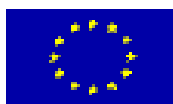




Ministry of Agrarian Policy of Ukraine



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**Implementation of Ukraine's Commitments under WTO and ENP Frameworks in the  
Rural Sector (Sector Wide Approach), Ukraine  
(Europeaid/126205/C/SER/UA)**

**Overview of Latest Rural Developments  
August 13-19, 2009**

***WTO AND ENP Frameworks***

Various aspects of harmonizing business operations mechanisms under WTO framework and presence of Ukrainian agriculture producers at international markets were discussed at the research-and-practical conference "Prospects for developing plant breeding and seed growing for vegetables and gourds" which was held in the Institute for Southern Vegetable and Gourds Growing in Gola Pristan, Kherson oblast, on August 13-14, 2009. Participants to the Conference included specialists from the Ministry of Agrarian Policy of Ukraine, Ukrainian Academy of Agrarian Science, leading researchers and academicians in the vegetable growing area, managers and specialists from Kherson region and local organizations, representatives from producers, commercial entities and industrial NGOs.

*Source: [www.minagro.gov.ua](http://www.minagro.gov.ua)*

According to experts of the "Ukrainian Agrarian Business Club" Association, Ukraine may reinforce its position at the European honey market in 2009". After a short stagnation global prices for honey are rising as a consequence of insufficient production of honey by major exporting countries, in particular, Canada and Argentina.

The Association experts consider this trend as a chance for Ukraine not only to strengthen its position at the European honey market but also improve it significantly. It is well known that honey is one of a few Ukrainian animal origin products that meet EU standards, and Ukraine is able to export it to Europe. In the year of 2008, 83 percent of honey exported from Ukrainian went to European countries. In so doing, Poland and Germany consumed more than half the exported honees – 31 percent and 22 percent, respectively. Other major importers of Ukrainian honey included Luxemburg (14 percent) and Russia (9.5 percent).

*Source: UNIAN News Agency*

***Food Safety***

Members of the Ukrainian Parliament intend to refine the legislation and regulations in the biotechnology area. For example, Draft Law # 5029, which is registered with the Parliament, proposes to grant authorities in state registration of feeds, food additives and veterinary preparations containing GMOs or produced with GMOs.

At the same time, it is proposed that the central competent executive authority in the agrarian policy area retain, inter alia, the right (i) to test and register agriculture GMO plant varieties, animal breeds and microbiological agriculture preparations and (ii) to exercise state supervision and control over biological and genetic safety with regard to agriculture crops and animals when selecting, testing, and using GMOs in open systems at agriculture establishments irrespective of their ownership and institutional forms.

*Source: LigaBusinessInform*

A laboratory for checking food products for GMO content has began operation at the testing center of the state enterprise "KryvgbasStandardMetrology". According to representative of the State Committee of Ukraine on Technical Regulation and Consumer Policy, this is the first laboratory for checking GMO content in food products in Dnipropetrovsk oblast and the entire Easter Region of Ukraine. The laboratory is already receiving request for laboratory tests from business operators, specifically, from food producers. The laboratory is capable for doing qualitative and quantitative tests of food and agriculture primary products.

Reminder: According to Cabinet of Ministers Decree # 468 dated May 13, 2009 "On approving the Regulation on labeling marketed food products that contain GMOs and products or are produced with GMOs", all food products containing GMOs are subject to mandatory labeling effective July 01, 2009.

*Source: UNIAN-Economy*

For the purpose of detecting illegal processing and marketing of poor quality animal products, the veterinary police jointly with representatives of the State Security Service and Veterinary Medicine Service audited business operators involve in storage and distribution of products of animal origin from August 11<sup>th</sup> through August 14<sup>th</sup>, 2009. Over 384 tons of such products were seized during the audits.

Almost the half of all poor quality products was detected in the city of Kyiv and Kyiv oblast. The audits were conducted at 64 business operators of various institutional forms including five cold storage facilities, nine wholesale-and-retail warehouses, one market, and 49 other establishments

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

## ***Market Infrastructure***

According to preliminary data of the Ministry of Agrarian Policy of Ukraine, during eleven months of the current marketing year, Ukraine exported 1.95 tons of sunflower oil which is by 44.4 percent more than in the same period of the previous marketing year. MAP official web site says that, for instance, July 2009 export of sunflower oil was 188,000 tons as compared to 82,000 tons in July 2008 and 208,000 tons in June 2009. It is expected that Ukraine will produce over 2.5 million tons of sunflower oil or by 35 percent more than in the marketing year of 2007/2008. Experts estimate the total export at 1.9 to 2.0 million tons.

*Source: Interfax-Ukraine News Agency*

According to the State Statistics Committee of Ukraine, between January and July 2009, the Ukrainian processing industry produced significantly less milk, butter, spread and fresh non-fermented cheese than during the same period of 2008. Production of fat cheese was slightly increased. For example, during the first seven months of 2009 (against the same period of 2008), milk production fell by 7.1 percent down to 440,000 tons, production of butter – by 17.8 percent

down to 44,900 tons, production of spread and fat mixtures – by 16.2 percent down to 38,000 tons, fresh non-fermented cheese and cottage cheese – by 9.8 percent down to 48,900 tons.

At the same time, production of fat cheese grew by 0.5 percent up to 141,000 tons. On the whole, production of sour-dairy products dropped by 7.4 percent down to 299,000 tons.

*Source: [www.BIZ.liga.net](http://www.BIZ.liga.net)*

According to the State Statistics Committee of Ukraine, between January and July 2009, the Ukrainian processing industry produced 43,700 tons of fresh and cooled beef and veal, which is by 32.4 percent less than in the same period of 2008. During the reporting period, processors produced 14,100 tons of frozen beef and veal – the 46.3 percent drop from the last year's figure. Besides, production of fresh and cooled pork fell by 32.8 percent down to 53,000 tons, frozen pork – by 59.9 percent down to 3,000 tons. Production of sausages also declined – by 19 percent down to 150,000 tons. On the other hand, production of fresh/cooled and frozen poultry and offal was increased by 13.7 percent up to 355,000 tons and by 7.1 percent up to 45,500 tons, respectively.

*Source: [www.BIZ.liga.net](http://www.BIZ.liga.net)*

By its Instruction # 952 dated August 12, 2009, the Government of Ukraine instructed the State Material Reserve Committee to sell 28,000 tons of sugar at the Agrarian Fund prices. Committee's companies must ensure sale of sugar to residential customers through food markets. The retail prices will include the 2% trade margin and transportation costs. In addition, the Government authorize the State Pricing Inspection to control prices at which sugar from the state reserve will be sold.

*Source: [APK-Info News Agency](http://APK-Info.com)*

## ***Rural Development***

### Announcement

The National Sorochytsky Fair will be held in the village of Velyki Sorochyntsi, Poltava oblast, from August 19th through August 23th. This year, the fair will be marked by 200<sup>th</sup> anniversary of N.V. Gogol birthday. The Ministry of Culture and Tourism of Ukraine will sponsor the Folk Art Festival which will be conducted as part of the Fair. Many foreign guests are expected to visit the Fair 2009. Georgia, Azerbaijan, Hungary, and Uzbekistan will present their displays.

*Source: <http://www.yarmarok.poltava.ua>*

The Cabinet of Ministers of Ukraine issued Decree # 844 dated August 05, 2009 "Concerning selected aspects of exercising the right to land by Ukrainian citizens in 2009". It approved the Regulation on free execution of state titles to land plots and delivery of them to Ukrainian citizens in 2009 and the Regulation on using Stabilization Fund resources for these purposes in 2009. To this end, UAH 5,953,800.60 is allocated from retained resources of the Stabilization Fund.

*Source: <http://www.myland.org.ua>*

"Ukraine is planning to receive the USD 300 million loan for construction of rural dispensaries from Canadian and Austrian state banks," said Mr. Valery Bidny, the Deputy Health Minister, at the press conference. "The Health Minister is in the process of negotiations through UkrEximBank with Canadian and Austrian state banks about extending a tied loan for implementing the primary socio-medical assistance system.... The loan agreements will be signed once the parties have agreed on interest rates", added Mr. Bidny. The negotiation focuses

on a possibility of repaying the loans over 10 to 25 years. According to Mr. Bidny, if Ukraine does receive USD 300 million, "400 rural medical dispensaries will be constructed within one year.... There is a task force working on model designs for such dispensaries".

*Source: RBK-Ukraine*

UkrInform New Agency conducted the roundtable "Rural community development as a basis for further development of Ukraine" on the 18<sup>th</sup> of August, 2009. The roundtable was intended to discuss and identify development strategies for rural communities serving as a sustainable human life support system which would be capable of precluding Ukrainian rural territories from extinction and degradation.

During the roundtable, a presentation was made on the available experience and mechanisms for mobilization of rural communities' resources, international self-organization experience. The participants discussed how best practices could be disseminated across Ukraine and how the public sector could be involved in this process.

*Source: [www.presscenter.ukrinform.ua](http://www.presscenter.ukrinform.ua)*