

 <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>ВИКОНАННЯ УКРАЇНОЮ ЗОБОВ'ЯЗАНЬ ЩОДО ЧЛЕНСТВА В СОТ ТА РЕАЛІЗАЦІЇ ЄВРОПЕЙСЬКОЇ ПОЛІТИКИ ДОБРОСУСІДСТВА В СІЛЬСЬКОМУ СЕКТОРІ <i>EuropeAid/126205/C/SER/UA</i></p>		

Overview of Latest Rural Developments

11-17 August 2011

WTO and Neighbourhood Policy

The Ukraine's President Viktor Yanukovich authorized the First Vice Prime Minister/Minister of Economic Development and Trade Andriy Klyuyev to sign a letter to the Secretary General of the Organization for Economic Cooperation and Development (OECD) requesting him to consider Ukraine's accession to the OECD Declaration on International Investment and Multinational Enterprises and Ukraine's participation in the OECD Investment Committee.

The Press Service of the Ministry of Economic Development, 12.08.2011

The Minister of Agrarian Policy and Food Mykola Prisyazhnyuk is making a working visit to Bangladesh and China.

The Memorandum of Cooperation on the Supply of Certain Agricultural Products is planned to be negotiated and signed with the Bangladesh Minister for Food and Emergency Services. In China Mr. Prisyazhnyuk plans to meet with the Chinese Minister of Agriculture and visit the Export-Import Bank of China.

The MAPF Press Service, 15.08.2011

ANNOUNCEMENT

An international forum will be held on October 7-8 in Yalta to discuss economic cooperation in the Black Sea region, the press service of the Crimean Ministry of Economic Development and Trade said. Some 150 officials, businessmen, experts and journalists from Ukraine, Russia, Georgia, Turkey, Bulgaria, Romania, Moldova, Armenia and Azerbaijan will participate in the event. "Cooperation and creation of interregional and international clusters of agriculture and organic producers and regional and international cooperation for tourism development are among issues to be discussed during the forum", the press release reads.

www.izvestia.com.ua, 15.08.2011

▪ Food Safety

The State Inspectorate on Consumer Protection of Ukraine intends to reduce the list of foods subject to mandatory certification. It plans to cancel certification of products with low risk and foods that meet the WTO technical regulations.

The following products will be excluded from the list: mineral and drinking water in sealed containers; soft drinks, artificially mineralized water and beverage concentrates with shelf life of at least 30 days, preserves and canned fish, seafood, caviar; fresh, dried and smoked fish with shelf life of more than 30 days.

The corresponding draft order was elaborated according to the President's recommendations.

<http://economics.unian.net/>, 12.08.2011

Since, according to official data provided by the WHO Regional Office for Europe, the European Centre for Disease Control and EU Member States' health ministries, no cases of diseases caused by Escherichia coli O104:H4 have been recently registered in the European Union and due to the official letter received from DG SANCO on 06/08/2011, decisions of the Chief Inspector on Plant Quarantine of Ukraine № 4250-012-1 from 09/06/2011, № 4351-012-1 from 15/06/2011 and № 4811-012-1 from 07/07/2011 are declared void.

<http://www.vet.gov.ua/>, 15.08.2011

▪ **Market infrastructure**

Ukraine's Prime Minister Mykola Azarov considers it necessary to combine grain export capacities of Ukraine, Russia, Belarus and Kazakhstan. He stated this during the ninth Session of the Russian-Ukrainian forum entitled The Second Wave of Global Crisis and Prospects of Ukrainian-Russian Relations.

"We could coordinate our positions on world markets, especially concerning agricultural exports. This year Ukraine's export capacity is about 24 million tons of grain, that of Russia, as far as I know, is about 35 million tons and that of Kazakhstan - 15 million tons. If we combine our export capacities, it will be easier for us to secure a significant share of the world market", the Prime said.

www.liga.net, 11.08.2011

Ukraine's Prime Minister Mykola Azarov wants the "3 +1" formula for Ukraine's cooperation with the Customs Union to be filled with concrete economic content. He said this during the ninth session of the Russian-Ukrainian forum entitled The Second Wave of Global Crisis and Prospects of Ukrainian-Russian Relations.

APK-Inform, 11.08.2011

Imports of apples to Ukraine fell by more than 3 times in 2010/11 season. The experts of APK-Inform Vegetables and Fruits project said the apple imports fell due to increased apple production and expended storage capacities in Ukraine and due to reduced apple production in the EU causing prices to raise.

www.liga.net, 11.08.2011

The Government intends to pay agribusinesses UAH 5 thousand for each new cow with milk productivity of more than 4.3 thousand litres per year, the Minister of Agrarian Policy and Food Mykola Prysyzhnyuk said during his visit to Dnipropetrovsk oblast. According to the minister, it will be a good motivation to increase the number of livestock and milk production. Mr. Prysyzhnyuk said that MAPF's main priority this year is to increase the number of high productive cows. "UAH 500 millions are allocated this year to reimburse farmers for building or reconstructing livestock farms, and another UAH 300 million to reimburse them for interests on loans taken to build livestock farms", the Minister said. The Government continues to reimburse farmers also for buying heifers for fattening from rural residents.

www.unian.net, 12.08.2011

According to the State Statistics Committee, in the first half of 2011 Ukraine's exports of vegetables increased by 56.1% to \$ 54,610.6 thousand, while imports of vegetables to Ukraine increased by only 4.5% to \$ 102,930.4 thousand. However, vegetable imports is, nevertheless, almost 2 times higher in value than exports. Exports of processed vegetables increased by 42.5%,

to \$ 120,616.0 thousand, while imports increased even more, by 49.5% to \$ 132,228.3 thousand. These are backyard holdings who produce most of cucumbers (90%) and tomatoes (65-70%) in Ukraine.

www.liga.net, 12.08.2011

According to the State Statistics Committee, in the first half of 2011 Ukraine's meat exports increased in value by almost 90%, compared to the same period in 2010.

During this period Ukraine exported \$ 95696.8 thousand worth of meat. Imports of meat to Ukraine fell by 41.4%, but since its total value is \$ 111,174.8, thousand imports still exceeds exports. Exports of milk and dairy products, eggs, poultry and natural honey increased by 8.8% to \$ 336,846 thousand, while imports of these products has increased significantly by 16.9% to \$ 60,380.7 thousand.

LIHABusinessInform, 12.08.2011

The sale price of cheese increased by 10-15% to 60-70 UAH per kg, while at the beginning of the summer it was 50-60 UAH. "This is the guilt of milk producers who in June-July artificially increased prices by 35%. Cheese producers were obliged to increase prices, since the price of milk accounts for 70% of the cheese price", Corporate Affairs Director of Shostka Dairy Natalia Fesyun said.

The milk producers justify the increased milk prices due to reduced number of livestock and lower milk yields. The experts do not accept such excuses. "The livestock number did not decrease so as to justify increasing prices by one third. I think this is due to producers desire to maximize their profits", Director of the Ukrainian Association of Meat and Dairy Exporters Hryhorij Shenderov says. Experts predict that the rise in cheese prices will entail a drop in its demand.

According to MAPF forecasts, vegetables, eggs, dairy products and meat are those products which will become increasingly expensive.

<http://obozrevatel.com>, 15.08.2011

▪ **Rural Development**

Sorochintsy Fair will be held from 16 to 21 August. It is the largest fair in Ukraine where farmers and agribusinesses can present their products to customers. The fair has been held in the Village of Velyki Sorochintsy in Poltava oblast since XIX century. Apart from business activities it also includes a big entertainment programme.

<http://ukr.obozrevatel.com>, 12.08.2011

Experts note that rural tourism is still in infancy stage in Ukraine, and there are relatively few household owners who have experience of working in this sector. The chairman of the Union for Promoting Green Tourism in Ukraine Valentyn Vasilyev believes this type of tourism has a positive effect on improving the quality of life in rural areas, since it generates new jobs and provides additional income. Lack of cheap loans, investments and information support, poor preparedness of farms and rural households to use modern service technologies and bad roads are among obstacles to rural tourism development. Lack of service standards make it practically impossible to integrate rural tourism into the tourism market. "Only after clear and transparent rules are set up one can start developing a target state program to promote green tourism", Mr. Vasilyev said. According to him, none of the projects developed within the State Program of Tourism Development for 2002-2010 has been implemented. The Union hopes Euro-2012 will spur the development of the sector.

<http://www.golosua.com>, 13.08.2011

Investing in agriculture is as profitable as investing in the exploration of natural energy resources, Ukraine's President Viktor Yanukovich said. "It can be safely said that today investing in farmland is equivalent to investing in oil and gas excavation, with the difference that agricultural land, unlike natural deposits, if properly cultivated, does not exhaust, but only increases in its price and brings regular income for its owners", he said.

"Ukraine's perspectives in agribusiness do not have analogues in the world. In Europe (excluding Russia) only Turkey is bigger than Ukraine in terms of territory, but 76% of our lands have no limitations for cultivated crop production", Mr. Yanukovich stressed.

<http://finance.obozrevatel.com>, 16.08.2011