

 <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/</i></p>		

Overview of Latest Rural Developments

23 – 29 June 2011

WTO and Neighbourhood Policy

German agri-businesses and the German Federal Ministry of Food, Agriculture and Consumer Protection are interested in cooperation with Ukraine. This was announced by an independent expert Ulrich Merz and the project manager of the German-Ukrainian Policy Dialogue Dr. Heinz Strubenhoff during their meeting with Deputy Head of the Ukrainian State Inspectorate for Agriculture Olexander Hryhorovych. "We are interested in cooperation with the Ukrainian side. There are several reasons for this. First of all, Ukraine is a neighbourhood country. And this itself is sufficient reason to fruitfully cooperate and implement joint projects. The second reason is that Ukraine is an extremely powerful agricultural producer and a major exporter of such agricultural products as cereals, rapeseed, sunflower and barley to both Germany and the European Union", Mr. Merz said. According to him, German agri-businesses look at Ukraine as at a target for their investments. Mr. Merz also stressed that the FTA with Ukraine will become a new stage in collateral cooperation between both countries.

Ministry of Agrarian Policy and Food, 23.06.2011

Ukraine and Israel drew up an action plan to conclude a Free Trade Agreement. This was announced during the fourth meeting of the Intergovernmental Ukrainian-Israeli committee on trade and economic cooperation by the committee co-chairmen Ukrainian Deputy Minister of Economy Vasyl Marmazov and Israeli Minister of Tourism Stas Misezhnikov. A standing working group on standardization, metrology and conformity assessment is agreed to be set up to facilitate the access of goods, and a Programme for cooperation in promising areas for 2012-2013 was decided to be developed. The parties also agreed that the Israeli Agency for Development Cooperation (MASHAV) and Crimean local authorities will cooperate within a special agricultural project to develop a better production cycle for local farmers. The project will implement Israeli technologies and know-how.

Press Service of the Ministry of Economic Development, 24.06.2011

The Ukrainian Cabinet of Ministers adopted the resolution On some aspects of implementing the Agreement about financing the Programme for promoting mutual trade between Ukraine and the European Union by removing technical barriers to trade. "Ukraine and the EU signed the above mentioned agreement about financing on December 21, 2009 in the framework of sectoral budget support to Ukraine from the EU. Sectoral budget support is free and irrevocable provided the agreed objectives of structural reforms are achieved. The Agreement created the preconditions for granting financial aid to Ukraine within the Programme for promoting mutual trade between Ukraine and the European Union by removing technical barriers to trade. The total budget of the programme is 39 million euros. Direct budget support from the EU will be available in four tranches, with the first of them amounting to EUR 12 million already being

allocated to the Ukrainian State Budget. The money will be used according to the procedure to be adopted by the Cabinet.

Press Service of the Ministry of Finance, 24.06.2011

The Free Trade Area is being set up to increase mutual trade and investments, Deputy Prime Minister Sergij Tigipko said during Ukraine-Serbia business forum, which was held on June 24 in Serbia. According to Deputy Premier, future accession of Serbia to the WTO and the possibility for Ukrainian businessmen to participate in privatization of Serbian state enterprises will contribute to increased cooperation between the two countries.

RBC-Ukraine, 25.06.2011

Food Safety

Russian Federal Service for Veterinary and Phytosanitary Supervision (Rosselkhoznadzor) completed the audit of 32 Ukrainian companies producing animal products. Experts from Rosselkhoznadzor and competent authorities of the Customs Union member states (Russia, Belarus, Kazakhstan) were in Ukraine for two weeks starting from June 6. Inspection was carried on those Ukrainian enterprises that produce animal products (beef, pork, poultry, prepared meat and dairy products), and are interested in exporting their products to the CU. 32 enterprises were checked for their compliance with CU and Russian veterinary and sanitary requirements and standards. Inspection results are currently being summarized and analyzed.

www.delo.ua, 24.06.2011

Veterinary policemen discovered illegal cheese production facilities while investigating the case of a car loaded with cheese that was detained in Poltava oblast last week. The cheese was made from milk of unknown origin. The premises for milk processing and cheese production and storage were found to be unsuitable and unhygienic. E. coli pathogen was detected in samples of finished products. Activities aimed at combating illegal circulation of animal products continue to be carried out in Ukraine. Mobile teams consisting of veterinary and traffic policemen and employees of the State Veterinary Service are set up to implement these tasks in regions.

<http://vet.gov.ua/>, 25.06.2011

Market Infrastructure

The Ukrainian Ministry of Agrarian Policy and Food call the lack of vegetable storage facilities to be the main problem in providing Ukrainian citizens with this kind of produce, First Deputy Minister of Agrarian Policy and Food Mykola Bezugly said at a press conference.

According to him, the system of vegetable storage facilities was being destroyed over the last 20 years. Mr. Bezugly said that today everything possible is being done to enhance storage capacities. A vegetable storage with an initial capacity of 220 thousand tons is now starting to be constructed in Kherson oblast, with 60 thousand tons facilities planned to be finished already in the current year, and another 160 thousand tons in 2012.

<http://www.unian.net>, 23.06.2011

Viktor Yanukovich: One must take into account the investors' opinion while implementing the reforms.

The reforms will definitely be implemented with investors opinion being taken into account. This was stated by Ukraine's President Viktor Yanukovich during his meeting with the President of the European Bank for Reconstruction and Development (EBRD) Thomas Mirow, which took

place before his meeting with national and foreign investors.

Presidential Press Service, 23.06.2011

The Agrarian Fund purchased 860 thousand tons of this year's harvest grain through Ltd. Bread Investbud, the AF general director Sergej Khoroshailov said at a press service in the Ministry of Agrarian Policy and Food. "We started to form a public intervention fund already in March by making forward purchases of grain. About 1,200 farms from all regions of Ukraine participated in this programme and have already received 70 percent of the sum fixed in their contracts. The remaining money will be paid after they supply grain to the certified elevators", Mr. Khoroshailov said.

RBC-Ukraine, 24.06.2011

The land value can be maximum UAH 15 thousand per 1 ha, said the head of the Ukrainian Agrarian Union Gennadiy Novikov. "An expert has recently said that one should always set a normative value for land. The price will depend on actual cadastral valuation and on demand for land in particular localities. Price limits are now attempted to be set to please the voters. But people should understand that it all is confined to mere naked words. If there is nobody to buy land for UAH 20 thousand, then it is impossible to sell land for that sum of money", Mr. Novikov said.

RBC-Ukraine, 24.06.2011

Production, consumption and exports of Ukrainian flour will drop in the next season. This is the forecast of APK-Inform expert Olga Pryadko which she made at the Grain Forum-2011 conference in Yalta. According to preliminary data, Ukraine will produce 3.287 million tons of flour in 2011/12 compared to 3.5 million tons in this season. In the next season the total supply of flour is estimated at 3.53 million tons and flour consumption is estimated at 3.37 million tons, which is less than in previous season (3.74 million tons and 3.42 million tons respectively). In 2011-2012 Ukrainian flour exports can drop from 82 thousand tons to 51 thousand tons. The expert also noted that in the new season Ukrainian exporters should be prepared to fight for markets with flour producers from Turkey, Kazakhstan and Russia.

www.agroua.net, 25.06.2011

The moratorium on agricultural land sales prevents the State Budget from receiving \$ 80 billion for the sale of 4 million hectares of land, the President of the American-Ukrainian Business Council Morgan Williams said at a press conference. "The moratorium needs to be lifted as soon as possible. One must expect significant economic consequences for the country since 4 million hectares of beautiful land can bring about 80 billion dollars, if the land is to be sold at international prices", he said. However, according to Mr. Williams, this will not happen in near future due to corruption and bad business climate in Ukraine.

RBC-Ukraine, 25.06.2011

Rural Development

The increase in the normative land value of agricultural land by approximately 70 percent to UAH 19.5 thousand per hectare will be one of the steps to implement the land reform. As a result, the rent of land will rise to an average of UAH 600-700 per hectare per year. Thus since the size of an average land share in Ukraine is around 4 hectares, each rural resident will receive at least UAH 2.5 thousand of rent annually. This was stated by Deputy Minister of Agrarian Policy and Food Mykola Bezugly. Village councils can in this way get more money in taxes and rent. "The income tax from rent will also be higher", Mr. Bezugly said.

BIZ.liga.net, 23.06.2011

The Ukrainian Cabinet of Ministers adopted a draft agreement between Ukrainian, Belarus and Polish governments to establish West Polissya transboundary biosphere reserve. This is stated in the Cabinet's resolution № 515 from 9 June, which was published in the Governmental Courier on June 22.

The Cabinet has also authorized the Minister of Environment and Natural Resources Mykola Zlochevsky to sign the agreement.

RBC-Ukraine, 23.06.2011

From 2006 to 2010 international organizations have channelled more than UAH 225 million to implement technical assistance projects in Crimea. This was disclosed by the Crimean Vice Prime Minister, Minister of Economic Development and Trade Kateryna Yurchenko at a workshop dedicated to implementation of the UNDP and European Commission joint project entitled Community Oriented Local Development. According to Mrs. Yurchenko, the Crimean Council of Ministers will in the near future sign agreements on cooperation and mutual understanding between "all projects and programs operating in Crimea."

RBC-Ukraine, 26.06.2011