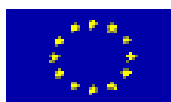




Ministry of Agrarian Policy of Ukraine



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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 July 15, 2010 and July 21, 2010**

### **▪ WTO and ENP Frameworks**

A Ukrainian delegation headed by Mykola Prysiashnyuk, the Minister of Agrarian Policy of Ukraine, visited Brussels on July 13-14, 2010 at the invitation of the European Parliament. During the visit, the Ukrainian delegation met with Janusz Lewandowski, the Commissioner on Financial Programming and Budget, Paolo De Castro, the Chairman of the European Parliament's Committee on Agriculture and Rural Development, Vital Moreira, the Chairman of European Parliament's Committee on International Trade, and a number of deputies of the European Parliament involved in related areas. The major purpose of the visit for the Ukrainian delegation was to provide explanations to European partners on strategies of top priority reforms to be implemented in Ukraine in the nearest future including reforms in agriculture. It was emphasized that the said reforms would aim at harmonization of the Ukrainian legislation and modernization of Ukrainian institutions in the agrarian sector according to EU standards.

Source: Press Service of the Ministry of Agrarian Policy of Ukraine; 16.07.2010

"Palestine intends to sign a Memorandum of cooperation in agriculture with Ukraine", said Khalid Ahmed Ariqat, the Ambassador Extraordinary and Plenipotentiary of Palestine to Ukraine at the meeting with acting Minister of Agrarian Policy of Ukraine Mr. Ivan Demchak. Besides, the Palestinian Ambassador to Ukraine mentioned willingness of Palestinian investors to invest in Ukrainian agriculture. The parties to the meeting reached an agreement on continuing cooperation in agriculture and other areas.

Source: APK-Inform; 16.07.2010

### **▪ Food Safety**

Officials of the Ministry of Environmental Protection stress on an urgent need to deploy a state system of biological safety of GMOs circulation. This was discussed at a recent press conference. "Risks associated with using and applying GMOs are obvious. They include emerging allergic reactions, growing insensitivity to antibiotics, uncontrolled proliferation of transgenes in nature which put biological diversity of the planet at jeopardy and make farming dependent on transnational corporations", said Ms. Tetiana Timochko, the Chairman of the Pan-Ukrainian Ecology League.

According to Ms. Timochko, "Despite GMO advocates' claims that transgenes are cheap, ensures high yields, and are resistant to climate changes and viruses, today there is no scientifically true information on GMO safety for people's health and environment".

The magnitude of research and scope of GMO application are growing every year, and this calls

for creation of national biological safety systems in order to prevent uncontrolled proliferation and use of GMOs, ministry officials emphasize.

Source: <http://economics.unian.net/>, 20.07.2010

The Ministry of Agrarian Policy of Ukraine proposes to set up a General Agri-Industrial Inspection. A draft enabling decree of the government was posted on the Ministry web site. According to the draft decree, the Inspectorate will be set up within the Ministry of Agrarian Policy as a public administration agency on the basis of the State Inspection for Controlling Quality of Agriculture Produce and Monitoring the Agriculture Market, Ukrainian State Seeds Inspection, Ukrainian State Inspection for Plant Quarantine, Ukrainian State Inspection for Plant Protection, State Technological Centre for Protecting Soil Fertility which will be dissolved and the State Inspection on Protecting Rights to Plant Variety which will spin off from State Service for Protecting Rights to Plant Varieties. The accompanying explanatory note says that today's system for inspecting the agrarian sector is fully decentralized, which virtually precludes the government from pursuing a unified nation policy in this system, dilutes functions and authorities of various services, thus leading to increased risks of corruption in the area of supervision, inefficient use of state property and budget funds. Establishment of the General Agri-Industrial Inspection will optimize operation of supervisory and control agencies.

Source: <http://www.unian.net/>, 20.07.2010

The State Committee on Technical Regulation and Consumer Policy of Ukraine shall present a Catalogue of poor quality products and bad-faith producers, Chairman Oleg Povolotsky said at a press conference. Currently, the Committee is developing a format of such register. It will include sections devoted to baby food, products containing GMOs, etc. "These data will be posted on Committee's web portal, the specialized and national media on a regular basis. That is why we are asking media representatives to be active in informing the public on bad quality and dangerous goods. In such a way, we will be developing the culture of consumption by joint efforts", added Mr. Povolotsky. He also pointed out that the Catalogue initiative was launched a part of new system of approaches to the Committee operations.

Source: <http://economics.unian.net/>, 20.07.2010

## ▪ **Market Infrastructure**

The issue of preventing the import of low quality products and contraband must be under permanent control, Vice Prime Minister of Ukraine Victor Slauta told at the sitting of the Coordination Council on Agrarian Policy within the Cabinet of Ministers of Ukraine.

According to latest reports, during the first six months of the current year, despite almost 30 percent reduction of the pig and poultry import, the percentage of low quality pig and poultry went up by 33 percent and seven percent, accordingly. "On the whole, it becomes apparent that as a WTO member, Ukraine is already under pressure of foreign meat products but it may not set barriers to the import with a good reason", pointed out Mr. Slauta.

To solve the said problems, the meeting participants were proposed to set up an interdepartmental task force on developing the animal product market and design measures to prevent ungrounded price fluctuations at wholesale and retail consumer markets and protect domestic producers of animal products.

Source: APK-Inform; 15.07.2010

According to the State Statistics Committee of Ukraine, the gross production of agriculture products grew by 3.4 percent between January and June of 2010 as compared with the same period of 2009 including the 7.7 percent growth at agriculture enterprises and 0.3 percent growth at individual farmsteads.

Source: RBK-Ukraine; 15.07.2010

A new agency – the Agrarian Insurance Bureau – will appear at the Ukrainian agrarian insurance market very soon. The decision on setting up the said bureaus was approved by participants of the constitutional meeting which was held on July 14, 2010.

Founders of the Bureau include leading insurance companies: Aska, Brokbusiness, European Insurance Alliance, Ingo-Ukraine, Oranta, Oranta-Sich, Providna, TAS, Ukrainian Agrarian Insurance Company, Ukrainian Fire Insurance Company, and Universalna.

The Bureau is being established under technical assistance of the IFC-funded Project "Development of Agri-Insurance in Ukraine".

The Bureau is being established in order to unite efforts of insurance companies, develop new insurance products, put an efficient reinsurance system in place and create a repository of data needed to calculate actuarially substantiated rates of insurance premia.

Source: IFC; 15.07.2010

According to the State Statistics Committee, the meat production in Ukraine grew by 7.3 percent in January through June 2010 as compared to the same period of 2009 and amounted to 1.366 million tons (in live weight). At the same time, milk production fell by 3.2 percent – down to 5.5 million tons.

Source: APK-Inform; 16.07.2010

The meat import was reduced but the meat export grew, said the Chairman of the State Customs Service of Ukraine, Igor Kaletnyk. Ukraine exported 4,000 tons and some 26,000 tons of meat in the first and second quarters of 2010, respectively.

Source: RBK-Ukraine; 19.07.2010

## ▪ **Rural Development**

The first in Ukraine biogas installation for co-generation of heat and electricity has been successfully operated at the "Ukrainian Milk Company" near Kyiv. It is equipped by gas generator manufactured by General Electric (NYSE: GE) which processes wastes of the animal farm where 4,000 cows are kept.

The surplus of electricity generated by the installation is sold to the general electricity supply system. The National Commission on Regulating Electrical Engineering approved "the green rate" for the "Ukrainian Milk Company". The effective law defines the green rate as "a special rate for electricity generated with alternative sources of energy".

Source: <http://www.express-release.com>, 16.07.2010

By its Order # 376 dated May 18, 2010, the State Committee on Land Resources of Ukraine approved the Regulation on determining boundaries of land plots in the field and installing boundary signs. Issuance of the Regulation gave push to extensive discussions in professional circles. The Regulation will come into force effective July 29, 2010. It seems as if the State Committee on Land Resources were planning to postpone the effective day of the Regulation. On July 19, 2010, they posted on the Committee's web site the Draft Order "On amending Committee's Order # 376 dated May 18, 2010". The said amendment is caused by a need to harmonize the Regulation with the Ukrainian legislation on procurement of goods, works and services for state budget funds.

Source: "Reform of Land Relationships in Ukraine" Centre; 19.07.2010