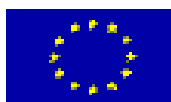




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*Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural
sector
EuropeAid/126205/C/SER/UA*

Agricultural/rural sector news digest 15-24 of October 2009

▪ **WTO and Neighbourhood Policy**

ANNOUNCEMENT

October 21, 2009 opening conference of the Twinning project “Support for the Ukrainian Veterinary Services in Enhancing the Legal and Technical Aspects of the Food Safety Control System” will start at the Ministry of Agrarian Policy of Ukraine.

Twining project will promote health protection in Ukraine by strengthening food safety monitoring systems. It is assumed that the approximation to EU standards will increase the food quality and, thus, contribute to the possibility of export of Ukrainian products of animal origin such as meat, milk, eggs and fish to the EU member states. The project will be implemented by the Office for Veterinary and Food Quality Control of Denmark in consortium with the Food and Consumer Product Safety Authority of the Netherlands.

Members of the Twinning project will hold a press conference and will provide detailed information about the aims and objectives of the project. The press conference will be attended by Head of the Delegation of European Commission to Ukraine Mr. Jose Manuel Pinto Teixeira, Extraordinary Plenipotentiary of the Kingdom of Denmark in Ukraine Michael Borg-Hansen, Extraordinary Plenipotentiary of the Kingdom of the Netherlands to Ukraine Jan Peter Walters, chairman of the State Committee of Veterinary Medicine of Ukraine Petro Verbytskij, Head of the Twinning project Torsten Berg (Department of Animal Health and Agri-Food Quality Department Denmark), Resident Twinning Advisor Allan Bagge and Director Twinning PAO in Ukraine Tetyana Kovtun.

MAP Press Service

▪ **Food Safety**

From 19 to 29 of October 2009 inspectors from the Office of Food and Veterinary (FVO) of the Directorate General Health and Consumer Protection (DG SANCO) will evaluate sanitary control measures in the production of beef in Ukraine, reported the State Committee of Veterinary Medicine of Ukraine. According to the program, FVO experts will visit, among other enterprises, JSC Kozyatynskij poultry plant (Vinnytsya oblast), LLC Agri-solutions cattle growing-fattening company, which supplies cattle to ""Kozyatynskij poultry plant"" (Kyiv oblast) "Polagriservice" Ltd. (Poltava oblast) PP "Agri-ecology" cattle growing-fattening company, which supplies cattle for slaughter to "Polagriservice" Ltd., as well as regional state veterinary laboratories and Kyiv veterinary-sanitary control unit of border inspection post of "Ukrainian Automobile Corporation" cargo customs complex.

<http://www.unian.net>, 19.10.2009

Till September 1, 2009 HACCP system has been implemented and certified on all export facilities for vegetable oil production and supply in Ukraine said deputy director of the association "Ukroilprom" Tatiana Bevzjuk during the International Conference "Oilseeds & Oils 2009", held October 12 -14 in Istanbul (Turkey). According to her, for the last 9 months, all companies and terminals that that are authorized by the Ministry of Health of Ukraine to manufacture and supply vegetable oil for export, have introduced HACCP system. As previously reported, according to the recommendations of European Commission inspection, held in Ukraine to prevent contamination of sunflower oil with mineral oils, "Ukroilprom" committed to implementing the food safety management system HACCP till 01-09-2009.

AIC-Inform, 15.10.2009

Ukraine plans to tighten control over content of genetically modified organisms (GMOs) in imported livestock products. MAP is currently preparing regulations that will complicate the import of animal feed based on GMOs which is popular among Ukrainian stockbreeders. Such measures will meet with strong resistance. But the political situation could play into the hands of GMO opponents, experts say.

MAP is developing resolution on control of genetically modified organisms content in animal products imported into Ukraine, said Minister of Agrarian Policy Minister Yuriy Melnyk on October 10 at a press conference following the Cabinet meeting. "This is about control of GMOs on importation, testing and turnover of livestock production. This resolution is now being finished off in the ministries and departments, and will soon be put to the consideration of the Government", said Mr. Melnyk.

Kommersant-Ukraine, 15.10.2009

Parliamentary Committee on Health supports the draft law on amending the Law of Ukraine "On the state biosafety system for regulation of creation, testing, transportation and use of genetically modified organisms", reported press service of the Committee.

As stated in the report, the Committee noted that the bill number 5029 proposed changes to current law regarding separation of powers of the central executive authority on agricultural policy and on veterinary medicine in the regulation of activities related to genetically modified organisms.

"PROAGRI", 15.10.09

▪ **Market Infrastructure**

European Bank for Reconstruction and Development (EBRD) grants \$ 50 million to "Noble Resources Ukraine LLC", a subsidiary company of "Noble Group Limited", which manages the supply system of agricultural products and other raw materials and whose shares are traded on the Singapore Stock Exchange. It was reported that EBRD financing will be provided in the form of annual credits to working capital funds, with the maximum amount of commitments to provide financing up to \$ 50 million, which could last for three years. This funding will be used by "Noble Resources Ukraine LLC" for purchasing and storing agricultural products in Ukraine, as well as for exports. Other objectives of the project, in which cooperation with EBRD is envisaged, include construction and possible purchase and renovation of granaries and grain handling facilities.

BIZ.liga.net, 16.10.09

The total agricultural production in Ukraine from January to September this year increased by

3.3% compared with the corresponding period in 2008 in all categories of farms, including on agricultural enterprises - by 6.1% and in households - by 1.4%.

State Statistics Committee, 15.10.09

Agricultural loans dropped 3.14 times from 13.5 bln. to 4.3 bln. UAH in 2009, compared with the previous period, told the investment group (IG) Socrates. Thus, in 2009 the number of borrowers fell nearly 9-fold - from 15 thousand to 1.7 thousand "This situation is due to curtailment of bank credit programs, national currency devaluation and ineffective public policy", IG Socrates experts say.

In their view, significant underfunding of agricultural sector can have long-term consequences - slow growth and loss of opportunities. "In such circumstances, large agricultural enterprises, which had no lack of funding, will have advantages over their less successful competitors", Socrates analysts believe.

BIZ.liga.net, 19.10.09

State Treasury has taken documents from MAP for transfer of 926 millions UAH as subsidies for farmers.

As it was previously reported, on October 14 Agrarian Minister Yuriy Melnyk said that the funds from Stabilization Fund for payment of subsidies to agricultural producers had been insufficiently allocated. According to him, within 9 months these payments amounted to 260 millions while it had been planned to allocate 2 billions.

RBC-Ukraine, 19.10.2009

▪ **Rural Development**

The program to support agricultural service cooperatives development for the period till 2015 was approved in Ivano-Frankivsk region, reported Ivano-Frankivsk Regional State Administration. Respective resolution signed the Head of State Administration Mykola Palijchuk.

It is emphasizes in the report that today 18 agricultural service cooperatives that exist in the region do not meet the growing needs of agricultural producers and its consumers in volume and quality of services. The program to support agricultural service cooperatives development for the period till 2015 was approved to develop infrastructure of cooperatives, increase prosperity and employment of rural inhabitants.

The estimated volume of financial support for the programs for the period till 2015 is 4.95 million UAH, including 4.5 million from the regional budget and 450 thousands from agricultural service cooperatives own funds.

UNIAN, 15.10.2009

Two years after launching joint EU/UNDP project "Community Based Approach to Local Development", more than 400 rural communities in Ukraine have received support to implement their own projects for local sustainable development totalling more than 80 million UAH and about 470 thousand people benefited from the implementation of relevant initiatives. The project has spread throughout the country, said UN Information Division in Ukraine.

643 out of 1000 communities that collaborate with the project have already prepared project proposals, 404 of which have been already approved. In addition about 500 organizations are preparing project documents for approval. It is expected that all 1000 community projects will be implemented by the end of 2010. Average community project funding is 144 thousands UAH. In

October 2009 15 community projects were completed.

RBC-Ukraine, 15.10.2009

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UNIAN, 15.10.2009