

 <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 16 - 22 February 2012

▪ **WTO and Neighborhood Policy**

February 17 during his working visit to Brussels Advisor to the President of Ukraine - Head of the International Relations Department of the Presidential Administration Andriy Goncharuk had several meetings with representatives of European institutions.

Advisor to the President met with European Commissioner for Enlargement and European Neighbourhood Policy Stefan Fule and Diplomatic Advisor to the President of the European Council Zoltan Martinush.

Special attention was paid to the priorities of cooperation between Ukraine and the European Union at this stage, especially in the context of the completion of the Association Agreement and the dialogue on visa-free regime.

“Association Agreement has strategic and critical importance for Ukraine and the European Union, therefore the parties shall make every effort to prompt the initialling of this document and its signature by the end of the year”, Mr. Goncharuk said while speaking about the prospects of concluding an Association Agreement. Advisor to the President also informed his interlocutors on the progress of domestic reforms in Ukraine, especially the ones on European integration.

Presidential Press-Service, 17.02.2012 15:04

February 16 Board of Executive Directors of the World Bank approved a new Country Partnership Strategy for Ukraine for 2012-2016. Partnership Strategy for Ukraine will implement the program of economic reforms for 2010-2014 and will improve public services and public finance system as well as the business climate.

The strategy also provides analytical, advisory services and technical assistance that will focus on such key areas as: fiscal and tax system, public finance management; agriculture, land relations, business regulation; management of state-owned enterprises; financial sector; energy efficiency and governance improvement; social reforms.

MFA, 17.02.2012

▪ **Food Safety**

Experts from State Quarantine have found western flower trips in Dutch roses shipped for the Ukrainian company. This detection was a result of the phytosanitary examination, conducted by specialists of the Central Research Quarantine Laboratory of the State Plant Quarantine Inspection. Currently, cargo is arrested and sent for decontamination. This is not the first time that domestic experts find this contagious organism within cargoes from Netherlands.

On February 12, infected cargo arrived to Ukraine via the plant quarantine station "Martusivka", located in the East Terminal of Borispol district, Kyiv region.

<p>http://www.vet.gov.ua/, 16.02.2012</p> <p>Virological Research Department of the State Research Institute of Laboratory Diagnostics and Veterinary Expertise reported another rabid dog attack in Kyiv. Examination resulted in detection of rabid animals in Kyiv.</p> <p>Department conducts epizootic investigation establishes quarantine restrictions and eliminates the disease.</p> <p>http://www.vet.gov.ua/, 16.02.2012</p> <p>During the inspection of animal products storages in Vinnitsa employees of Veterinary police of Internal Affairs in Vinnitsa region have found 18,450 kg of undocumented fresh salted anchovies with signs of spoilage in refrigerator leased by the 40-year old private entrepreneur. Chief State Veterinary Inspector of Vinnitsa region decided that these fish products are dangerous and unfit for consumption; therefore the owner of the products has violated Art. 107 of Administrative Law "On the violations of the quarantine of animals and other veterinary and sanitary requirements."</p> <p>State Veterinary and Phytosanitary Service of Ukraine, 17.02.2012</p> <p>Entomologists from Central Research Quarantine Laboratory (CRQL) found South American tomato moth in specimens collected from the shipment of Turkish tomatoes, submitted to the Kiev company.</p> <p>This is the first detection of this pest in 2012. Infected cargo arrived via the plant quarantine station "Martusivka", located in the East Terminal of Borispil district, Kiev region on February 16 this year.</p> <p>Cargo was sent to the decontamination after obtaining the opinion of phytosanitary examination, which revealed the presence of living quarantine organism.</p> <p>http://golovderzhkarantyn.gov.ua/, 20.02.2012</p> <p>Minister of Agriculture and Food Mykola Prysiashniuk said that Ministry of Agriculture and Food of Ukraine expects arrival of Russian inspectors in order to reach an agreement on export of Ukrainian cheese to Russia.</p> <p>He noted that Ukrainian companies are ready for such inspection and expressed satisfaction that Federal Service does not prohibit the production of more of Ukrainian companies. He also expressed hope that "cheese" problem will be resolved in early March.</p> <p>http://economics.unian.net/, 21.02.2012</p>

- **Market Infrastructure**

<p>Second stage of agricultural wholesale market "Capital" is planned to be commissioned in March 2012. During the press conference in Kyiv CEO of wholesale market "Stolychniy" Alex Chumak informed that second stage will activate meat, fish and dairy terminals.</p> <p>First stage of "Stolychniy" was officially opened on July 15, 2011, and "Vegetables and Fruits" pavilion began to operate. Previously it was assumed that the second stage of the market will be opened in 2011. According to master plan the market will impose four stages (including "Flowers" pavilion and "Provisions" terminal), the latter one to be commissioned in 2014. Market is located in an area of 160 hectares; building area will be 219,308 square meters. Power of vegetable stores is expected to be increased gradually to 36 tons.</p> <p>www.liga.net, 16.02.2012</p> <p>UNIAN reported to the information center of the Ukrainian Agrarian Confederation (UAC) with reference to data of State Statistics Service that Ukraine's agriculture did not receive foreign direct investment in 2011.</p> <p>"As expected, the already scarce in recent years, foreign direct investment in agriculture of</p>

Ukraine "went home" in 2011. According to state statistics of Ukraine there were almost no foreign investment in agriculture last year, and \$25 million, invested the years before, "went home", UNIAN informs.

According to UAC foreign direct investment in Ukraine's agriculture in 2005 totaled \$ 86 million, in 2006 - \$ 95 million, in 2007 - \$ 153 million, in 2008 - \$ 246 million, in 2009 the outflow of investment was \$ 10 million, in 2010 - received \$ 46 million, in 2011 the outflow was \$ 25 million.

<http://economics.unian.net/>, 20.02.2012

According to state statistics, in 2011 the exports of agricultural products (chapter 1-24 of UCCFEA) totaled \$ 12.8 billion, imports - only \$ 6.3 billion, which provided additional earnings of \$ 6.5 billion for Ukraine in overall negative balance of foreign trade at \$ 14.2 billion.

Such positive trend in "agricultural" foreign-trade balance was achieved due to the general rise of prices, active growth of exports of sunflower oil (up to \$ 3.4 billion), grain and industrial crops (up to \$ 5.5 billion) and reduction of meat imports.

UAC, 20.02.2012

The Ministry of Agriculture and Food is confident that the development of vegetable production in the coming years will have significantly reduced or even completely abandoned the import of potatoes, cabbage, tomatoes, peppers, apples and pears.

Fruit and vegetable markets expert from Ukrainian Agribusiness Club (UABC) Igor Strelyuk notes that this trend is already relevant to the market of apples. He said that for a long time the bulk of retail apple sales were accounted for imports.

Despite the declared appeal of the Ukrainian fruit and vegetable market, only a few players decided to invest in it. The greenhouse complex in the Ternopil region, being constructed by Group DF of Dmytro Firtash from February, is expected to be the largest reported investment project in this area.

The biggest company in Western Ukraine will receive near \$ 100 million. It is expected that industry will annually produce 4 tons of tomatoes and 1.55 tons of pepper, which would reduce their imports by 20%.

Corporation "Svarog West Group" plans to expand the area of apple and pear orchards from 450 hectares to 800 hectares, and build two fruit storages in the Chernivtsi region during next 3 years.

<http://biz.liga.net>, 20.02.2012

▪ **Rural Development**

February 17 during his working visit to Zhytomyr Minister of Agriculture and Food of Ukraine Mykola Prysiashniuk said that today the farm complex is the key to economic prosperity of the state. The industry development should be inseparably connected with the promotion and support of rural areas that is why Ministry of Agrarian Policy represents a rural development strategy.

"Today the village is home to about 14.5 million people, which is about 32% of Ukraine's population. Powerful agricultural segment is our feature and priority over other countries with less percentage of farmers. Therefore, the main task of the state is the active rural development as an important element of social and economic growth. Any reform of the agricultural sector should not be separated from the rural development",

Mykola Prysiashniuk said at the joint meeting with the delegation of the Ministry of Agrarian Policy of Zhytomyr region.

Press Service of Ministry of Agrarian Policy, 17.02.2012

Head of farm "Zorya" in Sambir district of Lviv region Oleh Knyaz said that thanks to a grant

from Denmark the farm was able to significantly improve its economy by purchasing equipment and establishing vegetable storage. The farm managed to receive grant through collaboration with the project "Provision of Services of Two Chains of Added Value of Agricultural Products in Ukraine" ("Agro-Lviv"). Mr. Knyaz notes that the work of the project reflected positively on all economic aspects of his farm. Firstly, the farm managed to triple the area of potato production up to 15 hectares, secondly, the owner has participated in numerous exercises, workshops and trips to farms abroad, allowing him to improve the systematic of agricultural business, learn the farm management and learn the experience from the successful European colleagues, thirdly, many production processes, in particular, the manual labor, were simplified. Except potatoes the farm grows about 7 ha of vegetables: cabbages, beets, carrots etc.

Farm "Zorya" sells their products to the resorts of Truskavets, budgetary organizations of Starosambirsk district and to the wholesale market in Lviv.

Note: The project "Provision of Services of Two Chains of Added Value of Agricultural Products in Ukraine" is funded by the Government and the Ministry of Foreign Affairs of Denmark and aimed at producers and processors of agricultural products in Lviv region.

<http://www.agroua.net>, 17.02.2012

UNIAN reported in the press service of the Cabinet of Ministers that February 15, Cabinet of Ministers of Ukraine adopted the draft law "On amendments to the Land Code of Ukraine to strengthen the requirements on environmental protection in resolving issues of withdrawal, provision or changes of use of lands".

The Ministry of Environment and Natural Resources, which has initiated amendments to the law, believe that amendments adoption and implementation will help improve the preservation of protected areas. The conditions to prevent abuse in resolving issues of withdrawal, provision or changes of use of protected areas will be created. Elimination of legal conflict about conducting exploration on protected lands will reduce the risks of implementation of related activities.

<http://economics.unian.net/>, 20.02.2012