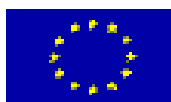




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*Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector
EuropeAid/126205/C/SER/UA*

Agricultural/rural sector news digest 1-7 of October 2009

▪ WTO and Neighborhood Policy

EU and Ukraine launched 8th round of talks on free trade zone in Brussels. The talks will last from 5 to 9 of October. The delegation of Ukraine is headed by Deputy Economy Minister Valeriy Pyatnyzkiy; EU delegation is headed by Director of the European Commission's Directorate General for Trade Eva Synowiec.

During negotiations that will take place within working groups, the parties will discuss issues of tariff proposal, competition, government procurement, services, sustainable development, state aid, etc. 7th round of talks was held in Kiev on 30 June - 3 July this year.

Previously, parties had planned to conclude negotiations by the end of this year, but Ukrainian MFA considers that issues connected with establishing free trade zone will not be settled by the end of this year.

<http://www.unian.net>

Belarus has abolished the use of anti-dumping duties on confectionery from Ukraine. The respective decree is published on the official website of the Council of Ministers of Belarus. In particular, as a result of anti-dumping investigation conducted by the Belarusian side, the subsidiary company of «Confectionery Corporation "Roshen"», Joint Stock Company "Zhytomyr sweets" and Closed Joint Stock Company "Kharkiv biscuit factory" agreed upon price commitments in order to maintain their supplies to Belarus.

Foreign Ministry of Belarus is authorized to monitor the implementation of price commitments by confectionery corporation "Roshen", Joint Stock Company "Zhytomyr sweets" and "Kharkiv biscuit factory".

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

▪ Food Safety

According to the official notification of the International Office of Epizootics, cases of influenza A/H1N1 (2009) have been registered among swine on the territory of the United Kingdom of Great Britain and Northern Ireland.

Following the art.51 of the Law of Ukraine "On food safety and quality" Chief Inspector of Veterinary Medicine of Ukraine has issued on September 29, 2009 an order that temporarily bans import of Northern Ireland pigs and food and raw materials produced from pigs to Ukraine.

Veterinary Medicine Press Service

From 6 to 9 of October in Brovary and Vasylkiv (Kiev oblast) will be held VII International Congress of Veterinary Medicine specialists. An interesting and intense program awaits

participants.

October 8, Chairman of the Committee for Veterinary Medicine of Ukraine Petro Verbytskij will open the round table discussion, during which veterinarians will discuss current issues and state of development in veterinary medicine, exchange experiences in using modern technology and will address the main aspects of business and science activities in veterinary medicine. Members of Congress will participate in a solemn ceremony where diplomas will be presented to practitioners working in different specializations.

October 8-9, veterinary specialists will work in two sections: "Small animal's health" and "Productive animal's health". International Workshop on horse diseases will be held within the Congress. It will involve specialists not only from Ukraine, but also from other countries, including Britain.

MAP Press Service ANNOUNCEMENT

October 10, 2009 from 10.00 am to 13.00 pm in Lviv at Market Square, will be held the first Ukrainian organic products` fair. The fair is supported by the Ministry of Agrarian Policy of Ukraine, Lviv City Council and Swiss State Secretariat for Economic Affairs.

Organizers: Organic Federation of Ukraine in cooperation with the Swiss Research Institute (FiBL). Producers of organic products not only from the western region, but from all over Ukraine and other European countries, in particular Poland, Hungary and Switzerland are invited to attend the fair.

PROAGRI

▪ **Market Infrastructure**

Verkhovna Rada of Ukraine adopted as a basis the draft decree #5094 "On state regulation of prices for consumer goods which have significant social value for the population". It is recommended to the Cabinet of Ministers to immediately adopt the list of consumer goods, which have significant social value for the population and to which the government shall set a fixed price.

Continued monitoring of prices on such goods, operational analysis of price situation in consumer market etc. is foreseen.

AIC-Inform

Major tenants of agricultural land in Ukraine are "Ukrainian agricultural investment" (about 330 thousands ha), "Illicha Mariupol metallurgical combine" (about 225 thousands ha) and "Nafcom-Agro" (about 200 thousands ha). According to the publication, the five largest tenants of agricultural land also include the company "Mironivskij Hliboproduct" (180 thousands ha) and "Astarta-Kyiv" (166 thousands ha).

Land bank of 25 major agricultural holdings amounts approximately to 3 million ha out of 40-42 millions ha of Ukrainian farmland.

Interfax-Ukraine

In order to stabilize grain market and fill the Special Fund of the State Budget Agricultural Fund will export 0.5 million tons of grain. According to the Cabinet of Ministers of Ukraine Resolution N1158 dated September 16, which is available on the governmental website, the price of grain exports shall not be below the weighted average price of export contracts for 3 trading sessions on accredited commodity exchanges and no less than the weighted average purchase price as on August 1, 2009, taking into account storage and grain marketing costs.

In addition, grain will be sold from the State Intervention Fund through state port elevators.

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According to the data of the State Statistics Committee of Ukraine gross agricultural production in Ukraine in January-August 2009 increased by 0.4% compared to same period in 2008. The most significant increase in production was recorded in Ivano-Frankivsk (15.3%), Lviv (12.7%), Khmelnytsky (12.7%) and Ternopil region (12.6%). The most significant decline in production was recorded in Lugansk (12.7%), Odessa (12.2%), Kirovograd (11.9%), Zaporizhzhya (11.7%) and Kharkiv (11.3%) regions.

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President Viktor Yushchenko, speaking to investors at the Lviv Economic Forum, called upon to invest in the Ukrainian agricultural sector. Annual exports of domestic agrarian products reach \$ 7 billion. Ukraine is the world leader in the production of barley and sunflower. The Head of State is convinced that Ukraine will soon become leader in growing soybeans and rapeseed. He advises to invest money in the agricultural sector infrastructure, in particular, in the construction of elevators. With the grain harvest at 50 million tons there are storage capacities only for 30 million tons of grain. There also are insufficient facilities for product processing.

"We have good achievements in the growth of the national agrarian processing, but, unfortunately, only one third of the products are processed at existing facilities. The rest, almost in every region, is waiting for investors", commented Victor Yushchenko.

AIC-Inform

▪ Rural Development

Credit of 15 thousands UAH for people who organize "green tourism" in their household is established in Rivne region. Funds are allocated from the Fund to support individual housing in rural areas.

According to Jaroslav Gavrilo, Deputy Head of Culture and Tourism Department of oblast administration, loan recipient shall pay two percent per annum and use financial resources exclusively on purpose, namely establishment of sewerage water systems, completion of pipelines, construction of domestic hotels and camps.

Previously enthusiasts of new type of service were provided with an interest-free credit of 5 thousands UAH. Due to this 30 (out of 80) recreational facilities were established in private houses in villages. They are located in mountainous area of so-called "Nadsluchanskij Switzerland", near water bodies, near old castles, near the National Historical and Cultural Reserve "Berestechko battle field", etc.

Travel service is launched at the endpoints of 106-kilometer (the longest in Europe) narrow-gauge railway in the north of the oblast. Here it is foreseen to implement "Pollissya tram" program which includes construction of leisure spots for travelers in peasant households along the railway. Spots` projects are elaborated by "Invest-In-Rivne Consulting" agency.

Ukrinform

Ukraine's President Viktor Yushchenko believes that the government's agricultural policy in 2010 should become more efficient, provide adequate budgetary support and create economic incentives in the sector of strategic significance for Ukraine, said the Head of State during a meeting with agricultural sector representatives and stakeholders of Borowskij district of the Kharkiv region.

According to the information service of the Presidential Secretariat, Viktor Yushchenko emphasized that agriculture is a traditional sector in Ukraine that can bring Ukrainian economy out of crisis taken into consideration an extremely favorable price situation on global food market. A professional and competent agricultural policy which would have created opportunities for agricultural production development is necessary for this, said Victor

Yushchenko. In order to increase sector's potential it is necessary to develop infrastructure, particularly transport system and elevators. There is a need for changes in tariff policy which should make Ukrainian products competitive in foreign markets.

LigaBusinessInform
ANNOUNCEMENT

November 10-13, 2009 will be held VI International Agri-industrial Exhibition AGROFORUM - 2009. The exhibition is organized by "International Exhibition Center" and Expo Center "Hospodar". Official support is provided by the Ministry of Agrarian Policy of Ukraine and Ministry of Industrial Policy of Ukraine. 12th universal agri-industrial exhibition "Ukraine's Farmer" will be held within Forum.

12th competition for the best Farm, Farmer's Cooperative and Household in Ukraine will be held during the Forum. Program includes conferences, presentations of Ukrainian and foreign companies, manufacturers and suppliers of agricultural products, presentation of advanced technologies, innovative solutions and developments in this sector.

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