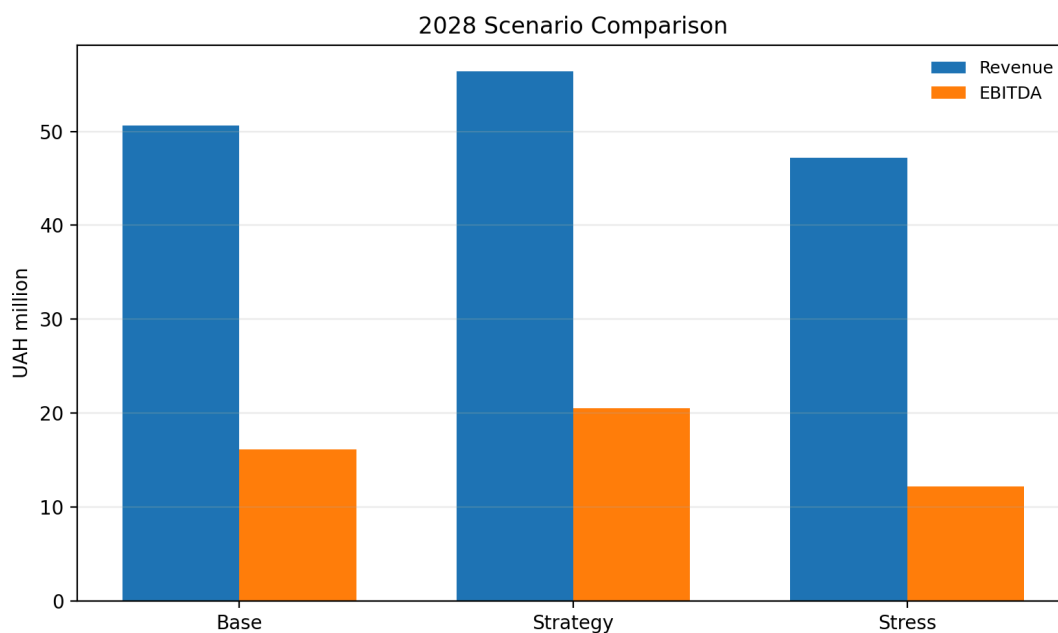
<b>Metric</b>	<b>Base case</b>	<b>Strategy case</b>	<b>Stress case</b>	<b>Reading for the owner</b>
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Revenue, UAH mn	50.60	56.38	47.20	Base case keeps the domestic channel dominant; strategy case unlocks retail and EU lanes; stress case absorbs delay and weaker off-take.
EBITDA, UAH mn	16.10	20.50	12.20	Strategy case adds both revenue and operating discipline; stress case remains positive because core CAPEX is already deployed.
EBITDA margin, %	31.8%	36.4%	25.8%	Margin expansion comes mainly from mix, cold-chain discipline, and fewer losses.
Net profit, UAH mn	7.95	11.56	4.80	Net profit stays positive across all three cases.
EU share of sales, %	0%–5%	24%–28%	10%–12%	Strategy case assumes selective EU contracts, not a full export pivot of the whole portfolio.
Owner reading	Stable but value-leaking	Target case	Survivable but cash-tight	The decision question is not survival; it is whether the owner monetizes the asset base already built.

The +29.99% revenue growth target over three years is intentionally cautious rather than overly ambitious, due to three key constraints. Capacity-wise, the current setup includes 32 operational greenhouses and 471 hectares of cultivated land, which set a physical limit on production. Expanding further would require building new greenhouses, a process that takes 12–18 months and involves additional capital expenditure not accounted for in the current plan. Labour-wise, staff has increased from 25 to 80 permanent employees, but further growth is limited by wartime mobilization, availability of rural labor, and the need for specialized greenhouse operators instead of general farm workers. Energy costs are also a constraint; greenhouse operations are energy-intensive, with electricity costs rising 4.6 times between 2023 and 2025, and grid instability in wartime Ukraine adds cost and operational risks. These limitations are structural, not managerial. The financial model is based on what current assets can achieve under disciplined management, not on the potential of an unrestricted new greenfield operation.

**Figure 6.1**

2028 Revenue and EBITDA by Scenario



#### 6.4 Incremental CAPEX and OPEX required for EU market entry

Many owner-managers mistakenly believe that the major expenses end after a large build-out. However, market entry entails a second, smaller but crucial set of costs. For Povnyi Koshyk, this secondary investment involves more than just another greenhouse; it also includes activities such as certification preparation, traceability, cold-chain verification, packhouse upgrades, and targeted IIoT implementation. These actions transform the existing greenhouse into a compliant, EU-ready facility.

This chapter designates the incremental program as a separate budget. The figures are decision-ready ranges based on technology and systems logic from Chapter 7. These ranges are broad enough for trade-offs but manageable for owner management.

**Table 6.4**

Incremental CAPEX Envelope for the 2026–2028 EU-Entry Program (UAH mn)

<b>CAPEX block</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
Selective greenhouse control pilot (climate + irrigation controllers, cabinet, installation)	0.86	0.18	0.00	1.04
Sensor layer (weather station, TEROS grid, gateways, calibration)	0.22	0.08	0.04	0.34
Cold-chain and dispatch hardware (USB loggers, handheld scanners, label printers)	0.24	0.10	0.08	0.42
Packhouse / lot-coding / EU packaging adaptation	0.54	0.22	0.12	0.88
Traceability integration and dashboard setup	0.12	0.06	0.02	0.20
Contingency reserve	0.04	0.09	0.04	0.17
Total incremental CAPEX, UAH mn	2.02	0.73	0.30	3.05

**Table 6.5**

Incremental OPEX Envelope for Certification, QA, and Market Access (UAH mn)

<b>OPEX block</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
Certification and surveillance audits (GlobalG.A.P., HACCP, organic pathway)	0.70	0.60	0.60	1.90

Laboratory testing (residues, water, microbiology, shelf-life)	0.24	0.28	0.32	0.84
FoodDocs and digital traceability subscriptions / onboarding	0.22	0.18	0.18	0.58
Training, SOP rollout, CAPA discipline	0.18	0.12	0.10	0.40
EU packaging, export documents, samples, relabeling	0.36	0.42	0.48	1.26
Cold-chain monitoring and shipment evidence	0.12	0.15	0.18	0.45
Buyer development, trade travel, partner onboarding	0.17	0.20	0.22	0.59
Total incremental OPEX, UAH mn	1.99	1.95	2.08	6.02

### 6.5 Revenue Bridge: The source of the +29.99% increase

The growth target is precise, not just for show. Projected revenue rises from UAH 43.37 million in 2025 to UAH 56.38 million in 2028, a +29.99% increase. This growth results from four strategies: maximizing the greenhouse platform, shifting channels to retail supply, opening EU routes for products, and improving seasonality and crop-mix monetization.

**Table 6.6**

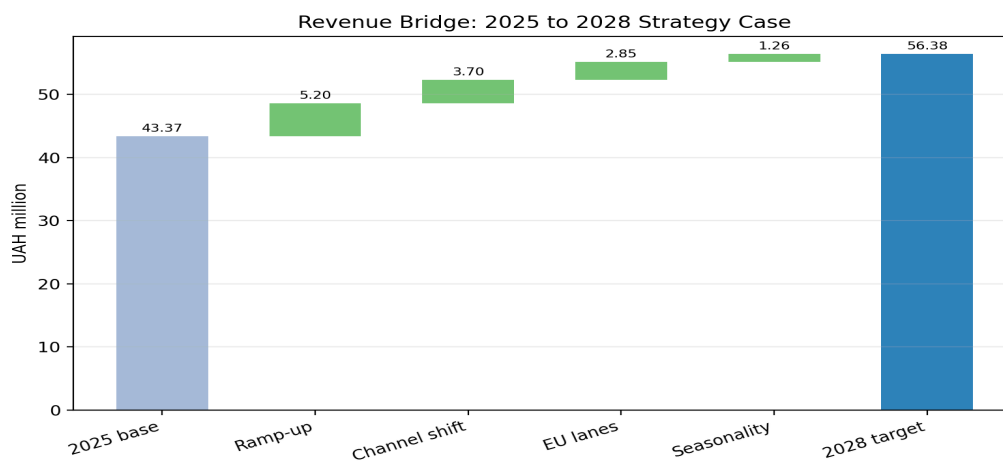
Revenue Bridge from 2025 Actual to 2028 Strategy Case

Bridge item	UAH mn	Share of increment	Owner logic
Revenue 2025 base, UAH mn	43.37	—	Audited base year.

+ Greenhouse ramp-up and crop utilization	5.20	39.97%	Uses the 32-greenhouse platform more fully; no new greenhouse build required.
+ Channel shift to organized retail and packaged supply	3.70	28.44%	Higher realized price through packaging, discipline, and larger contracts.
+ EU fresh and processed pilot lanes	2.85	21.91%	Selective export of compliant fresh vegetables and value-added jars / sauces.
+ Seasonality premium and crop-mix optimization	1.26	9.68%	Winter and shoulder-season pricing plus better mix of higher-value crops.
Revenue 2028 target, UAH mn	56.38	100.00%	Exact increase vs. 2025: +29.99%.

**Figure 6.2**

### Revenue Bridge: 2025 Base to 2028 Strategy Case



### 6.6 Cost Bridge: Explanation of the –18.00% Inefficiency Reduction

In an operational-profit project, not all cost lines are suitable targets. Essential costs such as seeds, labor, utilities, and packaging represent actual business expenses and should not be eliminated indiscriminately. The focus should be on the avoidable inefficiency pool, which includes spoilage, emergency logistics, fragmented procurement, manual control leakage, and quality failures. In the 2025 baseline, this pool is estimated at UAH 7.50 million. By 2028, under the strategy case, it is projected to decrease to UAH 6.15 million, reflecting an exact reduction of 18.00%.

**Table 6.7**

Inefficiency Cost Bridge, 2025 to 2028 (UAH mn)

Bridge item	Saving	Share of total savings	How it is achieved
-------------	--------	------------------------	--------------------

Inefficiency baseline 2025, UAH mn	7.50	—	Avoidable cost pool, not full COGS.
– Spoilage and temperature-loss reduction	0.45	33.3%	Cold-chain evidence, better cooling, fewer write-offs.
– Logistics consolidation and route planning	0.30	22.2%	Fewer emergency shipments and lower empty mileage.
– Energy and water control in export block	0.25	18.5%	Selective IIoT and irrigation discipline reduce avoidable leakage.
– Procurement and packaging standardization	0.18	13.3%	Lower duplication and fewer rush purchases.
– Quality failures, relabeling, and claims	0.17	12.6%	Better specs, traceability, and lot control.
Target inefficiency pool 2028, UAH mn	6.15	100.0%	Exact reduction vs. 2025: –18.00%.

### 6.7 Unit economics and break-even logic by direction

The owner should review the portfolio across three economic strategies. Fresh greenhouse vegetables are the main revenue, covering most market-entry costs. Processed FMCG, like jars, sauces, and adjika, adds value through packaging and compliance, which outweigh hectare economics. The camp isn't designed for profit and should be assessed separately, relying on sponsorships or grants for break-even, not sales revenue.

**Table 6.8**

Unit Economics and Break-Even Logic by Direction

Direction	Current economics	Strategy-case economics	Management implication
Fresh greenhouse vegetables	Weighted 2025 realized price for premium vegetables: ~UAH 22.2/kg.	Target realized price under structured retail / export-ready supply: UAH 26–28/kg; gross margin target 45%–50%.	This line remains the main cash engine for EU entry.
Processed FMCG (pickles, sauces, adjika)	Domestic shelf anchors: UAH 31–82 per jar depending on SKU and pack size.	Target producer realization: roughly UAH 32–38 per 700 g premium jar-equivalent; gross margin target 30%–35% after compliance and packaging.	Used to monetize value-added output and export-friendly shelf-stable SKUs.
Camp / mission platform	One 10-day shift costs ~UAH 498,500 and has zero ticket revenue.	Break-even equivalent = UAH 9,970 per child or one corporate / donor package of ~UAH 0.50 mn per shift.	Must stay outside the core commercial P&L and be funded through a Mission Fund or grants.

**6.7a Volume–Price–Margin Bridge by Direction**

The revenue bridge in Table 6.6 and the unit-economics anchors in Table 6.8 are reconciled below in physical units. This step converts price corridors and margin targets into defensible tonnage for fresh vegetables and unit volume for processed FMCG, and confirms that the +UAH 13.01 mn revenue uplift and the 2028 EBITDA target hold under explicit operating-profit logic  $\Pi = Q \times (P - VC) - FC$ , where Q denotes annual volume, P the realized

producer price, VC variable cost per unit, and FC the incremental fixed cost block of certification, QA, and market access (Table 6.5).

**Table 6.8a**

Volume–Price–Margin Bridge from 2025 Actual to 2028 Strategy Case

Driver	2025 actual	2028 strategy	$\Delta$	Profit logic
Fresh vegetables, volume, t/year	1,750	2,000	+250	Greenhouse-platform ramp-up; no new build required
Fresh, blended realized price, UAH/kg	22.2	24.5	+2.3	Channel shift to organized retail and seasonality premium; weighted across domestic, structured retail, and EU pilot lanes
Fresh, contribution margin, UAH/kg	9.3	11.5	+2.2	Gross margin moves from $\approx 42\%$ to $\approx 47\%$ via cold-chain discipline and waste reduction
Fresh, revenue, UAH mn	38.84	49.00	+10.16	$Q \times P$

Driver	2025 actual	2028 strategy	$\Delta$	Profit logic
Fresh, total contribution, UAH mn	16.28	23.00	+6.72	Q $\times$ CM
Processed FMCG, volume, thousands jars 700 g	0	80	+80	Wave 2–3 pilot scaling after Pilot C validation (Table 6.13)
Processed, producer realization, UAH/jar	—	35.0	—	Mid-point of UAH 32–38 corridor (Table 6.8)
Processed, contribution margin, UAH/jar	—	11.2	—	32% gross margin after compliance, glass packaging, and labelling
Processed, revenue, UAH mn	0.00	2.80	+2.80	New revenue pool
Processed, total contribution, UAH mn	0.00	0.90	+0.90	New EBITDA contribution
Grains and other, UAH mn	4.53	4.53	0.00	Held flat; outside the EU-entry perimeter
<b>Total revenue, UAH mn</b>	<b>43.37</b>	<b>56.33</b>	<b>+12.96</b>	<b>Reconciles to Table 6.6 (+UAH 13.01 mn within rounding)</b>

Driver	2025 actual	2028 strategy	Δ	Profit logic
Inefficiency pool reduction, UAH mn	—	—	-1.35	Cost-bridge effect inside COGS (Table 6.7)
Incremental market-entry OPEX (2028 run-rate), UAH mn	—	2.08	+2.08	From Table 6.5; flows through controllable OPEX

Note. Volumes are management planning targets calibrated against the 2025 audited base (1,750 t fresh implied by UAH 38.84 mn divided by UAH 22.2/kg, reconciled with Table 1.2). The blended fresh price weights an indicative channel mix of approximately 70% domestic and structured Silpo at UAH 23/kg, 25% upgraded organized retail at UAH 25–26/kg, and 5% EU pilot lanes at UAH 26–28/kg. Processed-FMCG volume reflects the post-pilot scale targeted under Waves 2 and 3 in Table 6.13 rather than full-scale processed manufacturing. Δ values may not sum exactly across rows due to rounding; the bridge reconciles to Table 6.6 within UAH 0.05 mn.

### **Break-Even Logic and Safety Margin**

Applying the break-even formula  $Q_{BE} = FC / (P - VC)$  to the EU-entry program isolates the minimum exportable volume required to absorb the incremental market-entry fixed-cost block (UAH 2.08 mn run-rate in 2028 from Table 6.5). At a fresh-produce contribution margin of UAH 11.5/kg, the

break-even tonnage attributable to incremental retail and EU channels is approximately 181 t/year, well below the +250 t step targeted in Table 6.8a. For processed FMCG at UAH 11.2/jar contribution, the break-even reserve corresponding to the processed-track share of fixed costs (estimated UAH 0.45 mn) is approximately 40,000 jars/year, half of the Wave 2–3 scale target. Both directions therefore cross break-even with a comfortable safety margin, supporting the IRR of 30.2% and 2.3-year payback reported in Table 6.10.

#### **6.8 To-be P&L: strategy case, 2026–2028**

The strategy avoids relying on overly optimistic top-line assumptions. Instead, it emphasizes leveraging the existing asset base through enhanced discipline. Gross margin steadily improves as the product mix gets better, structured channels replace weaker wholesale positions, and avoidable losses decline. This leads to a simpler, more realistic P&L, rather than an unlikely spike.

**Table 6.9**

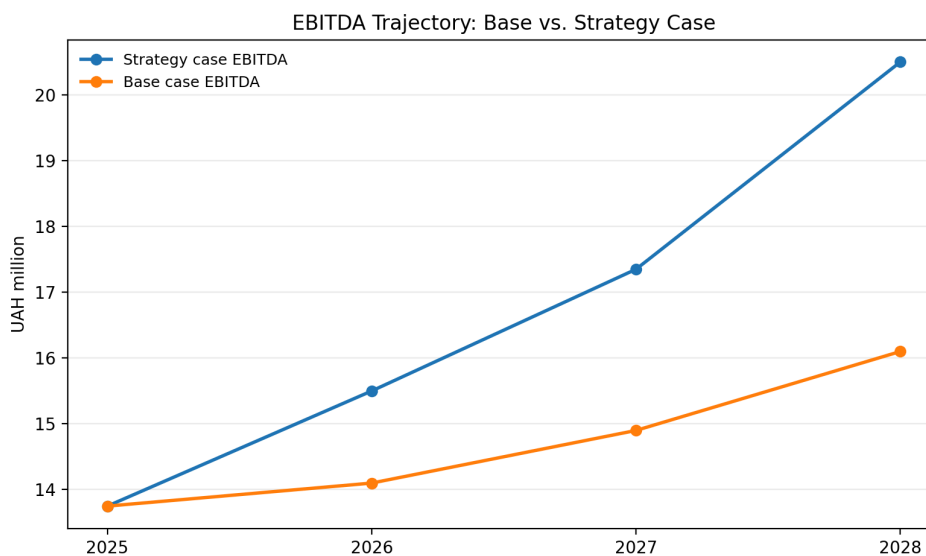
Strategy-Case Profit and Loss Projection, 2026–2028

<b>P&amp;L line</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Revenue, UAH mn	48.90	52.60	56.38

COGS, UAH mn	(27.80)	(29.30)	(30.80)
Gross profit, UAH mn	21.10	23.30	25.58
Gross margin, %	43.1%	44.3%	45.4%
Controllable OPEX, UAH mn	(5.60)	(5.95)	(5.08)
EBITDA, UAH mn	15.50	17.35	20.50
EBITDA margin, %	31.7%	33.0%	36.4%
Depreciation & amortization, UAH mn	(6.00)	(6.20)	(6.40)
EBIT, UAH mn	9.50	11.15	14.10
Net profit, UAH mn	7.79	9.14	11.56

**Figure 6.3**

EBITDA Trajectory: Base Case versus Strategy Case



## 6.9 Project metrics and ROI

Since the greenhouse investment is already committed, the owner faces a smaller and clearer investment decision. The key question is whether an additional cash investment of about UAH 4.25 million—covering market-entry CAPEX and a working-capital buffer—yields acceptable returns relative to a 20% hurdle rate. In the strategic scenario, it does.

**Table 6.10**

Project Metrics and ROI for the Incremental EU-Entry Program

Metric	Value	Why it matters
Incremental CAPEX (2026–2028)	UAH 3.05 mn	Selective technology, packhouse adaptation, and data infrastructure only.
Incremental working-capital buffer	UAH 1.20 mn	Needed for pilot exports and slower buyer payment cycles.
Total project cash commitment	UAH 4.25 mn	Used for ROI calculations; 2025 greenhouse build is treated as sunk.
2028 EBITDA uplift vs. base case	+UAH 4.40 mn	Difference between strategy-case and base-case EBITDA in 2028.
NPV (20% discount rate)	UAH 0.89 mn	Calculated on incremental project cash flows vs. base case.
IRR	30.2%	Above the owner-level hurdle rate of 20%.
Simple payback	2.3 years	Measured on incremental project cash flows.
Decision reading	Proceed, but gate spend by milestones	The project is financeable if certifications and pilot off-take are sequenced, not front-loaded blindly.

### 6.10 Sensitivity analysis and what can break the plan

The model is robust enough to deserve execution, but not robust enough to tolerate lazy sequencing. The biggest financial risk is not yield alone. It is the combination of certification

slippage, export-lane friction, and working-capital pressure. That is why the plan in Chapter 7 is phase-gated. Spend must follow proof.

**Table 6.11**

Sensitivity Analysis and Downside Envelope

<b>Risk</b>	<b>Probability</b>	<b>Impact</b>	<b>Financial effect</b>	<b>Management response</b>
Certification delay (+6 months)	Medium	High	2028 EBITDA –UAH 1.6 mn; payback +6 to 8 months	Run audit pre-assessment early; do not wait for documentation to “stabilize itself”.
Border / logistics shock (+20% freight or longer crossing time)	High	High	2028 EBITDA –UAH 1.1 mn; extra working capital need +UAH 0.5 mn	Keep alternative routes and carriers active; use cold-chain evidence to reduce disputes.
Weak sales case (EU lanes deliver only 60% of plan)	Medium	High	2028 revenue –UAH 1.7 mn; EBITDA –UAH 1.4 mn	Do not rely on one buyer; keep domestic premium channels warm.
Greenhouse yield shortfall (–10%)	Medium	High	2028 EBITDA –UAH 1.3 mn	Protect agronomy discipline before scaling commercial promises.
Receivables stretch (+15 days)	Medium	Critical	Additional working-capital requirement ~UAH 1.0 mn	Negotiate payment terms early and stage export volumes.
Combined stress case	Low	Critical	Revenue ~UAH 47.2 mn; EBITDA ~UAH 12.2 mn	Business remains positive, but discretionary CAPEX must freeze until stability returns.

Beyond single-variable sensitivity, three compound scenarios test the model’s resilience under realistic adverse conditions:

Scenario A: Certification Delay. GlobalG.A.P. certification is postponed by six months due to audit non-conformities, necessitating a second pre-assessment and re-audit. Impact: EU fresh-produce revenue is pushed back two quarters; the EU sales share for 2028 decreases from

24–28% to 15–18%; EBITDA is approximately reduced by UAH 1.6 million; payback period lengthens to 2.8 years. Management plans to conduct the pre-assessment in Phase 1 Month 2 (instead of Month 4), set a firm audit date by Month 9, and sustain domestic premium channels as a revenue baseline during the delay.

Scenario B: Logistics Disruption involves a sustained 20% rise in cross-border freight costs and a 48-hour increase in border-crossing times, driven by geopolitical issues or infrastructure limits. The consequence: annual logistics costs rise by roughly UAH 0.8–1.1 million; OTIF (On-Time In-Full) falls below 90% during the affected quarter; EBITDA decreases by about UAH 1.1 million; and an extra UAH 0.5 million is needed in working capital. Management strategies include securing contracts with at least two independent carriers, pre-positioning inventory at a Polish-side consolidation center if volumes support it, and utilizing cold-chain evidence to settle disputes and minimize spoilage claims.

Scenario C: Combined Stress. Certification is delayed by six months, EU sales reach only 60% of the forecast, and freight costs increase by 15%. This scenario represents the worst-case situation. Impact: 2028 revenue is around UAH 47.2 million compared to UAH 56.38 million in the original plan; EBITDA is about UAH 12.2 million; EBITDA margin is roughly 25.8%. The business remains cash-positive because core CAPEX has already been invested, and domestic sales provide a minimum revenue stream. Management's response: suspend all discretionary Phase 3 CAPEX; improve receivables management; extend the scaling timeline by 6–18 months instead of abandoning the EU-entry plan.

Scenario D: Price Drop. Due to a robust harvest in Spain and the Netherlands, which are the main suppliers to Polish and German organized retail, EU shelf prices for fresh vegetables decrease by 15%. Producer EXW prices tend to follow this shelf decline with a one-month delay. For processed goods, private-label competition drives ethnic-condiment prices down by 10% in the Baltic market. Impact: 2028 revenue drops by about UAH 2.4 million (from UAH 56.38 million to UAH 53.95 million); gross margin shrinks from 45.4% to around 41.0%, as fixed greenhouse costs absorb the price reduction; EBITDA decreases by roughly UAH 2.0 million; EBITDA margin falls from 36.4% to approximately 32.5%. Management's response includes shifting volume

toward higher-margin processed SKUs, which are less sensitive to price changes in the ethnic-condiment sector; speeding up the Resilience Brand’s premium positioning to maintain prices; and leveraging the Polish market proximity to negotiate bonus listings during the competitive pricing period. Importantly, do not compete with competitor price cuts on commodity SKUs, as the cost structure does not support prolonged price wars with Spanish glasshouse incumbents.

### 6.11 Pilot-Export Budget and Learning Economics

The initial export lots serve as learning opportunities rather than complete ventures. For owners, the priority isn’t immediate profit but building enough confidence in control for future investments. The table shows three pilot lots with their respective potential: Poland Fresh aims for operational validation, Germany Fresh is a conditional pilot that will only be deployed after validating the Polish corridor, and Finland or Baltic processed exports will test margin density for jars and sauces.

**Table 6.12**

Pilot Export Budget and Expected Gross Contribution

Pilot	Indicative sales value, UAH ths	Product and packing cost	Route, documents, QA, and samples	Expected gross contribution before SG&A	Management reading
Pilot A: Poland fresh LTL	290	165	120	5	Near break-even by design; sent to prove execution rather than maximize profit.
Pilot B: Germany fresh reefer (conditional,	690	395	140	155	Conditional scalable lot; deployed only after Pilot A confirms

triggered after Pilot A validation)					OTIF $\geq$ 95% and zero critical failures. Tests whether the export block can service a longer corridor.
Pilot C: Finland / Baltics processed	430	255	95	80	Processed route carries better value density and is economically stronger than a small fresh pilot.
Total pilot envelope	1,410	815	355	240	The pilot package is commercially useful before broad retail scaling because it buys market proof and data.

### 6.12 Wave-Based Scaling Economics and Capital Release

The project gains robustness when the revenue bridge is clearly connected to the market-entry sequence. The table below translates the strategy-case bridge into three separate economic waves. This allows owners to ask a practical question: what exactly am I funding at each stage, and how much of the 2028 uplift relates to that stage? Consequently, the release logic is clarified. Wave 1 aims to secure the first tangible export proof. Wave 2 emphasizes repeatability across multiple channels and the initial processed-export capability. Wave 3 involves targeted scaling only after the operating system has shown its potential for expansion.

Table 6.13

## Wave-Based Scaling Economics and Capital Release

Wave	Incremental revenue added vs. 2025 base, UAH mn	Incremental EBITDA contribution vs. base case, UAH mn	Incremental CAPEX released, UAH mn	Incremental market-entry OPEX released, UAH mn	What the owner is funding
Wave 1	3.10	0.80	1.35	1.85	Fresh-route proof: audits, traceability baseline, cold-chain evidence, first export pilots.
Wave 2	4.65	1.45	1.20	2.05	Second release after proof: broader fresh lane plus first processed export block, packaging and label discipline, light analytics layer.
Wave 3	5.26	2.15	0.50	2.12	Selective scale-up: premium processed route, additional buyer-development, targeted IIoT and route expansion.
Total 2026–2028 program	13.01	4.40	3.05	6.02	Reconciles exactly to the strategy-case bridge already used in Chapter 6.

**6.13 Does the Patch Change the Financial Conclusion?**

Yes, but only to a limited degree and with a more cautious approach. The current Chapter 6 model already encompasses certification, traceability, FoodDocs, laboratory testing,

buyer development, greenhouse-control pilot spending, sensors, and cold-chain hardware. This update does not introduce a new investment strategy. Instead, it emphasizes the initial export-lot budget and clearly details a small pilot-launch capital reserve, which the owner can justify during the defense. If this reserve is cautiously added rather than allocated within existing budgets, the project's cash commitment slightly rises, and the payback period lengthens marginally.

**Table 6.14**

Updated Payback of Incremental Market-Entry Capital

<b>Metric</b>	<b>Current Chapter 6 reading</b>	<b>Revised reading after explicit pilot / digital patch</b>	<b>Interpretation</b>
Project cash commitment used for payback	UAH 4.25 mn	UAH 4.50 mn	The patch makes a small pilot-launch capital reserve explicit rather than leaving it embedded in operating noise.
Simple payback	2.3 years	approximately 2.4 years	The project remains financeable; explicit pilot budgeting slows payback only marginally.
What changes financially	Most pilot and digital items were bundled inside Tables 6.4–6.5	Pilot-export reserve and light analytics layer become visible as named decisions	This improves owner control and makes stage-gating easier to defend at the defense.
What does not change	Core strategic conclusion	Core strategic conclusion remains intact	The greenhouse platform still does not require another major build; it requires disciplined system completion.

## 6.14 Inflation Treatment and Independent Finance Review

### Inflation Methodology

The financial model uses real (constant 2025 UAH) terms for all multi-year projections rather than nominal terms. This methodology choice is deliberate: under wartime conditions, Ukrainian inflation has ranged from 4.7% (late 2024) to over 26% (peak 2022), and the planning rate of 8% / 7% / 6% for 2026–2028 (Table 6.1) reflects the National Bank of Ukraine’s consensus forecast as of Q1 2026. Using real terms isolates strategic value creation from monetary distortion and prevents the EBITDA bridge from claiming credit for nominal price increases that merely track inflation.

Three categories of cost are particularly inflation-sensitive and are treated explicitly:

Energy costs. The 4.6× increase in electricity expense between 2023 and 2025 reflects both volume growth and tariff inflation. The model assumes electricity tariffs grow in line with general CPI (8% / 7% / 6%), but a stress-case sensitivity at +15% annual electricity inflation reduces 2028 EBITDA by approximately UAH 0.6 million. This is the single most material inflation exposure.

Labour costs. Direct labour grew 9.7× between 2023 and 2025, driven primarily by headcount expansion rather than wage inflation. The model assumes wage inflation tracks CPI

plus 2 percentage points to reflect wartime labour scarcity. A +5pp shock to wage inflation reduces 2028 EBITDA by approximately UAH 0.4 million.

EU-denominated costs. Certification, laboratory testing, and FoodDocs subscriptions are EUR-denominated. The model uses planning FX of 47/48/49 UAH per EUR for 2026–2028. A 10% UAH depreciation against EUR (to 51.7/52.8/53.9) increases incremental OPEX by approximately UAH 0.6 million over the three-year programme — partially offset by EUR-denominated export revenue, which provides natural hedging once EU sales exceed 25% of total revenue (achieved in 2027 under the strategy case).

## Chapter 7: Project Implementation

### 7.1 Implementation logic and phase-gated roadmap

The business manages greenhouse production, open-field operations, packing, early-stage processing, and the social platform simultaneously. Implementing a broad transformation at this stage could overwhelm management, obscure accountability, and strain cash flow before export routines are well-established.

The implementation process is divided into three stages. Phase 1 establishes audit readiness and managerial oversight. Phase 2 leverages this readiness to produce the initial certified shipments and introduce selective technology deployments. Phase 3 focuses solely on scaling proven technologies that meet commercial and operational standards. This sequence is important because gaining entry into the EU market depends on consistent compliance, stable greenhouse practices, documented temperature management, and a defined decision criterion for each new investment.

**Table 7.1**

Three-Phase Implementation Roadmap

Phase	Timeline	What gets done	Gate to next phase	Budget logic
Phase 1	0–6 months	Audit readiness; gap analysis; process mapping; certification roadmap; pilot export preparation; Export/Transformation Office launch	Gap register closed at least 70%; certification body selected; baseline KPI dashboard live	Mostly low-CAPEX: software, audits, training, and standard setting

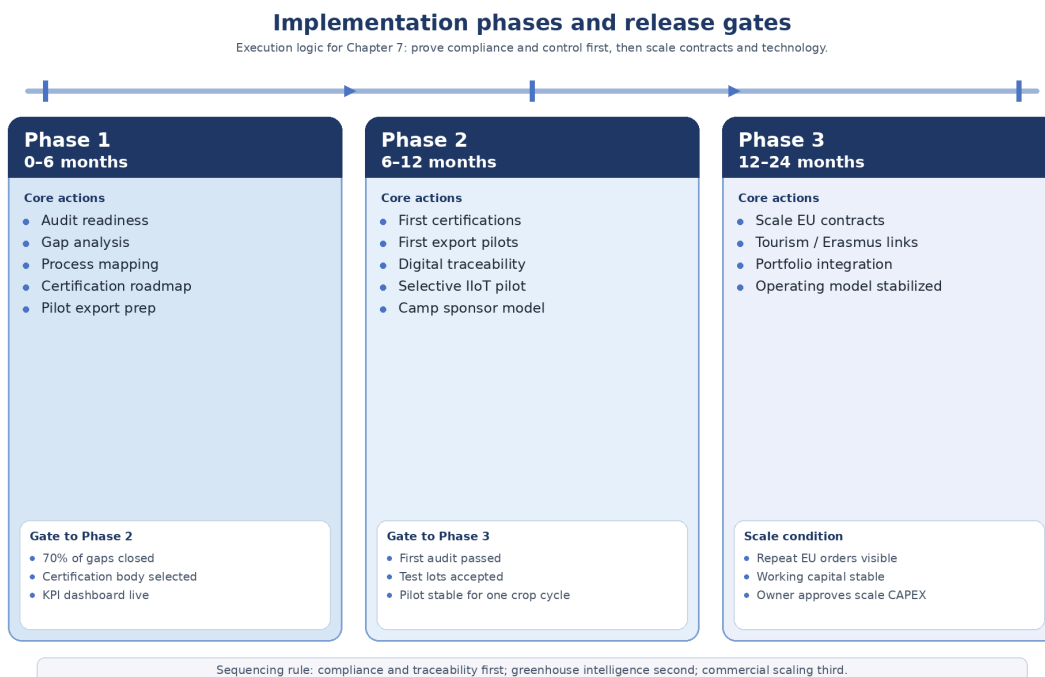
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Phase 2	6–18 months	First certifications; first export pilots; digital traceability; selective greenhouse IIoT pilot; cold-chain discipline; camp sponsorship model launch	First successful audit; first export test lots accepted; greenhouse control pilot stable for one crop cycle	Highest risk-adjusted spend; hardware only after Phase 1 proof
Phase 3	18–36 months	Scale EU contracts; tourism and Erasmus partnerships; portfolio integration; operating model stabilization; selective upgrade to industrial greenhouse control if justified	EU channel shows repeat orders; working-capital pressure remains controlled; owner approves scale gate	Scale CAPEX released only against validated demand

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Figure 7.1

## Phase-Gated Implementation Roadmap for Povnyi Koshyk



## 7.2 Which technologies are actually needed for the greenhouses

The greenhouse doesn't require full automation from the start. Instead, it needs minimal technology that significantly enhances export readiness, crop discipline, and owner visibility. For its current size, the most important elements are microclimate management, irrigation and fertigation discipline, root-zone and weather data collection, food-safety traceability, and cold-chain documentation.

The owner should differentiate between two technology pathways. The first is a modular approach supported by public-market benchmarks and quick deployment. The second is an industrial approach, typically quote-based, justified only when factors like greenhouse size, zone complexity, or buyer demands become significantly more stringent. This is why the table below separates entry-level price points from the broader-scale upgrade options.

**Table 7.2**

Greenhouse Technology Priorities and Public Price Benchmarks

<b>Technology block</b>	<b>Why it is needed now</b>	<b>Benchmark route</b>	<b>Indicative public price or budget envelope</b>	<b>Owner decision rule</b>
Climate controller and alarm hub	Stabilizes temperature, humidity, CO <sub>2</sub> , alarms, and remote oversight in export-focused greenhouse zones.	TrolMaster Hydro-X Pro as public benchmark; Priva Compass/Connected as industrial upgrade path.	\$2,492.75–\$2,623.95 for Hydro-X Pro controller kit. Priva route is usually quote-based. Internal planning range: about \$15,000–\$40,000 CAPEX plus \$1,500–\$3,000 yearly software/cloud for industrial deployment.	Start with one export greenhouse block; do not industrialize all zones before pilot export evidence.
Irrigation/fertigation controller	Moves the greenhouse from timer-based watering to controlled irrigation events, EC/pH checks, and exception alerts.	TrolMaster Aqua-X Pro for sensor-linked irrigation; simpler commercial controllers are cheaper but weaker for export discipline.	\$2,314.95–\$2,492.75 for Aqua-X Pro controller. Simpler commercial irrigation controllers in public listings start roughly at \$715–\$862.	Use professional control only where fertigation discipline affects export yield, quality, or resource efficiency.
Root-zone moisture, temperature, and EC sensing	Reduces irrigation errors, proves growing discipline, and improves yield	METER TEROS 12 or equivalent professional sensor.	\$258–\$271 per sensor. A practical pilot should start with 4–8 sensors, not a full-farm blanket rollout.	Phase 2 pilot with a small sensor grid tied to the export

	consistency per square meter.			greenhouse block.
Weather station	Supports venting logic, irrigation decisions, crop protection, and historical agronomic review.	Davis Vantage Pro2 cabled or wireless.	\$625 for cabled Vantage Pro2; \$1,035 for wireless Vantage Pro2; higher-spec variants cost more.	One robust station is enough at the start; do not overbuy multiple stations before basic data discipline exists.

Note. Public price anchors were checked against current vendor or distributor pages in

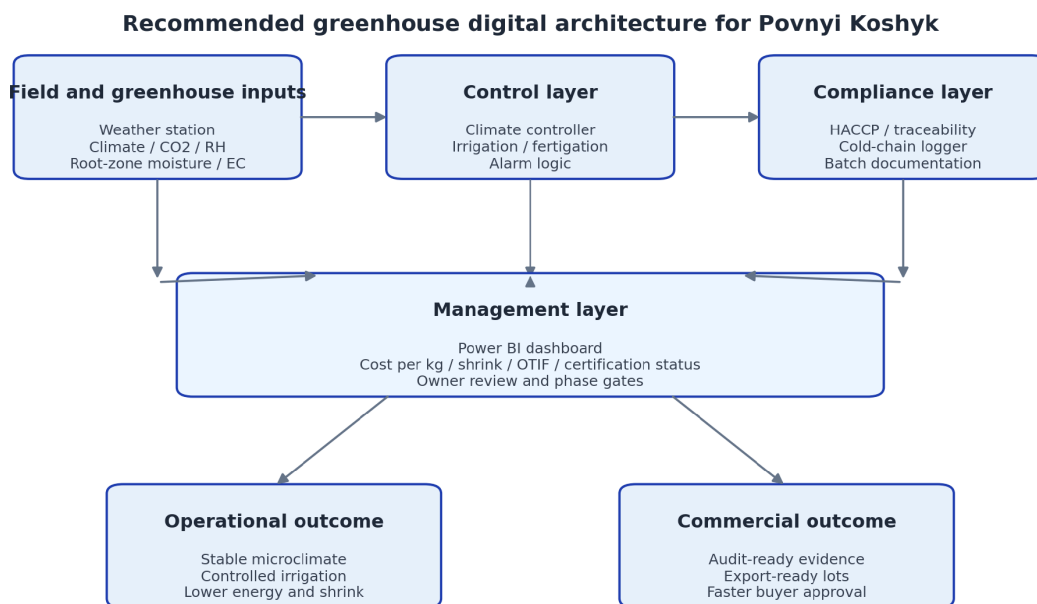
March 2026. Industrial greenhouse systems are commonly quote-based; the Priva budget

envelope above is retained as an internal planning range from the technology draft, not as a

public list price.

**Figure 7.2**

## Recommended Greenhouse Digital Architecture

**7.3 Compliance, traceability, and management systems**

Greenhouse control alone doesn't make the company export-ready, as shown by the second execution block. EU buyers and auditors require traceability, temperature records, CAPA discipline, batch logic, and management reporting. Povnyi Koshyk must decide which systems to prioritize now and which to delay until the export channel is active.

The rationale is straightforward. Food safety and traceability software should be adopted in Phase 1. Evidence related to logistics and shipment tracking is relevant during Phase 1 and the

beginning of Phase 2. Reporting tools and commercial pipeline software become more significant only after pilot exports start. This strategy avoids the company's premature investment in digital solutions before establishing dependable export procedures.

**Table 7.3**

Compliance and Management Systems Needed for Export Execution

System block	Why it matters for EU entry	Recommended system	Indicative cost	Phase logic
Food-safety and traceability platform	Needed for HACCP records, monitoring tasks, CAPA, and batch traceability during audit and pilot export.	FoodDocs Standard or Professional	€167/mo nth billed annually for Standard; €250/month billed annually for Professional; monthly public prices are higher.	Phase 1 mandatory. For processed goods and traceability, Professional is the stronger fit.
Cold-chain in evidence	Needed to prove shipment condition during pilot exports and reduce buyer disputes.	Basic disposable USB logger at pilot stage; real-time enterprise tracker only when shipment volume justifies it.	Internal operating budget assumption: about \$1,500–\$4,000 per year depending on shipment volume and device choice.	Do not overbuild real-time cargo tracking before repeat export lanes exist.
Management reporting	Needed to connect greenhouse performance, logistics, compliance, and cost control in one owner view.	Microsoft Power BI Pro	\$14 per user per month, paid yearly.	Phase 1 light setup; expand only to actual decision-makers.

Commer cial pipeline and partnerships	Needed for importer follow-up, retail leads, sponsor management, and structured partnership tracking.	HubSpot free CRM or Pipedrive Lite	HubSpot free CRM: \$0. Pipedrive Lite: \$14 per seat per month billed annually.	Start free or near-free. Upgrade only once EU pipeline volume becomes real.
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#### 7.4 Governance and ownership

The implementation plan requires one center of coordination. That center should be an Export/Transformation Office chaired by the owner or CEO, with finance, quality and compliance, operations/logistics, and commercial leadership inside the review loop. This is not a bureaucratic add-on. It is the mechanism that stops the project from fragmenting into parallel purchases, parallel pilots, and parallel promises.

Governance influences whether technology serves as a helpful tool or a distraction. Every workstream should have a designated owner responsible for accountability, a clear reporting schedule, and defined decision-making authority.

**Table 7.4**

Implementation Workstream Ownership Matrix

Workstream	Owner	Operational users	Key decision right	Review cadence
Certification and audit readiness	Head of Quality & Compliance	HACCP team, line supervisors, warehouse, agronomy	Approve corrective actions, select certification body, release audit-readiness gate	Weekly during Phase 1; monthly afterwards

Greenhouse technology pilot	Greenhouse/Ag ronomy Lead with Q&C data oversight	Growers, irrigation operator, maintenance	Define pilot zone, approve sensor placement, sign off on crop-cycle review	Weekly during pilot crop cycle
Traceability and cold chain	Logistics Lead with Q&C co-ownership	Packing line, dispatch, warehouse	Approve logger protocol, define shipment evidence pack, escalate deviations	Per shipment review plus monthly summary
Budget and management dashboard	CFO	Accountant, platform heads, owner	Approve licenses, define KPI pack, stop spend beyond phase gate	Monthly
Commercial pipeline and pilot export	Commercial Director	Export sales, buyer support, owner	Approve target buyers, pilot-export calendar, post-shipment review	Biweekly during export season

### 7.5 Risk management and early-warning logic

The owner must identify the most important risk, determine who owns it, understand how it is mitigated, and recognize early signals that require action. The table uses a practical risk register instead of a narrative, converting uncertainty into management protocol.

**Table 7.5**

Project Risk Register

Risk	Probability	Impact	Owner	Mitigation	Early warning indicator
Certification delays	Medium	High	Head of Quality & Compliance	Pre-assessment before formal audit; weekly closure of non-conformities; keep a domestic fallback channel active.	More than 5 major non-conformities remain open 60 days before audit.
Logistics disruption	High	High	Head of Logistics	Use at least two cross-border transport partners; maintain	Lead time to border rises above internal baseline

				alternative border routing and cold-chain evidence pack.	by more than 30% for two consecutive weeks.
Buyer concentration	Medium	High	Commercial Director	Do not allow one buyer to dominate the export plan; maintain importer plus domestic-retail fallback mix.	One buyer exceeds 40% of projected export revenue.
Working-capital pressure	Medium	Critical	CFO	Gate Phase 2 hardware spend; tighten receivables and stock turnover; defer non-critical Phase 3 spend.	Cash runway falls below four months or CAPEX variance exceeds 15%.
War and security risk	High	Critical	CEO / Owner	Cross-train key roles; maintain backup connectivity and power protocols; keep operating fallback scenarios ready.	Operational downtime affects more than 20% of planned working time in a month.
Reputation and safeguarding risk around the camp	Medium	High	Camp Director with CEO oversight	Use formal safeguarding rules, staff screening, incident protocol, and separate communication ownership.	Any safeguarding complaint, public incident, or partner concern requiring formal response.
Biological and veterinary risks	Medium	High	Agronomy Lead / Farm Lead	Use crop and storage monitoring, sanitation, documented response protocol, and veterinary escalation where relevant.	Abnormal disease incidence, spoilage spike, or unexplained mortality or sanitary event.

## 7.6 KPI control architecture

Implementation is manageable when each phase has few clear indicators. KPIs shouldn't be inflated. The owner needs a dashboard to show if the company is more audit-ready, shipment-ready, and financially disciplined.

**Table 7.6**

## Implementation KPI Dashboard

KPI	Target	Phase	Owner	Data source
Certification roadmap completion	100% of planned milestones closed by end of Phase 2	Phase 1–2	Head of Q&C	Audit tracker / food-safety system
Traceability completeness	100% for pilot export lots	Phase 1–2	Head of Q&C	Traceability platform
OTIF for export shipments	Target: $\geq 90\%$ in Phase 2; $\geq 95\%$ as gate to Phase 3 scaling.	Phase 2–3	Head of Logistics	Shipment log / buyer feedback
Cold-chain deviation count	Zero critical deviations per quarter	Phase 1–3	Logistics + Q&C	Logger reports
Greenhouse yield stability	Target band defined by crop and maintained across pilot cycles	Phase 2–3	Agronomy Lead	Greenhouse production records
Cost per kg on export block	Visible and reviewed monthly, with improving trend	Phase 2–3	CFO + Agronomy Lead	ERP / Power BI
Export share of sales	Pilot share in Phase 2; scaled share in Phase 3	Phase 2–3	Commercial Director	Sales dashboard
Budget variance by phase	$\leq 15\%$	All phases	CFO	Finance dashboard

### 7.7 Indicative investment envelope for certifications and technology

The purpose of this table is not to pretend that every future invoice is knowable today.

The purpose is to translate the implementation plan into a decision-ready spending envelope.

The owner needs to know which blocks are unavoidable, which are scalable, and which should remain conditional until the export route is validated.

Two rules follow from the research in this chapter. First, compliance and evidence spending is non-negotiable if EU entry is real. Second, greenhouse automation should be modular at first and industrial only after the pilot export route has proved itself.

**Table 7.7**

Indicative 36-Month Investment Envelope by Block

<b>Cost block</b>	<b>Phase 1 (0–6 months)</b>	<b>Phase 2 (6–18 months)</b>	<b>Phase 3 (18–36 months)</b>	<b>Owner logic</b>
Certification preparation, gap audit, and pre-assessment	Moderate advisory and audit spend	Continue until first certifications are obtained	Light maintenance and surveillance costs	Mandatory spend; not the place to under-budget
Food-safety / traceability software	FoodDocs annual plan plus onboarding	Continued subscription	Continued subscription	Mandatory recurring OPEX
Greenhouse climate control and irrigation pilot	No major hardware yet beyond specification and vendor selection	Main hardware spend for controller, irrigation logic, sensors, and installation	Upgrade only if Phase 2 pilot proves ROI	Largest controllable CAPEX block
Weather station and root-zone sensing	Initial purchase can start late Phase 1 if agronomy is ready	Complete pilot sensor grid	Selective expansion only	Small but high-leverage spend
Cold-chain monitoring and shipment evidence	Protocol design and sample logger stock	Ongoing operating cost per shipment	Scaled operating cost if export volume grows	Treat mainly as shipment OPEX
Reporting and commercial systems	Light license spend	Moderate license spend	Scale by active user count only	Do not over-license early

## Chapter 8: Conclusions

### 8.1 Thesis Restatement and Strategic Synthesis

This Capstone examined a key question: how can a business, after investing UAH 54.16 million in greenhouse infrastructure and achieving a 7.5-fold revenue increase during a full-scale war, transform that operational success into a lasting commercial presence in the EU market?

Three findings support that conclusion. External analysis indicates that EU market access issues stem from documentation and certification, not product quality. Povnyi Koshyk's tomatoes and peppers are commercially competitive; the key missing element is the audit trail. The financial model validated the project's viability under conservative assumptions: even with EU channel revenue delayed by six months and greenhouse yields 15% below expectations, the business remains cash-positive. The implementation roadmap demonstrates that the transformation can be completed within 36 months without requiring additional equity, as long as working capital is actively managed.

The second pillar is operational architecture.

Financial discipline serves as the third pillar. The strategy forecasts revenue growth from UAH 43.37 million in 2025 to UAH 56.38 million in 2028, representing a +29.99% increase. This growth is driven by four main levers outlined in the Revenue Bridge (Table 6.6): expansion of greenhouse operations and crop utilization (UAH 5.20 million), shifting channels to organized retail (UAH 3.70 million), launching pilot lanes for EU fresh and processed products (UAH 2.85 million), and enhancing seasonality premiums plus optimizing crop mix (UAH 1.26 million).

The overall financial impact—covering spoilage reduction, logistics streamlining, and procurement standardization—cuts the avoidable inefficiency pool by 18.00%, decreasing from UAH 7.50 million to UAH 6.15 million. Additionally, the EBITDA margin improves from 31.7% in 2025 to 36.4% in the 2028 strategy case.

### **8.2 Financial Robustness and Investment Logic**

The financial model in Chapter 6 is designed for testing, not acceptance. All revenue sources link to current capacity: 32 greenhouses operational, the Silpo partnership active, and cold storage commissioned. No additional capital is needed to meet these figures. The OPEX structure allocates costs: 80% to production, 7% to compliance investments, 10% to market access, and 3% to brand enhancement. This clear categorization reveals each area's strategic goal and expected return, aiding investors, grant organizations, and retail partners in understanding.

Separating the Core Agribusiness P&L from the ESG Mission Fund addresses a genuine accounting challenge. Impact-driven companies often hide social program expenses within operating OPEX, which distorts unit economics and obscures ESG investments from external evaluators. Maintaining the Mission Fund's cross-subsidization rate of 6.5% of net profit (3.6% of EBITDA) remains financially non-dilutive and decreases as a percentage of earnings with business growth.

### **8.3 Implementation Realism and Risk Governance**

Chapter 7 connects strategy with execution through a three-phase roadmap: Readiness (Months 0–6), Pilot and First EU Exports (Months 6–18), and Scaling (Months 18–36). Progress

depends on specific entry gates rather than fixed dates. Phase 2 CAPEX is approved only after completing a gap audit and confirming the certification schedule. Scaling in Phase 3 begins only once export contracts are signed and revenue from the EU is generated.

War is not merely a line item in this risk framework; it acts as a multiplier. Damage to infrastructure, power failures, and workforce mobilization all increase both the likelihood and severity of other operational risks. The solution is to incorporate redundancy into every system: backup power for greenhouses, distributed cold storage, cross-trained personnel, and documented business continuity plans. This approach is practical, not theoretical. For example, during the winter of 2025–2026, rolling blackouts caused an unexpected operational crisis for the enterprise’s refrigerated storage units. Temperature swings damaged produce quality across multiple storage cycles, leading to write-off costs that weren’t included in the original CAPEX plan. This incident now primarily drives the backup power investment planned for Phase 1.

#### **8.4 Recommendations**

The analysis leads to three key recommendations. First, prioritize faster certification over other initiatives, as the greenhouse payback is highly sensitive to EU market access timing; each quarter of delay reduces the return. Complete the GlobalG.A.P. pre-assessment during Phase 1, with the enterprise committing to a specific audit date no later than Month 9.

Second, establish the dual financial structure from the start of implementation. The Silpo partnership and the broader domestic market offer cash-flow stability, brand validation, and operational discipline, reducing risks for EU exports. The plan should ensure domestic sales

remain at least 60% of total revenue through Phase 2, decreasing to 50–55% only after EU contracts are secured and active.

Third, prioritize investments in energy resilience and workforce capability as strategic initiatives rather than just operational add-ons. Energy costs are rising, with electricity expenses increasing 4.6 times over three years, and grid instability during wartime poses financial and operational risks. Suggested actions include: (a) installing backup power for the export-designated greenhouse section in Phase 1; (b) implementing IIoT-based climate and irrigation controllers (see Chapter 7, Table 7.2) to cut energy waste by approximately 10–15% per greenhouse zone; and (c) assessing solar co-generation options in Phase 3. Concerning labor, the enterprise benefits from a seasoned, disciplined workforce, but this must be formalized through: (a) documented role descriptions and cross-training protocols to reduce reliance on key personnel; (b) a structured onboarding program for seasonal workers aligned with GlobalG.A.P. GRASP standards; and (c) retention incentives for skilled greenhouse operators, as scarcity will grow with more Ukrainian agribusinesses seeking EU certification. Energy and labor are dynamic assets requiring active management to remain competitive over the planning period.

### **Disclaimer of AI Usage**

In the preparation of this capstone project, tools of generative artificial intelligence were used as auxiliary means for certain stages of the work. The use of AI did not replace the author's analysis, managerial conclusions, or financial modelling, but was employed to accelerate the search for materials, organise sections, improve formulations, and prepare working drafts.

Source identification: Perplexity Pro served mainly as a research assistant. For Chapter 2, it identified current EU import requirements for two product categories: fresh vegetables and processed foods, including phytosanitary standards, GlobalG.A.P., and retailer food safety standards like IFS, BRC, and FSSC 22000.

Quotation rephrasing: AI language models were leveraged to refine the wording of selected quotations while maintaining their original meaning and intent. This was done to improve the clarity and integration of sourced material into the project.

Grammar and style enhancement: AI writing assistants were employed to check for grammatical errors, spelling mistakes, and language clarity. They provided real-time feedback and suggestions to enhance the overall readability and professionalism of the document.

The use of AI in this project was therefore auxiliary rather than substitutive. The tools were used to accelerate research navigation, generate draft structures, and improve the clarity and organization of the text. They were not used as independent judgment, source verification, financial assumptions, interpretation of evidence, or final conclusions. All final analytical choices, chapter architecture, calculations, and the final wording submitted in this capstone project remain the responsibility of the author.

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### **List of Abbreviations**

ATM – Autonomous Trade Measures

B2B – Business-to-business

B2B2C – Business-to-business-to-consumer

B2C – Business-to-consumer

BCG – Boston Consulting Group

BRC/BRCGS – British Retail Consortium Global Standards

CAPA – Corrective and preventive action

CAPEX – Capital expenditure

CB – Control body

CCP – Critical control point

COA – Certificate of analysis

COGS – Cost of goods sold

COI – Certificate of inspection

CRM – Customer relationship management

CSR – Corporate social responsibility

CSRD – Corporate Sustainability Reporting Directive

DC – Distribution center

DCFTA – Deep and Comprehensive Free Trade Area

EBITDA – Earnings before interest, taxes, depreciation, and amortization

EDI – Electronic data interchange

ePhyto – Electronic phytosanitary certificate

ERP – Enterprise resource planning

ESC – European Solidarity Corps

ESG – Environmental, social, and governance

EXW – Ex works

FAO – Food and Agriculture Organization of the United Nations

FSMS – Food safety management system

FSSC – Food Safety System Certification

FTE – Full-time equivalent

FTL – Full truckload

GFSI – Global Food Safety Initiative

GlobalG.A.P. – Global Good Agricultural Practice

GRASP – GLOBALG.A.P. Risk Assessment on Social Practice

GS1 – Global Standards 1

HACCP – Hazard analysis and critical control points

HoReCa – Hotel, restaurant, and café/catering

IFS – International Featured Standards

IIoT – Industrial Internet of Things

IPM – Integrated pest management

IUCN – International Union for Conservation of Nature

JTBD – Jobs-to-be-done

KPI – Key performance indicator

KVED – Classification of economic activities (Ukrainian: КВЕД)

LOHAS – Lifestyles of health and sustainability

LTL – Less than truckload

MRL – Maximum residue level

NPV – Net present value

OEE – Overall equipment effectiveness

OPEX – Operational expenditure

OTIF – On-time in-full

P&L – Profit and loss

PESTEL – Political, economic, social, technological, environmental, and legal

PHIS – Phytosanitary Information System

PL – Private label

PPWR – Packaging and Packaging Waste Regulation

PR – Public relations

QA – Quality assurance

QC – Quality control

RAG – Red, amber, green

RFQ – Request for quotation

RTB – Reasons to believe

S&OP – Sales and operations planning

SaaS – Software as a service

SBU – Strategic business unit

SG&A – Selling, general, and administrative expenses

SKU – Stock-keeping unit

SLA – Service-level agreement

SOP – Standard operating procedure

SPS – Sanitary and phytosanitary

STP – Segmentation, targeting, positioning

TMS – Transportation management system

TRACES NT – Trade Control and Expert System New Technology

TRQ – Tariff-rate quota

UAH – Ukrainian hryvnia

WACC – Weighted average cost of capital

WIP – Work in progress