

 <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/UA</i></p>		

Overview of Latest Rural Developments

18 - 24 August 2011

WTO and Neighbourhood Policy

The Government authorized the First Vice Prime Minister of Ukraine/Minister of Economic Development and Trade Andriy Klyuyev to sign the Protocol #3 of the European Outline Convention on Transfrontier Cooperation between Territorial Communities or Authorities concerning Euroregional Co-operation Groupings (ECG). The Government adopted the corresponding Presidential resolution on August 17. The adopted resolution will contribute to effective cross-border cooperation with the principles and priorities of national regional policy taken into account and will ensure the sustainable socio-economic and spatial development of regions.

The Press Service of the Ministry of Economic Development, 18.08.2011

The Ukrainian Foreign Minister Konstantin Grishchenko met with Vice Chancellor and Austrian Federal Minister for European and International Affairs Michael Spindelegger at the international conference Salzburg Trilogy on August 18.

Both sides appreciated the current state of Ukrainian-Austrian relations, and discussed ways to intensify bilateral trade and economic cooperation. Mr. Spindelegger restated the readiness of his country to support Ukraine's European aspirations with regard to conclusion of the Association Agreement and implementation of the EU Action Plan to liberalize visa regime for Ukrainian citizens.

The Press Service of the Ministry of Foreign Affairs, 19.08.2011

The European Commission President Jose Manuel Barroso said that Ukraine should more actively implement reforms to further align itself with the European Union. In an article on the occasion of 20th anniversary of Ukraine's Independence which was published in the newspaper Zerkalo Tyzhnya Ukraine weekly, he wrote that the year 2011 is very important since during this year Ukraine's "future image" is to be determined. According to Mr. Barroso, independence means not only achieving sovereignty, but also introducing new political systems and other important changes in social and economic life. " There is even a harder task before you since it is while implementing large-scale structural reforms that you have to confirm and consolidate your independence", the Commission President said.

The European Union will continue to support the reform efforts of the Ukrainian Government and Ukrainian citizens. "The success in politics and economy that Ukraine has made in the 20 years of its independence will be reflected in a new ambitious agreement on association, which would include a comprehensive free trade zone. The EU asks Ukraine to reaffirm its commitment to the fundamental values that all the EU member-states are supposed to share, i.e. human rights, democracy and fundamental freedoms, supremacy of law and freedom of speech", Mr. Barroso said.

"We want a closer cooperation with civil society through the Eastern Partnership Programme and European Neighbourhood Policy to further strengthen our relationship. The 20th anniversary of independence can be celebrated in different ways. But the best way is if Ukraine takes decisive steps towards own consolidation as a modern and successful state and it becomes possible to talk about a real convergence with the European Union", he noted. Barroso says he is proud to consider himself a friend of Ukraine.

<http://www.unian.net>, 20.08.2011

Food Safety

Ukraine lifted the ban on imports of Azerbaijani pigs and pig products, which was introduced in 2008 due to cases of African Swine Fever registered in this country. According to the State Veterinary and Phytosanitary Service of Ukraine, the ban was lifted since no cases of African Swine Fever have been registered in Azerbaijan since March 2008.

Interfax-Ukraine, 18.08.11

The veterinary police inspected Dnipropetrovsk supermarkets and found numerous violations of meat marketing requirements. As a result of the inspections, 204 kg of low quality animal products were removed from circulation. In Khmelnytskyi oblast a private meat processing company was found to be operating without licence. Meat with a total weight of 1,091 kg was removed from circulation since no veterinary documents accompanied it. The company's owner has been fined and its operations suspended. Similar activities continue to be taken throughout Ukraine to combat the illegal circulation of animal products.

<http://www.vet.gov.ua/>, 19.08.2011

The State Research Institute of Laboratory Diagnostics and Veterinary-Sanitary Examination held a national workshop on "Actual Problems of Veterinary-Sanitary Control and Supervision of Exports to the Customs Union". The following issues were covered during this two-day workshop "The main problems and prospects for Ukrainian exports to the Customs Union", "Types of laboratory procedures required to check the quality and safety of products exported to the Customs Union", "The procedure for sampling products exported to the Customs Union; obtaining the supporting documents, sample delivery and handling."

<http://www.vet.gov.ua/>, 22.08.2011

Market infrastructure

A trend to further risk diversification is observed in the development of Ukrainian agricultural holdings. This conclusion can be drawn from the recently published annual survey of the Ukrainian Agrarian Business Club entitled "The Largest Agricultural Companies in Ukraine: On the Verge of Restructuring (2011)". In contrast to previous years, in 2011 Ukrainian agricultural holdings focused on growing potatoes. According to the UABC president Alex Lissitsa, the main factor that stimulates the integration processes in the potato sector is an almost total lack of competition since 97-98% of potato is produced in backyard holdings. Mr. Lissitsa is convinced that despite such constraints as the need for investment in infrastructure, logistics and marketing, Ukraine will experience a boom of investments in potato production and storage facilities in the next 3-5 years. According to him, in 5 years agricultural holdings will account for at least 10-15% of total potato production and, thus, will minimize the risks associated with regular state interventions in grain and oilseed markets.

The Ukrainian Agrarian Business Club, 19.08.2011

In 2011 Ukraine will be ranked fourth in Europe in terms of apple production outstripping Germany for the second consecutive year. Experts predict that Poland will again assume the first place, which it yielded last season to Italy due to flooding and adverse weather conditions. However, the difference in the amount of apples produced in Poland and in Italy will be insignificant. The amount of fresh-market apples will be much higher in Italy, since in Poland most of the apples are sold for processing.

<http://delo.ua>, 22.08.2011

August 22, the Cabinet of Ministers amended the Procedure for using funds allocated from the State Budget to support agricultural enterprises through credit cost reduction mechanism. The purpose of amendments is to improve the mechanism of partial compensation for bank credits which the agricultural enterprises obtain from banks. The amendments will improve the mechanism of credit cost reduction and make the use of budgetary funds more efficient.

The MAPF Press Service, 22.08.2011

Rural Development

Volodymyr Lytvyn commented on the Parliament's activities scheduled for the forthcoming ninth session during his working visit to Zhytomyr oblast. He said that the Law On Land Market will be the key issue of this session. "This is a very important issue which requires not only debate but also awareness-raising, since passions are being aroused against it" Mr. Lytvyn said. Explaining the relevance of the adoption of this law, Mr. Lytvyn stressed that it is impossible to preserve and further the current situation in land relations, when land is being bought illegally. He predicted that after the land market is launched the normative land value will increase dramatically. "We need a real price to be set and real owners to work on land," the Parliament's chairman said.

UNIAN, 21.08.2011

Iryna Akimova told about reform priorities in Ukraine in an interview to Zerkalo Tyzhnya Ukraine weekly, mentioning the land reform in the fifth place among them. Ms. Akimova said: "The fifth priority is the land reform. The main task here is to launch a land market in the coming years and create strong legal safeguards ensuring that land is used for its intended purpose. A relevant legal framework needs to be established so as to enable one to obtain mortgage loans and modernize the agricultural sector". She added that "Ukraine's agricultural potential, although recognized globally, still remains essentially unrealized." In her interview Irina Akimova named seven reform priorities: social support system, pension insurance, health care, energy sector, land reform, deregulation, promotion of entrepreneurial initiatives, accelerated privatization.

<http://www.myland.org.ua>, 22.08.2011