

 <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

27 January – 2 February 2011

WTO and Neighbourhood Policy

UK companies are willing to cooperate with Ukraine in food and agriculture, the Prince Andrew, Duke of York, said, while meeting with Ukraine's President Viktor Yanukovich in Davos. The Prince said, he is ready to promote bilateral cooperation that will be "useful for Ukraine as well". The Duke of York also said that he plans to visit Ukraine in late May- early June. Ukraine's President said he is ready to meet with the Prince in Kiev.

The Prince Andrew, Duke of York, is the UK's Special Representative for International Trade and Investment.

Interfax-Ukraine, 28.01.2011

Minister for Agricultural Policy and Food Mykola Prysyzhnyuk considers the positions of Ukraine and the EU in free trade negotiations to be unequal. "External markets are quite harsh. We have already held 14 rounds of negotiations with the European Union. All ministries have coordinated the free trade area protocol. But there still is a large number of issues to be agreed upon by the two parties. In case of agriculture and food it is an one-sided approach that is being applied with force being used as an instrument of negotiation. We are being made to open everything, while Europeans want to continue to use quotas", said the minister at a press conference held January 28 in Vinnitsa.

In his view, such an approach is unacceptable. "The Prime Minister and the President do agree with us. We will not accept the position according to which everything will need to be declared for the FTA to be implemented", Prysyzhniuk said.

UNIAN, 01.31.2011

It will be Ukrainian agriculture that will be most positively affected after free trade areas with Israel, Morocco and Canada are established, states the report of the Economy Research Institute at the Ministry of Economic Development and Trade (MEDT) evaluating the impact from establishing free trade areas between Ukraine and Morocco, Israel and Canada. Ukrainian government plans to conclude relevant negotiations in the current year.

According to data provided by MEDT, average rate of import duties on agricultural products in these three countries is about 20%. Simplified regime of bilateral trade with Morocco will be the easiest to attain, since Ukraine has a positive balance of trade with this country on most key products, although Moroccan tariff rates are higher than in Ukraine. 45 thousand new jobs are expected to be created in Ukraine to satisfy the increased Moroccan demand for Ukrainian goods. MEDT believes that free trade regime with Israel will be beneficial for Ukraine only if Israel reduces rates for imported agricultural products. In this case Ukraine would increase the export of grain, vegetable oil, sunflower seeds, butter, sugar and vegetables and another 165 thousand jobs will be created.

Canada charges prohibitive rates of duty on poultry, dairy products, vegetable oils, eggs, meat, chocolate products, cereals and mixes more actively. Therefore, the prospects for establishing an FTA with Canada depends on Canada's readiness to reduce tariffs for Ukrainian food. However, in case of Canada the impact of the reduced tariffs is expected to be quite small: 4 thousand new jobs or 0.03% increase in the annual growth rate of Ukrainian GDP.

If Ukraine will unilaterally reduce duties on imported agricultural products agricultural employment opportunities will be curtailed and some 10 thousand Ukrainian will lose their jobs. Experts believe it will be difficult to attain reduced rates on imported agricultural products in the above mentioned countries.

Kommersant-Ukraine, 01.02.2011

Food Safety

January 27, 2011 after having received relevant guaranties from the State Veterinary Committee of Ukraine, the Russian Federal Veterinary Phytosanitary Control Service has added Intercorn Corn Processing Industry (animal feed and feed additives producer located in Dnepropetrovsk oblast) and Starynska Poultry Plant (hatching eggs producing establishment located in Kiev oblast) to the list of Ukrainian establishments authorised to export their products to the Russian Federation and to the Customs Union members.

<http://www.vet.gov.ua/>, 28.01.2011

According to the official report of the International Epizootic Office, cases of Equine Plague were registered among horses in the Kingdom of Swaziland. Imports of live horses and products thereof from the Kingdom of Swaziland to Ukraine shall be banned. The import of other goods from this country which fall under control of the State Veterinary Service shall be carried out according to the veterinary requirements of Ukraine.

<http://www.vet.gov.ua/>, 31.01.2011

Since there were outbreaks of African Swine Fever (ASF) registered in Russian regions bordering on Ukraine, Ukrainian Veterinary and Phytosanitary Service estimates the probability of ASF virus entering the territory of Ukraine to be high.

"There is a high risk of the African swine fever entering Ukraine", deputy head of the State Seterinary and Phytosanitary Service Volodymyr Horzheyev said. He noted that the probability of ASF outbreaks in Ukraine is high, given close farm produce trade ties between Ukraine and Russia, cross-border migration of wild animals and the proximity of places where outbreaks ASF were registered to the Ukrainian border.

According to Horzheyev, the following 6 Ukrainian regions belong to the risk zone: Donetsk, Lugansk, Zaporizhya, Sumy, Kharkiv oblasts and Crimea.

Interfax-Ukraine, 02.02.2011

Market Infrastructure

January 27, 2011, the European Bank for Reconstruction and Development, Ministry of Agriculture and Food of Ukraine, the Ukrainian Grain Association, the Ukrainian Agrarian Confederation and the Institute of Agrarian Markets Development signed the Declaration on Joint Action to Support Ukrainian Grain Sector during the round table discussion entitled "Development of Dialogue in the Grain Sector and Investment Prospects".

Parties have developed this declaration to promote competitiveness and efficiency of Ukrainian grain sector. The document was signed by Andre Kuusvek (EBRD Director in Ukraine), Mykola Prysyzhnyuk (Minister of Agrarian Policy and Food), Volodymyr Klimenko (president of the Ukrainian Grain Association), Leonid Kozachenko (president of the Ukrainian Agrarian Confederation) and Victor Andrievskij (director of the Agricultural Markets Institute).

MAPF Press Service, 27/01/2011

February 1, 2011, decree N1254 of the Cabinet of Ministers of Ukraine of 13 December 2010 regulating the procedures for conclusion and registration of food export contracts entered into force.

According to the decree, services related to conclusion and registration of food export contracts shall be rendered by the Agricultural Commodity Exchange or by any other exchange, which has been certified in accordance with the standards for marketing or supplying exchange traded commodities and authorized by the Agricultural Exchange to participate in exchange trading.

These requirements shall not apply to humanitarian aid, technical assistance and supplies intended for consumption. Customs clearance of export goods shall be carried out on the basis of the import contracts which have been signed and registered by the above mentioned establishments, except in cases when import contracts were signed and registered prior to the entry into force of this decree.

LIHA Buisness Inform, 02/01/2011

February 1, 2011 the Agri-Insurance Office aiming to significantly improve insurance services provided for Ukrainian farmers has been set up in Ukraine. Representatives of 15 insurance companies occupying leading positions in the field of agri-insurance participated in the Constituent Assembly, which was preceded by a long process of developing common positions. The International Finance Corporation

project (IFC, World Bank Group) "Development of agri-insurance in Ukraine" has played a significant role in this process.

"Ukraine needs to move decisively forward towards development of agri-insurance, since all other countries which have a stake in the agricultural sector are promoting the development of agri-insurance. Without insurance Ukrainian farmers are losing their competitive advantage over foreign farmers without", said Gary Roche, the IFC Project Manager while opening the Constituent Assembly.

Insurance companies are establishing Agri-Insurance Office to join efforts to offer new sophisticated insurance products that will meet the farmers' needs, set up a single database so, that actuarial calculations could be made, provide training courses for insurance experts and enforce standards of behaviour on the agri-insurance market.

"Ukrainian Perspective" National Press Club, 02/02/2011

Ukrainian Parliament adopted the draft law On Organic Production establishing legal, economic, social and organizational frameworks for the organic agriculture and requirements for the cultivation, production, processing, certification, labelling, transportation, storage and marketing of organic food and raw materials.

According to its authors, the law On Organic Production should be the first legislative document in a series of regulations to be adopted so that an effective legislative framework harmonized with the one adopted by the EU could be created and equal conditions for establishments engaged in organic agriculture ensured.

RBC-Ukraine, 02.02.2011

▪ Rural Development

Ukraine will join the Via Regia European Cultural Route on the eve of Euro 2012 as part of the project "Via Regia Ukraine: Cultural Route of the Council of Europe", the representatives of the Union for Promotion of Rural Green Tourism in Ukraine, the State Tourism and Resorts Service and the International Renaissance Foundation reported at a press conference.

Volodymyr Vasiliev, head of the Union for Promotion of Rural Green Tourism reminded the audience that Via Regia is the name of the oldest and longest overland route connecting Eastern and Western Europe, which combines eight countries, including Ukraine. In 2006 this modern European transport corridor was declared European cultural route by the Council of Europe. According to Vasiliev, the Union will implement the project during 2011. Deputy chairman of the State Tourism and Resorts Service Dmytro Zaruba considers this project to be of significant importance for the development of Ukrainian tourism capacity.

"Via Regia – Ukraine" project is partially being funded by the International Renaissance Foundation and is expected to be fulfilled in partnership with oblast administrations. "The State will support this project, but initiatives involving local authorities and entrepreneurs are needed for it not to remain virtual", Zaruba said.

According to senior manager IRF European program Dmytro Shulga, the Council of Europe chose 26 European cultural routes to be elements of European cultural heritage. Via Regia – Ukraine project is the first initiative to connect Ukraine to one of the European cultural routes. It is only a matter of time before Ukraine joins other European routes", he said.

<http://presscenter.ukrinform.ua>, 27.01.2011