

 <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

20-26 October 2011

### WTO and Neighbourhood Policy

Completion of free trade negotiations between Ukraine and the EU paves the way for negotiations on Association Agreement to be completed by the end of this year, the First Deputy Prime Minister/Minister of Economic Development and Trade of Ukraine Andriy Klyuyev said in Brussels on October 20.

"Yesterday, after intensive negotiations we managed to agree on all key parameters of the deep and comprehensive free trade zone. Our agreements make it possible for negotiations on Association Agreement to be completed by the end of the year", First Deputy Prime Minister said. According to Mr. Kluyev, it is a significant event given that situation in the EU and Ukraine is a complex one.

<http://news.ligazakon.ua>, 20.10.2011

Negotiations on the political part of the Association Agreement between Ukraine and the EU will take place in Kiev next week, the "Kommersant-Ukraine" writes with reference to information derived from the EU Delegation in Ukraine. It is reported that these are not only Ukraine's membership perspectives which are to be discussed, but also a number of other controversial issues, including that of the Association Agreement's term of validity and of the possibility of reviewing its provisions, including those related to free trade. While the Ukrainian side wants the Association Agreement to be valid for at least ten years, the Europeans prefer not to fix any term.

<http://news.finance.ua>, 21.10.2011

Ukraine may sign the Association Agreement with the EU in December, the President's advisor Hanna Herman said in the Shuster Live TV show. "All Western experts unanimously agreed that we had made many real steps and got much closer to the European Union. We plan to initial and even sign the Association Agreement already in December, if God wishes so and if politicians succeed in doing this. These are very real steps", Ms. Herman said. She also added, that negotiations on the free trade zone with the EU have already been completed. Earlier it was reported that the political part of the Association Agreement between Ukraine and the EU will be negotiated in Kiev next week.

RBC-Ukraine, 22.10.2011

The Ukrainian Ministry of Economic Development and Trade established a working group to study issues related to changing tariffs under the World Trade Organization, the Government Agent for the European Integration Valerij Pyatnytskiy said. "The group is working. We have discussed all the related issues", he said, expressing hope that the working group would submit its proposals for changes in duties and quotas provided for in the agreement, which Ukraine signed when accessing the WTO, by the end of the year. Mr. Pyatnytskiy also noted that the

working group would consider all proposals from producers and market participants.

<http://economics.unian.net/>, 24.10.2011

The European Union is ready to abolish export subsidies for agricultural products in trade with Ukraine, the Government Agent for the European Integration Valerij Pyatnytskiy said during the Agri Debates entitled "The FTA with the EU: Chances and Opportunities for Ukraine's Agriculture". "I think this is an unprecedented step that the European Union expresses readiness to abolish its agricultural export subsidies in trade with Ukraine", Mr. Pyatnitskiy said. He noted that EU export subsidies are not being applied en masse, but the list of products subject to subsidies is clearly defined in relevant regulations. This was fruitful cooperation between public authorities and business associations representing the interests of Ukrainian agri-producers that make it possible for a successful and balanced draft agreement on Free Trade Area with the European Union to be achieved. Mr. Pyatnytskiy noted that this result was achieved thanks to agricultural producers having clearly formulated their wishes and requirements.

The Press Service of the Ministry of Economic Development, 25.10.2011

## **Food Safety**

Chernivtsi veterinarians summed up the efforts they have made during the last nine months to prevent African Swine Fever entering into Chernivtsi region and implement the Aujeszky's Disease Eradication Programme in Chernivtsi region in 2008-2012. During this period, official veterinary inspectors checked 3 144 establishments, including 911 farms, 134 slaughterhouses and meat processing plants, 23 refrigerators, and 2 076 other establishments. 912 people were fined for the amount of UAH 58 637, 659 written warnings were issued, and 5 enterprises closed as a result of the inspections.

According to the Chernivtsi Oblast Veterinary Department the main task was to prevent infectious diseases and implement monitoring studies and long-term plans for prevention and control of tuberculosis and leucosis in cattle.

<http://www.vet.gov.ua/>, 24.10.2011

The International Office of Epizootics reports that metritis was recorded among horses in South Africa.

The State Veterinary Service's Decision № 15-2-23/9201 from 24.10.11 prohibited the imports of South African horses and products thereof to Ukraine.

<http://www.vet.gov.ua/>, 24.10.2011

## **Market infrastructure**

According to the State Statistics Service, in January - September 2011 total catch of fish and other aquatic resources in Ukraine decreased by 9.4% to 137.2 thousand tons as compared to the last year's corresponding period. In 2010 the catch of fish and other aquatic resources totalled 218.7 thousand tons which was 14.9% less compared to 2009, with fish accounting for 98.3% or 215.0 thousand tons of total catch (9.9% less than in 2009). In 2010 the catch of other aquatic resources amounted to 3.7 tons which was five times less than in 2009.

RBC-Ukraine, 20.10.2011

Da Vinci AG company does not exclude the possibility that there will be significantly more GM products in the medium-term perspective in Ukraine, the Ukrainian Economic Trends Forecasts report for IV quarter of 2011 reads. According to Da Vinci AG, although currently the Ukrainian register of GM products is empty, the experts say that 30% of food products sold in Ukraine

contain GMOs - an assumption which is confirmed by the fact that Turkish customs detained 6.6 tons of GM-corn from Ukraine in July 2011. Today, most European countries are reducing their cultivation of GM-crop. Even in Spain, which is the European leader in GM-crop cultivation, some provinces are tending to stop growing GM plants. In the medium term the EU may altogether refuse to cultivate GM products. The threat of losing traditional markets and the need to find new ones, as well as the proximity of Ukraine to the EU and the future liberalization of bilateral trade between the countries can stimulate the Monsanto company's interest in Ukraine's agricultural sector.

The experts believe there will be increased lobbying efforts on the part of GM seeds producers to cultivate GM crops in Ukraine. "We believe that although there is legal and awareness-raising campaign against the use of GM products at the official level, one can expect a spread of GMOs on Ukraine's black market ", the experts say.

RBC-Ukraine, 24.11.2011

Egypt returned the status of priority grain-supplier to Ukraine, the President of the Ukrainian Agrarian Confederation Leonid Kozachenko said. "We succeeded in resuming wheat exports to Egypt. Egypt's General Authority for Supply Commodities will include wheat of Ukrainian origin in its next wheat tender", he said. Egypt annually imports about 10 million tons of wheat and 5 million tons of maize and in 2011 has already concluded contracts to buy half of the grain needed.

"If our offer price will be better than that of Russia, Egypt will buy the remaining volume of grain from Ukraine", Mr. Kozachenko said, adding that out of 53 million tons of grain harvested in 2011 Ukraine can export 24 million tons.

LIHABusinessInform, 25.10.2011

## **Rural Development**

Ukraine's President Viktor Yanukovich signed the law № 3714-VI amending art. 28 of the law On Land Management, his official website said.

The law provides for a maximum period of 6 months for land-management documents registration.

APK-Inform, 21.10.2011

Lviv for the second time hosts the Cheese and Wine Festival. According to Lviv City Council press-service, all visitors who come to the Potocki Palace before 25 October, will be able to taste delicious varieties of cheese and wine.

The festival programme includes gastronomic and cultural activities with presentations, performances and shows.

<http://economics.unian.net/>, 22.10.2011

The Ministry of Agrarian Policy and Food of Ukraine held a working meeting with the MAPF advisor Mr. Henry Barnabot to discuss opportunities for Ukrainian students to participate in internships in the framework of Ukrainian-French study programmes. The primary emphasis is on business development programmes in rural areas, so that young Ukrainian farmers could gain practical experience in innovative technologies.

"Ukraine is a young State. It takes time to finally move from collective to private farming and the new generation of farmers must actively participate in reforms", Mr. Barnabot said. Ukraine's system of agricultural education and science was established in Soviet times and was not reformed until recently. The MAPF is going to implement new approaches to agricultural education and science, since all of the agricultural sectors require highly skilled professionals, new teaching staff and updated scientific technologies. Therefore, there is an urgent need for

Ukrainian agricultural teachers and students to train abroad.

The MAPF Press Service, 25.10.2011

The "Services for Managing Two Agro Based Value Chains in Ukraine" (Agro-Lviv) project continued financial support to farmers in Lviv region. Another four farms received development grants totalling UAH 597 thousand. These farms participate in the fruit and vegetable programme of the "Agro-Lviv" project.

The grants were allocated to cover 40% of costs to purchase refrigeration equipment (LIM farm; Kam'yanka-Buzka rayon), install ventilation equipment in a vegetable store and insulate it from heat loss (Vynnykivska farm; Pustomyty rayon) purchase a potato planter and vegetable handling equipment (Zorya farm; Stary Sambir rayon). Another grant covering 60% of costs to purchase refrigeration equipment and vegetable handling equipment was allocated to "Standart" farm and S.G. Vovkun (Zhovkva rayon) who submitted a joint application. The remaining costs should be paid by farmers themselves.

[www.agroua.net](http://www.agroua.net), 26.10.2011