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

# Overview of Latest Rural Developments 8-14 of April 2010

# **WTO and Neighbourhood Policy**

Three points of the political part of Association Agreement are still to be agreed upon, announced Deputy General Director of "European Neighbourhood Policy" General Directorate of European Commission Hugo Mingarelli speaking at the meeting of Committee on Foreign Affairs of the European Parliament in Brussels on 7<sup>th</sup> of April.

"In the part of political dialogue three points remain to be agreed upon. The first one is Ukraine's request to get membership prospect. Second - Ukraine's request to introduce free movement of citizens in less time ... There are also discussions on the principle of territorial integrity and sovereignty of this partner country", he said. The European Commission representative noted that in general political negotiations for Association Agreement can be completed within a few weeks.

#### http://www.unian.net, 08.04.2010

The Prime Minister of Ukraine Mykola Azarov hopes to sign Association Agreement and Free Trade Agreement with the European Union by the end of 2010. He said this during the meeting with Minister of Foreign Affairs of Sweden Carl Bildt.

"I have put the task for myself to sign Association Agreement and Free Trade Agreement with the EU by the end of this year ", said Mykola Azarov. The Prime Minister of Ukraine stressed that the Association Agreement will be the first important step towards Ukraine's integration into the European Union, which depends primarily upon modernization of Ukrainian economy and real reforms.

During bilateral meeting the two sides also discussed issues of economic cooperation between Ukraine and Sweden. Minister of Foreign Affairs of Sweden Carl Bildt expressed readiness to improve bilateral cooperation and support Ukraine on its path towards economic integration into Europe. He expressed hope that all issues related to preparation and signing of Association Agreements and Free Trade Zone Agreement will be successfully solved.

## AIC-Inform, 09/04/2010

Late last week there was a series of diplomatic meetings in the Ministry of Agricultural Policy. Minister of Agrarian Policy of Mykola Prisyazhnyuk met with Ambassador Extraordinary and Plenipotentiary of Azerbaijan to Ukraine Talyat Museyib oglu Aliyev. They discussed further development of bilateral cooperation between Ukraine and Azerbaijan, including creation of joint ventures and prospects of attracting Azerbaijani investment into Ukrainian agricultural sector. During the meeting both sides expressed sincere expressions of hope for expansion of Ukrainian-Azerbaijani cooperation in agriculture. Another diplomatic meeting was held between Ukrainian and Georgian delegations headed by Minister Mykola Prisyazhnyuk and Ambassador Extraordinary and Plenipotentiary of Georgia to Ukraine Grigol Katamadze. During the meeting current cooperation between countries in winemaking, livestock, crops and food industry and possible ways for its broadening and deepening were discussed.

The parties agreed on the draft Agreement on Cooperation in the field of veterinary and the draft Agreement on cooperation in plant quarantine and protection. Ukraine and Georgia also agreed to study in detail the issue of withdrawing sugar from FTA between Ukraine and Georgia.

#### MAP Press Service, 12.04.2010

Minister of Agrarian Policy of Ukraine Mykola Prisyazhnyuk met with Ambassador Extraordinary and Plenipotentiary of Belarus to Ukraine Valentin Velichko. They discussed current cooperation in agriculture and possible ways of expanding and deepening bilateral cooperation in farming, food industry and agricultural machinery.

## **■Food Safety**

Ministry of Agrarian Policy of Ukraine stands for improving the status of the State Committee of Veterinary Medicine, reported press service of the Ministry, with references to Minister of Agrarian Policy Mykola Prisyazhnyuka.

MAP denied unofficial information that appeared last week about the possible elimination of the State committee of veterinary medicine. As noted in the Ministry, information about Government intention to liquidate or reorganize the Committee of veterinary medicine is not true. "Neither Government nor Ministry of Agricultural Policy has such intentions", says the report.

Furthermore, according to the Minister, status of the Committee will improve; functions and role of this body will expand not only in Ukraine but also in CIS. "Work, which the Committee is carrying out today, is extremely important, it aims to increase agricultural competitiveness and expand markets for Ukrainian products. MAP together with the State Committee has set the task to as far as possible strengthen the capacity of Ukrainian livestock production to not only be equal partners in the World Trade Organization, but also provide leading positions in food market for national producers in near future ", said the Minister.

http://www.vet.gov.ua/, 12.04.2010

### Market Infrastructure

Korea intends to participate in building an agricultural products distribution centre in Kiev oblast, reports the press service of the Ministry of Agrarian Policy of Ukraine. On 6th of April talks were held between Minister of Agrarian Policy of Ukraine Mykola Prisyazhnyuka and Ambassador of the Republic of Korea to Ukraine Pak Ro Bok. During the meeting the Korean side informed about its intention to implement project to establish in Kyiv suburb an agricultural products distribution centre. Preliminary project cost is estimated at \$ 1 million. In addition, other opportunities for cooperation in agriculture were discussed during the meeting. M. Prisyazhnyuk said that "creation of Ukrainian-Korean agricultural machinery park would be a successful form of cooperation".

As UNIAN reported earlier, M. Prisyazhnyuk predicted construction of the first pilot agricultural wholesale market in Kiev oblast. He noted that the first pilot wholesale market project must be implemented exactly in the Kiev region, because the biggest consumer market is concentrated here and there is a good transport network. He also noted that the Ministry is considering several land plots in Kyiv oblast belonging to MAP or agencies of Agricultural Sciences as a possible site for market construction. According to the Minister, there is already a large number of investors interested in the project. "Korea and Italy are ready to support construction of such markets", he said.

### http://economics.unian.net, 08.04.2010

According to data from regions as of April 1, 2010 nearly 1.2 billion UAH worth of loans have been involved by agricultural enterprises, including 0,9 billion of short-term loans, said Agrarian Policy Minister Mykola Prisyazhnyuk during the meeting chaired by the Agrarian Deputy Prime Minister of Ukraine Viktor Slauta. As noted by M. Prisyazhnyuk during the meeting, all allowances that farmers applied for had been paid by the State Treasury of Ukraine to agricultural producers by April 1.

## AIC-Inform, 12.04.2010

Profitability level of livestock farms in Ukraine in general grew in 2009 to 5.4% compared to 0.1% in 2008. The growth was mainly due to pork, milk and eggs production, reported Elizaveta Svyatkivska, meat market expert of "Ukrainian Agrarian Business Club" (UABC) with reference to the State Statistics Committee. According to UABC expert among prerequisites for increased profitability are not only market conditions, but also technology improvements.

"During 2009 fairly high prices for pork in comparison with world price level and reasonable prices for feed crops allowed for increased profitability. But the essential role should be assigned to the use of modern feeding technologies ", said Vitaly Lohovo, Director General of Biomin Ukraine, which is the official "Erber Group" representative. He said that in 2009 main pork producers began to actively use modern feed additives for improving livestock and poultry productivity, thus lowering feed costs.

BIZ.liga.net, 12.04.2010

## Rural Development

Rural poverty rate amounts to 40% due to labour resources redistribution, claim scientists of the National Academy of Sciences of Ukraine in the national report "New course: reform in Ukraine 2010-2015" according to "Dzerkalo Tyzhnya" newspaper (№ 14 from April 10-16 2010). According to scientists, rural poverty is firmly taking root, currently its level amounts to 40%. Scientists noted that due to monopolization of channels for promotion of products to consumers by big trading capital small farmers receive 20% lower price than EU farmers, which sell their products through cooperatives. Therefore, immediate measures should be taken to improve institutional environment for small farms development and governmental support to agricultural sector should redirected from large farms oriented to global markets to farms that provide food to local markets.

Licensing of agricultural activities is proposed to be introduced as a mandatory condition for obtaining land ownership for natural persons and land-use right for natural and legal persons.

#### http://economics.unian.net, 10.04.2010

The main objective of the Agricultural Unit of the Government is to elaborate a long-term strategy of agrarian sector development and appropriate legal framework to ensure sustainable development of domestic agriculture said Vice Prime Minister of Ukraine Viktor Slauta April 9 during the meeting on spring field work in 2010 and Agricultural Policy priorities.

According to him, in the draft state budget 2010 expenditures to support agricultural sector increased by 16% compared with last year and stabilization fund costs - by 50%. At the same time, V. Slauta stressed that the issue of financial support for agriculture can not be solely the prerogative of central government and the State Budget. He stressed that leaders of all regions without exception, must urgently raise the issue of funding for agricultural programs in regional councils. "8-10% of total local budget should be allocated to fund agricultural sector", said Deputy Prime Minister of Ukraine.

### AIC-Inform, 12.04.2010

XIII International exhibition "Ecology - 2010" is being held in "Ukrainian Expocentre" National Exhibition Complex. It will last till 16<sup>th</sup> of April. Ministry of Environmental Protection, relevant governmental agencies and natural reserve fund institutions present their achievements, developments and results. Developers of environmentally friendly products and equipment for its production are taking part in the exhibition. 77 participants from all over Ukraine and businesses with international investments are involved in the event.

A number of workshops, round tables, lectures on environmental protection and natural resources are planned to be held during the exhibition. There will be also consulting room for citizens organized by exhibitors from the Ministry.

The Ministry of Environmental Protection Press Service, 13/04/2010