

 <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

7 -13 October 2010

WTO and Neighbourhood Policy

Ukraine's President Viktor Yanukovich believes the implementation of the abolition of import duties on certain groups of products within the implementation of the Free Trade Area (FTA) with the European Union could be stretched out for 10-15 years in order to protect interests of Ukrainian producers. While talking about the FTA negotiations with the EU, the President once again acknowledged that the issue is a difficult one. "The Europeans want the import duties to be cancelled for entire groups of products that are very sensitive for us. It is possible that we will accede, if the schedules for implementing abolition are stretched out for 10 or maybe 15 years ", Ukraine's President said. Meanwhile, Viktor Yanukovich noted that the FTA with the EU, whose market comprises some 500 million consumers, is surely necessary and beneficial for Ukraine. "But we do not want to be discriminated on these markets and today we actually are. We want to work on equal terms. And this is a very important principle for us both in terms of Ukraine's ambitions as an independent state and in terms of defending interests of national producers", he said.

www.unian.net, 09.10.2010

September 27 and October 1 negotiations on agriculture were held in Geneva in the framework of "Doha Development" round. Meetings were chaired by the head of Negotiating Group Ambassador from New Zealand David Walker.

Mr. Walker said that consultations among WTO Members will continue until the next meeting, scheduled for early December. The issue raised by Ukraine has been considered during meetings and consultations.

Ukraine wants the WTO to give the countries that have recently acceded to the WTO the right to use special protection mechanism.

<http://minagro.gov.ua>, 12.10.2010

October 13, Minister of Agrarian Policy Mykola Prysazhnyuk came to Brussels for a working visit within official delegation headed by Ukrainian Prime Minister Mykola Azarov. The minister will attend conference "From crisis to recovery in Ukraine: economy, investment, growth" conducted by Royal Institute of International Relations EGMONT.

MAP Press Service, 13/10/2010

Food Safety

The leadership of Veterinary Medicine Committee will participate in the International Conference: "Animal Health in the 21 century", which will be held October 11-13 in the Federal Republic of Germany on the Baltic island of Riems.

The conference will be attended by the heads of veterinary services from around the world, scientists, international experts.

<http://www.vet.gov.ua/>, 09.10.2010

From 12 to 22 of October experts from the Office of Food and Veterinary (FVO) of DG Health and Consumer Protection (DG SANCO) will visit Ukraine to assess the way in which veterinary drug residues and contaminants in live animals and animal products are being controlled.

Audit visits to an honey collection point, a fish breeding farm, a cheese plant, a dairy farm and a broiler farm are being scheduled.

<http://www.vet.gov.ua/>, 11.10.2010

The Russians do not want Ukrainian milk and meat. Another four companies will have to cease exports to Russia from October 16-17 due to non-compliance with veterinary and sanitary standards, as it is stated in the official decision of the Russian side. The embargo has been imposed on products from Balta milk plant Trostyanets, Vatutino and Shepetivka meat plants. Now the market situation is as follows: only 3 out of 15 meat processing enterprises and 10 out of 14 milk processing enterprises still have the right to export their products to Russia. Experts predict the ban will have little impact on the domestic market, though it can seriously afflict producers. "If enterprise's volume of exports to Russia amounted to about 20 or 30% of all products, it can reorient its production to other markets, but in case it was 50-80% the enterprise will go bankrupt", Maria Kolesnik, director of Analytical Department of consulting agency said.

<http://ubr.ua/>, 12.10.2010

Market Infrastructure

Ukrainian and Spanish companies are willing to invest at least 50 million euros in the construction of agricultural wholesale market in the suburb of Kherson, Mykola Kostyak head of the Kherson Oblast State Administration said. "There already are two companies willing to invest at least 50 million euros. As of today, they still are developing market design and elaborating their vision of it. Oblast represented by the Oblast Council will have 50% of the project. I think we will find "points of collision", he said.

The governor said that a network of agricultural logistics centres is planned to be created along with the wholesale market. He said that the creation of such an infrastructure will increase both sales and production of agricultural products in the area, including that of vegetables and melons.

APK-Inform, 07/10/2010

In September 2010 inflation amounted to 2,9%, Ukrainian State Statistics Committee said. Compared to September 2009 it amounted to 10.5% and compared to the beginning of the year - 7,4%.

In September food and soft drinks prices increased by 4,4%. Prices for eggs soared by the most (1,5 times). Vegetable prices increased by 16,8%, including cabbage prices - by 33,5%, potato prices - by 22,4%. Prices for animal fats, butter, cheese, milk products and milk increased by 8,9-5,7% and for fruits, rice, oil, meat and meat products – by 3,6-2,4%.

APK-Inform, 07/10/2010

Interagency Commission on International Trade terminated the antidumping investigation on imports of halves and quarters of domestic chickens and legs and parts thereof from the U.S. and Brazil to Ukraine. Following the provisions of Paragraph 6 of Article 5 of the Law of Ukraine "On protection of national manufacturer against dumping imports" the decision № 238/2010 / 4402-40 "On termination of anti-dumping investigation on imports of halves and quarters of domestic chickens and legs and parts thereof from the United States and the Federal Republic Brazil to Ukraine" has been taken without antidumping measures being applied.

APK-Inform, 10/11/2010

According to the European Commission, during the first 7 months of 2010 imports of poultry meat from the EU to Ukraine declined by more than 11% compared to the same period last year. Although in 2009 Ukraine had become the second largest EU poultry importer after Russia, it reduced its imports of European poultry by 11.5% to 46.5 thousand tons in January-July 2010.

According to Customs, the import of meat to Ukraine during the first 9 months of 2010 decreased by 17% compared to same period last year.

Reference: the EU countries have export subsidies for poultry meat in the amount of \$ 555 per 1 ton.

BIZ.liga.net, 12.10.2010

According to research entitled "Ukraine: milk and dairy products", which has been conducted by ProAgri, in Ukraine there is a tendency for increased dairy imports. Thus, the share of imports in total domestic production had recently been increasing each year. In 2005, for example, the share of imports was 0.82% while in 2008 it was already 1,99%.

According to milk processing businesses, shortage of raw milk in Ukraine is estimated at about 100 thousand tons per month. First of all, the market is experiencing a constant shortage of quality milk due to prevalence of private farm-producers, who can not ensure high quality of their products, resulting in unwavering dependence on imported raw milk.

Imports of cheese have not increased after Ukraine's accession to the WTO, just as experts anticipated. Growth of cheese imports did not happen due to financial crisis in Ukraine. After devaluation imported goods could not compete with domestic products even if import duties on cheese are reduced.

PROAGRI, 10/12/2010

Ukrainian dairy exports in January-August 2010 grew by 47% in value terms compared with the value of products exported in the same period last year, Ukrainian State Statistics Committee said.

Thus, \$ 405.9 million (+ 47,4%) worth of milk and dairy products have been exported to foreign markets during the first 8 months of 2010, while imports of these products to Ukraine dropped by 26.8% to \$ 75.8 million

During the same period the export of meat and food by-products increased by 42,6% to \$ 66.8 million, while imports thereof decreased by 26.8% to \$ 287 million.

LihaBiznesInform, 12/10/2010

▪ Rural Development

ANNOUNCEMENT

October 14, 2010 Ukrainian Union of Service Cooperatives Members (UUSCM) jointly with Agricultural Economics Research Institute, Ukrainian Farmers and Private Landowners Association and in partnership with Heifer Project International, Canadian International Development Agency project "Improving the Competitiveness of the Dairy Sector in Ukraine" will conduct the first Nationwide Public Hearings on establishment and development of agricultural service cooperatives in Ukraine.

Representatives of Ukrainian cooperatives, heads of regional UUSCM organizations, representatives of the Cabinet of Ministers, Verkhovna Rada, Ministry of Agrarian Policy, other central executive bodies, local authorities, agricultural NGOs, international organizations and international technical assistance projects, scientists and media have been invited to participate in the event.

Participants will discuss various aspects of the way agricultural service cooperatives are being developed and established in Ukraine, including the role of government in this process, practical problems of agricultural service cooperatives, scientific assistance to the cooperative movement, technical assistance, etc.

www.amdi.org.ua, 11.10.2010

Ukrainian Ministry of Agrarian Policy published Cabinet of Ministers' draft decree "On Amendments to Cabinet of Ministers' decree from 19 September 2007 № 1158".

In particular, the draft provides for the figure "2015" in the title of the document (State Target Programme for Ukrainian Countryside Development until 2015) to be substituted by "2020". The Ministry of Agrarian Policy has prepared this draft law following Paragraph 1.3. from minutes of the meeting of Agricultural Policy Coordinating Council at the Cabinet of Ministers of Ukraine from 27.08.10 № 7/2010.

In addition, the Ministry of Agrarian Policy proposes to amend the Law of Ukraine "On main principles of state agricultural policy until 2015." The draft has been published on the official website of the Ministry.

APK-Inform, 10/12/2010