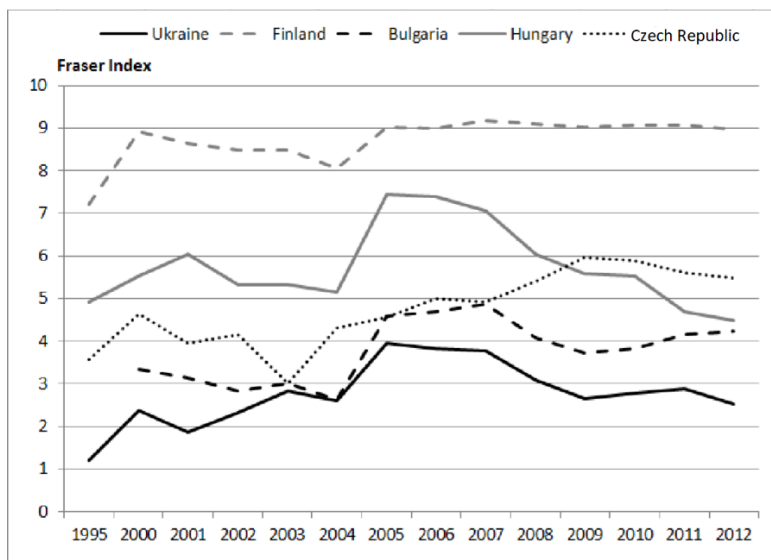


8. Appendix



Picture 1: Tavrijsk, Kherson region, Ukraine, 46.762028,33.436117



Picture 2: Fraser index



Picture 3: Quonset greenhouse



Picture 4: HCV group a.s. Polní 780, Brno-střed

Interview

1. Why you decided run greenhouse sustainable business rather open field production?

-At the beginning of my career, I started with 2 hectares not suitable for growing land. During the years from 2004 to 2005, was carried out comprehensive sweep, and starts the process of preparing the land for planting crops.

By 2014, the territory has increased to 30 hectares. The volume of grown vegetables scored a large-scale. Because of this, labour costs have become too high, people simply could not cope. I decided to sub-lease half of the territory to another farmer and start building up my plot with greenhouse facilities. This was done to create a compact complex without reducing production.

2. How long you run this business?

-I have been working with greenhouses for more than 4 years.

3. Can you measure territory which covered for today?

-For today, more than 7 hectares are under the film.

4. Do you have the standard size of greenhouses?

-We have different size greenhouses at the enterprise, but mostly it is 6x30m²

5. Which technology do you use?

-We mainly use arched greenhouses with film without heating. But I must say that in the last 2 years heating has been actively used in parts of greenhouses.

6. Your main production plants?

-Production occurs depending on the market situation. Part of the product goes to regular customers under contracts. The other part is grown according to sales prospects. Often it is a cucumber, tomato, onion, or radish.

7. Due to which factors, you can make a profit?

-The main income comes from the early entry into the market.

8. In the percentage ratio, what's the different between investments and profit?

-The average payback is 2 - 3 years (depending on the type and size). Of course, this is without heating.

9. How government stimulates farmers to produce more? State and local level.

-In 2008 there was a special state program, according to which the farmer's expenses for develop their business were partly offset. The list included: fertilizers, seeds, small equipment, tools. I do not remember, unfortunately, its official name, but it helped a lot. To my regret, the program has been closed.

10. Land question. Privet ownership, collective ownership, and public.

-Today in Ukraine there are 3 types of agricultural land ownership. Private, collective, and state. Most of the land is leased from the municipal, regional or district government.

11. For your opinion, cancel of moratorium (selling land), will affect positive or negative on agriculture, and greenhouse business?

-Absolutely negative. Do not misunderstand me. I am in favour of opening a land market in Ukraine. This will give land owners more money from rent or selling their land. The cost of land comes close to the real value. But this cannot be done now. Ukraine is not ready for such a decision due to weak power of law in the country. Reform will not be carried out with the law. Because of corruption of the executive power, and the puppet justice, the reform is transformed into a monopolization of land resources.

Andrey Komarov, CEO 'Olimp Agro'