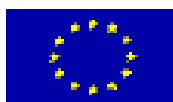




МІНІСТЕРСТВО  
АГРАРНОЇ ПОЛІТИКИ УКРАЇНИ



Проект фінансується  
Європейським Союзом



Проект впроваджується  
консорціумом на чолі з WYG  
International

*Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector  
EuropeAid/126205/C/SER/UA*

## **Agricultural/rural sector news digest 17-23 of September 2009**

### **■ WTO and Neighborhood Policy**

As part of implementation of component 4 "Rural development" of the EU project "Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector" specialists of the Ministry of Agrarian Policy visited with a study tour on 14-21 of September Czech Republic. They got familiar with the implementation of rural development operational programs and shared experience of rural development strategies elaboration.

MAP Press Service

On September 17, 2009 Deputy Minister of Agrarian Policy of Ukraine Y. Hadzalo met with the Director of the Department of systems of production and preservation of the Ministry of Agriculture, Livestock and Food of Brazil, Mr. José Barros de Savio Mendonsa. Brazilian delegation also included Minister-Counselor of the Embassy of the Federal Republic of Brazil in Ukraine, Mr. Zenek Kravchuk and representative of the Embassy of the Federal Republic of Brazil in Ukraine Mr. Andriy Kravchenko.

The parties had demonstrated an interest in developing cooperation between Ukraine and Brazil in the field of agriculture and discussed the following areas of cooperation:

- Cooperation in the field of plant breeding and animal husbandry;
- Studying Brazilian quarantine services experience;
- Brazilian supplies of sugar (within the existing quota), coffee, tropical fruits, tropical wood varieties and wood of cheaper varieties (pine, eucalyptus) for the production of finished products to Ukraine.

Also, parties noted the existence of barriers to trade between Ukraine and Brazil and emphasized the feasibility of establishing direct trade ties by creating joint ventures.

MAP Press Service

### **■ Food Safety**

On the initiative of Minister of Agrarian Policy of Ukraine Yuriy Melnyk took place the meeting of employees of the Main State Inspectorate for Plant Quarantine of Ukraine. Meeting was held in order to analyze results of inspections that were carried out by Main State Inspectorate for Plant Quarantine and Audit Department of the Ministry of Agrarian Policy in Plant Quarantine State Inspections in Vinnitsa, Sumy and Chernihiv regions.

MAP Press Service

The State Committee of Ukraine for Technical Regulation and Consumer Policy (Derzhspozhyvstandard), started to check the quality of dairy products after numerous cases of food poisoning. According to press service of the department, 70 tests of milk, butter and ice cream were made during two months (in total - 500 kinds of products are being produced in

Ukraine) and violation of standards were found in 44 cases (60% of products). Laboratories of "Ukrmetrteststandard (structure that Derzhspozhyvstandard includes) found vegetable fat in products, which in accordance with the prescription and the label should not have contained it. As the director of Ukrmetrteststandard Volodymyr Semenovych explained, manufacturers adulterate products to reduce its cost. One can consume such "ice" or "butter", but the buyer is deceived three times in this situation: first, one overpays (the substitution does not affect the price), secondly, there should be the labeling that there is "oil" in the product. Thirdly, the product does not taste the same. Most manufacturers deny that they violate the technology and suggest that such discredit of their products could be "ordered" by officials and business rivals.

glavred.info

European Commission inspectors have completed checking Ukrainian dairy processors that claimed to supply products to the European Union (EU). Official inspection results will appear in few weeks, but an opinion exists already now that companies can not expect for a positive response.

Inspectors of the Directorate General for Health and Consumer Protection EU (SANCO) have checked our companies for the second time - first inspection took place in June 2008. According to its results claim was put forward that Ukrainian enterprises are using milk with bacterial pollution above EU norms. According to experts, since last year, virtually nothing has changed. Dairy farms are still not developing and businesses use milk from people's farms.

Derzhspozhyvstandard also put forward claims to the quality of Ukrainian dairy products. "In Ukraine the falsification of condensed milk has reached critical proportions. Its producers use palm, coconut or sunflower oil instead of dairy fat ", quotes department's communication research company Infagro. In addition, the Ministry of Health does not control the content of hazardous pollutants such as dioxins, benzopyren, etc. in the product.

Another reason why Ukrainian dairy processors can not get permission to supply products to Europe is economic one, namely, overproduction of milk in the EU.

<http://www.kommersant.ua>

#### ▪ **Market Infrastructure**

Ministry of Agrarian Policy of Ukraine has prepared draft amendments to the Resolution № 86 "On approval of grain purchasing procedure from the State Reserve in 2009 for economic players", announced the Head of Agricultural Market Department, Anatoly Rozhon. If the document is approved, exporters of vegetable oil, flour and alcohol will be able to get grain from Agrarian Fund (AF) for the amount owed to them for VAT and then sell it on the domestic market or abroad. The cost of grain is calculated taking into account prices of last three trading sessions on Agrarian Exchange.

According to Deputy Minister of MAP Yaroslav Hadzalo using the proposed scheme, the Cabinet expects to compensate the companies for about 1 bln. debt on VAT. Agricultural Fund, in turn, will receive money from the tax collected, buy grain in the domestic market and increase purchase prices this way.

Kommersant-Ukraine

Cabinet of Ministers of Ukraine intends to subsidize the agricultural enterprises with 750 UAH for each hectare of sugar beet crops, announced the Prime Minister of Ukraine Yulia Tymoshenko on 22 of September 2009 after visiting Gaysynskyi sugar factory in the Vinnitsa region. "750 UAH per hectare is the average price that the state will pay for the efficiency of sugar beet production", said the Prime Minister, while noting that the form of subsidy payments will be discussed during meeting with business leaders of sugar industry. According to her, the

size of subsidy may be determined depending on the efficiency of production or be paid equally among all companies.

Yulia Tymoshenko noted that these subsidies will be paid already this year.

<http://economics.unian.net/>

In order to prevent a shortage of sugar in the domestic market in Ukraine in 2010, the Ministry of Economy has proposed to allocate tariff quota shares for imports of raw cane sugar for the following year and has, respectively, developed the bill “On amendments to the procedure of allocation of tariff quota shares for import to Ukraine of raw cane sugar”, the text of which is published on the website of the Ministry.

BIZ.liga.net

#### ▪ **Rural Development**

With Regulation N1093-r of September 16, 2009 Cabinet of Ministers of Ukraine created the Interagency Working Group on improving forest governance. Minister of Economy of Ukraine B. Danylyshyn was appointed Chairman of the Interagency Working Group. Ministry of Economy using working group results must submit till November 1, 2009 to the Cabinet of Ministers of Ukraine a draft decision on transfer of forestry enterprises which belong to the management of the Ministry of Agrarian Policy and Ministry of Defense to the management of the State Forestry Committee, as well as on transfer to state of integral property complexes of communal forestry enterprises.

[www.kmu.gov.ua](http://www.kmu.gov.ua)

Information Department of Verhovna Rada of Ukraine reports that the Committee on Agrarian Policy and Land Relations recommends adoption on second reading and in whole of the bill "On amending some codes of Ukraine (on common ownership of land).

The bill (registered number 2697) proposes to bring the Land and Family Code in accordance with Civil Code by increasing the range of subjects of common land ownership rights, including, not only citizens and legal persons but also state and territorial communities. It is also foreseen to regulate the procedure of division of land that is in common ownership rights and refer land acquired as a result of free transfer of land of all forms of ownership as personal private property of one spouse. According to the draft, “subjects of common land ownership rights can be citizens, legal persons, state, territorial communities”.

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