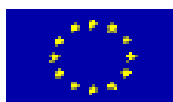




Ministry of Agrarian Policy of Ukraine



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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 May 06, 2010 and May 12, 2010**

▪ ***WTO AND ENP Frameworks***

"Turkey is interested in creation of an area of free trade with Ukraine", said Turkish Foreign Minister Ahmet Davugoglu at the joint press conference with Ukrainian Foreign Minister Kostiantyn Hryshchenko while answering the question whether such free trade area would be ever created. Mr. Davugogly told that he had discussed that issue at today's meeting with Ukrainian President Victor Yanukovich. "I believe that we will take important steps on this way very soon. We are ready to take whatever steps are needed to ensure full economic integration with Ukraine", assured Ahmet Davugoglu.

*Source: proUA; March 05, 2010*

The 15<sup>th</sup> round of the negotiation between Ukraine and EU began on May 11, 2010 as part of preparation for entering into Association Agreement. During the plenary session, which is being held at the Ministry of Foreign Affairs of Ukraine, the parties will continue the discussion of not agreed provisions of the preamble and sections dealing with the political dialogue, justice, freedom and security as well as general final provisions of the Draft Agreement.

*Source: Press Service of the Ministry of Foreign Affairs of Ukraine; May 11, 2010*

▪ ***Food Safety***

State supervisory inspectors of the State Committee on Technical Regulation and Consumer Policy checked 5,310 kg of pasta totaling UAH 19,740. 3,340 kg (63 percent) of these products totaling UAH 12,580 did not comply with existing regulatory requirements. Altogether, seven inspections at the production stage were conducted. All of them revealed violations. Products were rejected because of incomplete or missing quality control of raw materials (two enterprises), irregular or missing control of finished products safety indicators (one enterprise), irregular or missing control finished products quality indicators (seven enterprises). Six enterprises did not comply with marking requirements. One enterprise violated requirements to product weight.

*Source: <http://www.dssu.gov.ua>; May 06, 2010*

The Russian Federation will resume inspections of Ukrainian meat and dairy enterprises in the first half of 2010. According to the Press service of the Ministry of Agrarian Policy of Ukraine, such agreement was reached at the sixth meeting of the Economic Cooperation Committee of the Ukrainian-Russian Intergovernmental Commission. "The Russian and Ukrainian agrarian ministries undertook a huge work during preparation for the meeting. As a result, the agreement was reached on resuming inspections of Ukrainian meat and dairy enterprises in the first half of 2010", the Ministry communication says.

*<http://economics.unian.net/>, May 06, 2010*

At the moment, not a single genetically modified organism is entered in the state register. This means that products containing GMOs are "outside the law" in Ukraine. Such an opinion was expressed by V. Semenovych, the Director of the Research Centre of the State-Owned Enterprise "Ukrmetrteststandard", at the Press Conference "GMOs in Ukraine: the Current Situation, Consequences and Forecasts". According to V. Semenovych, little do food producers care about these problems. GMOs were detected in 101 food products out of 164. "We checked confections, sausages, biologically active additives, product mixes and other products. Genetically modified soya was found even in flour and dried milk", added V. Semenovych.

The expert says that currently there are over 30 accredited laboratories in Ukraine capable of detecting GMOs in food products. A major role in addressing this problem should be played by the Ministry of Health which, jointly with other government authorities, must develop laws that would set clear standards of GMOs content in food products.

*Source: State Committee of Ukraine on Technical Regulation and Consumer Policy; May 12, 2010*

Implementation of the HACCP system at Ukrainian meat processing plants must be accompanied by shrinking sanitary-and-veterinary controls. "Introduction of such a system leads to an extra financial burden which is intolerable for most small and medium-size businesses not relying in export", says Ms. Sviatkivska, a meat and meat products expert of the Ukrainian Agrarian Business Club. According to her, having the HACCP system in place helps an enterprise prevent potential production risks thus eliminating a need to double check its products. Detailed information on implementing food safety system at Ukrainian meat processing plants will be available at the Conference "Ukrainian Meat Animal Husbandry – 2010" which will be held in Kyiv on May 27, 2010.

*Source: Ukrainian Agrarian Business Club; May 07, 2010-05-17*

President V. Yanukovych signed the amendments to the Law of Ukraine "On Milk and Dairy Products" dealing with safety and quality of dairy products. According to this Law, milk and dairy products which are produced in Ukraine or imported to Ukraine must comply with safety and quality standards set by relevant Ukrainian laws and regulations. The responsibility for developing and approving basic standards of fat and protein content of milk shall rest with the central executive authority in there agrarian policy area.

The Parliament of Ukraine passed the Law "On Amending the Law of Ukraine 'On Milk and Dairy Products' with Regard to Safety and Quality of Dairy Products" on April 15, 2010.

*Source: <http://www.vet.gov.ua/>, 11.05.2010*

## ▪ *Market Infrastructure*

According to the Ukrainian Agrarian Business Club (UABC), import of meat to Ukraine amounted to 58,000 tons in the first quarter of 2010 which was by 40 percent less than in the same period of the previous year. UABC experts say that the declining import is caused by development of domestic animal production, strengthening of veterinary controls and falling paying capacity of Ukrainian consumers. As before, poultry and port account for major parts of the meat import (24,000 tons and 19,000 tons, respectively). According to Volodymyr Lapa, the leader of the UABC expert group, the declining import may become a trend of the entire year of 2010 as by the beginning of April the pig livestock had grown by 14 percent as compared to the same period of the last year, the poultry livestock had grown by over five percent, and the sale livestock for slaughtering had been increased by eight percent. "As the time goes by, the competition with both foreign and domestic meat producer will be getting tougher", pointed out Mr. Lapa.

*Source: www.unian.net; May 06, 2010*

"German expert calls for immediate investigation of the scandal with Ukrainian fodder for geese in which dioxin was detected", stated Dr. Heinz W. Strubenhoff, an expert of "the German-Ukrainian Dialogue in Agriculture" Association.

As is known, German specialists detected dioxin in eggs laid by hens which were fed by maize from Ukraine. German supermarkets Rewe and Lidl withdrew hens' eggs with "bio" marking in which dioxin was detected. According to the German consumer agency, maize of Ukrainian origin was supplied to hen farms of at least nine German lands. Presumably, they purchased contaminated maize from a Dutch supplier back in winter.

Dr. Strubenhoff believes that the current "dioxin scandal" negatively affected the image of Ukraine. At the same time, in his opinion, adverse economic consequences need to be avoided. "Ukrainian authorities should react immediately and do everything in their power to find out what the problem is in order not to put maize export in jeopardy", pointed out Dr. Strubenhoff. He mentioned that maize is an extremely important item of Ukraine's export. Ukraine exports many million tons of maize every year, and a large part of it goes to EU countries. Ukrainian maize plays a crucial role as fodder for poultry in many Southern European countries, in the first place, in Spain.

*Source: <http://www.epravda.com.ua/>, 11.05.2010*

The Ministry of Agrarian Policy of Ukraine believes it is not possible that maize containing dioxin could get to Germany from Ukraine. As Minister M. Prysiashnyuk explained at the May 11<sup>th</sup> briefing, Ukraine did not export maize to Germany in the last year, and the Ukrainian maize export through the Netherlands was as small as 52,000 tons (according to some media). "We will do our best to dismiss this accusation", the Minister emphasized.

The Minister stated that Ukraine would undertake its own investigation of this fact as it affected Ukraine's image and assured that Ukraine would protect its reputation of a large and reliable grain exporter. In Mr. Prysiashnyuk's opinion, a communication about supply of maize contaminated with dioxin to Germany is nothing but "an attempt to find guilty people". The only way to check this allegation is to make an analysis of the remainder of Ukrainian maize that was used in fodder.

Mr. Prysiashnyuk admits that ingress of dioxin in the fodder might be caused by testing of new fodder additives in Germany. The Minister made it clear that the Ministry did not receive any other information on this fact in addition to media statements.

*Source: Interfax-Ukraine; May 11, 2010*

According to Economy Ministry's comment posted on the ministry web site, food producers' prices went up by 13.4 percent since September 2009. The comment says that further price growth may lead to an increase in consumer prices for food products.

*Source: UNIAN; May 12, 2010*

#### ▪ ***Rural Development***

The Parliamentary Committee on Agrarian Policy and Land Relationships submitted Draft Resolution of the Parliament #3 6275/II dated May 06, 2010 on adopting a Draft Law on Amending the Law of Ukraine "On Agriculture Advisory Activities". It will be considered at the 6<sup>th</sup> Session of the Parliament of the VI convocation. This document contains proposals on amending Draft Law # 6275 dated April 02, 2010 "On Amending the Law of Ukraine 'On Agriculture Advisory Activities'" (with regard to limitation on public servants).

*Source: APK-INFORM; May 06, 2010*

#### ANNOUNCEMENT

The Pan-Ukrainian Fair-and-Exhibition "The Ukrainian Village Invites" will be held in the National Complex "ExpoCentre Ukraine" on May 14-16, 2010.

The "ECO\*Recreation 2010" Festival will be conducted as part of the Fair-and-Exhibition".

*Source: <http://www.culture-routes.lu>; May 06, 2010*