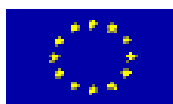




Ministry of Agrarian Policy of Ukraine



The Project is funded by the
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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
between February 18, 2010 and February 24, 2010**

▪ ***WTO AND ENP Frameworks***

"Ukraine needs to complete the negotiation on the free trade areas with the European Union successfully as soon as possible", says Extraordinary and Plenipotentiary Ambassador of Germany to Ukraine Hans-Jürgen Heimsoeth in the article for the Dzerkaly Tyzhny Weekly (Mirror of the Week). According to Mr. Heimsoeth, Ukraine should become more open to the external world. Besides, Mr. Heimsoeth reminds that the Free Trade Area Agreement is a part of the Association Agreement with EU. "I am absolutely sure that Ukraine's will continue adhering to the European way of development as there is no alternative".

"This way has been chosen because people want it and because it is required by country's modernization", Mr. Heimsoeth emphasized. "I am pleased that all key candidates for presidency supported Ukraine's convergence with Europe. In so doing, convergence with the European Community will raise many issues to be resolved by Ukraine, and a few people are aware of this", added the Ambassador.

Source: <http://www.unian.net/>; February 20, 2010

The European Union will allocate Euro 150,000 for the purpose of harmonizing Ukrainian statistics with European standards under the EU-funded Project "Harmonization of Ukrainian Official Statistics with EU Standards". This six month project will focus on Ukraine State Statistics Committee's compliance with the European Statistics Code of Practice which sets standards for an independent, reliable statistics production and dissemination of high quality. The cooperation will furthermore focus on strengthening the methods of compilation for macro economic and structural business indicators.

"This is an EU twinning project and the first twinning light project", says Mrs. Nataliya Vlasenko, the Deputy Chairman of the State Statistics Committee of Ukraine. According to Mrs. Laura Garagnani, Head of Operations/Coordinator for Cooperation Delegation of the European Union to Ukraine, the "light" status of the project means its limited duration which is six months. "Generally, twinning projects aim at establishing cooperation between public administration agencies. We may state that this project is being implemented between two – Ukrainian and Danish – statistic agencies", says Mrs. Garagnani. Harmonization of official statistics is one of the key issues in the negotiation on Ukraine's preparation for association between Ukraine and EU. According to Mrs. Garagnani, "major issues of harmonization of Ukrainian official statistics with EU official statistics have been already resolved".

Source: RBK-Ukraine; February 18, 2010

The fourth round of negotiation on entering into the Free Trade Area Agreement between Ukraine and European Free Trade Association, which includes Switzerland, Norway, Island, and Lichtenstein, was conducted on February 16-19 in Kyiv. The delegations continued refining of the Draft Free Trade Agreement at meetings of individual experts' task forces.

As part of the negotiation, experts of the European Free Trade Association visited leading Ukrainian agriculture enterprises in order to identify concrete areas of mutually beneficial cooperation in this area.

According to Economy Minister Bohdan Danylyshyn, there are plans to sign the Free Trade Agreement between Ukraine and European Free Trade Association in the current year.

Source: www.liga.net; February 19, 2010

ANNOUNCEMENT

The Conference "Civil Society Development in Ukrainian Rural Areas and Agrarian Sector. EU Experience" will be held on March 03, 2010. The Conference is being organised by the Technical Assistance Information Exchange Instrument of the European Commission and Agrarian Chamber of Ukraine jointly with the EU-funded Project "Implementation of Ukraine's Commitments under WTO and ENP Frameworks in the Rural Sector" and Coordination Bureau for European and EuroAtlantic Integration of the Secretariat of the Cabinet of Ministers of Ukraine. The Conference aims at forming the national awareness and sharing knowledge and experience in civil society development in the agrarian sector in the context of Ukrainian economy development and its integration in the European and global economy. Participants to the Conference include representatives from the European Commission, Ukrainian central and regional authorities and local governments, non-government and professional organizations of the European Union and Ukrainian agri-industrial sector and other organizations.

The European Commission administers TAIEX Program in order to share information with a view to develop the institutional capacity as a precondition for adapting national legislation for the EU legal system.

▪ **Food Safety**

Ukraine put a ban on importing poultry, poultry products and raw materials from Burma, Nepal and China. The decision was made following the official notice of the International Epizootic Office concerning occurrence of highly pathogenic influenza on the said countries' territory.

Source: www.BIZ.liga.net; February 19, 2010

According to the State Veterinary Medicine Committee, Ukraine put a ban on importing horses and horse raw materials from Ghana; swine, pork and raw materials from Guatemala and Volgograd oblast in the Russian Federation. The ban was introduced following the contraction of notifiable disease (classic swine fever by swine on Volgograd oblast in Russian Federation and Guatemala and African horse disease in Ghana).

As the current epizootic situation with the African swine fever is unstable, all Ukrainian pig farms operate under permanent supervision of the State Veterinary Service.

Source: www.economics.unian.net; February 19, 2010

According to the Information Department of the Ukrainian Parliament, the Parliamentary Committee on Agrarian Policy and Land Relationships supported draft laws on amending selected laws on disclosing information on GMO content.

Specifically, Draft Law # 6001 envisages that information on GMOs content or absence thereof must be shown on food product labels only if the GMO content in a food product exceeds 0.9 percent of the total weight of the product in a packaged unit.

Draft Law # 6001-1 proposes to cancel the mandatory "Without GMOs" mark for food products. Committee members agree with a proposal to properly mark only those food products which contain or are made with GMOs and not to put the "without GMOs" mark on absolutely all food products. MPs believe that such approach complies with EU standards for marking food products.

Source: www.BIZ.liga.net; February 22, 2010

▪ **Market Infrastructure**

Ukraine earned \$336 million on exporting fruit and vegetables. Export of fruit, vegetables and nuts enabled Ukrainian companies to increase their revenues up to \$336 million in 2009. This information is provided by the "Ukrainian Agrarian Business Club Association" Association.

According to the Association experts, these products account for as little as 3.5 percent of the total export which is far below the real potential of the sector. Moreover, import of fruit and vegetable is increased every time the seasonal prices go up. In the year of 2009, Ukrainians spent \$78 million for imported vegetables and root crops alone.

Source: www.Biz.liga.net; February 19, 2010

The roundtable "Agrarian Sector of the Ukrainian Economy: Specific Aspects of Operation under Financial Crisis Conditions" was held in the Press Centre of LIGABusinessInform News Agency on February 18, 2010.

The roundtable participants believe that numerous chronic diseases which have affected the Ukrainian agri-industrial sector may be cured only by "rebooting" the agrarian policy. "In order to increase production, the agri-industrial sector needs to pursue an active development policy and be guided by global trends", says Mr. M. Prysiashniuk, the Chairman of the Parliamentary Committee on Agrarian Policy and Land Relationships. He believes that today's major task is to adapt best international technological achievements for Ukraine. At the same time, Ukraine desperately lacks professionals: less than one percent of 10,000 graduates of agriculture educational institutions work by their specialties. According to Mr. Slabovsky, the Presidents of the Pan-Ukrainian Bakers' Association, Ukraine should not expect for large private investments in the agri-industrial sector today. "There are too many risks in Ukraine, in the first place, the political risk. Investors are not able to estimate a return on investments", he said.

President of the Ukrainian Agrarian Confederation Mr. L. Kozachenko has pointed out that the current state support of agrarian companies is insufficient: "Little do those tiny funds the government allocates to agriculture companies influence the production process and capacity. In so doing, this support create a lot of hindrances and problems for recipients as a UAH 10,000 to UAH 12,000 transfer to a farmer ends up with up to twenty supervisory authorities' visits. In this situation agriculture producers would rather ask the government not to intervene at all", Mr. Kozachenko believes. "The potential of the Ukrainian agriculture is huge, but we are not able to utilize even one third of it. Country's entire agrarian policy must be rebooted, and the approach to the sector must be revised radically".

Source: www.liga.net; February 19, 2010

The III All-Ukrainian Conference "The Dairy Business – 2010" will begin on February 24th, 2010. The Conference, which will be held as part of the International Forum "PROD EXPO Ukraine – 2010" will be attended by specialists of the Ministry of Agrarian Policy of Ukraine, managers of milk processing factories, representatives from the Ukrainian Union of Dairy Farms, relevant Ukrainian, Russian and Belarusian NGOs, international experts, local and international researchers, dairy sector experts. Forum participants will discuss a wide range of issues: from the current status of Ukrainian and global dairy sector, regulatory framework of the Ukrainian dairy sector to technologies, strategies, offer and demand at dairy markets under current economic and raw material crises.

Source: Press Service of the Ministry of Agrarian Policy of Ukraine; February 23, 2010

▪ ***Rural Development***

According to the data of biannual survey of agriculture producers which is administered by APK-Inform news agency, the number of Ukrainian farmers planning to make investments in 2010 has almost doubled for the last six months. The percentage of agriculture producers planning to invest their funds in purchase of agriculture machinery, land, and construction of storage facilities increased from 15 percent in July 2009 to 27 percent in December 2009.

Source: RBK-Ukraine; February 02, 2010