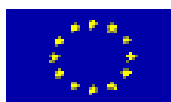




Ministry of Agrarian Policy of Ukraine



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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 22, 2010 and July 28, 2010**

### **▪ WTO and ENP Frameworks**

The Economy Minister of Ukraine, Vasyl Tsushko, conducted a working meeting with the delegation of the European Commission led by the Deputy Director of the General Board of Directors for Trade, and Jose Manuel Pinto Teixeira, the Head of the EU Delegation to Ukraine. The parties discussed key issues of cooperation, specifically, progress of the negotiation on creation of the free trade area between EU and Ukraine. "Our position is clear: we are willing to speak common language and be open; however, the free trade area must be created on mutually beneficial conditions", emphasized the Economy Minister. According to him, Ukraine is ready for further liberalization and harmonization of trade relationships with the EU to the extent to which the European Union is willing to undertake equivalent steps.

On the initiative of the EU delegation, the parties discussed a possibility for eliminating at the internal market of Ukraine all traditional product names which are protected in the European Union (for example, "Cognac", "Champaign", "Madeira" etc.). Mr. Tsushko proposed to consider this issues together with compensatory measures to protect Ukrainian producers which may incur substantial losses following replacement of traditional product names.

Source: [www.me.gov.ua](http://www.me.gov.ua); 26.07.2010

The veterinary services of Ukraine and European Union are considering a possibility to establish a buffer area along the border for the purpose of fighting rabies; the initiative will be funded by the European Union, say the communication of the Press Service of the State Veterinary Medicine Committee of Ukraine.

Implementation of the initiative is expected to begin in autumn of the current year. Experts of the State Veterinary Medicine Committee say that the epizootic situation in Ukraine with regard to rabies is complicated. The situation with rabies is considered difficult in 883 populated areas which is by 551 more than in the last year. As the red fox is the major source of rabies in the wild nature, Ukraine has been giving peroral vaccination to wild animals for three years in row. However, because of lack of funding, the vaccination campaign covers only two oblasts – Donetsk and Luhansk.

According to the said communication, FAO experts will be visiting Ukraine beginning July 26<sup>th</sup> in order (i) to assess measure taken by the Ukrainian state veterinary medicine service to prevent proliferation of the African swine fever and (ii) to explore opportunities for launching a new joint project of technical assistance to Ukraine. A similar visit of EU experts is scheduled for August.

Source: Interfax-Ukraine; 26.07.2010

## ▪ Food Safety

Simferopol interraion environment protection prosecutor office opened criminal proceedings against executives of "Pivdena Holding" poultry factory based on abuse of office and violation of rights set forth to prevent epidemic and other infectious diseases. This news was communicated by the Press Service of the Crimean Republican Prosecutor Office.

The poultry producer found itself under investigation after inspectors found 10,000 packages of expired eggs which were rotting on the enterprise site instead of being recycled at the requirement of the local office of the State Veterinary Medicine Committee.

Source: RBK-Ukraine; 22.07.2010

Ukraine proved that the accusation concerning dioxin content in maize supplied to Germany was groundless, said Mykola Prysiyazhnik, the Minister of Agrarian Policy of Ukraine, on Radio Freedom.

"German companies, which voiced the problem, offered their apologies and told that was a private communication which turned out not to be true. We checked the lots of maize which were exported from Ukraine and did not find any traces of dioxin. We carried out checks in Europe and did not find any dioxin either. In my opinion, this is an unfair competition practice which was applied because our trade chain is not fully civilized yet".

Source: RBK-Ukraine; 23.07.2010

According to official communications of the International Epizootics Office, there are incidences of murrain in the Russian Federation, specifically, on Zabaikaliye Territory.

It is prohibited to import animals prone to murrain, products and raw materials made from such animals in Ukraine from Sibir Federal Okrug of the Russian Federation

Import of other goods from the Russian Federation which are subject to control by the State Veterinary Medicine Service must meet existing veterinary requirements to import of items subject to official veterinary-and-sanitary controls.

Source: <http://www.vet.gov.ua>; 26.07.2010

Quarantine is enforced in Zavodovka village, Kherson oblast following outburst of rabies among domestic animals effective July 26, 2010. Relevant measures are being taken across the raion.

Earlier this year (on May 28, 2010), quarantine was enforced in Druzhbovka village, Kherson oblast, because of rabies outburst.

Source: PROUA; 28.07.2010

## ▪ Market Infrastructure

Ukraine may revise the existing wheat standard because of deterioration of the grain quality caused by unfavorable weather conditions in Ukraine. According to the Press Service of the Vice Prime Ministers of Ukraine, Victor Slauta mentioned this during the intercom staff meeting on issues associated with operation of the grain market in the 2010-2011 marketing year.

Mr. Slauta told that the Coordination Council on Agrarian Policies issued an instruction on amending the current grain standard (DSTU 3768:2010) for the marketing year of 2010-1011 and providing relevant explanations to all grain assembly and flour-grinding enterprises on how to handle this year's wheat grain affected by fungi.

Beside that, the Coordination Council recommended that the Ministry of Agrarian Policy, together with the Cabinet of Ministers of the Autonomous Republic of Crimea and heads of oblast state administrations make sure that grain storage and processing facilities are ready to receive this year's grain as a matter of urgency.

In addition, the Ministry of Agrarian Policy, Ministry of Finance and National Bank of Ukraine are instructed to find ways to increase lending of agriculture enterprises for the period of harvesting and autumn field works in the current year.

Source: UNIAN-AGRO; 22.07.2010

Investments in the Ukrainian agri-industrial sector will total UAH 60 billion in 2010. According to Mykola Prysiashnyuk, the Minister of Agrarian Policy, 2010 investments in fixed assets will be comparable with those of 2009 and equal some UAH 20 billion.

"Direct foreign investment will reach UAH 20 billion plus some UAH 30 billion will be raised through IPO", told the Minister. He added that "the total 2010 investments will be rather substantial – nearly UAH 60 billion. Patterns of investments in the agri-industrial sector is quite satisfactory".

At the same time, the Minister told that according to estimates of Ukrainian and international analysts, the current need of the Ukrainian agri-industrial sector in investment is roughly \$20 billion. "I do realize that the Government is not able to allocate such huge amount to the agri-industrial sector", told Mr. Prysiashnyuk. He stressed that a trend toward increase of investments in agriculture was observed in the first half of 2010.

Source: [www.epravda.com.ua](http://www.epravda.com.ua); 26.07.2010

The Minister of Agrarian Policy, Mykola Prysiashnyuk, admits that prices for bread from this year's grain may rise. According to UNIAN news agency, he told about a possible price increase at the press conference in Zhytomyr.

"The price for bread remains a hot issue in Ukraine. On the one hand, we like that prices for grain go up but on the other hand we are aware that there are grain producers and processing industry – bread producers – which will not be able to keep prices for bread at a low level in a situation where prices for grain has risen, pointed out Mr. Prysiashnyuk. " The Ministry of Agrarian Policy is responsible primarily for the production output, quality of land cultivation, crop rotation and soil fertility whereas the Ministry of Economy is responsible for pricing policies" According to Mr. Prysiashnyuk he did his best to convince members of the Government that grain should be sold for the highest price possible so that grain producers have sufficient floating funds and are competitive.

The Minister believes that the Ministry of Economy and Ministry of Social Protection should come up with some mechanisms to protect the most needy. He also promised to the Government that grain interventions would be made with help of the Agrarian Fund for the purpose of retaining prices for bread.

The Minister reminded that each region should create its own grain fund in order to stabilize prices for bread.

Source: UNIAN; 28.07.2010

## ▪ **Rural Development**

### ANNOUNCEMENT

An organic product fair will be conducted as part of the Authentic Carpathian Cuisine Festival "Smachny Spas" in Spas Village, Ivano-Frankivsk Oblast on August 21-22.

The event is sponsored by the Culture and Tourism Department of Kolomiya Raion State Administration, joint Swiss-Ukrainian Project "Certification in the Organic Sector and Development of the Organic Produce Market in Ukraine", the Research Institute for Organic Farming, and the "Pure Flora" Association.

Source: [www.fibl.org](http://www.fibl.org); 22.07.2010

The moratorium on selling agriculture land may be lifted by the year of 2012, said Irina Akimova, the First Deputy Head of the Presidential Administration, at the press conference.

Irina Akimova mentioned two bills – "On the Land Market" and "On State Land Cadastre" – which are being drafted now and will be submitted to the Parliament soon. If the Parliament passes these laws in autumn, the moratorium will be lifted effective January 01, 2012. "We are planning to lift the moratorium in early 2010. I strongly believe that we should speed up this process and bring the effective day closer", added Ms. Akimova.

Source: RBK-Ukraine; 23.07.2010