

 МІНІСТЕРСТВО АГРАРНОЇ ПОЛІТИКИ ТА ПРОДОВОЛЬСТВА УКРАЇНИ	 Проект фінансується Європейським Союзом	 Проект впроваджується консорціумом на чолі з WYG International
<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

23 - 30 November 2011

WTO and Neighbourhood Policy

The European Union remains to be the largest investor into Ukraine and one of its main trade partners, the Deputy Minister of Economic Development and Trade Volodymyr Pavlenko said on November 24 at the XVII Meeting of the Committee of Parliamentary Contacts between Ukraine and the EU. "79.8% of total foreign direct investments in Ukraine were made by the EU member-states", Mr. Pavlenko said. He also said that in January-August 2011 Ukraine's exports to the EU amounted to USD 12.3 billion which is 57.8% more compared with the last year's corresponding period, and EU imports into Ukraine increased by USD 15.9 billion which is 40.8% up. Mr. Pavlenko's noted that the most pressing issue today is how to integrate Ukraine into the European Union common market within the framework of a deep and comprehensive Free Trade Area (FTA +).

Press Service of the Ministry of Economic Development, 25.11.2011

Ukraine's European aspirations will be successful only after decisive reforms in all economical and social spheres will take place, the Vice Prime Minister/Minister of Social Policy Sergij Tihipko said during a meeting with the Swedish foreign minister Carl Bildt. The officials discussed bilateral cooperation and Ukraine's European aspirations. Mr. Bildt stressed that Ukraine is an important partner for Europe, and that it is necessary to initial the Association Agreement between Ukraine and the EU. He also praised Ukraine's reforms in the economic and social spheres.

Press service of Vice Prime Minister/Ministr of Social Policy, 25.11.2011

November 29, Odessa – the Minister of Agrarian Policy and Food Mykola Prysiazhniuk and Hungarian Minister of National Development Tamas Fellehi opened a two-day Ukraine-Hungarian business forum where it is planned to discuss key issues of cooperation and determine investment opportunities of both countries.

The protocol of the second meeting of the Intergovernmental Ukraine-Hungarian Commission for Economic Cooperation is planned to be signed.

MAPF Press Service, 29.11.2011

Food Safety

The experts from the State Veterinary and Phytosanitary Service completed the audit of Danish veterinary services where they checked Danish system for control, monitoring and prevention of Bovine Spongiform Encephalopathy. The visit was agreed between the head of the Ukrainian veterinary service Ivan Bisyuk and the Ambassador Extraordinary and Plenipotentiary of Denmark in Ukraine Michael Borg-Hansen.

Ukrainian experts met with representatives of the Danish Veterinary Service and discussed issues

related to food safety and HACCP. In the near future HACCP will be implemented on all Ukrainian food processing plants.

<http://economics.unian.net/>, 24.11.2011

The State Regulatory Policy and Entrepreneurship Committee prepared draft resolution providing for special label to be put on a product, even if it has a slight content of GMOs. The draft regulation envisages to inform consumers about the slightest content of GMOs. Today, only those products should be labelled as "GMO containing products" which contain more than 0.9% of GMO. Producers will have 6 months to adapt to the new regulation after it will be adopted.

www.liga.net, 24.11.2011

De jure GMO products are prohibited in Ukraine, but de facto they are on the market, the head of the Ukrainian Food Testing Centre "UkrMetrTestStandard" Volodimir Semenovich said during the round table entitled "GMO in Ukraine: a myth or real threat?" held in the Gorshenin Institute. He thinks it is premature to label all products as "GMO containing" regardless of GMO content. He noted that although the law amending Article 38 of the Law On Food Safety and Quality (concerning the requirement to label all GMO containing products) has contributed to reducing the number of GMO products in Ukraine, it also had caused unnecessary expenditures for producers related to control and monitoring procedures. "MPs have made a premature decision", he said. Although the Law On the State Biosafety System forbids circulation of GMO products not included in the State GMO Register (which now is empty), GMO food is being sold on Ukrainian markets", Mr. Semenovich said. At the same time, the number of GMO products in Ukraine decreases annually. "If in 2007 almost 50% of food was made out of GMO products, today this figure is only 5%", he said, adding that these are mostly raw materials (soy, corn, rapeseed) that contain GMOs.

<http://economics.unian.net/>, 24.11.2011

In 2011 Kiev veterinary police seized some 65 tons of low-quality animal products worth UAH 1 million 61 thousand. Low-quality products often were of poultry origin. 38 food establishments (including markets, canteens, fish processing plants, slaughterhouses, milk and beef processing plants and veterinary clinics) were closed due to violation of veterinary and sanitary rules.

<http://economics.unian.net/>, 25.11.2011

Veterinary police conducted a large-scale campaign to detect illegal meat processing establishments. Three illegal meat establishments were found in the Ivano-Frankivsk, Ternopil and Sumy regions. Their production premises did not comply with hygienic, veterinary and sanitary requirements and their owners have no relevant permits. 688 kg of meat of unknown origin and quality were seized.

AgroNews, 28.11.2011

Market infrastructure

Ukraine's Prime Mykola Azarov proposed Kazakhstan Prime Karim Maximov to reconsider the issue of creating a grain pool between Ukraine, Kazakhstan and Russia. He noted that cooperation on foreign grain markets will allow three countries to become one of the biggest market players. "We can occupy up to 20% of the world grain market, meaning that these will not be grain traders who would establish market prices but we ourselves", Mr. Azarov said. The idea of creating a grain pool between Ukraine, Russia and Kazakhstan has been discussed for several years, but on November 16, 2011 the Minister of Agrarian Policy and Food Mykola Prysiachniuk said this project can not be implemented.

<http://economics.unian.net/>, 24.11.2011

While visiting Saudi Arabia, the MAPF delegation agreed with local traders that they will make forward purchases of Ukrainian barley in 2013. According to Mykola Prysyazhnyuk, Saudi companies are seriously considering such a mechanism. The President of the Ukrainian Agrarian Confederation Leonid Kozachenko said: "It will be beneficial both for producers and importers if MAPF succeeds in reaching agreement on forward purchases." Let us remind the reader that MAPF increased its grain exports estimates from 24 to 27 million tons in 2011-2012.

LIHABusinessInform, 24.11.2011

Dutch investors succeeded in relaunching a dairy complex in Volodarka, Kyiv oblast, which had not been operating for 15 years region. The head of Kyiv Oblast State Administration Anatoliy Prysiashniuk participated in the opening of up-to-date milking parlour. After a long period of decline, local Rozvolozhzhya agri-enterprise gained new momentum with the arrival of Dutch investors. The number of cows will be increased from 700 to 2 000 in 2012. The new milking parlour can serve up to 150 cows and produce up to 10 tons of milk per day. According to Mr. Prysyazhnyuk, the future of Kiev oblast depends on profitable investment projects. He also discussed with the investors further opportunities to implement investment projects in other rayons of Kyiv oblast.

http://www.unian.net, 29.11.2011

Rural Development

The Minister of Agrarian Policy and Food Mykola Prysyazhnyuk came out with the initiative to transfer the draft law On Land Market for a repeat first reading after it would have been discussed in the Parliament. According to the Minister, proposals and comments submitted by farmers and rural communities should be introduced into the law. A lot of comments were provoked by the facts that the State is going to control and regulate the land market; that a maximum area of land which one person is entitled to own will be fixed; that the list of people entitled to buy land will be limited; that there will be established a State Land Bank; that minimum lease term will be defined and that land buyers will need to declare their income sources.

"The most important amendment that we want to introduce is the requirement to deduce 1% from land rent for socio-economic development of rural communities. The funds deducted this way will be channelled to village councils", Mr. Prysyazhnyuk said.

Press Service of the MAPP, 25.11.2011

The highest level of shadow wages in Crimea was recorder in the agricultural sector, the deputy head of Crimean Tax Department Ludmila Yeltsova said. Ms. Yeltsova said that agriculture is the sector to which the Tax Service was paying the least attention.

According to her, wages on 241 out of 866 local agri producers are below the established minimum. "More than three thousand of their employees officially earn only UAH 960 per month or even less", Ms. Yeltsova said.

Salary rates are that low on 18% of Crimean agri-enterprises. In 2011 5 thousand economic entities increased wages to their employees. As a result of it, additional UAH 3 million were transferred to the budget as income tax for individuals. 9 thousand agricultural employees were legalized in 2012. Total salary paid to them amounted to UAH 14 millions.

RBC-Ukraine, 30.11.2011