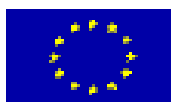




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*Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector
EuropeAid/126205/C/SER/UA*

Agricultural/rural sector news digest 22-28 of October 2009

■ WTO and Neighborhood Policy

ANNOUNCEMENT

The meeting of Agricultural Chambers of Visegrad countries (Hungary, Poland, Slovakia and Czech Republic) will be held in Kiev on December, 8 2009. "The meeting in Kiev, will review the situation in major agricultural markets in Europe, including grain, oilseed, milk and meat markets and regulation of land markets in Visegrad countries and in Ukraine", said the president of the Agrarian Chamber of Ukraine (ACU) Dmytro Berezovskij.

The participants will discuss prospects of EU cross-border cooperation, whose budget manage the Visegrad countries; possible impact of free trade zone between Ukraine and EU on agricultural sector of Ukraine and the Visegrad countries. Discussions will continue on the conference on civil society development in the agrarian sector of Ukraine and the EU experience in this field which will be held on December, 9. It is expected that the conference will be attended by 150 representatives of NGOs, local and central authorities and scientific institutions. The forum will be organized by ACU, EU project "Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector and Cabinet of Ministers secretariat's Coordinating Bureau of European and Euro-Atlantic integration. Committee of Professional Agricultural Organizations of the European Union (COPA-COGECA), Ministry of Agrarian Policy of Ukraine and Koretskij Institute of State and Law will support the event.

RBC-Ukraine, 23.10.2009

Government of Ukraine signed a number of agreements on economic cooperation with the Government of China, said Foreign Ministry spokesman Valery Dzhygun at the briefing. "The official Chinese delegation led by Deputy Prime Minister of the State Council of China Zhang Dezun will visit Kiev on October, 26-29. Chinese delegation will visit Crimea and hold meetings with local authorities. It is expected to sign contracts in such promising areas as aerospace, engineering, agriculture, energy", said the spokesman.

RBC-Ukraine, 26.10.2009

Food Safety

The experts of the Food and Agriculture Organization (FAO) of the United Nations fear that the virus of African swine fever, whose outbreak is recorded in Russia, can spread to neighbouring countries and urge the veterinary services to further focus on the situation. "The Baltic states, Ukraine, Belarus, Moldova and Romania are all subjects to special risks. The virus may reach the European Union. It can spread across Russia and get to Siberia", - said the head of veterinary services of FAO Juan Lubrot. FAO experts fear that the consequences of disease outbreaks may

be disastrous from an economic point of view and lead to the complete ruin of farms engaged in pig breeding.

There exist African swine fever vaccines. From an epidemiological point of view the most effective way to deal with African swine fever was until now livestock extermination.

RBC-Ukraine, 23.10.2009

State Committee of Ukraine on Technical Regulation and Consumer Policy plans to establish 26 specialized laboratories for genetically modified organisms (GMO) content testing in food and agricultural raw materials during late 2009 and throughout 2010, said chairman of the Committee Laryssa Losyuk during the roundtable on GMO issues, which took place in Parliament.

As reported, citing Prime Minister Yulia Tymoshenko, the Government intends to develop a concept of establishing GMO testing laboratories in Ukraine which will include the possibility of government guarantees for their creation.

As reported, referring to the State Committee, companies who bring into circulation products without proper labelling for the presence of GMO, bear responsibility according to Art. 23 of the Law on Consumer Protection (penalties of 2 to 100 non-taxable income, depending on the seriousness of the violation or of 10-fold of the amount of production value, based on prices at the date of purchase).

Former Cabinet has introduced mandatory labelling of GMO products starting from July 1, 2009

Interfax-Ukraine, 26.10.2009

A workshop "Organic in Ukraine" was held on October 27, 2009 in the XII International exhibition "World Food Ukraine 2009". Prospects of organic agriculture development in Ukraine, use of relevant international experience and issue of organic products marketing were discussed during the workshop. The role of inspection and certification in this sphere, international cooperation and organic products export and processing were also among issues raised.

The event was organized by the Research Institute for Organic Agriculture (Switzerland), Royal Netherlands Embassy, Grimco Trade Holland and Premier Expo companies. The Royal Netherlands Embassy provided financial support for the workshop.

www.proagro.com.ua

Market Infrastructure

The decline in milk production influenced the butter and cheese production. During January-September 2009 milk production decreased by 5.8% - from 612.8 tons to 577 tons, compared with the same period in 2008. In this regard, the production of such dairy products as butter, spreads and cheeses decreased. This is evidenced by the data of State Statistics Committee of Ukraine.

In particular, during the first 9 months of 2009 butter production decreased by 13.3% - from 71.5 tons to 62 tons, production of spreads and fat blends also showed a decline of 13.2% from 58, 4 tons to 50.7 tons; production of non-fermented fresh cheese and sour milk cheese decreased by 9.6% - from 69.8 tons to 63.1 tons, of fat cheese - by 3.5% -- from 190.2 tons to 183.6 tons. Moreover, according to Committee, the number of cattle, including cows, has dropped by 3.6%, or approximately 300 thousand heads: from 5.8 million to 5.5 million heads as of October 1, 2009 compared to a similar date last year.

BIZ.liga.net, 22.10.2009

Mexican corn miller and tortilla maker Gruma intends to invest in Ukrainian agricultural

business, namely corn, reported in Ukrainian Union of Industrialists and Entrepreneurs (UUIE). "We are not scared to hear that it is difficult to do business in Ukraine. Our company has a 60-year history and is represented in 50 countries, including Russia. So we have experience in post-Soviet space. Ukraine is an attractive market for us", said managing director of the European office Sergio Rama.

BIZ.liga.net, 23.10.2009

Parliamentary Committee on Taxation and Customs Policy recommends to the Parliament to adopt as a basis and in general draft law On amendments to the Customs Tariff of Ukraine (on the rates)N4726 dated June 25, 2009. The draft law, submitted by the Cabinet of Ministers, foresees, among other, reduction of the import duty rate for live cattle from 5-15% to 1%.

BIZ.liga.net, 26.10.2009

In 2009 the amount of credits for Ukrainian farmers reduced by 2.8 times to 5 bln. UAH in comparison with the previous period, told the Director of Finance Department of the Ministry of Agrarian Policy of Ukraine Grigorij Zub, speaking at a round table in the Agrarian Chamber of Ukraine.

"Currently, only 25 farmers in 10 regions have access to credit. So, obviously, we will carry out spring planting in 2010 without bank support", he said.

<http://www.rbc.ua>, 27.10.2009

Rural Development

Ukrainian Parliament adopted the Law #4746 On addition to the art. 3 of the Law of Ukraine On farm (to clarify family relationships that give the right to be a member of a farm entity). According to the changes, wife (husband), parents, children, grandmother, grandfather, grandmother, grandfather, grandchildren, great-grandchildren, stepmother, stepfather, stepdaughter, stepson, relatives and cousins and sisters, uncle, aunt, nephew will be classified as family members and relatives of farm's head.

AIC-Inform, 21/10/2009

The Parliament of Ukraine deferred the introduction of the ban on sale on agricultural markets of domestically grown products and domestically slaughtered livestock to January 1, 2015.

According to UNIAN correspondent, for adoption of the law on amendments to paragraph 1 of Section XI, "Final Provisions" of the Law of Ukraine "On food safety and quality" voted 416 MPs out of 437 registered in the assembly hall.

(Previously it was assumed that the ban on sale of domestically made meat and dairy products will come into force on January 1, 2010. The adoption of this law was necessary for Ukraine's accession to the World Trade Organization - UNIAN).

In the same time the Cabinet of Ministers of Ukraine is instructed to develop and approve in three months state program of establishment of milk procurement centres and slaughter-houses for animals kept in farms, and annually provide funding for activities related to this program in the draft state budget.

<http://consumers.unian>, 22.10.2009