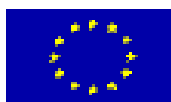




Ministry of Agrarian Policy of Ukraine



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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 September 02, 2010 and September 08, 2010

▪ WTO and ENP Frameworks

Ukrainian Foreign Minister Kostiantyn Hryshchenko met with Jonathan Canliff, the Advisor to the British Prime Minister on European and Global Affairs. The discussion focused on a need to deepen the bilateral political dialogue at the highest level.

Besides, the parties discussed a number of issues associated with Ukraine's European integration, specifically, a possibility that the Great Britain will support whose aspects of the negotiation on the Association Agreement which are of paramount importance for Ukraine. In this regard, Mr. Hryshchenko emphasized the importance of Ukraine's European aspirations and an access to EU markets as part of a comprehensive free trade area.

Source: www.mfa.gov.ua, 06.09.2010

The Ukrainian Convention Hall hosted the presentation of the National Report "Millennium Development Goals. Ukraine-2010" which was prepared by Ukraine Economy Ministry and UNDP for the UN Summit at the 65th Session of the UN General Assembly that will be held in UN Headquarters in late September 2010.

Overall, more that 100 representatives of government and research institutions, UN agencies, international and non-government organizations etc were involved in preparation of the National Report. Anatoly Maksiyuta, the First Deputy Minister of Economy, presented results of joint efforts. In his speech, Mr. Maksiyuta identified seven major goals of Ukraine's development through the year of 2015. Deputy Economy Minister Iryna Kriuchkova summarized achievements of ten year activities in attaining the said goals and hindrances precluding Ukraine from rapid development and identified major problems faced by Ukraine at the current stage of attaining the Millennium Development Goals and possible solutions.

Source: Press Service of the Ministry of Agrarian Policy; 03.09.2010

▪ Food Safety

From June through August 2010, Inspectors of the State Committee of Ukraine on Technical Regulation and Consumer Policy checked some 230.481 dal of bottled drinking and mineral water and soft drinks totalling UAH 3,111,000 at the production stage. 28 percent of this produce totalling UAH 1,301,000 was rejected because of incompliance with existing regulations. UNIAN received this news from the Committee Press Service. Violations were revealed at 116 out of 183 enterprises that were inspected.

Source: <http://economics.unian.net>, 03.09.2010

In August 2010, state supervisory inspectors of the state enterprise "LvivStandardMetrology" checked 4.6 tons of bakery products totaling UAH 15,707. 1,659 kg of this produce totaling over UAH 7,000 (36 percent) was rejected because of incompliance with the effective regulations. Beside that, 699 kg of macaroni products totaling UAH 2,610 was inspected. Not all the produce complied with exiting regulatory requirements.

Five producers of bakery and macaroni products in Lviv oblast were inspected. Violations were detected at four of them. The violations were caused by insufficient control over technological compliance, unsatisfactory condition of normative and technical documentation, poor preparation of production facilities, and violations of the Law of Ukraine "On Metrology and Metrological Activities".

Source: The State Committee of Ukraine on Technical Regulation and Consumer Policy; 02.09.2010

Ukrainian producers of sunflower oil and juice are against cancellation of mandatory certification of food products, said managers of UkrOliyaProm and Ukrainian Union of Juice Producers associations at the extended workshop that was held at the State Committee on Technical Regulation and Consumer Policy on September 07, 2010.

Serhiy Cherepkov, a representative of the Ukrainian Union of Juice Producers, told that "if a producer wants to present its product at the market, in particular, the EU market, it must certify this product. This is first and foremost condition".

"Certification is, first of all, the compliance of food products with safety rules. People want to see certified products on shop shelves. They look for relevant marks on product packing and trust only in certified products", emphasized Mr. Cherepkov. According to him, international corporations are currently lobbying their interests in Ukraine seeking for cancellation of mandatory certification. Their goal is quite clear.

According to Tetiana Bevziuk, the Deputy Chairman of UkrOliyaProm, today, Ukrainian oil is being sold in 80 countries. "Our producers are subject to certification because we are to ensure consumers in good quality of our produce. As we are confident in our produce, wer are not afraid of certification", she added. In so doing, Ms. Bevziuk expressed a concern that cancellation of mandatory certification of food products in Ukraine would not lead to similar actions on the part of EU member countries.

Source: The State Committee of Ukraine on Technical Regulation and Consumer Policy; 07.09.20100

▪ **Market Infrastructure**

In 2009/2010 marketing year which ended on the 1st of September, Ukraine supplied 2.5 million tons of sunflower oil at international markets. This accounts for 60 percent of the global export and over 80 percent of sunflower oil produced by Ukrainian enterprises (2.9 million tons).

"Ukrainian sunflower oil was exported to 64 countries. This year we entered the Chinese market", tells Stepan Kapshuk, the Director General of UkrOliyaProm. Our major buyers in the ended year were India, Egypt, Algeria and EU member countries.

Having exported 2.5 million tons of oil, Ukraine left behind its major competitor – Argentina and Russia, whose share of the market were 19 percent and 11 percent, respectively.

Source: www.agroua.net, 06.09.2010

According to the Analytical Department of the Ukrainian Agrarian Confederation, importing buckwheat in Ukraine on standard terms and conditions, which is currently being discussed by the Government, will not greatly affect prices despite the existing 20 percent import duty on buckwheat.

"However, if buckwheat is imported through the Agrarian Fund on concessional terms (like in the situation with sugar) i.e. without imposition of import duty and VAT, Ukrainian producers may incur losses", experts of the Ukrainian Agrarian Confederation say. They believe that "such import, particularly during the period of large scale sales of buckwheat, will cause an artificial decrease in prices for this crop and lessen the interest of Ukrainian agriculture producers in growing this crop in the future".

In his opening address at the September 2 sitting of the Government, Prime Minister Mykola Azarov promised to purchase buckwheat at international markets should it be needed to stabilize prices in Ukraine.

Source: RBK-Ukraine, 07.09.2010

At its sitting, the Parliamentary Committee on Agrarian Policy and Land Relationships rejected bills on imposing moratorium on grain export in Ukraine. This news was communicated by the Ukrainian Agrarian Confederation (UAC). Director General of UAC Serhiy Stoyanov, who took part in the Committee sitting, proposed to reject the said bills as those "contradicting the spirit of the Ukrainian Constitution and Laws "On Entrepreneurship", "On Grain and Grain Market in Ukraine" and other laws". S. Stoyanov also added that the said bills "contradict interests of agriculture producers and other grain market participants".

At the moment, Bill # 7061 dated August 30, 2010 "On Amending the Law of Ukraine 'On Grain and Grain Market in Ukraine' (with regard to satisfying country's need in grain) drafted by Members of the Parliament P. Symonenko and O. Tkachenko is sitting in the Parliament of Ukraine. It envisages imposing the moratorium on grain export through January 01, 2011.

Source: BIZ.liga.net, 08.09.2010

▪ **Rural Development**

The traditional annual folklore festival "Autumn Fair" was conducted at the National Museum of People's Architecture and Everyday Life "Pyrohiv" on September 4-5, 2010. The Festival hosted over 500 participants from all parts of Ukraine.

During two days, visitors were exposed to products of famous potters from Opishnia, Vasytkiv, Kosiv, Volyn; embroiders from Reshetylivka, Bohuslav; carvers from Chernihiv and Ivano-Frankivska oblasts; weavers making their products from willow, straw, pine roots. Craftsmen from Poltava, Kyiv, Luhansk and Dnipropetrovsk oblasts also exhibited their products.

Source: Gazeta.ua, 06.09.2010