

 <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

9 - 15 September 2010

WTO and Neighbourhood Policy

13 to 19 September study tour to England for MAP representatives will take place as part of the project "Implementation of Ukraine's Commitments under WTO and ENP Frameworks in the Rural Sector» EuropeAid/126205/C/SER/UA. The purpose of the study tour is to familiarize Ukrainian experts with decision and policy making processes in the agricultural and rural sectors in Department for Environment, Food and Rural Affairs (DEFRA); frameworks for analysis, elaboration and implementation of rural development programs; organizations involved in these processes, program management and monitoring systems and impact of such policy on economical development of rural areas in Britain.

Training will take place in DEFRA, the University of Exeter and South West Regional Development Agency (Bristol City).

The representative of Ukraine to the EU Konstyantyn Eliseev presented his credentials to the President of European Council Herman Van Rompuy, the press service of the Ministry of Foreign Affairs of Ukraine said. During the meeting, Mr. Rompuy expressed readiness to promote Ukraine's gradual move towards the EU and resolve urgent issues pending on the agenda of Ukraine-EU relations while preparing for the summit in Brussels.

Both parties paid special attention to the issue of further liberalization of visa regime for Ukrainian citizens and accelerated process of negotiations on Association Agreement between Ukraine and the EU. Mr. Yeliseyev informed Mr. Rompuy on the current political and economic processes in Ukraine confirming that European integration policy remains to be national development priority.

The European Council President noted that he awaits with interest the next meeting with Ukraine's President Viktor Yanukovich which will soon be held in Brussels

RBC-Ukraine, 09.09.2010

September 9, 2010 First Deputy Minister of Economy of Ukraine Anatoliy Maksyuta and Director of the Federal Ministry of Economic Cooperation and Development Fridel Eggelmeier signed Proptocol to renew the bilateral Ukrainian-German cooperation for economic development between the Ministry of Economy of Ukraine and the Federal Ministry for Economic Cooperation and Development, Federal Republic of Germany in 2010.

The Protocol envisages that the Federal Republic of Germany will already in this year allocate to Ukraine 21 million euros for implementation of Ukrainian-German technical and financial cooperation projects in such areas as sustainable economic development, investment promotion, support of small and medium businesses, energy etc..

Germany not only takes first place among Western European countries in terms of foreign trade turnover with Ukraine, but also is one of its main partners in technical and financial cooperation. Total volume of German technical assistance to Ukraine amounted to more than \$ 65 million

over the past ten years.

Press Service of the Ministry of Economy, 10/09/2010

▪ **Food Safety**

Rivne tax police confiscated nearly half a ton of health threatening cheese which was produced by three private Rivne cheese companies manually in caldrons in non-compliance with sanitary standards and using raw materials of dubious origin stored under unsanitary conditions.

1 million USD worth of equipment and the dubious dairy products have been confiscated. The total number of persons involved in illegal cooperation with these businessmen exceeded one hundred people. Subsequent criminal investigation was launched.

Ruslan Plyushch, Deputy Head of Tax Police made the following comments: "Numerous cases of minimizing tax liabilities have been revealed. Dozens of people employed at these enterprises were receiving untaxed salaries in envelopes. In addition, raw milk was processed with the use of out of date equipment kept in completely unsanitary conditions. The waste was being disgorged to the nearby ponds without undergoing purification and filtration.

www.mail.ru, 09.09.2010

Ukrainian People's Deputies developed a draft law which provides for removal of differences between laws on information requirements for food products by amending Article 15 of the Law of Ukraine "On protection of consumers' rights" N7093. The elaborators of the document believe it will remove differences between the Law of Ukraine "On protection of consumers' rights" and the Law of Ukraine "On food safety and quality" concerning information requirements for food products.

According to the draft law information requirements for food and food labelling shall be set out by the Law of Ukraine "On food safety and quality", which intends to regulate relations between food authorities, manufacturers and consumers of food and determine the legal procedure to ensure safety and quality of food products that are being put in circulation, imported or exported.

LigaBusinessInform, 09/09/2010

Police began actively inspect farms that grow, process and sell pork products. Head of Veterinary Police Department of the Ministry of Internal Affairs Sergiy Oksyuta said that his Department checked 20,000 enterprises and seized 300 tons of suspicious meat. Such measures are being taken due to African swine fever that is intimidating the North Caucasus for the third year in a row and recently has come close to Ukraine.

The last case of swine fever that has been found by Russian veterinarians was in Rostov oblast, only 7 kilometres from the Ukrainian border. Our neighbours are alarmed by the fact that the disease can infect millions of pigs if not stopped, causing some 1 milliard worth of damage.

"We have ceased growing pigs after we learned about the virus. It is safer that way", Elena Berezina, resident of Novostriltsivka, Luhansk oblast, a village close to Russian border, says. This dangerous disease is being transmitted instantly and is almost incurable. The only way out is to make pig farmers raise their animals in isolation from wild boars, since the latter are the main carriers of the infection.

www.agroua.net, 10.09.2010

▪ **Market Infrastructure**

Ukrainian Government decided to establish state enterprise "Ukrainian State Food & Grain Corporation" and subordinate it to the Ministry of Agrarian Policy.

MAP shall also manage the rights of the State in "Bread of Ukraine", whose 36 subsidiaries shall be liquidated. The charter capital of Ukrainian State Food & Grain Corporation will be formed through transfer of property of liquidated subsidiaries, which will become divisions of the USFGC.

The state operator will receive 36 elevators and bread producing enterprises, including Odessa and Mykolayiv port elevators.

MAP has been instructed to approve the Corporation's charter within a month, providing the Cabinet with the right to appoint and dismiss its director, whose candidature MAP shall submit.

AIC-Inform, 09/09/2010

The first group of wholesale markets is planned to be put into operation in July-August 2011, Agrarian Policy Minister Mykola Prysyzhnyuk said.

According to the Minister, at current stage plots of land for construction of such markets are being prepared. "The first five markets are to be opened in Kyiv, Donetsk, Kherson, Kharkiv and Lviv, where the wholesale market is already operating. The contest application are already being submitted to MAP and I am convinced that first 3-4 markets will start to operate July-August next year ", he said. These will be private markets, provided however with tax incentives, engineering and communications according to the Law "On wholesale markets".

RBC-Ukraine, 09.09.2010

September 7, 2010 at the initiative of the State Committee of Ukraine for Technical Regulation and Consumer Policy an expanded meeting was held to take away several items from the list of products subject to mandatory certification in Ukraine, including food products. The event was attended by representatives of European Business Association (EBA), International Finance Corporation, ministries and departments and heads of producers associations: UkrConfectioner, National Dairy Association, UkrMilkProm, UkrOilProm, Juice Producers Union.

Julia Tkachenko, coordinator of EBA committee underlined in her speech that Ukraine took the commitment to cancel food certification when entering the WTO. She also reminded that in December 2009 the Government has cancelled the decree of the State Committee of Ukraine for Technical Regulation and Consumer Policy from 01.02.2005 "On approval of list of products subject to mandatory certification" concerning 17 groups of food products. EBA representative also stressed that European manufacturers asked Deputy Prime Minister Sergei Tigipko to assist in cancelling the certification.

According to representatives of national producers' associations, it is still too soon to cancel the mandatory certification of food products, satisfying this way the request of international corporations. It will lead to negative consequences: decrease in quality products, increase in imports of dangerous foodstuffs, creating conditions for hidden production.

State Committee of Ukraine for Technical Regulation and Consumer Policy, 10.09.2010

Deputy Director General of Ukrainian Agrarian Confederation (UAC) Olexander Yaroslavskij said that potato panic is caused by the fact that the deficit of this product is being observed in southern and eastern regions. However, he assured that potato panic will soon be relieved, since "big amounts of potato are now being imported to these regions from the West, Centre and North of Ukraine.

In addition, according to UAC forecast, potato will not become more expensive, since its total harvest will be around 17.5 million tons with the price fluctuating between 3,5-4 UAH.

It should be noted that 95% of potatoes are being grown in private households. "Due to lack of money and need for quick profits, small farmers will not wait for potato to become more expensive and start to sell it at reasonable price", Yaroslavskij said. Although this year's volume of potato production has increased by 20%, the advanced European technologies can not be applied across the country since potato plantations are being scattered among individual growers. Reference: As of September 1, 2010, 11 million 218 thousand tons of potatoes have been

harvested in Ukraine, with highest yields being in Vinnitsa, Kiev and Zhitomir oblasts (more than a million tons), smallest in Chernivtsi and Rivne oblasts.

UAC, 09/10/2010

According to official sources, the Philippines recently refused from previously purchased 123 thousand tons of wheat from the Black Sea region, including 60 thousand tons from Ukraine, with delivery being scheduled for November, and another 63 tons from Russia, with delivery being scheduled for October. The importer substantiated its position by alluding to overinflated prices on the world market and the possibility to substitute imported wheat by local corn.

APK-Inform, 09/14/2010

The price of dairy products in Ukraine will increase by 10-15% by the end of the year, the chairman of Milk Producers' Union Vadym Chaharovskij said.

"The price of dairy products is growing, and I think that by the end of the year it will increase by 10-15%", he said.

According to the expert, one is used to emphasise the shortage of raw milk in autumn-winter period, which leads to higher prices for dairy products.

In some regions of Ukraine the price of milk when purchased at households has reached UAH 3 per litre and when purchased at milk farms UAH 4.3 per litre almost reaching the level of prices in the EU.

The expert noted that the shortage of raw milk makes milk processing companies to import it from other countries. "The growth in imports of raw milk, including butter and dry skimmed milk, is being emphasised", he added.

LigaBusinessInform, 15/09/2010

▪ **Rural Development**

"Special tax treatment in the agricultural sector, which saves farmers 11.2 billion UAH annually will continue", Ukrainian Vice-Premier Viktor Slauta said.

"We will not cancel special tax treatment and fixed agricultural tax", he said at the investment forum organized by Kiev Oblast State Administration.

Slauta said that fixed agricultural tax also saves farmers a lot of money. According to him, only UAH 129-140 million will be collected under this tax, whereas if it has not been applied the farmers would have to pay some UAH 3 billions of taxes.

Interfax-Ukraine, 10.09.2010