

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

**31 March – 6 April 2011**

### WTO and Neighbourhood Policy

Cross-party group of MEPs called "Friends of Ukraine" is to be set up in the European Parliament, MEP Pavel Zalevsky told at a briefing in Kiev. According to Mr. Zalevsky, this initiative will soon be formally adopted. The MEP noted that the association will aim to support Ukraine as it moves towards European integration. In the same time, the European Association of Ukrainians says that it has been encouraging the European Parliament to set up such a group for several years already. Pavel Zalevsky said that there are many of those who support Ukraine's aspirations to join the European Union among his fellow parliamentarians and these are those who want to set up the cross-party group with a working title of "Friends of Ukraine". "I hope I will be able to tell you about concrete steps taken in this regard during my next visit to Kyiv. According to the European Parliament Regulations, we can create such a group. At least we have a specific purpose: to assist Ukraine on its path towards European integration ", Mr. Zalevsky said. According to him, the association will comprise representatives of different EP factions.

[www.radiosvoboda.org](http://www.radiosvoboda.org), 02.04.2011

The 16<sup>th</sup> round of talks on FTA between the EU and Ukraine will begin in Brussels on 4 April. Negotiations will continue until the end of the week. Economic experts expect the Ukrainian side to succeed in defending its positions on as-yet unsettled issues related, in particular, to the agricultural export. Official negotiations on the FTA Agreement include trade in goods and services, investment and capital flows and trading rules. There are 18 areas of negotiations ranging from tariff proposals to companies` openness. The Deputy Minister of Economic Development and Trade Valerij Pyatnitskij, who heads the Ukrainian delegation, said that the key objective in concluding the agreement is to provide Ukrainian producers with access to new markets. "When talking about concluding a free trade agreement, the negotiators want, first of all, to get access to new markets and not just to protect their own. There is no point in beginning any negotiations, if the idea is only to protect its own market ", the Deputy Minister said.

[www.pravda.com.ua](http://www.pravda.com.ua), 04.04.2011

The 18<sup>th</sup> round of talks on the Association Agreement between the EU and Ukraine took place as a plenary session in Brussels. The two sides continued their clause-by-clause discussion of Institutional, General and Final provisions of the Agreement, and exchanged views on prospects for settling problematic issues. The delegations agreed a revised draft framework document, which takes into account the progress made in the preparation of the Agreement. Both sides reaffirmed their commitment to conclude the negotiations on the Association Agreement between the EU and Ukraine in 2011 and agreed the next 19<sup>th</sup> round of talks to be carried out in June 2011.

www.mfa.gov.ua, 05.04.2011

## Food Safety

The training on radiation safety and control which were held in the State Institute for Laboratory Diagnostics and Veterinary Researches came to its end. The event was attended by official veterinary radiologists from regional laboratories. The training was organized by the Amplitude Ltd. (Moscow) and the National Metrological Institute (Ukraine).

<http://www.vet.gov.ua/>, 31.03.2011

Last week, the veterinary police inspectors continued their checks of the food establishments to detect illegal animal products. Some 75 mobile units consisting of veterinary and traffic police employees, official veterinarians, etc. continue to operate in the country. 640 inspections of establishments engaged in selling the products of animal origin were carried out and 280 vehicles transporting livestock products were checked. 289 violations were detected, 34 529 UAH worth of fines collected, 156 prescriptions issued and the work of 19 establishments suspended.

22 852 kg of animal products worth 351 thousand UAH whose quality was not well reported were removed from sale. 15.3 tonnes of low-quality products have been disposed.

<http://www.vet.gov.ua/>, 01.04.2011

Greenpeace claims that in some regions of Ukraine milk, mushrooms, berries, beets, potatoes and other foodstuffs are still contaminated with radioactive substances from Chernobyl. This is reflected in the study materials which the conservationists have published on the eve of the international conference devoted to the situation in Chernobyl which will be held in Ukraine on April 19. Greenpeace conducted a research in three different regions of Ukraine outside the Exclusion Zone, measuring the content of caesium-137 in food. In many cases, radionuclide content in food for people exceeded the permissible limit. According to Greenpeace scientist Iryna Labunska, caesium-137 poses a long-term threat to human health, especially to those who daily consume foodstuffs containing radionuclides. Greenpeace also calls for carrying out a thorough examination of agricultural land with a view of detecting radionuclides.

RBC-Ukraine, 04.04.2011

In order for Ukraine to better integrate into the global trading system and for consistency and continuity in the implementation of Ukraine's international obligations to be ensured, the representatives of the State Veterinary Service attended the 50<sup>th</sup> meeting of WTO Committee on Sanitary and Phytosanitary Measures, held 29-31 March 2011 in Geneva (Switzerland).

[www.agroua.net](http://www.agroua.net), 05.04.2011

## Market Infrastructure

49% of agricultural producers think that the price of one hectare of arable land should be higher than 10 thousand UAH, while 28% of them estimate its price to be less than 5 thousand UAH. These are the results of a new survey conducted by the Ukrainian Agrarian Business Club (UABC) entitled "Market value of arable land in Ukraine". According to the survey, 35% of agricultural producers estimate the price of one hectare of arable land to be more than 15 thousand UAH, 23% of these are small farms of less than 50 hectares. However, most small farmers are not going to buy the land after the land market will be launched. "Indeed the conclusion can be easily reached that the majority of small farmers are ready to quit the

agricultural market and are expecting to sell their lands at high prices after the moratorium on the sale of land is removed ", the UABC agricultural markets expert Taras Gagalyuk said.

UABC, 31.03.2011

The export of Ukrainian goods to Poland increased by 47% last year, and the positive trend continues. This was stated by Deputy Minister of Economy, Chairman of the Ukrainian part of Ukrainian-Polish Intergovernmental Commission for Economic Cooperation Vasil Marmazov. He noted that during the years 1999-2008 the export of Ukrainian goods and services to Poland increased by 7 times, and imports of Polish goods increased by more than 16 times. Although, the trade volume decreased two-fold in the crisis year of 2009, in 2010 a marked recovery of bilateral trade was observed. The Deputy Minister is convinced that the conclusion of the FTA agreement with the EU scheduled for the second half of 2011, that is during Polish presidency of the EU, will have a positive impact on cooperation between Ukraine and Poland.

LigaBusinessInform, 31.03.2011

Stabilizing the number of dairy livestock is the first step towards sustainable development of the dairy industry. The Cabinet allocated 3 billion UAH to support national dairy producers, Ukrainian Minister of Agricultural Policy and Food Mykola Prisyazhnyuk said while inspecting spring field work in Odessa region. "The State will channel 3 billion UAH to the dairy industry. These funds are sufficient to support this part of the agricultural sector. The main thing here is to use them properly so, as to attract investors to the dairy sector", Mr. Prisyazhnyuk said.

www.agroua.net, 04.04.2011

The representatives of the largest foreign banks in Ukraine are interested in cooperation with Ukrainian agricultural producers and expressed their willingness to lend them money. Agreement was reached at the meeting of Ukrainian Minister of Agricultural and Food Policy Mykola Prisyazhnyuk with bank executives. "Attracting credits to agriculture is one of the key tasks of the Ministry. Foreign banks confirmed their willingness to issue credits to agricultural producers", Mr. Prisyazhnyuk said, summarizing the meeting which was attended, in particular, by First Deputy Chairman of the Ukrainian National Bank Yuri Kolobov and directors of the following banks: UkrSocBank, OTP Bank and Reiffeisen Bank Aval.

PROAGRI, 05.04.2011

The agricultural wholesale markets are the best way to support national producers and provide Ukrainian consumers with quality products at affordable prices, the Minister of Agricultural Policy and Food Mykola Prisyazhnyuk said while inspecting the construction of the Stolychnij Wholesale Market. According to the Minister, capacious vegetable warehouses are designed to be constructed at these markets so, as to protect Ukrainian consumers from food shortages and price jumps. Mykola Prisyazhnyuk also said that there is a sufficient governmental support for a network of wholesale markets to be created.

The Press Service of the Ministry of Agriculture and Food of Ukraine, 05.04.2011

## **Rural Development**

The European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) favour future harvests being included to the list of acceptable collateral for loans to farmers in Ukraine and Russia. The EBRD and IFC will focus on the issue of adapting the relative legislation in both countries so, as to enable farmers obtain credits during sowing and harvesting times. It is expected that future harvests will be legally allowed to be used as collateral for loans. The report noted that such a system of financing is already operating in Brazil.

UBR, 31.03.2011

ANNOUNCEMENT

Ukraine's President will meet on 11 April with the representatives of the agricultural sector to discuss the progress of land reform, weigh the pros and cons and ask the opinion of the very people who work on the land. Viktor Yanukovich said this on Monday, April 4, at a meeting with Prime Minister Mykola Azarov. "It is extremely important to consult with farmers on all those issues which evoke ambiguous reactions among rural residents. Who will be the real owner of the land when the latter becomes a commodity? Will Ukrainian black soils remain in the hands of people who work on the land? What concerns me particularly about it is the fact that these are rural people who might suffer during the process of land reform", the President said.

Presidential Press-service, 04.04.2011

The investment project to revive agricultural lands of Ivankivci and Polissya rayons of Kyiv oblast, which have not been cultivated for 20 years, since the Chernobyl catastrophe, was presented to local communities at a meeting with the head of Kyiv Oblast Administration A. Prisyazhnyuk. According to the governor, the oblast officials managed to find investors who agreed to substantially invest into the resumption of agricultural activities. According to A. Prisyazhnyuk, a group of private investors and Renaissance Capital bank agreed to invest on equal terms three hundred million UAH over the next 3 years into the development of Ivankivci and Polissya rayons. The investors have already prepared a business plan.

www.unian.net, 05.04.2011