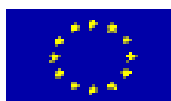




Ministry of Agrarian Policy of Ukraine



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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 January 13, 2011 and January 19, 2011**

### **WTO and ENP Frameworks**

Ukraine is interested in active cooperation with the Japanese business community, emphasized President of Ukraine Victor Yanukovich in his presentation at the Ukrainian-Japanese Business Forum which was held at Japan Business Federation "Keidanren". The Ukrainian President proposed that Japanese intensify cooperation with Ukraine in various spheres. "I do hope that the interest of the Japanese business community to Ukraine will be growing," said Victor Yanukovich. In so doing, Mr. Yanukovich mentioned that Ukraine is the stage of developing the national economy.

"Ukraine is open for a dialogue with the Japanese business community at all levels", Victor Yanukovich assured at mentioned agriculture as a promising area of cooperation.

Source: Press Service of the President of Ukraine, Victor Yanukovich; January 18, 2011

The European Union provides funding to implement the MARS crops yield forecasting system in Ukraine. This new was communicated to UNIAN by the European Union Delegation to Ukraine. Following an open tender process, the contract to supply equipment and software to operate the MARS crop yield forecasting system in Ukraine was signed on behalf of the European Commission by the Delegation of the European Union to Ukraine and the Ukrainian company Epos LLC, the winning bidder. The supply of the equipment is funded by the European Union and supports the project 'Implementation of Ukraine's commitments under WTO and ENP frameworks in the rural sector (Sector Wide Approach)'. Together with a twinning project on food safety, the supply contract and the sector wide approach project form a 9m EUR programme of EU support to agriculture and rural development in Ukraine.

Source: <http://economics.unian.net/>; January 18, 2011

I.Y. Bisjuk, the Chairman of the State Veterinary and Phytosanitary Service of Ukraine, is currently attending the International Fair "Green Week – 2011" as a member of the Ukrainian delegation. This annual fair has been held in the German capital at Messe Berlin Exhibition Centre since 1900.

Over 100 countries take part in the Fair. Ukraine is represented by officials of the Ministry of Agrarian Policy and Food and managers and specialists from leading Ukrainian enterprises. Involvement of managers and specialists of the State Veterinary Medicine Service is intended to present Ukraine at the Fair as a country which produces competitive products meeting European standards of quality and safety and seeks further development of economic relationships and promotion of Ukrainian products to international markets.

<http://www.vet.gov.ua/>, 19.01.2011

## Food Safety

International organizations recommend that Ukraine establish a single food safety supervisory authority. The dioxin scandal in Germany demonstrated how important it is to become aware of and inform people of danger in a timely manner. "Deutsche Welle" says about it. Despite there are 1,300 departmental laboratories and 1,250 laboratories operating at markets, the only one institution, namely, the Research Institute for Ecological Hygiene and Toxicology named after L.I. Vedmid is capable of revealing dioxins in Ukraine. Production of food products is controlled by one agency whereas supply of food products to the market is controlled by another. As a result, supervisory agencies do not share information and compete with each other for spheres of control or check the same subject twice. In this situation, it is extremely hard for a consumer to obtain precise and exhaustive information on food safety, says Yuri Zvazhenko, an IFC food safety expert.

According to him, international organizations recommend that Ukraine set up a single agency and vest it with current functions of the State Service for Technical Regulation, State Sanitary-and-Epidemiological Service, and State Veterinary and Phytosanitary Service.

Source: <http://biz.liga.net>; January 13, 2011

The Government set up the State Concern "UkrVetSanZavod" after the Cabinet of Ministers issued a relevant resolution on January 12, 2011.

The State Concern is established for the purpose of enhancing management processes, specifically, with regard to taking anti-epizootic measures, creating proper conditions for improving the veterinary-and-sanitary condition of populated area and animal farms and mitigating the negative impact on the environment, and preventing proliferation of infectious disease among people and animals.

Implementation of the said regulation will foster rational use and preservation of state assets; concentration and utilization of available intellectual, technological, economic potential and cadre; adequate protection of government interests in the process of reforming and enhancing management in this sector.

Source: <http://www.vet.gov.ua/>; January 14, 2011

An outbreak of the African fever is reported in Rostov Oblast, communicates UKRINFORM while referring to Mignews. Loss of wild hogs occurred on the territory of a hunting farm in Tatsynsky raion, approximately 120 km from the border with Luhansk Oblast, Ukraine (along the Luhansk-Volhohrad motorway).

Source: <http://www.ukrinform.ua>; January 17, 2011

For the purpose of identifying a source of infecting people with trichinosis in the village of Novoselytsia, Kelmenetsky raion, Chernihiv Oblast, the State Veterinary Medicine Service did laboratory tests of pathogenic materials from Kelmenetsky and Sokyriansky raions. Trichinae larvae were found in fox and dog muscles.

In order to prevent invasion of the disease, chief state inspectors of veterinary medicine in the Autonomous Republic of Crimea, oblast and the cities of Kyiv and Sevastopol have been ordered to ensure unconditional compliance with the effective Regulation on diagnostics, prevention and elimination of animal trichinosis, Rules for antemortem veterinary inspections of animals and veterinary-and-sanitary examination of meat and meat products and to notify the State Veterinary and Phytosanitary Service of every single occurrence of trichinosis among wild and synanthropic animals.

Source: State Veterinary Medicine Committee of Ukraine; January 17, 2011

## Market Infrastructure

The Minister of Agrarian Policy of Ukraine, Mykola Prysiazhnyuk, believes that Ukraine should not waste time and enter international food markets with its products. Mr. Prysiazhnyuk stated so when doing an interview for journalists during his mission to Bila Tserkva raion, Kyiv oblast, on January 14, 2011.

According to the Minister, the agriculture sector is overregulated and subject to the most stringent control in all countries. "We need to be aware that whatever the situation at overseas agriculture markets is, we need to mobilize ourselves, not to waste time and enter foreign markets and, in so doing, be ambitious and enthusiastic as we are Ukrainians," said Mr. Prysiazhnyuk.

Source: UNIAN; January 17, 2011

According to preliminary data of the State Statistics Service, Ukraine increased meat production up to 2,922,500 tons between January and December 2010, or by 6.7 percent as compared with the year of 2009.

Production of milk of all grades fell by 3.1 per cent down to 11,254,100 tones. The total production of eggs grew by 6.6 per cent up to 16,964,700,000 pieces. The wool production was also increased as compared to the year of 2000 – up to 4,187 tons or by 1.8 per cent.

Source: RBK-Ukraine; January 17, 2011

The liability for raising prices for selected food products rests with the owners of supermarkets, stated Vice Prime Minister Mykola Azarov today at a briefing when commenting rising prices for buckwheat, sunflower oil and other food products. "You would rather ask supermarket owners why they raise prices. The Government does not trade in buckwheat or sunflower oil. The government does create an enabling environment but it never trades. Why do farms sell buckwheat for UAH 4 per kilo, and supermarkets and other retailers sell it for UAH 15 per kilo? Isn't it because someone wants to make a fortune on feverish demand? We are working on this", stressed Mykola Azarov.

Besides, the Prime Minister has told that the Government is in the process of creating possibilities for influencing pricing heavily. This year, the Government will implement a programme for developing fruit and vegetable storage facilities and agriculture wholesale markets which are supposed to become an alternative to supermarkets.

Source: Department of Information and Public Communications; Secretariat of the Cabinet of Ministers of Ukraine; January 17, 2011

### Announcement

The Agro Animal Show will be held on February 2-4, 2011 as part of the Agri-Industrial Exhibition "InterAGRO" which is sponsored by the Ministry of Agrarian Policy and Food of Ukraine, German Federal Economy Ministry and French Government. The Agro Animal Show is an event intended to promote modern technologies in the animal production sector. It offers a wide selection of machinery and equipment, latest scientific and technical solutions for agriculture business of various institutional forms and sizes which are engaged in production of animal products at the professional level. The exhibition is a unique informational and trading site and presents major areas of innovative development of the animal production sector.

Source: <http://www.animal-show.kiev.ua>; January 19, 2011

## Rural Development

If the current moratorium on sale and purchase of agricultural land is lifted this sector will be attractive for speculative investments, says the Ukrainian Economic Trends Forecasts for 2011 posted by Da Vinci AG Analytical Group on its web site.

"Today, there is a great interest in Ukrainian agricultural land on the part of investors from the Near East and the Arab world. In the event of lifting the moratorium land units may be bought from pensioners and rural residents for further reselling to large financial-and-industrial groups from overseas. The margin may range from 300 per cent to 600 per cent depending on the land quality, infrastructure availability and remoteness of a region, mentions the report.

Source: UNIAN; January 14, 2011

The State Land Committee will put forward the Draft Law "On the Land Market" to the Cabinet of Ministers of Ukraine, said Deputy Chairman of the Committee Mykola Kaliuzhny at a press conference on Monday, January 17<sup>th</sup>. Mr. Kaliuzhny predicts that the Parliament will pass the law in the first quarter of 2011.

According to Mr. Kaliuzhny, the Draft Law clearly defines procedures for conducting land auctions and land tenders and participants to such tenders. Only citizens of Ukraine and legal entities registered in Ukraine will be entitled to buy and own agriculture land.

The draft law also envisages that each region will set a cap on the total area of land plots which may be owned by a single landlord.

Source: "SV Development" Consulting Company; January 17, 2011