

 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 April 19 – 25, 2012

▪ **WTO and Neighborhood Policy**

Minister of Economic Development and Trade of Ukraine Petro Poroshenko met with Chairman of the EU agency in Ukraine Jose Manuel Pinto Teixeira and Managing Director of the Department for Europe and Central Asia of the European External Action Service Gunnar Wiegand.

At the meeting Minister noted that the Ukrainian side is taking measures, associated with the preparation of the internal market to the working conditions in the free trade zone between Ukraine and the EU. "We noted the progress in these negotiations and agreed to accelerate the preparation of documents for ratification of the deepening and comprehensive free trade zone", Poroshenko said.

One of the main topics, raised during the meeting, was the issue of unlocking the Eurocomission funding under existing programs of sector budget support to Ukraine. Poroshenko also informed that Ukraine is actively involved in implementing the EU Strategy for the Danube region.

Press Service of the Ministry of Economic Development, 19.04.2012

Commissioner of the Government of Ukraine on European Integration Valery Pyatnitsky informed that Ukraine and Turkey carry out consultations on agricultural goods trading in the framework of bilateral free trade negotiations. He noted that this issue is being discussed and any conclusions should not be made. Mr. Pyatnitsky also said that the third round of negotiations on free trade with Turkey is scheduled for mid-May.

During negotiations with Ukraine on FTA Ankara expressed unwillingness to open its market to Ukrainian agricultural products and insisted on the liberalization of manufactured goods supply.

<http://latifundist.com>, 23.04.2012

▪ **Food Safety**

Food warning system of the European Union has found live and dead mites in Ukrainian rape shipment, which was rejected by Poland. A sample of Ukrainian rape that has been tested on April 13 contained 20 mites per kilogram of oil crops. The control test three days later showed the presence of 80 mites per kilogram.

In this season Poland has been the largest importer of Ukrainian rapeseed. In September-March 2011/12 the country has bought about 300 tons of Ukrainian oilseeds. In March 2012, the supplies of Ukrainian rapeseed in Poland amounted to 31.5 thousand tons.

APK-Inform, 20.04.2012

Chairman of the State Veterinary and Phytosanitary Service of Ukraine Ivan Bisyuk participated in 28th Regional Conference of FAO (UN Food and Agriculture Organization) for Europe,

which took place on 19-20 of April in Baku (Azerbaijan). The conference was attended by 46 members and 10 public organizations.

The conference has held a meeting of the Ministerial Round Table on "The Policy of food safety in the region: Challenges and Prospects - food review till 2050", during which Ivan Bisyuk highlighted the status and prospects of the Ukrainian agriculture, outlined the main tasks of agro policy in the medium term, the role of Ukraine in ensuring global food security and increasing Ukraine's representation in FAO.

Department of Foreign Economic Cooperation of Ministry of Agrarian Policy, 23.04.2012

After inspecting three dairy enterprises in Ukraine and developing measures to eliminate shortcomings Rospotrebnadzor decided to restore supplies of "Hadyachcheese", "Pyryatyn Cheese Plant" and "Prometheus" to Russian cheese market. Also Rospotrebnadzor is going to inspect "Dubnomilk"

APK-Inform, 23.04.2012

▪ Market Infrastructure

In January-March 2012, meat production in Ukraine decreased by 1.9% compared with January-March 2011 to 731 thousand tons (live weight), including agricultural enterprises - by 3.3% and households - by 0.3%.

At the same time, milk production during reporting period increased by 3.2% to 2.06 million tons: on households - increased by 15.1%, on farms - decreased by 0.7% to 1.49 thousand tons; egg production increased by 0.9% to 4.27 billion units: on farms - increased by 1.3%, on households - by 0.1%.

APK-Inform, 19.04.2012

Vynnytsya region has taken an important step to ensure that customers are provided with garden gifts at reasonable prices for the whole year.

On April 18, near the village New Grigorivka of Mohilev-Podilsk district private enterprise "Garden Gifts" officially opened their fruit storage, in refrigerated chambers of which you can store about 5,000 tons of products in a gas atmosphere for a long time. Opening of this fruit storage means not only the transition to a new level of fruit storing, but also the emergence of new jobs for the population. Fruit storage was built in six months; it has 40 cameras, 125 tons each. Now the company employs 250 employees, in the work season there will be 600.

<http://latifundist.com>, 20.04.2012

Most of the Japanese corn importers have suspended the purchase of European, including Ukrainian, corn due to the deterioration of its quality.

Experts say that Japan may resume imports only after new corn crops are gathered in July and October. Although corn from Ukraine and other European countries is a bit cheaper, the proportion of broken grains reaches 7%, while for American products it is about 4%.

LIGA Business Inform, 20.04.2012

In 2011, profit of agricultural holding "Industrial Milk Company" increased by 17.3% up to 17.3 million dollars. Company revenues declined by 16.5% down to 29.084 million. Last year Industrial Milk Company's assets grew by 58.3% up to 138.714 million.

In late April 2011, IMC drew 29.7 million dollars during the IPO on the Warsaw Stock Exchange.

RBK-Ukraine, 23.04.2012

By the end of this year the land legislation of Ukraine is expected to be seriously changed. This was said by Director of State Land Agency Serhiy Timchenko during his speech in Grange St. Paul's Hotel in London about land reform and its impact on the investment climate in the

Ukrainian Investment Summit.

"We are going to consolidate agricultural lands into common arrays, which will be investment attractive and easy to handle. Land owners and tenants will be able to initiate such consolidation. At the first stage consolidation will be voluntary, and its objects will be only agricultural lands that are privately owned. Furthermore consolidation will be adapted to European practice. Appropriate consultations conducted intensively with our Dutch partners", Serhyi Timchenko said.

Government Portal, 23.04.2012

"During the first quarter this year producers of raw milk were granted VAT subsidies amounting to 63.1 million UAH, which is 14 times higher than last year, but is only 46% of the subsidies level in 2010, when milk producers were supported at the expense of the VAT", Deputy General Director of Ukrainian Agrarian Confederation Olexandr Yaroslavsky said.

In 2010 the subsidies amounted to 12% of the milk price, this year - only 4%. During this period a strong tendency to increase the supply of milk from farms for the needs of processing has appeared. In the last three years supply volume increased by 25%, but the price dynamics is distressing. During this period milk purchasing prices have decreased by 1.5%, despite the fact that the cost of milk production increased by 18% - from 2000 USD per ton to 2358 USD per ton.

<http://agroconf.org>, 23.04.2012

Ukraine and Kenya are interested in the development of socio-economic cooperation and investment projects in Kenya. This was agreed by to the Ambassador of Ukraine Volodymyr Butiaha and mayors of Kenyan cities Kisumu, Syyayya and Myhor and representatives of small and medium businesses during a meeting in western Kenya. During the business forum with participation of heads of local self-government the issues of expanding markets for agricultural and meat and dairy products were discussed.

As part of its investment activities Kenyan side assured its readiness to help Ukrainian businessmen in obtaining long-term lease of agricultural land and the Kenyan government to provide appropriate garanties.

<http://latifundist.com>, 24.04.2012

Agrarian Fund started the first payments to agricultural producers who have signed forward contracts with the state. The Fund received money to pay agricultural producers' forward contracts amounting to 213.6 million UAH. Enterprises received nearly 50 million UAH. Later Agrarian Fund will continue paying equal tranches as farmers sign the documents.

MFA Press-Service, 25.04.2012

Khmelnysky Regional Territorial Department of Antimonopoly Committee of Ukraine (AMC) has penalized milk processors for a total of 223 thousand USD. Nine companies were penalized for anti-competitive concerted actions. In late March, these enterprises reduced the purchasing prices for milk from individual farms in Belogorsk district, Khmelnytsky region at the same time.

To prevent such actions Agrarian Fund has signed a memorandum with the largest dairy plants in Ukraine on April, 23. According to the document, the Agrarian Fund will purchase the surplus of milk powder in the amount of 11.806 tons and butter in the asmount of 5.512 tons from manufacturers, if they prevent reduction of milk prices for the population.

LIGA Business Inform, 25.04.2012

▪ Rural Development

On April, 23 Parliament has adopted a decision to finance cattle keeping farmers. Prime Minister

Mykola Azarov insisted on developing “directly into the hands of the peasant” subsidy mechanism. According to the Government, the special budgetary subsidy will be received by individuals, who keep young cattle, born in households, and save it to a certain age from the date of filling the appropriate documents.

Special budgetary subsidy is paid at the following rate: the young cattle aged 3 to 5 months - 250 USD per head, aged 6 to 8 months - 500 USD per head, aged 9 to 11 months (inclusive) - 750 USD per head.

The meeting participants decided to simplify the number of required documents. Farmers must submit to the village/town or district councils only copies of passports, identity number, cattle passport and bank account. State Treasury will make payments directly to the specified bank account.

Department of Information and Communication of the CMU Secretariat, 23.04.2012

Minister of Agriculture and Food of Ukraine Mykola Prysiachniuk notes that establishment of provision and supply milk cooperatives is a powerful factor for economic and social development of Ukrainian village, that also allows to ensure high quality of raw milk. He also said that cooperative establishment means increasement of rural employment and raise of living standards in rural areas. "We finance the development of family farms, increasement of livestock, subsidizing those families who keep cows and calves", the Minister added.

In order to maintain establishment of provision and supply milk cooperatives in, this year state budget will provide the financial support of 90% value of vehicles, machinery and equipment of domestic production.

Practical help in creating provision and supply milk cooperatives can be provided by agricultural extension services, and advice on getting financial support will be provided by the regional management.

www.agroua.net, 23.04.2012