

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

2 - 8 June 2011

WTO and Neighbourhood Policy

The head of Polish Government Donald Tusk said it is absolutely possible for Ukraine to sign the Association Agreement with the European Union by the end of this year under the Poland's presidency in the EU. Mr. Tusk believes the chances for Ukraine and the EU to complete the corresponding talks to be considerable and notes progress in this area. He said the signing of association and free trade agreements will become a milestone in the way of Ukraine's integration to the EU. Ukraine shows willingness to go the European way despite changes in the country's leadership which took place after the recent elections, and Europe starts to better understand this fact", the Polish prime minister said. Mr. Tusk said that during its presidency in the EU in the second half of 2011 Poland will support the new states from the Balkans region and Eastern Europe to join the Union.

www.pravda.com.ua, 02.06.2011

Food Safety

Ukraine has strengthened border controls on imports of vegetables from the European Union, at the same time, having no plans to prohibit them altogether, as Russia did, the head of the Ukrainian State Veterinary and Phytosanitary Service Ivan Bisyuk said in a commentary to Deutsche Welle. According to Mr. Bisyuk, the European Commission's Directorate General for Health and Consumer Protection SANCO officially informed Ukraine that the spread of intestinal infection is not due to cucumbers, since the strain of Escherichia coli found on these vegetables and the strain from which people are dying in Germany differ between each other. "We will not altogether forbid imports of vegetables from the EU, but we were asked to tighten control over them", he said.

LIGABiznesInform, 03.06.2011

Ukraine has banned imports of pigs and products thereof from Lithuania and the Central Federal District of Russia since cases of classical and African swine plague were registered there.

The State Veterinary and Phytosanitary Service of Ukraine adopted the corresponding decision on June 1-2. As reported previously, Ukraine had banned imports of animals susceptible to ASF and products thereof from Southern, Northern and North-West Federal Districts of the Russian Federation.

Interfax-Ukraine, 03.06.2011

The experts from the Customs Union began to inspect Ukrainian meat and milk companies intending to export their products to the CU countries. This was said by the head of the State Veterinary and Phytosanitary Service of Ukraine Ivan Bisyuk at a press conference. The

inspection will last 14 days during which 32 Ukrainian companies intending to export milk and meat products to the CU countries will be inspected. Mr. Bisyuk expressed hope that after inspection the list of companies permitted to export their products to the Customs Union will significantly increase. He noted that currently 63 Ukrainian companies are permitted to access the CU meat, dairy, feed and premixes markets.

www.unian.net. 07.06.2011

The signing of FTA with the EU will encourage the improvement of quality standards of Ukrainian products. This opinion was expressed in the agri-report prepared by the Erste Bank experts. They believe that legislatively-backed liberalization processes will positively affect the agricultural sector. The experts remind that both the free trade area with the EU and free sale of agricultural land are to be introduced by the end of 2012. The removal of trade barriers will increase the export of Ukrainian products to European countries and free land market will result in larger agricultural companies and improved access to loan capital, since one will be able to use land as collateral for obtaining loans.

LIGABusinessInform, 08.06.2011

Market Infrastructure

The Minister for Agrarian Policy and Food Mykola Prysyazhnyuk hopes Ukraine will receive permission to export poultry to the EU this autumn. The Minister said that EU experts had conducted several inspections of Ukrainian poultry producers and the last of them was a successful one. "I believe that the corresponding decision is to be taken soon, even more so since the FTA negotiations are fast approaching their completion. I am convinced that it will coincide with the signing of the FTA agreement", Mr. Prysiashniuk said. He noted that today Ukrainian poultry meat production meets phytosanitary and veterinary standards, and Ukraine achieved the necessary production volumes to start exporting poultry meat.

<http://economics.unian.net/>, 02.06.2011

The Ukrainian Ministry of Agrarian Policy and Food works on creating an enabling environment for attracting foreign investments into Ukrainian agriculture. This was said by the agricultural minister Prysyazhnyuk after International Agri-Investment Forum entitled "Global food security: challenges and investment opportunities for the agricultural sector." According to the Minister, one should actively create conditions for attracting foreign investments in the sector for the country's agricultural potential to be fully realized. The ministry is systematically working to reduce risks related to the agricultural production. The concept for development of the agricultural insurance system is to be implemented soon.

LIGABusinessInform, 03.06.2011

The Ukrainian Ministry of Agrarian Policy and Food hopes to attract investments into agribusiness from Saudi Arabia, the Minister Mykola Prysiashniuk said at a briefing. "We understand that it is very difficult to attract Saudi Arabian investors, but after having talks with them I can conclude that we have reached a mutual understanding", Mr. Prysiashniuk said.

RBC-Ukraine, 03.06.2011

Ukraine and Russia are finalizing an agreement on border fair trade, the head of the State Customs Service of Ukraine Ihor Kaletnik said while attending the CS board meeting in Mogilev-Podolsky, Vinnytsia oblast. "We, together with our Russian colleagues, have almost finished preparing the document liberalizing the cross-border transportation of perishable foods by citizens. This is called the border fair trade", he said. According to Mr. Kaletnik, this document provides that once in 5 days the residents of border areas will be allowed to transport across the border up to 300 kg of fruits and vegetables grown on their backyard holdings without

paying customs duties and receiving any permission.

<http://economics.unian.net/>, 03.06.2011

Industrial Milk Company S.A. bought three agricultural companies and increased its land bank by 19% up to 45.5 thousand hectares. The company published the corresponding statement on the Warsaw Stock Exchange. All the land is located in Poltava and Chernihiv oblasts near the land plots that already belonged to the company. The transaction also includes the purchase of 1.9 thousand head of cattle, including 900 milk cows. On the newly purchased land there are planted grains and oilseeds. The company attracted \$ 29.7 million during the IPO on the Warsaw Stock Exchange in April. Its shares were included to the WIG-Ukraine and the WIG-Food indexes. In 2010 the net profit of Industrial Milk Company totalled \$ 14.8 million.

RBC-Ukraine, 07.06.2011

Rural Development

The Forum of village and town councils entitled "Development of rural communities as the basis of Ukrainian Agricultural Strategy " took place within the XXIII International Agricultural Exhibition Agro-2011 on June 2, 2011. The Minister of Agrarian Policy and Food Mykola Prisyazhnyuk participated in the forum and was elected the Honorary Chairman of the Ukrainian Village and Town Councils` Association. The Forum was initiated by the Ukrainian Ministry of Agrarian Policy and Food and the Ukrainian Village and Town Councils` Association. "Local authorities are designed to protect the interests of almost a third of Ukraine's citizens. Therefore, it is one of the Ministry's priorities to closely collaborate with them. I am convinced that Ukraine's future is bound to strong rural communities. And this conviction will never be changed", Mr. Prisyazhnyuk assured.

MAPF Press Service, 03.06.2011

In 2012 the Ukrainian Government will significantly increase funding to arrange for cheaper loans to small farmers for them to increase the number of their cattle, the Prime Minister Mykola Azarov said on June 2. "We are ready to support farmers in the individual sector first to ensure that they maintain and increase their number of cattle. We are ready to allocate money for a rural resident to keep a cow and support him/her financially and with feed, since the State is accumulating additional financial resources as the economy gets back on its feet", Mr. Azarov said.

APK-Inform, 03.06.2011

At least half of Ukrainian farmers are not ready to become active participants in the agricultural land market after the land sale moratorium is lifted. This is evidenced by a farmers` survey conducted by the Ukrainian Agrarian Business Club (UABC). According to the survey, 50% of respondents said that the sale of agricultural land should not be allowed at all. 13% think that a full-fledged agricultural land market should be introduced in 6-10 years. Another 17% of respondents believe that it is better to solve issues related to land sale/purchase in 3-5 years perspective. At the same time, 12% of respondents support the idea of starting to sell/buy agricultural land already in 2012-2013, and 5% believe the land market will "ripen" only after all the necessary legislation is introduced. 3% of respondents were not able to answer the question of when one should launch the land market in Ukraine. "This division of opinion suggests that farmers and producers are not psychologically and, first of all, economically ready for a full-fledged farmland market to be launched. According to the survey, most farmers are satisfied with having the opportunity of doing business through land rent", the UABC expert Taras Gagalyuk said.

RBC-Ukraine, 07.06.2011