

 <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

16-22 September 2010

WTO and Neighbourhood Policy

September, 20, the official visit of Ukrainian Minister of Agrarian Policy Mykola Prisyazhnyuk to the U.S has begun. Meetings with the U.S. Secretary of Agriculture Tom Vilsack and his deputy Kathleen Marrighan and other officials are scheduled to be held during the visit. Meetings with the head of Grain Council Tom Dore, the President of US-Ukrainian Business Council Morgan Williams and members of the Bioenergy and Sustainable Development Centre are envisaged.

MAP Press Service, 20.09.2010

Meeting of the Steering Committee on Implementation of Council of Europe Action Plan for Ukraine for 2008 – 2011 took place. Deputy Foreign Minister of Ukraine Oleksandr Gorin opened the meeting by underlining the importance of active cooperation between Ukraine and the European Council and further involvement of Council of Europe experts to accelerate the process of harmonization of Ukrainian legislation and approximate practices of its application to European standards.

In particular, he stressed that further activities of projects within the Action Plan should be viewed through the prism of their relevance to priority needs identified by Ukrainian President and Government and in the context of preparing Ukraine for the Presidency of the Committee of Ministers of the Council of Europe (May - November 2011).

The process of implementation of CE Action Plan for Ukraine during the period of July 2009- July 2010 and possible new priorities of the Council of Europe Action Plan for 2011 - 2014 were discussed at the meeting.

www.mfa.gov.ua, 17.09.2010

September 13-19, study tour to England for MAP experts was held as part of the project "Implementation of Ukraine's Commitments under WTO and ENP Frameworks in the Rural Sector» EuropeAid/126205/C/SER/UA.

MAP experts familiarized themselves with decision and policy making processes in the agricultural and rural sectors in Department for Environment, Food and Rural Affairs (DEFRA); the system of analysis, elaboration and implementation of rural development programs (University of Exeter) and organizations involved in these processes (South-West Regional Development Agency and English Nature), program management and monitoring systems and impact of such policy on economical development of rural areas in Britain.

September 14-22, study tour for representatives of State Committee of Veterinary Medicine was held as part of the "Implementation of Ukraine's Commitments under WTO and ENP Frameworks in the Rural Sector» EuropeAid/126205/C/SER/UA. The aim of the study tour was to better familiarize Ukrainian experts with the food safety system of the United Kingdom of

Great Britain and Northern Ireland.

The participants of the study tour have familiarized themselves with the way the Veterinary Service of the United Kingdom of Great Britain and Northern Ireland is operating which was in the context of Ukraine's commitments under WTO and the European Neighbourhood Policy Framework.

Food Safety

The quality of Ukrainian maize is not worse than the quality of maize imported to Egypt from the U.S, Ukrainian company Nibulon said.

September, 15 this year negotiations between Nibulon and Cairo ZA, the leading Egyptian maize importer, took place.

"This year the quality of maize delivered by Nibulon to the Egyptian market, can compete with American products", the press service said.

The sides discussed prospects of future cooperation and summarized the work that has been carried out before. According to the press service, since January 2009 Cairo ZA has imported about 2 million tons of Ukrainian maize. "Nibulon accounts for 20% of total annual imports (6 million tons) carried out by Cairo ZA ", the press service said.

<http://economics.unian.net/>, 17.09.2010

September 20-24, 24th Conference and the OIE Regional Commission for Europe will take place in Astana (Kazakhstan). The leadership of State Committee of Veterinary Medicine is going to participate in it. The purpose of the event is to discuss epizootic situation in member countries in the first semester of 2010.

www.vet.gov.ua, 19.09.2010

Market Infrastructure

Experts expect agri-holdings to dominate in Ukrainian agriculture in the near future. "Large agri-holdings have access to capital, new technologies, research data in each segment of agriculture (agronomy, veterinary science, ecology, economics, management, etc.). Considering performance indicators there is no alternative to agricultural holdings today and in the short term perspective", the president of the Association "Ukrainian Agrarian Business Club" (UABC) Alex Lissitsa said.

The investment climate will also contribute to the development of agri-holdings in 2011. "We expect significant investments into the agricultural sector of Ukraine, which will amount according to our estimates to some 5 billion U.S. dollars by 2012 ", Lissitsa said.

www.agroua.net, 18.09.2010

The total output of agricultural production during 8 months of 2010 decreased by 4.1%, compared with the corresponding period last year, including output of agricultural enterprises decreased by 9% and that of small households - by 0.3%, the State Statistics Committee of Ukraine said.

Total crop production during the period of January-August 2010 decreased by 10% compared with the corresponding period last year, including crop production on agricultural enterprises down by 21,6% and that of small households remained at the same level.

The livestock output increased by 3.1%, compared with the corresponding period last year, including livestock output on agricultural enterprises increased by 8.3% and that of small households fell by 0.6%.

RBC-Ukraine, 17.09.2010

Livestock production will be the priority direction of state support in 2011, Vice Prime Minister Viktor Slauta said during his working visit to Kharkiv. 940 million UAH will be allocated from the State Budget in 2011 to support the livestock sector. "We already have the pig sector properly operating and Ukrainian poultry is even being exported. Therefore, emphasis in 2011 will be given to cattle", Vice Prime Minister said.

He also said that in 2011 there will be established subsidies to farmers growing sugar beet, flax and other strategic agricultural crops. "We must fill up the State Reserve next year so, that the Government will be able to influence price mechanism", Victor Slauta said.

UkrInform, 09/17/2010

Experts expect the hard cheese consumption in Ukraine to fall by approximately 20% by the end of the year. "We expect that the reduction in hard cheese consumption will reduce by 20%", the external relations manager of Shostka City Milk Plant Natalia Fesyun said. The expert noted that the drop in cheese consumption was also observed last year. "A lot of consumers have in their diet substituted hard cheese with processed cheese", Fesyun said. According to her, demand in cheese consumption has shifted towards cheaper brands.

According to "InfAgri" director Vasil Vintonyak, Ukrainian market of rennet containing cheese amounted to 128 thousand tons in 2009.

RBC-Ukraine, 16.09.2010

The Government plans to ban imports of customer-furnished raw materials to Ukraine, Vice-Premier Boris Kolesnikov said at the briefing.

"Imports of customer-furnished raw materials will be completely prohibited. Such materials are firstly being imported, than processed with no taxes being deducted and subsequently exported. This does not make any sense. There is no economic benefit to Ukraine to import customer-furnished raw materials. We have already seen how meat had been imported and cooked sausage subsequently produced", Boris Kolesnikov said. He also noted that relevant prohibition will be foreseen in revisions to the Customs Code

RBC-Ukraine, 17.09.2010

ANNOUNCEMENT

September 25, the first Fair of organic products "Organic Wonder Land" will take place in Kiev, one of its organizers, chairman of the Association of Producers of Organic Products "BIOLan Ukraine" Vasyl Pyndus, announced at the press conference.

According to him, similar fair has been held in Lviv in 2009, while Kyiv will host such a Fair for the first time. More than 25 producers of organic products from eight regions of Ukraine are going to participate in the event.

Workshops, children's entertainment, organic food tasting are foreseen in its programme. Folk groups, including "Bozic", are being expected to take part in the Fair.

<http://economics.unian.net/>, 16.09.2010

Ukrainian Government has allocated 955 million 298.6 thousand UAH from the Stabilization Fund to the Ministry of Agricultural Policy for reducing loan rates, funding of investment projects and national and state targeted programs in the agricultural sector and providing resources to agricultural budget funded entities, the Cabinet decree № 1833-r from September 15, 2010 reads.

RBC-Ukraine, 16.09.2010

Experts fear new system of providing subsidies to raw milk producers may significantly harm dairy industry. "Any system of subsidies will be effective provided the governance system is effective, whereas In Ukraine it is extremely difficult to ensure transparency and efficiency during allocation of subsidies to milk producers and farmers, if the proposed funding system

comes into force ", Anna Derevianko, executive director of the European Business Association said.

According to EBA experts, such concerns arise due to the fact that the latest draft Tax Code does not envisage state support for the dairy sector. The draft Tax Code does not fix the existing subsidy system, the experts say. "If Ukrainian producers will lose this support, the whole dairy sector will become uncompetitive", General Manager of Danone Ukraine Dario Marchetti said.

LigaBusinessInform, 20/09/2010

▪ **Rural Development**

Ukrainian State Committee for Land Resources proposes to create the State-owned Land Fund, its press service said.

According to the report, the State Committee has developed draft Law of Ukraine On management of state-owned lands and submitted it to ministries and agencies to be agreed upon pursuant to protocol of the meeting dedicated to the issues related to control over the use and alienation of Defence land and other state-owned lands which was held under the chairmanship of Deputy Prime Minister Volodymyr Syvkovych July 14, 2010.

The main purpose of the draft is to increase the efficiency of state-owned land management and ensure their efficient and effective use, improve the way the land is being used by governmental agencies, implement state policy in the field of land relations, secure state interests in time of land and economic reforms.

<http://economics.unian.net/>, 21.09.2010

MAP intends to draft the Agricultural Code of Ukraine with the purpose to streamline all existing agricultural regulations and eliminate contradictions between them. Relevant materials have been published on the MAP site.

According to its developers, despite positive changes that have taken place in the field of legal regulation of agricultural relations, current agricultural legislation has not yet fully meet the objective needs of social development. Excessive amounts of regulations of varying legal effect, with by-laws accounting for a significant part thereof, and contradictions between different legislative acts, when regulations of lesser legal effect contradict the applicable laws or allow for ambiguous interpretation of the latter, are, in their view, among negative factors that characterize the current stage of development of Ukrainian agrarian legislation.

BIZ.liga.net, 20.09.2010