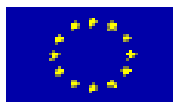




Ministry of Agrarian Policy of Ukraine



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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 February 10, 2011 and February 16, 2011

▪ WTO and ENP Frameworks

The processes of drafting and signing the Agreement on Free Trade Area between the European Union and Ukraine are held back because the European Union insists on introducing quotas on Ukrainian produce. According to a UNIAN correspondent, Ukrainian Prime Ministers Mykola Azarov stated so at the meeting with Israeli Tourist Minister Stas Misezhnikov.

"There is a serious impediment to quick execution of the Agreement (*on Free Trade Area – UNIAN*). The reason is simple: the European Union imposes quotas on most sensitive items of Ukrainian export," said Mr. Azarov. The Ukrainian Prime Minister added that in his opinion it is inadmissible to introduce quotas under free trade.

Source: <http://economics.unian.net/>, 10.02.2011

Ukraine, which currently has the most ambitious programme for harmonizing national legislation with EU standards, is interested in implementation of the report within the shortest timeframe possible, stated Valery Piatnitsky, the Deputy Economy Minister of Ukraine and leader of the Ukrainian negotiation group, at the roundtable on establishment of the free trade area between Ukraine and EU, which was held as part of the XVth round of the negotiation between Ukraine and EU.

In his speech, Valery Piatnitsky stressed that the ultimate goal of the Ukrainian party at this negotiation is to conclude the Agreement which would create favourable conditions for accessing the EU market by all Ukrainian businesses including small and medium-sized business.

The spokesman of the Negotiating Group on European Commission, Philip Kuison, dwelled on the importance of the process of legislative and regulatory changes and its positive impact on Ukraine's development. He also voiced his hopes that the process of Ukraine's eurointegration will result in signing the Agreement on Free Trade Area between the EU and Ukraine so that the Agreement will come in effect in 2013 and Ukraine will become fully economically integrated in ten years.

Source: Press Service of the Ministry for Economic Development and Trade of Ukraine, 14.02.2011

Entering into Agreement of Free Trade Area between EU and Ukraine without any limitations and exceptions will help solving food problems in Europe, stated Ukraine's Prime Minister Mykola Azarov at the briefing in Bratislava.

"I do believe that introduction of a comprehensive free trade area ensuring sales of Ukrainian agriculture products at the EU market would help resolving this issue enormously," said Mr. Azarov. In so doing, he mentioned that participants to the Summit of the Prime Ministers of the Visegrad Four, Germany, Austria and Ukraine paid a lot of attention to ensuring food security

in Europe and across the globe.

Source: Department for Information and Public Relations, Secretariat of the Cabinet of Ministers of Ukraine, 15.02.2011

▪ **Food Safety**

Between February 5, 2011 and February 11, 2011, veterinary police took a number of actions to ensure a stable epizootic situation and food safety in Ukraine. To this end, veterinary police staff took comprehensive measures to reveal and eliminate wrongdoings and crimes associated with illegal flows of animal products and prevent sale of illegally imported food products (meat and meat products in particular) at the domestic market and unlawful operations of food operators dealings with animal products. Besides, for the purpose of preventing an outbreak the African swine fever in Ukraine, they conduct regular inspections of pig farm and pork processing enterprises. Interstate roads are also under permanent controls. In Donetsk and Luhansk oblast, officers from the Head Office of the Ministry of Interior jointly with traffic police officers, local police officers and veterinary medicine doctors take measures in border territories to prevent illegal movement of livestock and animal products.

Overall, the veterinary policy conducted 555 inspections at business companies whose operations are associated with animal products. As part of control over carriage of animal products by Ukrainian roads, veterinary and traffic policemen inspected 202 vehicles carrying animal products.

Source: <http://www.vet.gov.ua/>, 14.02.2011

▪ **Market Infrastructure**

The Ministry for Economic Development and Trade of Ukraine is in the process of building a system of economic and administrative influence on the price situation at Ukrainian commodity markets, said Anatoly Maksiyuta, the Deputy Minister of Economic Development and Trade, at a briefing which was conducted as part of the hot line at the Cabinet of Ministers of Ukraine. When answering journalists' questions on unmotivated increase in prices for food products, Mr. Maksiyuta said the main reason for rising prices was unfair competition of certain producers. "We need to prevent a situation when some producers agree to undertake unfair actions at the market and raise prices, and then the government has to fight with this. At the moment, we, together with other ministers, are developing a special methodology to forecast such price rises and relevant tools to smooth them", underlined Mr. Maksiyuta.

Source: Press Service of the Ministry for Economic Development and Trade of Ukraine, 11.02.2011

Ukraine should have clear pro forma balances in order to make forward procurements of those agriculture products which are "sensitive" to market variations, stated Minister of Agrarian Policy and Food M. Prysiazhnyuk on the First National Television Channel.

"The current situation with buckwheat in Ukraine clearly evidences that we need to have such pro forma balances so that the Government makes forward procurements of "sensitive" agriculture products, said Mr. Prysiazhnyuk. Besides, the Minister has emphasized that in a situation where a global food crisis becomes reality, our primary task is to ensure the agricultural security of Ukraine.

Source: UkrInform; 14.02.2011

The Parliament of Ukraine passed the Law of Ukraine "On Ukraine's accession to the OECD Scheme for Varietal Certification of Cereal Seeds and Scheme for Varietal Certification of Maize and Sorghum Seed" on February 15, 2011.

This Law regulates all aspects of Ukraine's accession to the OECD Scheme for Varietal Certification of Cereal Seeds and Scheme for Varietal Certification of Maize and Sorghum Seed Moving in International Trade.

Certification of seeds under OECD Schemes which applies to all OECD, UN and WTO member countries that acceded to the Schemes and execution of unified varietal documents on seeds will enable Ukraine to integrate in the European marketing seed network as an equal right member and participate in international trade in seeds.

Source: APK-Inform, 15.02.2011

On February 15, 2011, the First Deputy Minister of Agrarian Policy and Food of Ukraine, M. Bezuhly, conducted a telephone conference with 25 regions on the price situation at major food markets, measure to stabilize it and preparation for spring field works.

As Mr. Bezuhly stressed, the unsatisfactory price situation at the food market is caused by untimely decisions on providing individuals regions or cities with certain food products. Prices for the same products may differ by 20% to 25% in adjacent oblasts.

Mr. Bezuhly also said that special attention should be paid to allocation of trade places to agriculture producers at markets. "As today's analysis shows, market fees are as high as UAH 150-200 per retail seller per day. These fees are incorporated in retail prices and covered by consumers. This means that if a retailer sells 50 kg of meat per day he/she incorporate one kilogram of meat cost by UAH 4 more. Such situation is caused by that all markets which belonged to UkoopSpilka in the past are leased out to private companies whose sole purpose is to receive as large profit as possible rather than to provide high quality services to customers", said the First Deputy Minister.

Source: Press Service of the Ministry of Agrarian Policy and Food, 16.02.2011

▪ **Rural Development**

President Victor Yanukovich forecasts that Ukrainians will perceive results of the reform in the year of 2012. He stated so in Kherson when answering questions of the media representatives. As far as the land reform is concerned, the President emphasized the paramount importance of its immediate implementation. "The current situation is as follows: corruption has reached its peak in the land area in virtually all regions of Ukraine. We need to eliminate it and put an end to stealing of Ukrainian land. The land reform must be continued and finally accomplished", said the President. "The major task is to ensure that agriculture land belongs to effective landlords and used properly. Not only is the land reform ripe; it was overripe long ago".

In addition, the President underlined that this issue must be submitted to public hearing.

Source: www.myland.org.ua, 11.02.2011

A new good tradition is initiated in Volyn oblast on the eve of spring. For the first time, a seed fair took place in Lutsk in which over 30 organizations and companies took part. According to an UkrInform correspondent, a wide selection of seeds satisfied the demand and preferences of both rural and urban households.

Yuri Horbenko, the Head of the Department for Agri-Industrial Development of the Volyn Oblast State Administration, told that the fair offered everything that was necessary for growing various agriculture crops at ranches, individual homesteads, small and large farms. Most importantly, seeds were sold at producers' prices. In view of the success of this fair and people's need in such sort of pre-spring fairs, it was decided to conduct seed fairs in Volyn oblast on a regular basis.

Source: UkrInform, 14.02.2011