

 <b>МІНІСТЕРСТВО АГРАРНОЇ ПОЛІТИКИ УКРАЇНИ</b>	 <b>Проект фінансується Європейським Союзом</b>	 <b>Проект впроваджується консорціумом на чолі з WYG International</b>
<i>Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector EuropeAid/126205/C/SER/UA</i>		

## **Agricultural/rural sector news digest 9 -15 of June 2009**

### ▪ **WTO and Neighborhood Policy**

Agreement between the European Union and Ukraine on free trade will not be signed this year, announced head of the European Commission Delegation to Ukraine Jose Manuel Pinto Teixeira at a meeting with businessmen from the Donetsk branch of European Business Association. He recalled that after joining World Trade Organization Ukrainian government has designated the purpose of signing agreement on free trade by the end of 2009. «We can now tell what has been made and I think that this agreement will not have been signed by the end of 2009", - said J. Teixeira. According to him the proposition of Ukraine to sign documents "without trade component" can not be accepted because this component is the most important element of Agreement.

"I think that it would be impossible. The mandate of the European Commission requires to discuss the full package of documents and we can not consider the documents in isolation from one another," - stated J. Teixeira.

He said that everywhere in Ukraine he sees broad support of integration to EU both from the part of government and people. " "But achieving these goals requires the cooperation of all branches of government - the President, Prime Minister and Parliament" - J. Teixeira accentuated.

#### **UNIAN**

Ukraine is interested in practical results of G8 summit in L'Aquila (Italy), where decisions for the restoration and development of world economy will be made, said the Deputy Head of Presidential Secretariat of Ukraine Andriy Goncharuk, commenting on the beginning of the summit. According to him the main purpose of the forum is to practically implement the solutions to overcome financial and economic crisis that were adopted by previous summits. One of the important tasks Ukraine can help solving is coordination of international efforts to fight hunger as a global phenomenon, thinks Goncharuk.

In his opinion, Ukraine as a global leader in the production of agricultural products can make a contribution to strengthening food security in the world particularly if the creation of a special fund "L'Aquila food security". Ukraine is interested in cooperation in the framework of this initiative which may involve up to \$15 billion.

#### **Interfax-Ukraine**

Round table «The use of European experience in implementation and elaboration of the rural development policy in Ukraine» was held on 9-10 July 2009. It was organized by the Ministry of Agrarian Policy of Ukraine with the support of the Ministry of Agriculture, Environment and Food Quality of the Netherlands and with the assistance of the National University of biological resources and environmental management. The purpose of the roundtable was to identify opportunities to use European experience in elaboration and implementation of rural development policy.

## ■ **Food Safety**

Ukraine increases requirements for imported meat. The State Committee of Veterinary Medicine reported that starting from 23 July only meat from enterprises that were inspected by committee experts will be allowed for import to Ukraine. Committee expects to reduce the volume of low-quality meat imports this way. New requirements for meat imports to Ukraine are contained in changes to the decree On urgent measures for prevention and elimination of manifestations of spongiform encephalopathy and other prion diseases in cattle. According to the changes from 23 July «only raw materials and livestock products, feed additives, premixes and feed for livestock from enterprises that were inspected by committee experts can be imported to Ukraine. Thus, the committee expects to reduce imports of low-quality meat, which accounted for about 50% of total imports, told the Chief State Inspector of Veterinary Medicine of Ukraine Petro Verbitsky: "It concerns beef trim, bacon, chicken carcasses, skin, meat of soft mechanical bone separation used in the manufacture of sausages.

Kommersant

On average more than 2 million tons of meat a year enters consumer market of Ukraine. 1.9 million tons were supplied by domestic producers, the rest was import. Today, in connection with the accession of our country to the WTO one had to extend limit for imported products, including meat. Head of State Committee of Veterinary Medicine Petro Verbitsky commented on this situation.

According to Verbitsky during 6 months of this year Ukraine has imported 198 thousand tons of meat and meat products that is approximately 66 thousand tons more than was imported during the same period last year. In total more than 500 tons of foreign meat entered Ukrainian market in 2008. "According to experts from MAP imports will not exceed last year's figure this year. It may even be 100-120 tons less ", - said Head of State Committee of Veterinary Medicine of Ukraine.

AIC INFO

## ■ **Market Infrastructure**

July 13 came into force the Decision of the Cabinet of Ministers that approves criteria, according to which one shall assess the degree of risk from economic activities associated with agricultural production and determine its quality.

Thus, the decree number 656 dated July 1, 2009 Cabinet approves criteria, according which one shall assess the degree of risk from economic activities associated with agricultural production and determine its quality and determines the frequency of planned activities of public oversight (control) over certain economic activities which may represent potential health or environmental risk or are making impact on lands.

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Approximately 30% of the total wheat crop in Ukraine will meet the new standards of 1-3 class (wheat for food), said the chairman of the State inspection on quality of agricultural products and market monitoring Vasily Melnik. "One can assume that total amount of wheat for food that meets requirements (ie one that is to be made into flour and belongs to 1-3 class under the new standard) will be 30%" - said Vasily Melnik.

As reported on July 1 this year Ukraine has moved to a new standard for wheat. It is introduced for a one-year trial period.

**Interfax-Ukraine**

Ukrainian President Viktor Yushchenko signed the Law # 1447-VI «On amendments to some laws of Ukraine concerning the improvement of state regulation mechanisms of agricultural markets». In particular, the legislative act foresees establishment of State intervention fund, which "shall be formed by the Agrarian Fund through financial intervention and mortgage purchases used for procurement to ensure price stability."

Thus, in accordance with the law subjects of government price regulation are: hard wheat, soft wheat, grain mixture of wheat and rye, corn, barley, winter rye, spring rye, peas, buckwheat, millet, oats, soybean, sunflower seed, rape seed, flax seed, hops cones, sugar (beet), wheat flour, rye flour, meat and offal of slaughter animals and poultry, milk powder, butter, wool, sunflower oil, vegetables and fruit. Minimum or maximum intervention prices shall be set for these products.

In addition, for subjects of government price regulation (agricultural products and goods), the limit trade allowance (price markup) shall be set at level not higher than 20% of producers' wholesale and retail prices (customs value). There shall also be single minimum intervention price for particular subject of government price regulation throughout Ukraine.

**RBC-Ukraine**

According to data as on July 1, 2009 were 7.3 million tons of crops (35% more than in July 1, 2008 ) on agricultural enterprises of Ukraine (not counting small enterprises) and on crops storing and processing enterprises, including 3.4 million tons of wheat, 1.8 million tons of barley, 1.1 million tons of corn, 0.4 million tons of rye, said July 13 State Statistics Committee of Ukraine.

According to the Committee, stocks of sunflower seeds on 1 July this year amounted to 1.1 million tons. 0.2 million tons are stored directly in agricultural enterprises and 0.9 million tons - on processing and storing enterprises.

**AIC INFO**

Total number of livestock (bovine animals) continues to decline on Ukrainian farms and households. At the same time the number of pigs and poultry is actively increasing said State Statistics Committee of Ukraine. As of July 1, 2009, cattle decreased by nearly 4%, pigs and poultry - increased more than by 6% and 8% respectively compared with data on the same period of 2008,

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In January-June 2009 Ukrainian processors have bought 2365.2 tons of milk and dairy products from all categories of agricultural producers that is 17% less against corresponding period in 2008 said State Statistics Committee of Ukraine. In the same time period it was purchased 193.6 thousand tons of livestock and poultry in live weight, which is 36% less against the corresponding period in 2008. The share of households in total purchases of livestock and poultry in comparison with I quarter 2008 decreased from 34% to 20%, for milk - from 63% to 54%. During first half of 2009 processors used 322 tons of cattle and poultry grown by them (5% more than last year) and 3 tons of milk (17% less).

The total production of agricultural products in all categories of farms in Ukraine in January-June on 2009 has increased by 2.6%, particularly on farms - by 7.9% and on households fell by 1.1%. However, during the reporting period the total amount of agricultural products sold has increased compared to same period in 2008 by 1.5 times, in particular, crop production - by 2.6 times, animal products - by 3.2% .

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▪ **Rural Development**

Ukrainian President Viktor Yushchenko approved provision on Advisory Council on agricultural and rural development. Decree № 525/2009 was published on the official website of the Head of State.

According to the decree, Advisory Council on agriculture and rural development shall be advisory body of the President of Ukraine formed to ensure the development and implementation of state agriculture and rural development policies and to improve the investment attractiveness of domestic agricultural sector and competitiveness of agricultural producers.

The main tasks of the Advisory Council are: to study the way the state agricultural and rural policy is being implemented, including development land relations in rural areas, analysis of problems that deter development of the agricultural sector of economy, etc..

<http://www.president.gov.ua>

Minister of Agrarian Policy of Ukraine Yuriy Melnyk has created by decree № 471 from July 8, 2009 working group to elaborate national program for development of rural areas in Ukraine for the period till 2020. The working group is established pursuant to paragraph 2.5 of the Plan to ensure implementation of decision of the Verhovna rada of Ukraine from April 6, 2009 № 1240-VI "On recommendation of parliamentary hearings on :«current state and prospects of development of agriculture and food industry in Ukraine ».

Rural Development Department of MAP

Cabinet of Ministers of Ukraine has approved by Decree from June 17, 2009 N-743 the concept of state targeted land relations development program for the period till 2020. Under the decree, State land committee together with interested central executive bodies shall elaborate and submit to the Cabinet of Ministers in six months the draft of the state targeted land relations development program for the period till 2020.

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