

 <p>МІНІСТЕРСТВО АГРАРНОЇ ПОЛІТИКИ УКРАЇНИ</p>	 <p>Проект фінансується Європейським Союзом</p>	 <p>Проект впроваджується консорціумом на чолі з WYG International</p>
<p align="center"><i>Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector EuropeAid/126205/C/SER/UA</i></p>		

Overview of Latest Rural Developments

27 May - 2 June 2010

▪ **WTO and Neighbourhood Policy**

Workshop on sustainable development in the biomass sector in Ukraine took place in the framework of intergovernmental Netherlands-Ukraine project and "Sustainable biomass imports" programme. Experts from MAP, representatives of German FnR company "Ukraine-German Dialogue", ministries and departments, scientific institutions of Ukrainian Academy of Sciences, businesses, NGOs and media attended the event.

While opening the meeting the head of parliamentary committee on Agricultural Policy and Land Relations Yuriy Kaletnyk underlined the urgent need to create conditions for attracting foreign investment to the bioenergy sector. Director of Engineering and Technical Provision Department Mykola Datsenko and NL Agency manager Kees Kwant were among the main speakers.

The project, whose main goal is to support MAP in introducing biomass certification schemes to increase the export potential of Ukraine in its cooperation with the Netherlands and the EU countries, consists of three parts: implementation of Biomass Action Plan for Ukraine; certification scheme for sustainable development of the biomass sector; business opportunities.

MAP Press Service, 28.05.2010

Vice Prime Minister of Ukraine Serhiy Tyhypko expects free trade zone between Ukraine and Norway, Switzerland, Liechtenstein and Iceland to be concluded in a month. "In a month we, I think, will sign FTA with EFTA countries: Norway, Switzerland, Liechtenstein and Iceland", he said. Tyhypko also said that during the scheduled visit of Turkish Prime Minister Recep Tayyip Erdogan to Ukraine, FTA with Turkey will begin to be elaborated.

Interfax-Ukraine, 28.05.2010

From 17 to 21 May 2010 regular round of consultations on concluding Free Trade Agreement between Canada and Ukraine was held in Kiev. The following issues were discussed: trade in services, trade in goods, tariffs, investment, rules of origin, institutional issues, etc.. Following consultations, the parties agreed to prepare proposals for trade liberalization. Another round of consultations is planned for this autumn.

<http://minagro.gov.ua>, 31.05.2010

President of Ukraine Viktor Yanukovich proposes to determine the priority principles of foreign policy for Ukraine to gain EU membership.

This is stated in Article 11 of the Law of Ukraine "On principles of domestic and foreign policy", which Yanukovich introduced to the Verkhovna Rada. The draft defines "Ukraine's integration into European political, economic and legal space in order to gain membership in the European Union" as one of the main principles of foreign policy.

www.unian.net, 01.06.2010

▪ **Food Safety**

Inspectors from SANCO Directorate (European Commission Directorate General for Health and

Consumer Protection) finished their inspection of Ukrainian poultry enterprises, said the first deputy head of the State Committee of Veterinary Medicine of Ukraine Volodymyr Horzheyev. "The visit of inspectors from SANCO Directorate who came to check Ukrainian farms and processing enterprises has finished today", he said. According to Horzheyev, inspectors have been working in Ukraine for about 2 weeks and inspected poultry enterprises engaged in poultry meat, goose liver and egg and protein powder production. Horzheyev noted that the purpose of the visit was to assess Ukrainian Veterinary Service whether it can provide proper control and meet European control standards. Inspectors will prepare preliminary report within 25 working days.

UNIAN, 28.05.2010

Ukraine insists that the German side disprove any relationship between Ukrainian maize and the dioxin scandal, said Deputy Minister of Agrarian Policy of Ukraine Ivan Demchak. According to him, Ukraine has received the official test results testifying to the absence of dioxin in Ukrainian maize exported to the Netherlands and after that to Germany. It was reported earlier that Ukrainian and Dutch laboratories have found dioxin in samples of Ukrainian maize.

www.agroua.net, 28.05.2010

Russian inspectors completed inspection of Ukrainian meat and dairy enterprises, reported the press service of the State Committee of Veterinary Medicine of Ukraine. According to the report, inspectors have been working for ten days and checked 11 Ukrainian companies. Minister of Agrarian Policy of Ukraine Mykola Prisyazhnyuk expressed hope that a number of Ukrainian companies will obtain a permit to export their products to Russia as a result of this inspection.

RBC-Ukraine, 28.05.2010

▪ **Market Infrastructure**

MAP Board headed by agrarian minister Mykola Prisyazhnyuk and attended by Deputy Prime Minister Viktor Slauta met to discuss current state and existing problems in Ukrainian livestock industry. It was noted that during past 18 years milk production on all categories of farms decreased by 12.9 million tons (or 2.1 times) and the mass of livestock and poultry slaughtered decreased by 3.7 million tons (or 2.4 times).

The meeting supported proposals to create a vertically integrated structures of milk production; ensure proper animal care; create favourable conditions for attracting domestic and foreign investments to the sector; support private livestock farms and households; create zones for collecting raw milk for processing enterprises and milk collection points; construct new large-scale farms with unleashed cattle and common types of feeding all year round; allocate land for construction and development of live cattle and poultry auctions, agricultural wholesale markets, agri-trade houses and agricultural service cooperatives.

MAP Press Service, 28.05.2010

According to UkrAgriConsult (analytical centre) market for organic products, including food products that meet EU or BIAN standards, products that do not contain GMOs, products grown without the use of pesticides, synthetic fertilizers and artificial preservatives, etc., is still to be established in Ukraine. According to the data from Federation of Organic Agriculture in 2009 in Ukraine there were 121 certified organic farms occupying an area of 270 thousand hectares. In 2002, there were only 32 such farms and in 2005 - 69. This testifies to the growing demand for and interest in organic products on the part of Ukrainian consumers. Specialty shops and restaurants have already been established targeting wealthy customers.

According to UkrAgroConsult organic food sales accounted for 0.4% of total food sales in Ukraine. Currently this market is being estimated at 1-1,25 million Euro. The world market for organic products is estimated at 40 billion euros. Its growth forecast in 2010 reached 15%, four times more than general foods market.

UkrAgroConsult, 06/01/2010

Agricultural Land and Land Protection and Monitoring Department of the State Committee for Land Resources informs: As of April 1, 2010 11,932 agricultural enterprises (99.8%) were reformed. As a result, 34.4 thousands of new agricultural entities of market type were created on the total area of 19 million hectares. Including: limited liability companies - 7900 (22.9%) occupying an area of 8.8 million ha; private enterprises - 5300 (15.3%) occupying an area of 3.3 million ha; joint stock companies - 700 (2.1%) occupying an area of 938.1 thousand hectares; agricultural cooperatives - 1000 (3%) occupying an area

of 995.7 thousand hectares; farms - 11 800 (34 , 4%) occupying an area of 2.9 million hectares; other business entities – 7 700 (22.3%) occupying an area of 1.9 million hectares.
33.8 thousand (98.5%) of the total number of new agricultural entities were registered.

State Committee of Ukraine for Land Resources, 05/28/2010

ANNOUNCEMENT

June, 15 XXII International agricultural exhibition "Agro 2010" will open its pavilions at the National Complex "Ukrainian Expo-Centre". President of Ukraine Viktor Yanukovich will open the main domestic agricultural exhibition. The opening ceremony will be attended by the Cabinet members, MPs, managers of enterprises and institutions, well-known farmers.

Agrarian minister Mykola Prisyazhnyuk will present the strategy of economic reforms in the agricultural sector.

MAP Press Service, 01.06.2010

▪ Rural Development

Measures to introduce fees for rental of agricultural land are continued to be taken in Kherson oblast. Fees of not less than 3% of legislatively determined land value shall be gradually increased according to financial results of a particular tenant (Decree of the President of Ukraine from 19.08.2008 № 725/2008 amending the Decree of 02.02.2002 № 92/2002 "On additional measures to protect farmers owning land and land shares").

As of 25/05/2010 135,450 of land shares occupying total area of 822.1 hectares were leased out in oblast. In 59.37 thousand contracts (43.8%) rent shall be raised to 3.0% instead of 1.5%, including 4 240 contracts (3.1%) where the rent shall be more than 3.0%. Other 76.08 thousand contracts do not meet the terms of the decree.

Branch office of the State Committee for Land Resources in Kherson oblast, 31.05.2010

Ministry of Agrarian Policy of Ukraine intends to lease pedigree cattle to agricultural producers, told agrarian minister Mykola Prysiazhniuk. According to him, it is the first time such a practice has been introduced in Ukraine. SpecAgriLeasing, ad hoc enterprise created in MAP, will carry out all relevant operations. UAH 50 million had been allocated for this program from Stabilization and Special Funds. 8-10 million of them will be spent to purchase 1.5 thousand grain harvesters and one thousand tractors, other funds will be channelled to buy 2 thousand heads of breeding cattle. The price of one pedigree dairy cow in Europe is said to be 4-8 thousand euros (UAH 38,8-77,6 thousand).

Kommersant-Ukraine, 27.05.2010

International Investment Forum "The agricultural sector of Ukraine – a target for investment" is to be held June 15, 2010 in the framework of XXII International Agricultural Exhibition "Agri 2010".

The event will be attended by agriculture ministers of foreign countries (Russia, Belarus, Estonia, Sudan, Germany, Georgia, China), international financial institutions, government and academic institutions and business.

June 18, 2010 round table on "International experience to stimulate development of the agricultural sector through the implementation of sector-wide approach: advantages and challenges" will take place. The workshop will be attended by representatives of governmental and scientific institutions, international organizations and technical assistance projects.