

 <b>МІНІСТЕРСТВО АГРАРНОЇ ПОЛІТИКИ УКРАЇНИ</b>	 Проект фінансується Європейським Союзом	 Проект впроваджується консорціумом на чолі з WYG International
<i>Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector EuropeAid/126205/C/SER/UA</i>		

## Overview of Latest Rural Developments

24 -30 March 2011

### WTO and Neighbourhood Policy

Ukraine is ready to compromise to solve the problematic issues so, that the FTA agreement with the European Union can be signed by the beginning of the summer, but the EU should also show flexibility and refrain from uncompromising approaches, First Deputy Prime Minister, Minister of Economic Development and Trade of Ukraine Andriy Klyuyev said while meeting in Brussels with the member of the European Commission for Enlargement and European Neighbourhood Policy Stefan Fuele. They discussed preparations for the next round of talks on the deep and comprehensive free trade area, which are scheduled to be held on April 4-8 2011 in Brussels, and confirmed the mutual wish to complete the negotiations within the year.

The Press Service of the Ministry of Economic Development, 26.03.2011

Ukraine believes the EU approach to agricultural policy does not meet the reality of the situation, the Ukrainian Minister of Foreign Affairs Anatolij Hryshchenko said on March 26, speaking at the meeting within the Brussels Forum dedicated to the European Neighbourhood Policy. In particular, he noted that Ukraine is ready to help solve the issue of providing the Middle East and North Africa with food and wheat in particular. However, according to the Ukrainian Foreign Minister, no solution to this issue has yet been agreed. He noted that Ukraine, being the most potentially productive agricultural country "in this part of the world", might be a part of such a solution. "But we need to discuss and develop, together with the EU, a clearer policy ", Hryshchenko said. "We think that in the case of the agricultural policy the EU behaves as if we live in the 60's, 70's or, at best, in 80's ", the Foreign Minister added.

www.unian.net, 28.03.2011

The question of quotas for Ukrainian agricultural products will not prevent the FTA agreement from being signed by the end of this year, the German Ambassador to Ukraine Hans-Jurgen Heimset said. "I think the issue of agricultural quotas will not prevent Ukraine from signing this agreement", he said, speaking at a business forum in Kiev. The ambassador expressed hope that the agreement would be signed before the end of 2011. Earlier, the Ukrainian government repeatedly stated that despite the fact that the Association Agreement (which includes the FTA) is 90% coordinated, provisions related to quotas on agricultural products and transportation remain controversial for Ukraine.

Interfax-Ukraine, 30.03.2011

### Food Safety

According to the official announcement of the Federal Service for Veterinary and Phytosanitary Surveillance of the Russian Federation (Rosselkhoznadzor) the outbreak of African Swine Fever

was registered in the Leningrad Oblast on March 17. Imports of animals susceptible to the ASF and meat thereof from the Northwest Federal District, except for Kaliningrad region, are banned. The decision № 15-2-23/4 of the Chief Veterinary Inspector of Ukraine of 04.01.2011 shall be rendered invalid. The import of other goods from Russia should be carried out according to the veterinary requirements of Ukraine.

<http://www.vet.gov.ua/>, 25.03.2011

March 26, according to the Treaty on Cooperation in Veterinary Medicine and pursuant to paragraph 2 of the protocol of the sixth meeting of the Subcommittee on Agriculture of the Committee on Economic Cooperation of the Ukrainian-Russian Intergovernmental Commission regarding the introduction and improvement of measures to ensure the safety of animal based products imported into Russia from Ukraine, the Rosselkhoznadzor (Federal Service for Veterinary and Phytosanitary Surveillance of the Russian Federation) inspectors completed their inspection of 9 Ukrainian fish processing establishments during which the compliance of these establishments with Russian veterinary and sanitary requirements and regulations was checked. As a result of the inspection Ukrainian companies obtained the right to export their products to the Customs Union countries.

<http://www.vet.gov.ua/>, 28.03.2011

## Market Infrastructure

Ukraine could exploit the situation in Japan, Africa and the Middle East by increasing its exports, analysts say. For example, Olexander Okhrimenko, the president of the Ukrainian Think Tank, is convinced that the investment into the recovery of Libya will sharply rise after the political situation in the country stabilizes. Ukrainian exporters will eventually greatly increase the export of sunflower oil and other foodstuffs into this region. Ukraine could also take the benefit of exporting grain to Japan. Thus on 23 March the Japanese Government announced its plans to increase wheat procurement in the current fiscal year ending March 31 by 21% (from 4.26 to 5.16 million tons). According to the "AAA" agency, Ukraine exported wheat and maize to Japan in the 2009/10 marketing year. Japan accounted for 5% (253 tons) of total exports (5 million tons) of Ukrainian maize.

LIGABusinessInform, 24.03.2011

The Ukrainian Embassy in Montenegro asked the Ukrainian companies about the possibility of exporting flour to Montenegro. This is stated in the letter from the Embassy to the Council of Entrepreneurs under the Cabinet of Ministers of Ukraine. Montenegro is dependent on imported products, namely flour from Serbia. In recent years, imports of maize and wheat amounted to 80-100 thousand tonnes worth 40 million euros, 90% of them from Serbia. However, several days ago, the Serbian government decided to ban exports of flour, in particular to Montenegro.

[www.liga.net](http://www.liga.net), 25.03.2011

The Memorandum of Understanding between the Ministry of Economic Development and Trade of Ukraine and main retailing networks will be signed next week. It will reflect agreed positions and include the recommendations of the retailers. This is stated in the announcement of the Ministry of Economic Development, which was published on the governmental portal. In particular, it is reported that First Deputy Minister of Economic Development and Trade Vadym Kopylov held a meeting on behalf of the Ukrainian Prime Minister Mykola Azarov with the representatives of retailers and producers where issues related to the way public payments for socially important goods are fulfilled were discussed.

<http://economics.unian.net/>, 25.03.2011

Grain export quotas which Ukraine has introduced in October 2010 will be eliminated after their expiry date, that is scheduled to be 31 March, 2011. This was disclosed by Deputy Chief of Presidential Administration Iryna Akimova at the Ukraine Economic Summit. "The president ordered for the document on quota expiry to be prepared. Limitations other than export quotas will be introduced, namely customs measures", Akimova said.

[www.liga.net](http://www.liga.net), 29.03.2011

The Cabinet of Ministers of Ukraine extended grain export quotas into July 2011 and increased the volume of quotas for exports of maize by 2 million tons. This was disclosed today by at the Cabinet meeting by First Deputy Minister of Economic Development and Trade Vadym Kopylov. "We decided to extend the quotas, but the related decision still needs to be worked out since during its discussion several concerns were expressed", V. Kopylov said.

[www.unian.net](http://www.unian.net), 30.03.2011

The first batch of 189 tons of barley that Armenia has bought in Ukraine as part of its National Program for Barley Production Development, came to the country on March 28. Let us remind our readers that according to this Program 2000 tons of top class barley are planned to be imported from Ukraine to Armenia and distributed among Armenian farmers in the form of public assistance. According to Deputy Minister of Agriculture of Armenia Samvel Galstyan, Armenia bought 2022 tons and 135 kg of barley from Ukraine. Purchase agreements were signed with the following entities: Odessa Genetics and Breeding Institute and "Natzional" company.

APK-Inform, 29.03.2011

During the last week London's business elite focused its attention on Ukraine during the "Ukrainian Business Week 2011" which took place in the UK capital. "Ukraine is very attractive to investors. Although those already determined to invest in Ukraine were few, there were many people who are considering Ukraine to be a promising investment target and do not exclude our country from their future investment plans", the President of the Ukrainian Agrarian Confederation, Chairman of the Council of Entrepreneurs under the Cabinet of Ministers of Ukraine Leonid Kozachenko said. The event was attended by about 100 representatives of international investment companies and by about the same number of Ukrainian businessmen. The representatives of Ukrainian and international organizations assessed the Ukrainian business environment and offered investment projects during sectional meetings, participated in press conferences and privately discussed concrete ways of cooperation.

IC UAC, 29.03.2011

The Ukrainian Prime Minister Mykola Azarov requires the heads of ministries and departments to ensure the economical growth in 2011. He announced this during the first extended cabinet meeting attended by the directors of departments, governmental agencies and services. According to Mr. Azarov, liberal tax and customs reform should be gradually completed by the end of the current year and practical results of business deregulation achieved so, that an attractive investment environment can be created. As the Prime Minister stressed in his speech, special efforts should be focused to modernize the agriculture sector: "No tasks can be termed secondary. Everything should be achieved simultaneously: optimal structure of sown areas, competent logistics, up-to-date infrastructure (refrigerated warehouses, wholesale markets), improved livestock practices and optimal balance between export, import and domestic consumption. "This is the only way in which food security and price stability can be ensured. That is why we need a system analysis and system solutions," he said.

RBC-Ukraine, 30.03.2011

## Rural Development

March 25, Cabinet resolution N272 of March 9, 2011 approving the Procedure for the use of funds provided in the State Budget to support agricultural service cooperatives came into force. The Budget funds will be distributed on a competitive basis among ASCs, whose membership should exclusively include backyard and commercial farms and individual agricultural producers, so that the latter could purchase agricultural machinery and equipment of Ukrainian manufacturers.

LIGABusinessInform, 25.03.2011

Foreign citizens should be entitled to privatize agricultural land in Ukraine. This was announced by First Deputy Head of Presidential Administration Iryna Akimova during the Ukrainian Forum. "Starting from January 1, 2012 the agricultural land market should and must be opened not only to Ukrainian citizens but also to foreigners willing to work in this sector", Akimova said. According to her, the laws necessary for land reform should be adopted in the first half of 2011 so, that the land market can be fully launched in 2012.

Let us remind our readers, that Deputy Head of the State Agency for Land Resources Mykola Kalyuzhny announced on February 1 that in the draft law On Land Market entities were excluded from the list of those entitled to buy farming land. "We suggested that these should be only Ukrainian citizens that can buy the land and acquire title to it", Mr. Kalyuzhny said.

RBC-Ukraine, 03.30.2011