

 <p><b>МІНІСТЕРСТВО АГРАРНОЇ ПОЛІТИКИ УКРАЇНИ</b></p>	 <p><b>Проект фінансується Європейським Союзом</b></p>	 <p><b>Проект впроваджується консорціумом на чолі з WYG International</b></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

**3 - 9 February 2011**

### WTO and Neighbourhood Policy

Comprehensive Free Trade Area between Ukraine and the European Union is a matter of many years, Head of Presidential Administration Sergij Liovochkin said in an interview with Polish Radio. "Together with our European colleagues, we have worked out a formula to divide all disputed issues into three clusters. The first cluster includes those issues where a compromise can already be reached (a huge range of agricultural and industrial products). The second one includes issues where free trade regime can be implemented in two years while the issues belonging to the third clusters need more time", he said. Liovochkin reminded that Ukraine's President ordered the Government to bring closer the date of signing the agreement. "I think we will slightly modify our approach to talks and will do our best to implement the agreement on the Free Trade Area with the European Union as soon as possible ", Liovochkin said.

[www.pravda.com.ua](http://www.pravda.com.ua), 06.02.2011

February, 8 XVth round of talks between Ukraine and the EU on creation of Free Trade Area will begin in Kiev. European delegation will be headed by Peter Balas, Deputy Director of DG Trade. Deputy Economics Minister of Ukraine, Valerij Pyatnitskij will be the head of Ukrainian delegation.

"The following are the issues which have been identified as main by the parties: liberalization of markets, trade in services, sanitary and phytosanitary measures, trade-related aspects of energy cooperation", Valerij Pyatnitsky said.

The parties agreed that further dialogue on access to markets should presuppose complex arrangements. According to this approach, several issues will be negotiated simultaneously for compromise to be reached. "This will be an extremely important round of negotiations where further tactics aimed at completion of negotiations will be determined", Valery Pyatnitsky said.

Press Service of the Ministry of Economic Development, 02/08/2011

Prime Minister of Ukraine Mykola Azarov, while meeting with the head of the Organization for Security and Cooperation in Europe, Minister of Foreign Affairs of the Republic of Lithuania Audronius Azubalis, put forward the idea to sign the FTA agreement with the European Union which will only cover those issues that have already been agreed upon, while postponing all the unsettled issues to future work.

"I propose to advance gradually on the issue of free trade agreement", Mykola Azarov said. According to him, 90% of issues related to the FTA agreement are already being agreed upon and approximately 10% of them need further discussion. "We can sign an agreement on agreed issues and continue negotiations on those left unsettled", Mykola Azarov suggested Ukrainian Prime Minister stressed that the consensus with the EU could be achieved only after, inter alia, agriculture related issues are settled. "We would like the issues to be decided on the basis of

mutual understanding and equality", Mykola Azarov said. He also noted that Ukraine has a huge agricultural potential and issues related to the agricultural sector are of great importance for Ukraine.

Department of Information and Communication of the Secretariat of Cabinet, 02/07/2011

## Food Safety

Imports to Ukraine of Libyan animals susceptible to Foot and Mouth Disease and products thereof was banned by decree № 15-2-23/90002 from 04.2011. According to the official report of the International Office of Epizootics, cases of FMD were registered in Libya. The import of other goods from Libya which fall under the control of the State Veterinary Service shall be carried out according to Ukrainian veterinary requirements.

[www.vet.gov.ua](http://www.vet.gov.ua), 04.02.2011

February 1, 2011 State Veterinary and Phytosanitary Service of Ukraine imposed a ban on imports of Hong Kong poultry and products thereof, since cases of highly pathogenic avian influenza have been registered in this country.

<http://economics.unian.net/>, 04.02.2011

The first South East European Veterinary Forum is coming to an end in Budapest. Ukrainian delegation, headed by the Chief of the State Veterinary and Phytosanitary Service of Ukraine Ivan Bisyuk, is participating in this important event that will surely contribute to further cooperation between veterinary experts from many European countries.

The opening meeting was attended by FAO, OIE and DG SANCO representatives. The meeting's chairman, President of the OIE Regional Commission for Europe Dr. Nicola Belev, noted that stable epizootic situation in Ukraine is maintained due to high professionalism of Ukrainian veterinarians and that the organizational structure of Ukrainian veterinary service ensures safety of animal products. Bisyuk, while informing about the reform that is taking place in Ukraine, said that Ukrainian veterinary service has an effective vertical structure, reports directly to the Government and maintains proper control over the movement of cargoes both within the country and across the border.

State Veterinary Committee, 07/02/2011

## Market Infrastructure

Ukrainian Sugar Company (USC) controlled by British ED&F Man intends to start growing sugar beets and process them on the Zasilskij Sugar Factory which it owns. USC general director Stanislav Dzhezdyts addressed the head of Mykolayiv Oblast State Administration Mykola Kruglov with a request to allocate land. The head of ED&F Man board of directors Edward Magiera said earlier that his company is not planning to grow sugar beets in Ukraine, since it has no experience in agriculture. The company changed its strategy because Zasilskij Sugar Factory, in which ED&F Man invested \$27 million during three years, experienced the lack of sugar beets last year. USC revenue in January-September 2010 amounted to 363.51 million UAH, while its net loss equalled 13.12 million UAH.

Kommersant-Ukraine, 07.02.2011

Deputy Prime Minister of Ukraine Viktor Tikhonov, while closing the 10<sup>th</sup> Poland-Ukraine Economic Summit, which has recently taken place in Warsaw, said that Ukraine expects to soon play an important role in international food markets. According to him, for such a task to be fulfilled, the Government has developed national projects entitled "Ukrainian Grain" and

"Sophisticated Husbandry Practices". He also noted that the setting-up of the Free Trade Area with the EU will be an important impetus for the development of Ukrainian economy. "We consider the FTA to be not only an important tool of integration to the common European market, but also a powerful incentive for rapid internal reforms in Ukraine", Tikhonov said.

Liga Business Inform, 04/02/2011

Deputy Minister of Economy of Ukraine Vasyl Marmazov and Director of Russia and Eurasia Department of the U.S. Trade Representative's Office Betsy Hefner discussed the agenda of the next meeting of the U.S.-Ukraine strategic partnership and the issues related to Ukrainian agricultural policy. Vasyl Marmazov provided detailed explanations regarding the procedure of grain export quotas distribution and answered all the questions put by the American side. Director of the Agrarian Policy Department Anatoly Rozhon described the situation in Ukrainian grain market. The parties confirmed their willingness to continue active dialogue for creating a favourable investment environment in Ukrainian agricultural sector.

Press Service of the Ministry of Economic Development, 02/07/2011

The concept of agricultural insurance will be adopted before April 1, 2011, Director of the Financial Planning, Insurance, Lending and Debt Issues Unit of the Finance Department of the Ministry of Agriculture and Food of Ukraine Olexander Polishchuk said at a press conference. "We were ordered to ensure this concept is approved before the first of April in the Cabinet. The Program will be fulfilled, since recently a Presidential decree has been issued obligating the Government to create an effective insurance system in Ukraine", Polishchuk said.

RBC-Ukraine, 02.08.2011

## **Rural Development**

The list of participants of the 14<sup>th</sup> specialized exhibition "Farm. Garden. Backyard", which will be held February 17-20, 2011 in Kharkiv, is close to its completion. Currently more than 100 exhibitors from different regions of Ukraine have applied for participation in this event. This exhibition is considered to be one of the most popular events which are held in Kharkiv and annually attracts agricultural professionals and amateurs. Active advertising support in specialized publications and extensive advertising campaign conducted by the organizers are contributing to the success of this event. In 2010 some 15 thousand people have visited this exhibition.

www.agroua.net, 04.02.2011

Minister for Agricultural Policy and Food Mykola Prysyzhnyuk, while meeting with farmers in Khmelnytsk, said that his Ministry will increase the role ascribed to village heads. "The village head is the leader of the community. We will order the heads of district administrations to carry out the balance of the agricultural products available and conclude relevant agreements with village heads to ensure the rural communities are provided with foodstuffs", the Minister said. In his opinion, such measures will help avoid purchasing Chinese garlic (whose share amounts to 40% of the garlic sold in Ukraine) and foreign onions (whose imports has increased by 1,6 times during the last two years).

www.unian.net, 09.02.2011