

 <p>МІНІСТЕРСТВО АГРАРНОЇ ПОЛІТИКИ УКРАЇНИ</p>	 <p>Проект фінансується Європейським Союзом</p>	 <p>Проект впроваджується консорціумом на чолі з WYG International</p>
<p><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

10-16 June 2010

▪ **WTO and Neighbourhood Policy**

Ukraine can not join the customs union with Russia, Kazakhstan and Belarus while the terms of this organization do not meet the WTO principles, announced the Head of State Customs Service of Ukraine Ihor Kaletnik. "Ukraine is a WTO member and can join the Customs Union only after rates and tariffs of our colleagues will be harmonized with Ukraine`s responsibilities under WTO", said Kaletnik. In turn, the head of the Federal Customs Service of Russia Andrei Belyaninov said that nobody is forcing Ukraine to join the Customs Union.

UNIAN, 10.06.2010

Prime Minister Mykola Azarov called the European Union for mutual concessions while setting up a free trade zone between Ukraine and the EU. He said this today in Luxembourg during a joint press conference with Vice-President of the European Commission, EU High Representative for Foreign Affairs and Security Policy Catherine Ashton. «I called today Mrs. Ashton for mutual concessions and compromise: somewhere we make concessions, somewhere we expect that the EU will come to terms with us, so we must meet halfway», he said. In turn, Catherine Ashton said that the signing of an association and free trade agreement will double the export of goods from Ukraine to the European Union. She also called on the Ukrainian side to continue the work with the EU to develop a plan regarding the implementation of a visa free regime between Ukraine and the EU.

<http://news.liga.net> 15.06.2010

Cabinet approved the draft FTA Agreement with the European Free Trade Association (EFTA), told Economics Minister Vasyl Tsushko.

He said the draft document was approved at yesterday's meeting of the Government. FTA is planned to be signed the June 25, 2010 at EFTA summit to be held on the occasion of Association's 50th anniversary.

Ukraine and European Free Trade Association began formal negotiations on FTA in April 2009. FTA with EFTA countries is an important step for Ukraine in the context of FTA with the European Union.

«ForUm», 15.06.2010

The international agrarian investment forum "The agricultural sector of Ukraine – target for investment" was held in the framework of "Agro 2010" exhibition. Among its participants were Deputy Prime Minister on agricultural Viktor Slauta, Agrarian Policy Minister Mykola Prisyazhnyuk, MPs, foreign Ministers of Agriculture, ambassadors of foreign countries, heads of Cabinet Secretariat, representatives of donor organizations and projects, academic and research institutions, NGOs, producer associations, private sector and investment companies.

Such a wide variety of participants enabled active discussions on economic and political aspects of investment conditions in Ukrainian agriculture, current state and prospects of agribusiness investments, development of relevant legislation to create a favourable investment climate, elaboration of investment policy based on scientific research to attract foreign direct investment into agriculture, particularly through tax legislation and its harmonization with requirements of WTO and other international organizations of which Ukraine is a member, etc.. Foreign agriculture ministers and ministries` representatives shared experience on how to stimulate investment and identify investment priorities in the framework of "ministers` podium".

MAP Press Service, 16.06.2010

▪ Food Safety

Imports of hooved animals and products of their origin from Colorado, Oklahoma and Texas shall be banned (order № 15-2-23/5067 from 11.06.10). According to official report of the International Office of Epizootics cases of piroplazmoz disease among horses were registered in Colorado, Oklahoma and Texas.

Imports of hooved animals and products of their origin from the Republic of Panama shall be banned (order № 15-2-23/5066 from 11.06.10). According to the official OIE report cases of Venezuelan encephalomyelitis were registered among horses in the Republic of Panama.

Imports of other goods from these countries that fall under control of state veterinary inspection shall be carried out according to Ukrainian veterinary requirements.

<http://www.vet.gov.ua/> 11.06.2010

Ministry of Agrarian Policy of Ukraine intends to oblige dairy plants to appropriately equip their laboratory to make possible quality control of milk that is being supplied for processing. "We are preparing a decree obliging all processors to have a laboratory and all assembly markets to be provided with minimal laboratory equipment so that one can check whether milk has been properly stored", said Minister of Agrarian Policy of Ukraine Mykola Prysiazhniuk. He stressed that the use in milk production of quality raw milk alone is among EU requirements in FTA negotiations.

Currently most of the raw milk used by dairy plants comes from households that can not ensure high quality milk production.

Interfax-Ukraine, 11.06.2010

Several Ukrainian companies were approved for a permit to supply meat and dairy products to Belarus, said press service of the State Committee of Veterinary Medicine of Ukraine June 14. According to the report, the permission is confirmed by the letter from the Chief Inspector of Belarus Yuri Pivovarchyk.

According to Head of the State Committee of Ukraine Ivan Bisyuk Galicia Ltd. (Lviv oblast) Myrgorod cheese plant, Zhitomir and Zolotonosha butter plants are among manufacturers that have received the permission".

APK-Inform, 14/06/2010

There is practically no authentic butter on the shelves of Ukrainian shops. According to experts` estimates about 4000 tons of counterfeit butter are being produced in Ukraine each month. It is almost two-thirds of total production. Profits from sale of counterfeit butter reach UAH 3 billion per year.

"UkrMeterStandard" Food Testing Centre has tested 23 samples from different butter producers. Half of butter turned out to be a flagrant counterfeit. "Vegetable fats were found in 12 out of 23-samples. Their content ranging from 10 to 70% ", said the director of the Centre Volodymyr Semenovych.

Mix of vegetable and dairy fats can not be called butter since according to Ukrainian legislation it is required to be labelled as "spread". Nevertheless some producers knowingly violate the law and label mixes as "butter".

<http://ubr.ua/> 15.06.2010

▪ Market Infrastructure

According to the State Statistics Committee of Ukraine milk production of all types in January-May 2010 decreased by 2.9% compared to the same period last year. Meanwhile, in May milk production increased by 25% compared to April.

According to the Ministry of Agriculture, as of June 4, the purchase price of first class milk supplied from agri-enterprises dropped by 7% - from 2906 to 2704 UAH per ton, price for second class milk- grew by 5% (from 2303 to 2426 UAH per ton) and price for second class milk supplied from households fell by 18% (from 2082 to 1703 UAH per ton).

BIZ.liga.net, 10.06.2010

Antimonopoly Committee of Ukraine warns milk processing plants on the inadmissibility of price speculation while purchasing raw milk from households, said Committee Chairman Alexei Kostusev.

He noted that in summer milk supply increases and processing plants must offer well-grounded prices and should not arbitrarily decrease prices for milk supplied from households. Currently there are four cases of violations in this market that are being considered in AC.

Kostusev noted that while checking processing plants AC will primarily pay attention to Lviv, Vinnytsia,

Khmelnysky, Kyiv, Cherkasy and Dnipropetrovsk oblasts, which are major suppliers of milk for industrial processing. "We will not tolerate manifestations of monopoly and attempts to keep peasants on their knees and will pre-empt potential violations instead. I demand this from the whole antimonopoly system and warn dairy businesses. In Ukraine there should be no place for easy profit from milk", said Kostusev.

<http://www.unian.net>, 15.06.2010

According to the State Statistics Committee imports of dairy products to Ukraine in January-April 2010 decreased in real value by 30%, meat - by 46% compared to the same period last year. In the first four months of this year, imports of milk and dairy products, eggs and honey dropped by 30.6% to \$ 34.7 million; imports of meat and food subproducts – by 46,9% to \$ 99.1 million.

Exports of dairy products increased during the reporting period by 70.1% or \$ 201.1 million and exports of meat and food subproducts-by \$ 34.3 million.

<http://biz.liga.net/>, 14.06.2010

Rural Development

Odessa oblast Administration partly financed the purchase of 100 combines for agri producers, said the press service of the Administration with reference to its Head Edward Matviychuk.

According to Matviychuk, subsidies for farm machinery are the first steps to allow our agriculture to continue to grow.

"Last year UAH 7-8 million were allocated from the local budget to support and develop agriculture. This year this sum reached UAH 60 million. Resources were accumulated by cutting all unnecessary and unused programs", said the Head of State Administration.

He also stressed that these funds will be channelled to support agriculture and procure combines. "Odessa oblast is an agricultural region and Odessa administration understands that its development and prosperity to a great extent depends on development of agriculture", said Matviychuk.

APK-Inform, 11/06/2010