

 <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

8 - 14 December 2011

WTO and Neighbourhood Policy

Ukraine's President Viktor Yanukovich met with the EU Commissioner for Enlargement and European Neighbourhood Policy Stefan Fuele in Kiev. The meeting lasted 3.5 hours.

Presidential Press Service, 12.12.2011

December 6-7, Kiev - Ukraine and Turkey completed the first round of negotiations on Free Trade Agreement. The delegations were headed by Ukrainian Government Commissioner for European Integration Valery Pyatnitskij and Deputy Head of the Turkish Ministry of Economy Dzhemalettin Damladzhy. The sides discussed in detail the most important aspects of trade and economic cooperation within the framework of future free trade agreement, and specified the format and scope of the FTA. The following sections were included in the draft FTA after the first round of negotiations: trade in goods, trade in services, competition, dispute settlement, intellectual property protection and provisions for determining the country of origin.

Press Service of the Ministry of Economic Development, 08.12.2011

Polish foreign ministry considers it possible for the Association Agreement between Ukraine and the EU to be initialled by the end of 2011. The response to information request reads as follows: "in our opinion, there is a chance for the Association Agreement to be initialled by the end of 2011".

<http://economics.unian.net/>, 12.12.2011

Food Safety

Ukrainian Minister of Agrarian Policy and Food Mykola Prysiashniuk met with the European Commission Director-General for Health and Consumer Protection (SANCO) Paola Testori Coggi in Brussels. They discussed issues concerning African Swine Fever and further cooperation in ensuring epizootic welfare in Europe. "Ukraine has repeatedly proposed the EU to cooperate in the field of veterinary medicine. The need to cooperate became urgent due to the fact that the spread of ASF in Russia is still uncontrolled. And since a large number of pigs are kept in Ukraine in private households, ASF may quickly approach the EU's borders", Mr. Prysiashniuk said. The sides also discussed the possibility of creating a buffer zone to prevent the spread of rabies in Ukraine. A preliminary agreement was reached to establish such a zone in areas adjacent to the borders with the EU.

MAPF Press Service, 08.12.2011

According to the official report of the International Office of Epizootics, cases of bluetongue were recorded in the Republic of Cyprus among sheep and goats. The import of animals and

animal semen susceptible to bluetongue from Cyprus was banned.

www.vet.gov.ua, 08.12.2011

The western flower thrips (a plant quarantine organism) was found in a batch of Dutch carnations destined to Kiev. The entomological inspection was carried out by experts from the Central Quarantine Laboratory of the Quarantine Service. The cargo was disinfected.

www.vet.gov.ua, 09.12.2011

December 8, 2011 The experts from the State Consumer Inspection met with the adviser on food, agriculture, and consumer and environmental protection of the German Embassy in Ukraine Volker Sasse and the representative of the Economic Section of the German Embassy in Ukraine Eugenia Chobotova. During the meeting it was agreed to exchange information on developments in national consumer protection and market surveillance systems and training materials, and conduct joint conferences and workshops.

The Governmental Portal, 12.12.2011

The Nestle Company started to establish an European centre for instant food research which will be based in Technocom enterprise (Kharkiv oblast), Nestle's Director for Corporate Affairs Gennadiy Radchenko said. "We want to change the image of instant food for the people to understand that an inexpensive product can also be a healthy one", he said. The centre will start operating fully in late 2012/early 2013 and will develop new types of instant food and test the existing ones. Similar establishments exist in Switzerland, China and Brazil.

State Agency for Managing State Corporate Rights and Property, 12.12.2011

December 13, Uzhgorod - the head of the State Veterinary and Phytosanitary Service of Ukraine Ivan Bisyuk met with the Deputy Chief Veterinary Inspector of Hungary Lajos Bonnar. The sides discussed cooperation in the field of veterinary medicine and stressed the importance of adapting national legislation to European standards. The sides also expressed interest in further intensification of Ukraine-Hungarian cooperation in the phytosanitary field.

www.vet.gov.ua, 13.12.2011

Market infrastructure

MCB Agricole Holding AG (Vienna, Austria), the owner of UkrZernoPromAgro (Ukrainian agri-holding), launched an IPO on the Warsaw Stock Exchange and intends to sell 3 million shares of additional issue.

The company plans to use the proceeds from sale of shares to build a new oilseeds processing plant and buy another 10.8 thousand hectares of agricultural land (MCB Agricole Holding AG now has 94 thousand hectares). UkrZernoProm is a vertically integrated holding company, which has been operating on the Ukrainian market since 1998. MCB Agricole Holding AG owns 99.99% of its shares.

<http://economics.unian.net/>, 09.12.2011

The Customs Union countries (Russia, Belarus and Kazakhstan) established a protective import duty on caramel. According to CU Commission's decision from 18 November, a duty amounting to \$294.1/ton is established till July 7, 2014. Only developing countries (except for China and Turkey) will be exempt from caramel duty.

LIHABusinessInform, 12.12.2011

Danone Ukraine (a subsidiary of Danone) intends to build a cooperative educational dairy farm in Pokrovske rayon, Dnipropetrovsk oblast by 2013. The project will be financed by the Danone

Ecosystems Fund with the participation of Heyfer International Fund (USA) and the Canadian International Development Agency. The cost of the project is EUR 1.5 million. The educational farm will provide trainings to small farmers of Dnipropetrovsk oblast on how to efficiently produce quality milk and effectively manage production processes.

UkrAgroConsult, 13.12.2011

Rural Development

Ukraine's parliament adopted in first reading the draft law On Land Market. The law provides to extend the moratorium on the sale of agricultural land till 2013. The chairman of the Parliamentary Committee on Agrarian Policy and Land Relations Hryhorij Kaletnyk noted that the draft provides that only Ukrainian citizens and the State can buy agricultural land. He said that only Ukrainian citizens, the State represented by the State Land Bank, relevant government authorities, the Council of Ministers of the Autonomous Republic of Crimea and rural or urban communities represented by village or city councils will be entitled to conclude civil contracts to purchase agricultural land which is suitable for commercial agricultural production. He noted that young farmers and private farms will get the land according to a simplified procedure and said that one person will be entitled to buy no more than 100 hectares of land.

<http://economics.unian.net/>, 09.12.2011

The government will introduce a simplified Farmers Support Scheme in 2012, the Minister of Agrarian Policy and Food Mykola Prysyzhnyuk said on December 8, at the 3rd International Conference "Doing Agribusiness in Ukraine in 2012". He noted that in the next year the State will channel its efforts on developing private farms and backyard holdings. "We will simultaneously support both family farms, private farms, and agri-businesses. If one strives to increase the volume of gross output, one should not forget that rural communities are our main resource", Mr. Prysyzhnyuk said.

www.unian.net, 09.12.2011

Only joint efforts can help revive Ukrainian agriculture and rural areas and stir the activities of agricultural trade unions, employers and NGOs, the Minister of Agrarian Policy and Food Mykola Prysyzhnyuk said at the meeting of the Agri-Industrial Trade Union. He said that MAPF is now open to active cooperation with agricultural trade unions. He stressed that employers and trade unions should work together to achieve good results. "The main task of all authorities is to overcome rural poverty. To implement this task we must unite the efforts of businesses, NGOs and the Government", the Minister said.

MAPF Press Service, 12.12.2011

The law On Land Market, which was adopted in first reading on December 9, will cause a serious blow to large agriholdings, which operate in Ukraine, since it limits their right to land lease. This opinion was expressed in the Kyiv Post by Svyatoslav Beley (lawyer from the Gide Loyrette Nouel), who was among those discussing the draft in the parliamentary committee. According to Mr. Beley, one will be entitled to lease only 6 hectares of land, while large companies require much more. According to the Ukrainian Agrarian Business Club, there are 60 large agricultural holdings in Ukraine cultivating more than 4 million hectares of land. Among the largest are Myronivka Hlibo Product, Kernel, Vanguard, Mriya Agroholding and Astarte. As of December 5, the total market capitalization of the twenty largest Ukrainian agri-companies amounted to \$5.4 billion. The draft also excluded farms from the category of landowners. According to Beley, this was done in order to prevent agricultural holdings to buy land through private farms. According to the new law, only individuals and the State will be entitled to own the land.

