

 <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

1 - 7 September 2011

### WTO and Neighbourhood Policy

Ukraine's President Viktor Yanukovich met with the Slovakian Minister of Foreign Affairs Mikulas Dzurinda. "Slovakia is our close neighbour, a good friend and a reliable partner in Central Europe. We appreciate its consistent support of our European aspirations," Mr. Yanukovich said.

He stressed that the dialogue between Ukraine and the Slovak Republic is distinguished by active cooperation at all levels and expressed confidence in its future development. "I am confident that Ukraine and Slovakia will further develop and deepen their relations", Mr. President said.

The Slovakian Foreign Minister Mikulas Dzurinda, in his turn, stressed that Slovakia's political dialogue with Ukraine is extremely important. "I think that time has come now for Ukraine to pay more attention to Slovakia, and for Slovakia to pay more attention to Ukraine", Mr. Dzurinda said.

The Presidential Press Service, 06.09.2011

Ukraine's President Viktor Yanukovich authorised the First Vice Prime Minister/ 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 Cooperation Groupings (ECG). The corresponding order (# 273/2011) from September 6, 2011 was published on the Presidential website.

The Press Service of the First Vice Prime Minister/Minister of Economic Development and Trade, 07.09.2011

### Food Safety

The Donetsk Sanitary Service permitted to catch and sell fish in Donetsk oblast since cholera outbreak has been eliminated.

It was August 10 when the Mariupol City Epidemiological Unit has for the last time detected the virulent strains of *Vibrio cholerae* in samples of fish caught in the Azov Sea and August 20 when the last cases of cholera disease have been registered among Mariupol residents. In areas where cholera strains were found, during the period until October 1, 2011 the fish may be sold only after undergoing laboratory examination.

<http://economics.unian.net/>, 03.09.2011

Vinnitsya veterinary police officers together with the Sanitary Service experts and experts from the Office for Combating Economic Crimes inspected local milk-purchasing points. 4 points has been suspended from operation with one of them having been found to store almost 18 thousand

litters of milk without proper documents. Other violations include purchasing milk without proper equipment, transportation without proper documents, milk-collectors and drivers lacking medical books, lack of sanitary certificates for milk cisterns. The officers checked 19 points and 5 companies. 41 persons, including 12 officials, were brought to administrative responsibility for violation of veterinary legislation. 18 milk processing companies and 552 milk-purchasing points now operate in Vinnitsa oblast.

<http://www.vet.gov.ua/>, 05.09.2011

The Sevastopol tax police stopped the production and sale of adulterated wine and seized 430 litters of wine, worth UAH 20 thousand, plastic bottles, hoses, a pump, dyes and scents used for illegal alcohol production.

A criminal charge for production of alcohol from poor raw materials was brought.

UNN, 06.09.2011

Russia did not ban the imports of Ukrainian cheese, but only conducted information war in order to force Ukraine to join the Customs Union, the head of the board of directors of the Union of Ukrainian Dairy Enterprises Vadym Chaharovskij said. He said that before the so-called "cheese wars" 13 companies were exporting their cheese to Russia and none of them was banned from exporting their products afterwards.

Let us remind the reader that in mid-June a number of Ukrainian and Russian media reported that Russia proposed to restrict or prohibit the import of Ukrainian cheese due to its low quality.

<http://agroua.net>, 06.09.2011

The Ukrainian Parliament adopted as basic the draft On Amendments to the Law On State Biosafety System for Creating, Testing, Transporting and Using The Genetically Modified Organisms.

The draft provides for a procedure to track GMO containing products. The company who introduces the GMO containing product should provide a corresponding certificate, a copy of which should accompany the product along the market chain.

APK-Inform, 06.09.2011

## **Market infrastructure**

One of the largest chicken eggs producers Ovostar Union launched a chicken farm in Kyiv oblast on August 29. According to the company's press-service, the farm was established as part of the program of reconstruction of existing production facilities.

<http://economics.unian.net/>, 02.09.2011

Ukraine offers Saudi Arabia a long-term plan for cooperation in agriculture, Ukrainian Prime Minister Mykola Azarov announced on September 2 at the meeting with the Minister of Finance of Saudi Arabia Ibrahim Al-Assaf. "I would like to propose a concrete plan of cooperation. We could plan the exports of the required amount of barley for years ahead. However, we need to be assured that Saudi Arabia will buy Ukrainian barley to annually allocate land for growing barley and guarantee its quality, volume and timing of deliveries. That would be a cooperation on long-term basis, " Mr. Azarov said. He added that Ukraine needs serious and stable buyers of agricultural products. The Finance Minister of Saudi Arabia supported the proposal for cooperation.

APK-Inform, 05.09.2011

The Government intend to exempt the imported equipment for reconstruction and modernization of Ukrainian agricultural machine companies from being subject to VAT and import duties, the

First Deputy Prime Minister/Minister of Economic Development and Trade Andriy Klyuyev said.

The economic ministry will, together with the agricultural ministry and the State property Agency, develop measures to regulate the imports of agricultural machinery in accordance with the WTO requirements. "Ukraine can introduce certain restrictions on import of machinery whose equivalent is produced in Ukraine," Mr. Klyuyev said. He also instructed the Ministry of Finance and the National Bank to determine the mechanisms of credit support for farmers to purchase machinery of domestic production.

LIHABusinessInform, 05.09.2011

The capitalization of 14 Ukrainian agri-companies, who trade their shares on international stock exchanges, decreased by \$ 1.4 billion during July-August 2011. This is stated in the report of the Ukrainian Agrarian Business Club. "Two and a half times more was lost in just two months than was the amount of the budgetary support to agricultural enterprises in 2010," the UABC stressed. The report states that the investors' pessimism is caused by the introduction of export tariffs on key cereals and non-reimbursement of VAT on grain exports. According to the UABC president Alex Lissitsa, lower capitalization of Ukrainian agri-companies is only partially explained by the deterioration in world stock markets, since agricultural products, unlike other products, did not become cheaper. "Moreover, the shares of agricultural companies from other countries, primarily from Latin America, Russia and even from Africa, have significantly increased in the last two months ", he says. According to the UABC, it can have lasting negative consequences for agriculture, including reduced opportunities to attract financial resources and negative implications for the dynamics of the sector.

www.epravda.com.ua, 06.09.2011

The Ukrainian Government negotiates the exports of grain to Japan, the First Deputy Minister of Economic Development and Trade Vadym Kopylov said. "The Government is now negotiating the exports of grain to Japan," he said. Mr. Kopylov also noted that this year's grain exports will be distributed among its traditional consumers in the same proportion as was the case in 2008/09 marketing year.

UNIAN, 07.09.2011

## **Rural Development**

August 31, 2011, the Cabinet of Ministers approved the draft law On Approval of the National Poverty Mitigation and Prevention Programme till 2015. According to the Ministry of Social Policy, the draft programme was developed pursuant to the Presidential Decree № 274 from 26.02.2010 stipulating urgent measures to be taken to overcome poverty, and in accordance with the Prosperous Society, Competitive Economy, Effective Government reform programme.

The programme aims to reduce poverty among large families and other deprived categories, define the main directions of poverty reduction and introduce criteria to assess poverty and performance monitoring criteria.

The Press Service of the Ministry of Social Policy, 02.09.2011

9 districts of Cherkasy oblast will participate in the second phase of the Community Oriented Local Development project carried out by the UN Office in Ukraine. According to the Cherkasy rural community resource centre, rural communities from 9 districts will cooperate during the next four years with the UN project, while another 3 districts will be included in the reserve. The districts were identified after the partnership agreement between the Cherkassy Oblast Administration, Cherkassy Oblast Council and the UN Office in Ukraine was signed. The main evaluation criteria were socio-economic indicators, the level of involvement of local residents

and their eagerness to change their lives for the better. In each district 4-5 mini-projects will be selected on a competitive basis for funding. The UNDP will provide half of the funds, 45% will be allocated from the district budget and only 5% of the funds should be provided by the community itself. The funds will be spent to develop health networks, energy saving technologies, waste management, water supply systems and establishment of agricultural and service cooperatives. The maximum grant will be 10 thousand dollars for the up-grade of utilities and 20 thousand dollars for energy saving projects. The current total budget for new projects in Cherkassy oblast is 550 thousand dollars.

[www.unian.net](http://www.unian.net), 02.09.2011

The State Agency for Land Resources completed the issuance of land ownership acts which were intended to replace land certificates.

99% out of 6.91 million citizens entitled to land shares have received their land certificates. The Agency noted that 62 thousand citizens have not yet prepared the documents required to inherit certificates, 40 thousand citizens are currently preparing the documents required to inherit certificates, 25,3 thousand people do not want to replace their certificates with land acts, 2.1 thousands citizens changed their residence and moved abroad. "The land acts were issued to all those citizens who have chosen to replace their land certificates with them," the agency report reads.

<http://economics.unian.net/>, 02.09.2011