



Success Stories  
#ChangingCities 

## Ladyzhyn: The Golden Flora Cooperative's Medicinal Herbs and More

The City of Ladyzhyn in the Vinnytsia Region is home to a one-of-a-kind Ukrainian cooperative called “Golden Flora”. It specializes in the harvesting of medicinal herbs for processing by other Ukrainian businesses. One of the co-founders of the cooperative is the Peak-Art Association of Cultural Entrepreneurship, which has a 4-year successful track record promoting local business and implementing comprehensive private enterprise innovations.

Throughout 2020, the Golden Flora Cooperative has been implementing the initiative “From Joint Actions to the Well-Being of Each and Every One!”, with the support of the International Technical Assistance Project: “Partnership for Local Economic Development and Democratic Governance” (PLEDDG), the aim is to improve the living standards of Ladyzhyn residents by getting them involved in cooperative private enterprise.

The cooperative originally included 10 herb pickers: business owners and farmers specializing in the cultivation, harvesting, and processing of medicinal herbs. Individually, they were unable to process large quantities of raw materials or buy hi-tech equipment. Golden Flora made this possible for them. The cooperative has also enlisted the cooperation of many Ladyzhyn natives and residents of nearby communities, thereby giving them an opportunity to make extra income.

“Ladyzhyn is a small town where most people live in private residences and maintain their own gardening plots. We invited residents to reconsider their needs for ‘traditional’ crops and instead focus on high profit margin crops: essential oil lavender, white cinquefoil, and black elder. We devised a win-win partnership approach: The Golden Flora Cooperative sells seedlings to Ladyzhyn natives. They cultivate them and sell plants to the cooperative at market prices. We even offer a supplier’s credit option for seedlings, with their cost covered from proceeds from the first harvest. There are no further costs because lavender or elder can grow for 20 years at the same site,” says **Tetiana Turchenkova, leader of the Peak-Art Association of Cultural Entrepreneurship.**

Golden Flora also buys seasonal berries and fruit, seeds, wild herbs, and flowers from residents. Once processed and dried, herbal ingredients are sold to Ukrainian businesses that subsequently process and sell them, including overseas. In its first year, the cooperative sold close to 20 tonnes of dried elder berries, 4 tonnes of dried rowan berries, and close to 100 kilograms of lavender flowers.

“More than 200 Ladyzhyn natives, along with residents of nearby towns and villages, currently work cooperatively with Golden Flora. This number tends to vary on account of the seasonal nature of harvesting wild medicinal herbs. Funding from PLEDDG made it possible to buy a photo-separator for the cooperative. It helps to thoroughly clean our harvest. We are in the process of buying special-purpose packaging equipment and a unit for steam distillation of herb and flower ingredients for processing into essential oils. And thus, we will extract essential oils from aromatic plants such as lavender, mugwort, or juniper,” says **Stanislav Rozsokha, Co-founder of the Golden Flora Cooperative.**

To enlist the cooperation of as many people as possible, the initiative was extensively promoted via social networks and the local mass media. Golden Flora held webinars for more than 100 people, including individual herb pickers, farmers, and business owners specializing in medicinal herbs, to teach them about best cultivation practices, services available from the cooperative, and advantages of cooperation with Golden Flora.

“When we began announcing the launch of the project, delivered training, and taught effective ways to use their gardening plots, we were met with a great deal of interest and enthusiasm from the residents of Ladyzhyn. We are happy that people can make extra income within their community, for this has been our primary goal. Even though the production facilities of the cooperative are still being created and expanded, we are already witnessing a palpable positive effect from their use. We will continue to scale up the cooperative operations and hope that Golden Flora will set an example for other communities in the context of efficient and cost-effective cooperation with locals,” **Tetiana Turchenkova** says.

Ladyzhyn natives and residents of nearby villages are not the only ones partnering up with the cooperative. Residents from other districts in the Vinnytsia Region also buy seedlings. Vitaliy Revatskyi and his family live in a village in the Lypovets District. The man never had anything to do with plants, but this year he has an entire lavender plantation near his house.

“In 2020, my wife’s and my mutual desire to start a business of our own coincided with the opening of the Ladyzhyn-based Golden Flora Cooperative. And so, we decided to buy lavender seedlings. Now we are cultivating them on 4,000 square metres of land next to our house, where we used to plant vegetables. Next year we are expecting a large crop of flowers that we will sell to the cooperative. Lavender does not require any special maintenance, hence no extra costs for us: we plant the seedlings and fertilize the soil and clear out weeds from time to time. If everything goes according to plan, we will purchase seedlings of other plants come spring and will make a nice profit,” **Vitaliy Revatskyi** says.

The Peak-Art Association will continue to work with the cooperative to launch a full cycle of production of finished goods to be marketed under the Golden Flora brand: dried fruit, teas, essential oils, and organic soap. Concerted efforts are already underway to ensure that the goods in question appear on shelves of Ukrainian stores in 2021. There are also plans to launch an online store to sell goods. Once the production facilities are fully completed, the Peak-Art Association will begin the next stage involving production expansion and the enlistment of an artists’ cooperative, based in Ladyzhyn and the Vinnytsia Region. Association members have various ideas for creating added value for their goods using the art component.

“We are mainly contemplating creative packaging. Or we could place a small logo on standard packaging as a symbol of the fields of Ladyzhyn. We are also toying with the idea of making eco-bags or canvas packaging with prints of paintings by local artists. We will get right to this after launching the production of our own goods. We realize that building a business is a priority, especially in the face of the economic crisis,” **Tetiana Turchenkova** adds.

With support and funding from PLEDDG, Ladyzhyn and other partner cities are expanding an infrastructure that fosters small and medium businesses. Diversification of the local economy makes the cities less dependent on major industrial enterprises and makes them better adapted to new economic conditions and challenges. PLEDDG consistently delivers comprehensive assistance with enhancing the regional economy. The example of the Ladyzhyn-based Golden Flora Cooperative demonstrates how the promotion of business initiatives and win-win cooperation can improve the living standards of residents and the entire community.



The series of success stories #ChangingCities demonstrate successful examples and innovative approaches to democratic governance and local economic development in Zaporizhzhia, Vinnytsia, Poltava and Ivano-Frankivsk oblasts in Ukraine, that have resulted from the efforts of the international technical assistance project “Partnership for Local Economic Development and Democratic Governance” (PLEDDG) which is being implemented by the Federation of Canadian Municipalities and funded by Global Affairs Canada.

