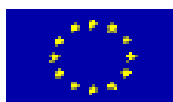




Ministry of Agrarian Policy of Ukraine



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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 August 26, 2010 and September 01, 2010

### ▪ WTO and ENP Frameworks

The Cabinet of Ministers of Ukraine authorized Mr. Andriy Vyshnevsky, the Deputy Director of the Public Service Department, to sign the Memorandum of Understanding between the Government of Ukraine and European Commission concerning a framework document on a comprehensive institutional development programme, said Instruction of the Cabinet of Ministers # 1653-p dated August 25, 2010.

Source: RBK-Ukraine, 26.08.2010

The Ukrainian delegation headed by Minister of Industrial Policy Dmytry Kolesnikov took part in the Fourth joint meeting of the Ukrainian-Brazil Intergovernmental Commission on trade and economic cooperation which was held in the Federative Republic of Brazil on August 26-27, 2010.

Sitting of a number of task force were conducted as part of the Commission meeting including the agriculture task force. Based on the Commission meeting outcomes, the parties signed Minutes IV of the joint meeting of the Commission which recorded attained agreements on major areas of Ukrainian-Brazilian trade and economic cooperation.

The parties emphasized the importance of activities of the Joint Intergovernmental Commission as an effective tool of implementing existing bilateral agreements and identifying priority areas of further development of cooperation between two countries.

Source: Press Service of the Economy Ministry, 31.08.2010

The Ministry of Agrarian Policy of Ukraine is planning to present reforms in the agrarian sector in the European Parliament in October, said Minister of Agrarian Policy Mykola Prysiashnyuk at the press conference in Vinnitsya on August 30<sup>th</sup>. Mr. Prysiashnyuk believes that this will attract more investments in the agri-industrial sector. "Our task is to utilize investments properly so that Ukraine becomes a fully-pledged player at the global market", noted the Minister.

According to the Minister, the agrarian reform programme may be approved as early as in 1.5 month time.

Source: UNIAN, 31.08.2010

### ▪ Food Safety

During seven months of 2010, specialist of the genetic laboratory of the state enterprise "Ivano-Frankivskstandartometrolohiya" took over 600 tests of samples of food raw materials and food products.

GMOs were found in 30 samples (five percent). Most frequently GMOs were found in sausages, frozen semi-finished products (ground meat, pelmeni), pâté, mixed fodder.

Source: State Committee of Ukraine on Technical Regulation and Consumer Policy; 26.08.2010

According to existing agreements, Rosselkhozadzor (the Russian supervisory authority in the food safety area) will carry out a joint inspection of Ukrainian enterprises producing animal products including dairy, red meat, port and poultry products.

It has been preliminary agreed that the inspection will cover some 20 Ukrainian enterprises in Vinnitsa, Volyn, Donetsk, Kyiv, Odesa, Poltava and Chernihiv oblasts.

As it was reported earlier, Russian experts inspected 11 Ukrainian dairy and meat producers in May. The Federal Veterinary of Phytosanitary Supervisory Authority enforced temporary limitations on importing products of six Ukrainian producers to Russia effective June 22, 2010. Effective July 01, 2010, the Russian party removed temporary limitation on importing all animal products to Russia including live poultry, incubator eggs, poultry meat, poultry fodder additives which were enforced in late 2005.

Source: <http://www.vet.gov.ua/>, 27.08.2010

The test did by the TEST Centre revealed E.coli in sausages of some popular brands.

According to UNIAN News Agency, this was discussed at the press conference devoted to comparative testing of sausages and chesses of various brands. Two types of sausages were selected for testing. Eight brands of "Doctor's sausage" were tested. GMOs were not found in any sample. The actual fat content in many samples differed from that specified on the wrapping. The test showed that minced meat is the major ingredient of boiled sausage. Soya and starch were found in small quantities except for Idex sausage in which the soya content was 1.6 percent. E.coli was found in sausages of four producers: Alan, Druzhba Narodiv, Polis, and Horeca Select.

Besides, Braunschweig sausage of nine brands was tested. Only three ingredients – meat, fat and spices – were found in eight samples. KAMO sausage contained 5.6 percent of starch. E.coli was found in Shchyry Kum sausage.

Source: [www.unian.net](http://www.unian.net), 27.08.2010

Minister of Agrarian Policy Mykola Prysiashnyuk stated that Ukraine was planning to revise national milk standards on one of Vinnitsa TV channels.

"We will introduce two standards in parallel. Both will be in existence for some time, three of four years. It is a producer who will choose how to work – by high or low standards", told the Minister. He added that Ukrainian standards are low: the Ukrainian first grade is the second grade in Russia and the third or fourth grade in Europe.

Source: <http://economics.unian.net>, 30.08.2010

## ▪ **Market Infrastructure**

Ukraine began supplying sunflower oil to China, said Stepan Kapshuk, the Director General of UkrOliyaProm Association said to a correspondent of RBK-Ukraine News Agency. According to Mr. Kapshuk, Ukraine has already supplied to China 35,000 tons of sunflower oil. Mr. Kapshuk noted that Chinese partners had made a thorough market research prior to signing contracts for oil supply. "They were looking closely for one year. Today, a work is underway to increase supplies of sunflower oil to China." Reportedly, Ukraine exports sunflower oil to 65 countries, thus being a major exporter of this product at international markets.

The 2010 yield of sunflower in Ukraine is projected at some 6,400,000 tons.

Source: RBK-Ukraine, 26.08.2010

There is a plan to register the Agrarian Insurance Bureau of Ukraine, Alexander Zavada, the President of the Ukrainian Insurance Federation, said to journalists. According to Mr. Zavada, such a structure will help consolidate efforts of insurers, government agencies and agriculture producers aimed at ensuring normal operation of the agriculture produce insurance market.

13 insurers were invited to establish the Agrarian Insurance Bureaus of Ukraine, namely, Aska, BrockBusiness, European Insurance Alliance, Etalon, Ingo, Unika, Oranta, Oranta-Sich, Providna, TAS, Ukrainian Agrarian Insurance Company, Universal, UPSK. Potential founders were selected based on the information in the questionnaire form developed by MFK, UFU and other insurance market players. The coordination council of the Bureau will include representatives or the Ministry of Agrarian Policy, State Commission on Regulation of Financial Services Markets, agriculture producers and insurers.

Every year, new insurance products will be developed based on information in a database to be maintained by the newly created Bureau. The database will also serve a basis for actuarial calculations and setting rates of insurance premia. "Once the Coordination Council of the Bureau and the Ministry of Agrarian Policy have approved rates and products, a five year national program will be developed and approved, required funds will be allocated in the state budget for a respective year, and the Bureaus and MAP will enter into agreement. And only then the insurance process will begin. It is unlikely that it will begin before 2012", said the President of the Ukrainian Insurance Federation.

Source: RBK-Ukraine, 30.08.2010

The Agrarian Fund suspended procurement of grain because of high prices for grain, said Vice Prime Minister on Agriculture Victor Slauta at a workshop devoted to the agrarian-and-industrial sector.

According to Mr. Slauta, the Agrarian Fund must operate under forward and futures contracts and procure commodities on pledge. In such a way, agriculture producers will be able to raise funds needed for sowing campaigns.

Source: APK-Inform, 31.08.2010

## ▪ **Rural Development**

Minister of Agrarian Policy Mykola Prysiashnyuk stated that his Ministry initiated an increase in funding of rural communities at the press conference during this working visit to Vinnitsa. "Today in rural areas, a village mayor is both mother and father. This need to be understood. They must be granted proper authorities. We put forward a proposal to the Ministry of Finance, first, to differentiate a payroll tax in the agriculture sector so that the current level of official wages could be raised and, second, to leave a part of this tax at the disposal of village mayors", told the Minister. Mr. Prysiashnyuk is convinced that implementation of this initiative will further rural communities through economic stimuli. "Today, the agrarian sector too much to the Consolidated budget – some UH 35 billion. I am convinced the rural communities should receive some of this funds and use them for rural development purposes", added the Minister.

Source: <http://economics.unian.net>, 30.08.2010

By its Decree # 749 dated August 18, 2010, which was drafted and submitted by the State Committee of Ukraine on Land Resources, the Cabinet of Ministers approved the Temporary Regulation on assigning the cadastre number to a land plot. The Decree shall come into force simultaneously with Cabinet of Ministers Decree # 1021 dated September 09, 2009 "On approving procedures for maintaining the Land Book and Book of records of state registration of titles to land plots and land lease agreements".

The said Temporary Regulation defines the procedure for assigning the cadastre number to a land plot and entering relevant date to the state land register.

Source: [www.agroua.net](http://www.agroua.net), 31.08.2010