

 <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/</i></p>		

## Overview of Latest Rural Developments

28 October – 3 November 2010

### WTO and Neighbourhood Policy

Ukrainian Prime Minister Mykola Azarov identified a list of principal issues that need to be addressed in order to create FTA between Ukraine and the European Union and presented it to EU Trade Commissioner Karel De Gucht.

First of all the list includes issues related to removal of export subsidies and access prices for agricultural commodities. "Establishment of such prices simply means that our products will become uncompetitive", Mykola Azarov said.

Ukrainian Prime stressed the need to consider the dynamics of tariff quotas and customs duties, meaning the gradual expansion of quotas and reduction of customs duties.

Mykola Azarov also said that Ukraine considers it necessary to abandon trade defence instruments in free trade.

<http://economics.unian.net/>, 28.10.2010

Meeting with agricultural expert from the Organization for Economic Cooperation and Development (OECD) Olga Melyuhina and International Integration Group Leader from UNDP Blue Ribbon Research Analytic and Advisory Centre Irina Kobuta took place in MAP.

The meeting was chaired by the Deputy Director of Foreign Economic Cooperation Department M.V. Netesa. Representatives of the following ministerial departments also took part in the meeting: Economics and State Property Management Department, Finance Department, Livestock Market Department and Agricultural Market Department.

The meeting was held as part of preparation process for regular monitoring and evaluation of biannual agricultural policy which OECD conducts in countries such as Ukraine, who are not its members. MAP representatives briefly informed the meeting participants on current state of agri-industrial development in Ukraine, areas identified as needed to be reformed, negotiations on European integration and creation of the FTA with the EU, the ways funds are being provided to the agricultural sector, measures taken to regulate domestic market and Ukraine's export potential.

OECD review of Ukrainian agricultural policy will be presented at the next Global Forum on Agriculture in Spring 2011 together with other countries reviews.

<http://minagro.gov.ua/>, 29.10.2010

Poland is ready to help Ukraine to adapt its agricultural sector to EU standards and requirements, transfer Polish experience of modernizing the agricultural sector and introducing the investment and innovation development model. The issues were discussed at the meeting of President of the Ukrainian Union of Industrialists and Entrepreneurs, co-chair of the Polish-Ukrainian Partnership Forum Anatolij Kinakh and Polish Minister of Agriculture and Rural Development Marek Sawicki, which took place October 29 in Warsaw.

The two sides discussed the areas in which cooperation in the agriculture sector between Ukraine and Poland can be boosted. Marek Sawicki noted the great potential of Ukrainian agricultural sector and significant demand for its products across world food markets.

AIC-Inform, 01/11/2010

## Food Safety

Russian Federal Service for Veterinary and Phytosanitary Supervision (Rosselkhoznadzor) asks Ukraine to provide an updated list of Ukrainian companies interested in supplying animal products to Russia, Rosselkhoznadzor said, referring to the meeting of Rosselkhoznadzor Director Sergei Dankwert with Ukrainian Minister of Agrarian Policy Mykola Prysiazhniuk and the head of Ukrainian State Committee on Veterinary Medicine Ivan Bisjuk.

According to the Russian side, Ukrainian Veterinary Service has recently withdrawn its inspection reports on Ukrainian meat and milk processing plants due to their non-compliance with Russian veterinary-sanitary requirements and standards discovered during the joint inspection conducted in September 2010.

Thus, Rosselkhoznadzor requests an updated list of Ukrainian companies interested in supplying animal products to Russia, whose compliance with Russian veterinary-sanitary requirements and the Customs Union requirements Ukrainian Veterinary Service should ensure. These companies will subsequently be inspected by Rosselkhoznadzor experts.

Issues related to the export of Ukrainian fish products to the Customs Union members and the results of the inspection that was carried out by Rosselkhoznadzor on Ukrainian fish processing establishments in September 2010 were also discussed.

LigaBusinessInform, 10/28/2010

Agricultural Minister Mykola Prysyazhnyuk met with the Director of Russian Federal Service for Veterinary and Phytosanitary Supervision (Rosselkhoznadzor) Sergei Dankwert. The parties discussed cooperation between the two countries' veterinary services.

Issues related to transit through Russia to Kazakhstan of livestock products from Ukrainian enterprises which have not been certified by Rosselkhoznadzor and included, as of 1 July 2010, on the register of establishments eligible for export to the Customs Union members, were also discussed.

Convergence of Ukrainian and Customs Union member' positions was also touched upon during the meeting. Rosselkhoznadzor also reported that following the inspection of Ukrainian fish processing establishments, 6 out of 8 establishments inspected have been included to the official list companies that supply fish to Russia. This list is subject to other CU members' approval. Fish processing establishments may be included to the approved list after detected violations are removed and provided that Ukrainian Veterinary Service ensures biosecurity measures are followed.

MAP Press Service, 11/01/2010

During ten months of 2010 inspectors from Ivano-Frankivsk Standard and Metrology Official Surveillance Service have checked UAH 153 368 thousand worth of milk. UAH 14 thousand 545 worth of products were rejected as defective due to non-compliance with relevant normative documentation. Inspectors checked 9 out of 16 dairy companies located in the region and found violations on 7 of them.

Non-compliance with requirements for physicochemical (animal fat content, presence of vegetable fats) and microbiological parameters were the most frequent among major violations found on companies producing milk, butter, sour cream, milk products, hard and rennet cheese.

Such violations are mostly due to non-compliance with requirements of effective normative documentation, pre-production's shortcomings, violations of discipline and poor control over observance of discipline, violations of sanitary norms and rules and product testing frequency, failures to ensure proper storage conditions for finished products, etc.

The experts from Ivano-Frankivsk Standard and Metrology also checked compliance of registered specifications for dairy products with current normative documentation and fixed them where necessary.

Ukrainian State Committee on Technical Regulation and Consumer Policy,  
03.11.2010

## Market Infrastructure

Ukrainian Prime Minister Mykola Azarov believes Ukraine has to revise its food quality standards to be more competitive in domestic and foreign markets. "If we want to be complete, especially in the EU market, we have to revise many of our food production standards. We will surely do it. I have already given relevant instructions", Mykola Azarov said on Channel 1.

<http://economics.unian.net>, 29.10.2010

### ANNOUNCEMENT

An investment forum entitled "Investments into Ukrainian agricultural sector" will take place November 22, 2010 in Abu Dhabi (United Arab Emirates). The forum is being organized by Ukraine - Middle East Business Centre with the support of Ukrainian parliamentary Committee on Agrarian Policy and Land Relations and the Embassy of Ukraine to the UAE.

The forum is aimed at attracting investments into Ukrainian agricultural sector projects through establishing business contacts with potential investors and UAE corporations that are investing abroad. The event will include presentation of investment projects to possible investors, individual meetings, SIAL and IPA Middle East 2010 exhibition.

<http://minagro.gov.ua/>, 01.11.2010

### ANNOUNCEMENT

VII-th AgriForum 2010 Exhibition and XIII-th Ukrainian Farmer 2010 Exhibition will take place November 9-12. The event is being supported by Ukrainian Ministry of Agrarian Policy and organized by Ukrainian Farmers and Landowners Association, International Exhibition Centre, Hospodar Expo Centre.

The main goal of AgriForum 2010 is to promote market relations in Ukrainian agriculture, facilitate further integration of Ukraine into international agricultural market structure, provide adequate market infrastructure, exhibit advanced technologies for producing healthy ecological food.

13<sup>th</sup> farm contest, exposition design contest and best farm presentation contest will be held during the Forum. Conferences, presentations of Ukrainian and foreign companies and agricultural input suppliers, demonstrations of advanced technologies also are among activities scheduled.

MAP Press Service, 02/11/2010

## Rural Development

The audit conducted by Ukrainian Accounting Chamber showed that no principles of sustainable development including environmental protection and sustainable use of natural resources are being introduced in Ukraine. Audit team found numerous shortcomings in the way the budget funds are being used and cases of blatant disregard for environmental legislation. As a result

anthropogenic and technogenical load on local environment is increasing every year. Ukrainian Cabinet of Ministers has not ensured effective use of funds allocated from the State Budget for conserving natural reserves and establishing the National Ecological Network. Budget funds are being dispersed among different administrators who are guided in their activities by departmental rather than national interests.

The objectives of the National Program for establishing the National Ecological Network in 2000-2015 are not being fulfilled due to lack of systematic approach to its implementation. As a result, it is impossible to bring it in line with operational requirements of the Pan-European Ecological Network.

"The following three components provide a basis for sustainable development at the national level: well thought-out environmental, social and economic policies", the head of the Accounting Chamber V. Symonenko said. "Without stopping the uncontrolled activities that deteriorate environment causing significant reduction of natural and resource potential, biodiversity depletion and destruction of primordial landscapes, we can not even dream about any sustainable development taking place in our country", he said

Accounting Chamber Press Service 11.01.2010