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*Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector
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▪ WTO and Neighborhood Policy

July 15, 2009, Minister of Agrarian Policy of Ukraine Yuriy Melnyk within the composition of an official delegation led by Prime Minister Y. Timoshenko made a working visit to South Korea. The main purpose of Ukrainian delegation was to begin developing trade-economic and investment cooperation between the two countries. During the visit Minister of Agrarian Policy briefly informed the Korean side of the main domestic agriculture development indicators and agricultural policy strategy for the coming year and discussed issues concerning the supply of agricultural and food products to Korean market.

During the meeting the issue of establishing exports of grain, flour, butter and dairy products on a regular basis was discussed with the Korean side. Minister of Agrarian Policy of Ukraine reported that an important direction for development of bilateral trade and increase of export-oriented agricultural and food production is investment cooperation. During the visit a list of investment projects for consideration and determination of priority areas for investment has been submitted to Korean side.

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

Minister of Agriculture of Vietnam Cao Dick Fatah visited Ukraine. During the visit he met with the Deputy Minister of Agrarian Policy Luzan Y.Y. They have discussed current state of Ukrainian-Vietnamese cooperation in the field of agro-industrial complex and its prospects for further improvement.

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

Libya urges Ukraine to start cooperation in agriculture as soon as possible. This was announced July 20 by the Secretary of Supreme National Committee of the Great Socialist People's Libyan Arab Jamahiriya Baghdad Al-Ali Al-Mahmoud at a meeting of the Ukrainian-Libyan commission for cooperation in Kiev: "Libya reveals its extreme interest in cooperation in this field and urges Ukraine to begin as soon as possible implementation of agreements reached earlier.

At the same time, Prime Minister Yulia Tymoshenko said that Ukraine is ready to provide 100 hectares of farmland for growing grain and for construction of large livestock complexes and grain elevators for Libya. A joint Ukrainian-Libyan company is planned to be established soon to implement this project.

<http://www.rbc.ua/rus/newsline/2009/07/20/566624.shtml>

• Food Safety

Import of live pigs and pig products and raw materials, from the territory Lithuania into Ukraine has been banned and import of live pigs from the Kingdom of Denmark has been suspended (Letter of Chief Inspector of Veterinary Medicine of Ukraine № 15-3-1-18/4182 of 16.07.09) According to the official report of the State Food and Veterinary Service of Lithuania there are reported cases of classical swine fever among pigs imported to Lithuania from the Kingdom of Denmark. Given the foregoing, it shall be prohibited to import live pigs and pig products and raw materials into Ukraine from the Republic of Lithuania. The importation of live pigs from the Kingdom of Denmark has been stopped until more information is available on outbreaks of classical swine fever in Lithuania.

Import of other goods from these countries which fall under control of the State Service of Veterinary Medicine, shall be performed in accordance with the veterinary requirements for imports into Ukraine of subjects to veterinary and sanitary controls and supervision.

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

State Committee of Ukraine for Technical Regulation and Consumer Policy plans to increase this year from 2 to 9 the amount of laboratories for genetically modified organisms (GMOs) testing that are subordinated to it, said the Deputy Chairman of Committee Sergei Cherepkov.

"Seven new laboratories will be launched till fourth quarter. In September, training for labs' experts will begin" - said S. Cherepkov.

Thus S. Cherepkov said that at this time five laboratories that provide GMO food-testing services operate in Ukraine.

Interfax-Ukraine

The Decree № 149 of 20 May 2009 of the State Committee of Veterinary Medicine of Ukraine, according to which imports of raw materials and products of animal origin are permitted only after the appropriate inspection of foreign manufacturer contradicts Ukraine's commitments under WTO, said senior law partner of "Volkov, Kozyakov and Partners" Sergei Kozyakov.

"WTO Agreement on the application of sanitary and phytosanitary measures foresees a reasonable period of time between the publication of any sanitary or phytosanitary regulations and their entry into force, in order to give time to producers in exporting countries to adapt their products and production methods to the requirements of importing country" - he said.

S. Kozyakov explained that according to the WTO Ministerial Conference of 14.11.01 the term "reasonable period of time" shall be understood to mean a period of at least six months.

Thus, according to the lawyer, to fulfill the requirements of the State Committee of Veterinary Medicine within a month after their publication is unreal and such actions will necessarily provoke adequate measures within WTO against Ukraine by exporters of products of animal origin.

As reported, the State Committee of Veterinary Medicine had registered in the Ministry of Justice the Decree, which requires that enterprises which import products into Ukraine shall be inspected by experts of state authorities of Veterinary Medicine of Ukraine and respective conclusions shall be obtained. Previously, Ukrainian legislation allowed importing products from companies that were not inspected but have European numbers on them. The Decree of the State Committee of Veterinary Medicine of Ukraine was issued June 22, 2009 in the Ukraine Official Herald and comes into force July 23, 2009

Interfax-Ukraine

- **Market Infrastructure**

Ministry of Transport and Communications of Ukraine intensifies investment projects for construction of grain transshipment facilities in ports, said first deputy Minister of Transport and

Communications of Ukraine Vasyl Shevchenko during the meeting on implementation of investment projects submitted for tender for construction of grain transshipment complex in Bilgorod-Dnistrovsk and Berdyansk sea ports. During the meeting the conditions of realization of two big investment projects - modern transshipment complex for grain processing with the capacity of 600 thousand tons in Bilgorod-Dnistrovsk port and grain transshipment facility with the capacity of 40 thousand tons in Berdyansk port – were discussed.

According to Bilgorod-Dnistrovsk Port Chief Manager Alexander Soborov, the estimated project cost is 310 million UAH. Thanks to its implementation 120 additional jobs will be created and port's annual income will grow by approximately 20 million UAH.

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Agrarian Fund starts the purchasing process of food grain crop, that is not related to government price regulation, to the State Food Reserve on the Agricultural Exchange on spot contracts.

As reported in Fund's announcement published in "Uryadovy Courier" of 15 July, the purchase price will be determined by the average price formed during the last three trading sessions on the Agricultural Exchange and on accredited commodity exchanges certified by it, and if this average price falls below the level established by the Ministry of Agrarian Policy minimum prices – it will be determined by these minimum prices.

UNIAN

Parliament Speaker Volodymyr Lytvyn initiates on July 24 on the extraordinary session of Parliament consideration of the issue of increasing Agrarian Fund to purchase grain from farmers on world average prices. "We should find ways to increase the Agrarian Fund, which state uses to buy grain from farmers on world market average prices" - said the head of the Parliament. Reference: the Agricultural Fund is the principal mechanism of state pricing policies regulation in agricultural sector, which provides a stable development of agriculture in Ukraine.

AIC INFO

Joint Ukrainian-Libyan company which will carry out agrarian projects in Ukraine is soon to be established, said Agrarian Policy Minister Yuriy Melnyk at a meeting of Libyan-Ukrainian group on economic cooperation.

According to him, "Agro-Soyuz" and "Hlib Ukrainy" are considered as participants in joint venture from the Ukrainian side. He noted the positive dynamics of agricultural trade between the countries. The Minister also called on the Libyan side to draw attention not only to grain but to other agrarian products, including oilseeds, vegetable oil and livestock products and to invest in the production of fertilizers in Ukraine.

In turn, the representative of the Libyan agricultural department said about the interest Libya has in cooperation with Ukraine in the field of agriculture. According to him, Libya imports 100% of grain and oilseeds and is interested in the production of mineral fertilizers.

RBC-Ukraine

- **Rural Development**

July 17, 2009, took place the first meeting of the Advisory Council on the development of agriculture and rural areas of Ukraine. During the meeting, the Advisory Council discussed arrangements for the work of the council and the market situation of grain crops in 2009.

Institute for Rural Development