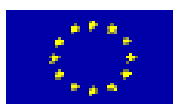




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*Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector
EuropeAid/126205/C/SER/UA*

Overview of Latest Rural Developments

28 April – 4 May 2011

WTO and Neighbourhood Policy

The experts of the Polish Institute of Public Affairs (Instytut Spraw Publicznych) expect collaboration between the Eastern Partnership and the EU states within the Euronest Parliamentary Assembly to be a difficult one. They expressed this opinion while commenting on the first joint meeting of MPs from the Eastern Partnership states and those from the European Parliament. "For the present the Eastern Partnership states' attitude to Euronest leaves no illusions that collaboration will be easy. They repeatedly postponed the first meeting expressing dissatisfaction with the proposals of the European Parliament", experts noted. Such a position made the European side lose its enthusiasm to the initiative. Agnieszka Lada, who directs the European Program in ISP, said that Euronest has no significant competencies and will only be able to make recommendations and resolutions. She also said that such a format does not enhance the interest of partner states in the initiative. Ms Lada added that these are the Eastern Partnership states that should be primarily concerned for the cooperation within the Euronest to be intensified. As the UNIAN reported earlier, the list of participants to the first session of the Euronest Parliamentary Assembly, which was announced in late April, implied that Ukraine's Verkhovna Rada would ignore the meeting.

www.unian.net, 03.05.2011

May 3, the first meeting of the Eastern Partnership Parliamentary Assembly (Euronest), a program of cooperation between the European Union and several former Soviet Union countries, took place in Brussels. The meeting aimed at addressing organizational issues involved delegations from Armenia, Azerbaijan, Georgia, Moldova and Ukraine. Borys Tarasyuk, the head of the European Integration Committee of the Verkhovna Rada and Christian Vihenina, Bulgarian representative in the European Parliament, were elected to co-chair the Assembly.

RBC-Ukraine, 03.05.2011

Food Safety

Ukraine has imposed a ban on imports of Indonesian fresh poultry and poultry products, since, according to International Epizootic Office, cases of highly pathogenic influenza had been registered among poultry in Indonesia. This is evidenced by the decision N15-2-23/3551 of the State Veterinary Medicine Committee from April 27, 2011. Imports of other goods from Indonesia should be carried out according to Ukrainian veterinary requirements.

LigaBusinessInform, 28.04.2011

Market Infrastructure

A branch office of the International Grain Futures Exchange of the Black Sea Region is soon to start operating in Ukraine. This was announced by the Ukrainian Minister for Agrarian Policy and Food Mykola Prysyazhnyuk at a meeting organized by the American Chamber of Commerce (ACC) in Ukraine and the European Business Association and attended in particular by the ACC President Jorge Zukoski, and representatives of EBA, World Bank in Ukraine, EBRD and U.S. Embassy. "This exchange should not be similar to the State Agricultural Exchange. It will become a full-fledged player in the market and ensure conditions enabling the development of tools to attract investments into agriculture", Mr. Prysiashniuk said. The ministry reported that, it was another meeting to establish dialogue between MAPF and international companies' representatives aimed at discussing and jointly deciding on current agricultural issues.

www.liga.net, 28.04.2011

The Ministry of Agrarian Policy and Food of Ukraine says Ukraine will export some 19 -20 million tons of grain in 2011 - 2012 marketing year.

The MAPF grain yield forecast for 2011 is between 42 and 45 million tons. The export balance is still a preliminary one since the sowing campaign is ongoing. The Ministry has not changed its grain export forecast for the current marketing year. Let us remind you that during the first quarter of 2011 Ukrainian agricultural exports increased by 41% to \$ 900 million compared to same period last year.

RBC-Ukraine, 28.04.2011

Ukraine's President vetoed the law "On amending some laws providing government support to agriculture" and offered to reject it in whole for the reasons that follow. The law suggests to establish a procedure according to which during an export/import licensing regime quotas for exports/imports of grain and grain products should be distributed at an auction. Such an approach does not meet Ukraine's international obligations under the WTO's multilateral trade agreements. Victor Yanukovich believes the introduction of transparent and efficient administrative procedures for state regulation of grain market activities is a prerequisite for ensuring national food security, increasing Ukrainian export potential and combining free competition with government regulation in agriculture so, that private and state interests could be balanced.

Such procedures should be applied exclusively on the basis of equality and in accordance with Ukraine's international commitments to eliminate non-tariff barriers in foreign trade. Such a mechanism is provided for in the first reading of the draft law № 8321 amending the Tax Code of Ukraine and approving export duty rates for some types of grain, which was introduced to the Parliament by the Government.

President of Ukraine, 29.04.2011

Ukrainian light industry and agricultural producers called for export duties under the Free Trade Agreement with the EU to be maintained. They have sent a respective appeal to the Government. This was discussed at a meeting of the National Associations of Manufacturers, which was held in the Ukrainian Union of Industrialists and Entrepreneurs (UUIE). According to national industry associations, export duties are a practice entertained by WTO members, and some one-third of member states, including the EU, are using them. So the issue of duties on live cattle, animal skins and sunflower seeds should in no case be discarded when negotiating on the FTA with the EU. These duties will help strengthen national producers' position, save jobs and increase incomes. Thanks to the export duty for sunflower seeds, Ukrainian plant oil industry shows an increase in production of oil crops and oil products, including sunflower oil, UkrOilProm director Stephen Kapshuk says.

LigaBusinessInform, 29.04.2011

Ukrainian MPs have developed a draft law establishing food security criteria in Ukraine. The draft N8370-1 from 28 April 2011 can be accessed at the parliamentary website. According to the draft's authors, its approval is necessary due to a critically low level of food security in the country.

LigaBusinessInform, 04.05.2011

ANNOUNCEMENT

XXIII International Agro Fair AGRO -2011 will be held on June 2-5, 2011. For many years the fair deserved world recognition as the largest and most promising national agricultural event in Ukraine. Every year the quality and range of services offered, as well as the number of national and foreign participants from all sectors of agriculture, food processing, fishing and agri machinery production keep increasing.

<http://www.agroexpo.com.ua>

Rural Development

In his opening remarks at the Cabinet meeting held on April 27, 2011, the Ukrainian Prime Minister Mykola Azarov drew the attention of those present to the fact that despite the rise in food prices, the farmers who produce food become poorer. They do not get a decent rent and rural residents are being pauperized. "The average cost of renting a hectare of land continues to be UAH 260. The average size of a land share is 4 ha. Thus, a farmer continues to receive about a thousand hryvnya per year for his land share. Rural social sphere is in decay as a result of the fact that leases do not oblige the agri producers to develop the social infrastructure. The land has literally and figuratively ceased to feed the peasants. We must frankly admit that this is an unacceptable situation. For how long the countryside, from which a bucketful is being taken and only a spoonful is given back, will survive?", Mr. Azarov said. He insists that "one needs to change the situation decisively. The land is a primary source of livelihood and development of rural communities. The rent must be justified on economic grounds and leases should provide for the tenants to be socially responsible".

www.myland.org.ua, 28.04.2011

The Ministry of Agrarian Policy and Food is to stimulate the production of organic foods. This was announced by the agricultural minister Mykola Prysyzhnyuk during his working trip to Poltava oblast, where he visited in particular a private company in Shyshaky rayon called Agri Ecology.

"It is understood that organic products are important for life and health. So we decided together with the Academy of Agricultural Sciences to set up a scientific unit at "Agro Ecology", which will promote organic dairy and meat production", Mykola Prysiazhniuk said. MAPF's head added that law on organic agricultural production had been approved. "The Ministry will further study the possibility of introducing a system to stimulate the organic production. It is important for every oblast to have farms producing ecologically clean food", the minister said.

MAPF Press Service, 29.04.2011

May 4, a Swiss Association called «Help Point Sumy» will officially hand over 120 tons of humanitarian aid, worth a total of UAH 1 million, intended for Sumy oblast residents. As the deputy chairman of the Sumy Oblast Administration Tamara Ishchenko assured, humanitarian aid will be distributed transparently with priority being given to rural social network. The Swiss delegation will be in Sumy oblast for five days.

<http://www.state-gov.sumy.ua>, 29.04.2011