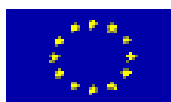




Ministry of Agrarian Policy of Ukraine



The Project is funded by the  
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**Implementation of Ukraine's Commitments under WTO and ENP Frameworks in the Rural Sector (Sector Wide Approach), Ukraine  
(Europeaid/126205/C/SER/UA)**

## **Overview of Latest Rural Developments 01 - 7 March 2012**

### **▪ WTO and Neighborhood Policy**

President Victor Yanukovich instructed the Government to develop and approve a 2012 plan of priority actions for Ukraine's integration in the European Union. The Head of the state issued also a series of instructions to ensure implementation of agreements reached at the 15<sup>th</sup> "EU-Ukraine" Summit which was held in Kyiv on December 19, 2011.

Specifically, the President instructed Prime Minister Mykola Azarov to ensure that the EU-Ukraine Association Agreement be initialled and prepare an action plan to implement the National programme for harmonizing the Ukrainian legislation with the EU standards in 2012.

Besides, the President instructed the Prime Minister to carry out a thorough analysis of the Association Agreement (with regard to economic and sectoral cooperation, creation of deep and comprehensive free trade area) in order to identify needs in reforming certain industries/sectors of the national economy and prepare relevant proposals.

The Cabinet of Minister should also prepare proposals on introducing new forms and increasing the volume of EU assistance to Ukraine for the purpose of implementation of the Association Agreement and agree on these proposals with the EU.

The above instruction must be carried out by April 02, 2012.

Foreign Ministers Kostyantyn Hryshchenko is to submit the consolidated text of the Association Agreement in Ukrainian and English as approved by the EU by March 15, 2012.

Press Service of the President of Ukraine, 01.03.2012

A new EU-funded project «Complementary Support to the Ministry of Ecology and Natural Resources of Ukraine (MENR) for the sector budget support implementation» had its kick off meeting at MENR on March 01, 2012. The First Deputy Minister of Ecology and Natural Resources, Mr Romanov welcomed the representatives of the Delegation of the European Union to Ukraine, senior officials of the Ministry, the Swedish Embassy representatives and the project team to discuss the way forward for the project implementation.

The overall objective of the project is to contribute to the achievement of the National Environmental Strategy priorities in line with the EU-Ukraine Association Agenda and environmental cooperation agreements. The project purpose is to provide assistance to MENR and other stakeholders and civil society actors in implementation, coordination, management and reporting of the EU Sector Budget Support (SBS) programme that has an envelope of Euro 35,000,000.

The Joint Monitoring Group for the Sector Budget Support (SBS) Programme in Environmental sector aided by the Technical Assistance Team will provide required arrangement, control and coordination of the activities performed by involved ministries, agencies and other bodies to ensure smooth implementation of the Program.

Press Service of the Ministry of Ecology and Natural Resources of Ukraine, 01.03.2012

"Ukraine is committed for further cooperation with the World Bank and its new Director for Ukraine, Belarus and Moldova Mr. Qimiao Fan," stated Ukrainian President Yanukovich at the meeting with the World Bank Vice President for the Europe and Central Asia Region Mr. Philippe Le Houérou. The Ukrainian President extent thanks to former Director for Ukraine, Belarus and Moldova Martin Reiser for fruitful cooperation, welcomed his successor, and wished him all the best.

In return, Mr. Philippe Le Houérou emphasized that the meeting was very important from the perspective of both appointment of the new Director for Ukraine, Belarus and Moldova and approval of the new World Bank Country Partnership Strategy for Ukraine for 2012-2016.

Press Service of the President of Ukraine, 05.03.2012

## ▪ **Food Safety**

"The Russian party completed the documentary audit of a number of Ukrainian enterprises exporting cheese to the Russian Federation and advised the Ukrainian party of its readiness to check compliance of their products with the Russian requirements on site," said Mr. Gennady Onishchenko, the Chairman of the Russian Consumer Protection Authority.

Mr. Onishchenko pointed out that relevant procedures would need to be approved by both parties prior to the on-site audit. "I do not think that we will be able to travel to Ukraine within a week." "This is not an admission of Ukrainian cheese to the Russian market; however, it is an important step to solve the problem caused by the ban on the import of Ukrainian cheese to the Russian Federation," added Mr. Onishchenko.

LIGABusinessInform, 03.03.2012

"Currently, all issues associated with the import of Belarusian meat and dairy products to Ukraine and possible ban on exporting Ukrainian food products to Belarus are being addressed in the process of construction dialog between the parties," says the official web site of the Belarusian Ministry of Agriculture.

Following the media reports on imposing a ban on the import of Ukrainian food products by Belarus effective 03:00PM March 05, 2012, the Belarusian Department of Veterinary and Food Control officially informed that Ukraine and Belarus were holding constructive dialog and sharing information.

At the moment, the parties are discussing issues that raised concern of the State Veterinary and Phytosanitary Service of Ukraine. According to some official source, the Belarusian party is willing to reach mutual understanding with Ukraine without taking restrictive measures.

<http://www.vet.gov.ua/>, 05.03.2012

"USA and Canada are concerned with Ukrainian Government's plans to revise the current system for marking food products with regard of GMO content. The concern was caused by a proposal to eliminate the 0.9% minimal marking threshold," says Commersant-Ukraine in its article "Sensitive Organisms".

If the Health Ministry of Ukraine fails to provide scientific justification of GMO-marking of all food products, and the Cabinet of Ministers Resolution comes in force, this issue may be brought to the attention of the WTO dispute settlement body. Ukrainian trade partners requested that Ukraine provide "scientific justification of requirements to marking of food products containing GMOs which would be recognized as safe for consumption by people as well as justification of a need for GMO marking of food products which do not contain GMOs". The reasons for such concern are obvious: USA is the largest producer of GMO products in the world while Canada had been one of three largest producers of such products by recently.

www.UBR.ua, 05.03.2012

## ▪ Market Infrastructure

According to the press service of the Antimonopoly Committee of Ukraine (ACU), ACU recommended that 39 largest poultry farms and retailers forbear from setting economically unjustified wholesale selling and retail prices for chicken eggs in March and April 2012. This news is communicated. The companies must report on their decisions to ACU within ten days. The prices for chicken eggs have been increased significantly since the beginning of the year. However, the economic analysis made by ACU shows that there are no objective reasons for such price increase. In addition, ACU initiates reduction of prices for mineral fertilizer.

RBK-Ukraine, 01.03.2012

The Customs Union Sugar Producer Association requested the Eurasia Economic Commission to take measures to prevent supply of Ukrainian sugar at dumping prices.

This request will allow the Association to gain time and speed up ratification of agreements which would enable the Customs Union member states to apply a unified approach to protecting their sugar markets and preclude Ukrainian sugar exporters from dumping.

LIGABusinessInform, 01.03.2012

Development of 12 dairy farms began in Chernihiv oblast during the year of 2012. Currently, these farms are at various stages of construction, predominantly at the final stage. This news was communicated by the Press Service of the Agri-Industrial Development Department of Chernihiv Oblast State Administration. Today, 32 modern dairy farms operate in Chernihiv oblast. More than 20 investment projects are being implemented in the dairy farming sector. The largest dairy complex which is to be commissioned this year is a farm for 2,400 cows in the village of Serhiivka, Pryluky raion. It is being developed by Agrikor Holding LLC.

Government portal, 01.03.2012

According to Olexander Demidov, the Director of the Crop Farming Department of the Ministry of Agrarian Policy and Food, Ukraine has increased the agriculture seeds export four times between September 2011 and February 2012 as compared to the same period of 2010-2011. The demand for some Ukrainian grain crops, specifically, maize has grown almost ten times at international markets. Maize and sunflower seeds were in the greatest demand from domestic agriculture enterprises. Import of maize seeds almost doubled (from 9,900 tons to 17,200 tons) while export was increased almost ten times (from 303 tons up to 2,800 tons) in 2011 as compared to the previous year.

Press Service of the Ministry of Agrarian Policy and Food of Ukraine, 05.03.2012

This season, Ukrainian processors are not in a hurry to sign contract with farmers for supply of primary products. Processors complain on large stock of unsold preserved food. This may lead to the situation where a number of tinned food factories, in the first place those which do not export their produce, will have to reduce the volume of processing some vegetables substantially. Such statements concerns worry Ukrainian farmers, especially cucumber and tomato producers which processing enterprises are major customers. Besides, producers says that it is getting harder to work with processors as the latter often fail to fulfill their contractual obligations with regard to the volume of procurement of primary products. Some processors have not paid for last year's deliveries. At the same time, farmers are well aware that it is too risky to plan their business operations without having contracts with processors.

APK-Inform: Fruit & Vegetables, 05.03.2012

According to official sources, Bangladesh announced a tender for procuring 50,000 tons of Ukrainian wheat. The importer requires that the wheat be delivered within 40 days of signing the procurement contract. The contract, which is to be signed under the intergovernmental agreement

between the two countries, is intended to stabilize grain prices at the internal market of this Asian country. Market operators advise that some supplier of Ukrainian wheat won one of the Syrian tender. Syria procured 100,00 tons of soft wheat at Euro 213 per ton on a CFR basis.

APK-Inform, 07.03.2012

### ▪ **Rural Development**

According to M.Kostyuk, the Head of Lviv Oblast State Administration, there are plans to implement a number of rural development projects in Lviv oblast in 2012. They are intended to develop cultivated pastures, purchase technical equipment for cultivation of land and forage conservation, milk coolers etc. Works will continue in development of the agrarian market infrastructure. "We are planning to introduce incentive schemes for individual homesteads and farm keeping more than four cows and involve farmers in orchards, hothouses, and fruit and vegetable storage facilities development programs more actively", told the Mr. Kostyuk. Besides, it is planned to develop a multifunctional logistic complex based on existing Shuvar wholesale-and-retail market and complete construction of the fruit-and-vegetable terminal and fruit-and-vegetable storage facilities for 3,000 tons. The second phase of vegetable and mushroom hothouses will be commissioned in Sokal and Kam'yanka-Buhsy raions.

Government Portal, 02.03.2012