

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

## Overview of Latest Rural Developments

25 - 31 August 2011

### WTO and Neighbourhood Policy

Ukraine's President Viktor Yanukovich instructed the Prime Minister Mykola Azarov to analyze the implementation of the Action Plan on Implementation of Ukraine's Obligations and Commitments Resulting From its Membership of the Council of Europe. The relevant resolution was issued after Mr. Yanukovich visited France where he attended the PACE session, stipulating that the Prime should, before October 1, make proposals on how to fulfil the plan tasks ahead of schedule. The President also instructed the Vice Premier for Economic Affairs Sergij Tigipko, the Justice Minister Oleksandr Lavrynovych and the Foreign Minister Konstantin Grishchenko to sign until the same date on Ukraine's behalf the Council of Europe Convention on Preventing and Combating Violence Against Women and Domestic Violence.

The Presidential Press Service, 25.08.2011

The Finnish Prime Minister Yurki Kataynen said that Finland supports Ukraine's European aspirations and welcomes its political will to conclude negotiations on the Association Agreement by the end of this year. The Chairman of the Committee of Ministers of the Council of Europe, Ukrainian Minister of Foreign Affairs Konstantyn Hryshchenko met with Mr. Kataynen on August 29 while paying a working visit to Finland. "The Association Agreement is the key element in further development of EU-Ukraine relations. We welcome the political will of the Ukrainian Government to complete negotiations by the end of this year," the Finnish Prime Minister said. According to Mr. Kataynen, it is important that Ukrainian Government seeks to integrate Ukraine into the EU. "It gives people hope and opens new perspectives. We support Ukraine's European aspirations and advocate the liberalization of visa regime with your country," the Finnish Prime Minister said.

The Press Service of the Ministry of Foreign Affairs, 29.08.2011

Ukraine's President Viktor Yanukovich instructed the Prime Minister Mykola Azarov to develop and adopt an action plan to prepare for Ukraine's holding the presidency in the Central European Initiative (CEI) in 2012. Mr. Yanukovich is also going to establish an organizing committee and solve the financing issues related to the CEI presidency.

The Presidential Press Service, 29.08.2011

Ukraine has been for 3 months suspended from emissions trading under the Kyoto Protocol for. According to the National Ecological Centre of Ukraine (NECU), the Committee on the UN Framework Convention on Climate Change has taken a preliminary decision to suspend Ukraine from international emissions trading and implementation of joint projects. The Committee has also found that the Ukrainian National Inventory of Anthropogenic Emissions does not meet international requirements. The environmentalists say that the reason for this decision was the UN report on Ukraine's national inventory from 2008. The NECU Programme

Coordinator on Climate Change Christina Rudnytska noted that the problem with the Ukrainian inventory originated since there was no system for collecting and verifying data on emissions across all sectors. She said that only statistical data were used and no one checked for their correspondence to the actual emissions.

<http://economics.unian.net>, 30.08.2011

Ukraine's President Viktor Yanukovich held a "face to face" meeting with the Polish President Bronislaw Komorowski.

The European integration related issues and, in particular, the preparation of the Association Agreement and the FTA with the European Union, were discussed during the meeting. Poland is currently holding the EU presidency. The Presidents also discussed the issues of bilateral cooperation.

[www.prezident.gov.ua](http://www.prezident.gov.ua), 30.08.2011

## **Food Safety**

The Ministry of Agrarian Policy and Food takes all the necessary measures to prevent the African Swine Fever entering into Ukraine, in particular, from the Russian Federation, the agricultural minister Mykola Prysyzhnyuk said during the meeting of the State Emergency Epidemic Committee. According to Mr. Prysyzhnyuk, from the beginning of the year regional veterinary services checked over 835 thousand vehicles crossing the border with Russia in order to prevent the entry of this disease into Ukraine. More than 3,400 kg of animal products were removed from hand luggage. In addition, in the border regions (Donetsk, Lugansk, Sumy, Kharkiv, Zaporizhia oblasts and the Autonomous Republic of Crimea) 1.174 million pigs were vaccinated, 2790 pig farms and 310,000 households checked and 1.6 million pigs were examined, 120 samples of wild pigs were collected.

The MAPF Press Service, 26.08.2011

Quarantine against ragweed pollen was introduced on 2 ha in Vasylkiv, Kiev oblast (according to the order № 153 of Vasylkiv Town Council from 17.08.2011) and on 13.38 hectares in Boryspil rayon of Kyiv oblast (according to the order № 2341 of Boryspil Rayon State Administration from 15.08.2011). The prescribed phytosanitary measures include mowing before flowering with subsequent burning and tinning. Quarantine against ragweed pollen was introduced on 0.15 ha in the village of Kmytiv, Korostyshiv rayon of Zhytomyr oblast (according to the order № 504 of Korostyshiv Rayon State Administration from 12.08.2011). The prescribed phytosanitary measures include mowing before flowering with subsequent burning and tinning. Quarantine against potato golden nematode was introduced on 0.069 hectares, in Turka rayon of Lviv oblast (according to the order # 403 of Turka RSA from 09.08.2011) and on 0.80 hectares in the village of Shehyni, Mostyska rayon of Lviv oblast (according to the order #484 of Mostyska RSA from 10.08.2011). The official plant quarantine inspectors are instructed to control localization and elimination of the pest and prevent its further spread.

[vet.gov.ua](http://vet.gov.ua), 29.08.2011

## **Market infrastructure**

The Russian President Dmitry Medvedev said that Russia can not agree on Ukraine's entering the Customs Union (CU) according to a special formula. "The "three plus one" formula is unacceptable, since a CU member should sign all of its documents," Mr. Medvedev told reporters.

However, the Russian president also stressed that his country is interested in Ukraine's joining

the CU. Mr. Medvedev said that the CU is the highest form of integration, "and Russia hopes that such a big European country as Ukraine, being fraternal and friendly to us, will join the Union."

Interfax-Ukraine, 25.08.11

The current practice of allocating agriculture-support funds from the Stabilization Fund does not ensure effective and efficient use of financial resources. In 2010 the central distributor received the funds only at the end of the fiscal year. This was the conclusion of the audit carried out by the Accounting Chamber.

The central and lower-level fund distributors violated several regulations while distributing the agriculture-support funds, did not establish clear criteria for funds allocation and adopted inefficient managerial decisions. Due to repeated changes in volumes and directions of support, only 2.3 thousand out of 52 thousand farms who needed the support received it.

RBC-Ukraine, 29.08.2011

Russia is far ahead of Ukraine in terms of grain exports. According to the Ukrainian Agrarian Business Club, in this season Russian grain exports are almost 5 larger than those from Ukraine. In July-August the Russian Federation exported some 4.4 million tons of grain, while Ukraine exported only 0.9 million tons. According to the UABC experts, this year Ukraine's grain exports rates are almost 4 times lower than normal. There also are fears that farmers will not have enough storage capacities to store the estimated 47 million tons of grain harvest. "Given that this is the second largest grain harvest in 20 years, farmers may not have where to store it," the UABC agricultural markets expert Roman Slastion said.

Experts believe the grain export taxes to be the reason rendering Ukrainian grain uncompetitive in world markets and slowing down the rates of grain exports. As a result, those countries which previously imported Ukrainian grain, now buy it from Russia.

<http://www.unian.net>, 30.08.2011

The Government turned to be unprepared to eliminate the grain exports taxes causing Ukraine to lose its positions in the global market.

The Ministry of Finance blocked the relevant draft decision, explaining that under arrangements with the IMF it is not desirable to eliminate this article of budget income. The Minister of Agrarian Policy and Food Mykola Prysyzhnyuk said that grain exports are likely to continue to apply until the end of the year. "We have another week to negotiate with the Ministry of Finance and the Ministry of Economy, but I think nothing will change until the end of this year," the Minister said. According to the Ministry, if 24 million tons out of the estimated grain harvest of 50 million tons will be exported, this could bring more than UAH 4 billion to the State Budget in marketing year 2011/12.

<http://news.liga.net>, 31.08.2011

## **Rural Development**

The Ministry of Agrarian Policy and Food developed amendments to the rates of livestock allowances for 2011, providing 750 UAH for 1 ton of clean milk sold to baby-food enterprises. "Regions continuously asked us to restore allowances for clean milk production. The corresponding decision will motivate farmers to produce clean milk and will help fill the domestic market with high quality baby-food," Mykola Prysyzhnyuk said. Last year's abandonment of allowances caused milk producers to suffer extreme financial constraints. "Since milk for baby and diet products is produced on organic farms, its cost is high. Our principled position is to support organic milk producers," the Minister stressed. The Government adopted the draft which, after its completion, will be registered and put into effect.

<http://ua.korrespondent.net>, 25.08.2011