

 <p>МІНІСТЕРСТВО АГРАРНОЇ ПОЛІТИКИ ТА ПРОДОВОЛЬСТВА 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 21 - 27 July 2011

### WTO and Neighbourhood Policy

The Ukrainian foreign minister Konstantin Gryshchenko said in an interview for The New Europe that Ukraine will make the EU stronger. According to the minister, the need to focus attention on helping Greece, Portugal and Spain should not prevent the EU from simultaneously admitting Ukraine to European affairs. Mr. Gryshchenko insists that Ukraine's integration with all its resources and capacities being brought into play can help provide quicker and more systematic solutions for the challenges facing the EU and its Member States. The Minister also noted that these are the unprecedented reforms undertaken at the President's initiative and under his direct control that are now bringing Ukraine closer to the EU. "We are optimists and maximalists who are trying to achieve maximum results through personal effort and through governmental and civil society support. This is the formula that will lead us to success", Mr. Gryshchenko said.

The Press Service of the Ministry of Foreign Affairs, 22.07.2011

Ukraine's benefits from joining the Customs Union (CU) are more obvious than those from creating a Free Trade Area (FTA) with the EU, the director of the American Institute in Ukraine Anthony Salvia said at a round table held in Interfax-Ukraine on July 26. "The benefits of an FTA with the EU, as opposed to membership in the MC, are not that obvious for Ukraine", he said. Mr. Salvia is convinced that Ukraine's joining the CU would provide free access to the Russian, Kazakhstan and Belarus markets for Ukrainian industries and would bring about an increase in direct foreign investments into Ukrainian economy. Ukrainian economic expert Viktor Suslov agreed with his colleague that joining the CU would be more sensible for Ukraine in economic terms. "The FTA with the EU is more a political choice than an economic necessity. Ukraine needs to opt for the Customs Union. As for Western investors, Ukraine will anyway become increasingly attractive for them after coming out of the crisis ", he said.

Interfax-Ukraine, 26.07.2011

The Ukraine Deputy Foreign Minister Pavlo Klimkin met with the ambassadors of the G-Seven countries and the EU Member States. During the meeting the parties exchanged views on prospects for Ukraine's main foreign policy priorities and on the way the international partners are going to further support systematic social and economic reforms in Ukraine and develop bilateral relations. Special attention was paid to discussing the issue of improving the business climate in Ukraine and creating the necessary conditions for attracting foreign investments. The parties discussed key issues standing on the Ukraine-EU collaboration agenda, including those related to the forthcoming completion of negotiations on the Association Agreement and FTA and to visa-free dialogue. The ambassadors were told about major activities being taken under Ukraine's presidency in the Committee of Ministers of the Council of Europe, which lasts from May to November 2011.

www.mfa.gov.ua, 26.07.2011

## Food Safety

The Ukrainian State Veterinary Service intends to audit Danish spongiform encephalopathy control, monitoring and prevention systems. The corresponding agreement was made during the meeting held on July 19 between the Ukrainian veterinary service head Ivan Bisjuk, the Ambassador of Denmark to Ukraine Michael Borg-Hansen and the director of the Danish Board of Agriculture and Food Beef Department Ole Meland. The parties were also coordinating the draft veterinary certificate for import of Danish beef and beef products and discussed the possibility of supplying Danish pedigree cattle to Ukraine.

Interfax-Ukraine, 21.07.2011

The Ukrainian State Veterinary Committee abolished its ban on imports of French fresh poultry and poultry products, which was introduced in January 2011 due to cases of Newcastle disease having been recorded in this country.

APK-Inform, 22.07.2011

The Ukrainian State Veterinary Service banned imports of Lebanon horses and horse products since cases of Glanders disease among horses were registered in the Republic of Lebanon.

<http://economics.unian.net/>, 22.07.2011

The Kyiv city sanitary station checked all the registered businesses producing and selling grilled chicken in Kyiv. Violation of sanitary requirements were found in 65 of 145 retail facilities. The inspections were carried out since several cases of acute intestinal infection have occurred in Kyiv, caused by consumption of grilled chicken from the Velyka Kyshenya, a supermarket located in the Obolon district of the city. The inspections resulted in 69 fines imposed, 14 facilities suspended from operation, 9 facilities suspended from producing and selling grilled chicken, and in degraded products recalled from circulation.

<http://economics.unian.net/>, 22.07.2011

The veterinary police recalled some 13 tonnes of poor quality products from circulation last week as part of the programme for combating the illicit trafficking in animal products. The value of the products recalled was UAH 260.8 thousand. 1740 kg of low-quality animal products were destroyed under control of the veterinary police. 248 crimes under Art.107 of the Administrative Code were documented and UAH 31,000 of penalties taken.

<http://biz.liga.net>, 26.07.2011

## Market infrastructure

July, 20 The Government adopted draft Law of Ukraine On Amendments to Art. 13 of the Law On Government Support to Agri Producers aimed at settling differences arising when credit subsidies are being provided to agricultural producers by bringing terms of credit subsidies in line with Art. 347 of the Commercial Code. The draft also aims to render the agri producers entitled to compensation for interest on short-term credits which they obtained to cover this and the next year's production costs. The adoption of this draft is expected to improve the government support mechanism for agricultural producers through easing the credit conditions.

MAPF Press Service, 25.07.2011

Restrictions on imports of Ukrainian animal products to Russia, which entered into force on July

13, may adversely affect the Ukrainian beef market.

According to the executive director of the Ukrainian Agrarian Business Club (UABC) Elizabeth Svyatkivska, the fact that some 20 meat and dairy companies did not receive import permits from Rosselkhoznadzor (the Russian Federal Veterinary Phytosanitary Control Service), negatively affects the Ukrainian beef market. "Previously, beef processors and livestock producers hoped the list of companies entitled to import their products to the Customs Union countries would be expanded providing additional support in the absence of budget subsidies. Today it has become increasingly apparent that one will not succeed in substantially increasing Ukrainian beef exports to Russia", the expert said.

LIGABusinessInform, 25.07.2011

## **Rural Development**

An integrated rural development based on a strong economic platform must be the main component of the agricultural sector development. Productive enterprises to be set up within village councils can provide such a platform, the Minister of Agrarian Policy and Food of Ukraine Mykola Prisyazhnyuk said, while opening the meeting of the Village and Town Councils` Association. At the meeting it was decided to prepare and schedule a programme for the development of rural areas, rural social facilities, small and medium farms, and agricultural service cooperatives according to the Memorandum of Collaboration between the Ministry of Agrarian Policy and Food and the Village and Town Councils` Association. It was recommended to the Association that it starts selecting rural communities in each region to be involved in the implementation of this programme.

<http://minagro.gov.ua>, 25.07.2011

Introducing the Internet in villages will enable farmers to learn more about customers' needs and correspondingly correct their vegetable and fruit yields, the Minister of Agrarian Policy and Food Mykola Prisyazhnyuk said. He said that the agricultural reform will include introducing up-to-date information technologies in rural areas. In two years the Government is going to implement the Internet-trade program in rural areas so as to enable the farmers to learn about the quantity and assortment of products the consumers demand.

LIGABusinessInform, 25.07.2011