

 <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 May 10-16, 2012

▪ **WTO and Neighborhood Policy**

Ukraine's Prime Minister Mykola Azarov is satisfied with the results of the Fifteenth meeting of the Cooperation Council between Ukraine and the EU. He said this at a joint press conference with Foreign Minister of the Danish Kingdom Villi Sovndal and member of the European Commission Stefan Fule in Brussels.

"We are satisfied with the results of the Fifteenth meeting of the Cooperation Council between Ukraine and the EU, during which we have confirmed mutual interest in the early signing of the Association Agreement. We have some problems, but our European colleagues, as well as we are aware of the problems' temporality, and our cooperation is long-term and strategic. We expect that the Agreement signing will create political association and economic integration with the EU and also will facilitate the implementation of systemic reforms, including development and strengthening of democratic institutions", Mykola Azarov said.

Prime Minister said that we carry out reforms not just for someone, we carry them out because we have a sincere desire to make Ukraine a country where every citizen feels secure, country with European legal values".

Parliament's Information and Publicity Department, 15.05.2012

May 15, in Brussels, EU Commissioner for Enlargement of the EU and European Neighbourhood Policy Stefan Fule said that EU has no plans to abandon conclusion of Association Agreement with Ukraine. "We have no plans to withdraw the agreement, so that withdrawal of an association process is a betrayal of the citizens and the betrayal of the "Eastern Partnership", Fule said.

However, he stressed that EU won't do any compromises regarding democracy, human rights, supremacy of law that concerning Ukraine's electoral and judicial approach to the parliamentary elections.

The report of the new European Neighborhood Policy, which EU has designated Ukraine a number of points needed to perform the agenda of the Association, was presented in Brussels.

«Ukrainian News», 15.05.2012

▪ **Food Safety**

Agroproduction Ministry proposes to repeal the rule that requires manufacturers to put "No GMO" sign on products without transgenes.

The bill, designed by Agroproduction Ministry, proposes not to impose mandatory labeling requirements on the absence of GMOs other than established in EU countries in order to avoid unnecessary costs for food researches, which are not related to genetic engineering,

According to the current law on food labeling to indicate the information about the presence of genetically modified organisms (GMOs) in the event that the share of GMOs in food exceeds

0.9%. However, all food has to be labeled "GMO" or "GMO-free".
"Ukraine has become the first country in the world that obliges producers and importers to put the "GMO-free" label on all food products, even those in which GMOs can not be neither theoretically nor practically (salt, water, food without protein etc.)", the authors of the project note.

LIGA Business Inform, 10.05.2012

May 4-5, entomologists from Central Research Quarantine Laboratory (CRQL) have detected western flower thrips three times. May 4, the shipment of potted plants from the Netherlands arrived to Ukraine through ASM "Martusivka", located in the Kiev region, and the shipment of fresh green salads from Israel through ASM of International Airport Boryspil. 500 potted plants and 1,299 kg of fresh greens were received.

After the phytosanitary examination in CRQL the living pest was found in potted plants (in chrysanthemum) and in a mixture of fresh greens.

May 5, the shipment of potted plants and cut flowers from the Netherlands was delivered to Ukraine through ASM "Martusivka". 15.097 thousand potted plants and 177.791 thousand cut flowers were received, which contained the western flower thrips in living condition. Insects were found in the cut flowers (carnations).

In all cases, after obtaining the phytosanitary examination opinion, infected plants were detained and sent for decontamination.

Due to their inconsistency to phytosanitary requirements under the International Standard for Phytosanitary Measures N13, shipments were compiled and sent to Israel and the Netherlands with notification message.

<http://www.vet.gov.ua/>, 10.05.2012

On the basis of paragraph 6 of the minutes of the meeting of the Ukrainian-Belarusian commission on 03.05.2012, the changes to the order of the Chief Inspector of Veterinary Medicine of Ukraine from February 29, 2012 № 17 "On the temporary suspension of food of animal origin import" were made. From May 7, temporary restrictions on imports of dairy production were canceled for such Belarusian enterprises: "Rohachivsk milk cannery", "Mozyr dairy products", "Gomel dairy products", "Agro Industrial Complex Snov" "; "Savushkin product", "Berezovsk Cheese Processing Plant", "Babushkina Krynka", "Bellakt", "Schuchynsk Creamery".

<http://www.vet.gov.ua/>, 14.05.2012

Veterinary police of Internal Affairs of Ukraine together with the State Veterinary Service staff found more than half a ton of low-quality meat in one of the private meat processing plants of Dunayevetsk district of Khmelnytsky region.

While checking sausage shop, veterinarians discovered 100 kg of pork and 450 kg of poultry meat without proper labeling in refrigerator. The company owner could not provide supporting documents to prove meat quality and safety.

Withdrawn products were sent to Khmelnytsky Veterinary and Sanitary plant for recycling, the enterprise is suspended and its owner is fined.

<http://www.vet.gov.ua/>, 15.05.2012

▪ **Market Infrastructure**

Board of Directors of European Bank for Reconstruction and Development (EBRD) during the meeting on May 9 approved lending \$ 20 million to "Raiffeisen Bank Aval" for lending to farmers through the "Raiffeisen Leasing Aval".

These funds will be sent to provide credits for purchasing of "John Deere" agricultural equipment. The total project cost is \$ 50 million. According to EBRD, all necessary documents

for this project are to be signed by the end of July.

<http://economics.unian.net/>, 10.05.2012

Ukrainian farmers are paying to the state budget twice more money than they receive from the government. Today the agricultural sector of Ukraine is one of the key and the budget forming sectors in the economy. Last year the sector tax revenues income in the budget increased by 16%. According to the State Tax Administration, revenues in the budget from farms were:

- in 2010 – 34,3 billion UAH (36,8% more than in 2009);
- in 2011 – 40,1 billion UAH (17% more than in 2010).

This number is three times bigger than the volume of public sector financial support last year. This number is expected to be 44,9 billion UAH in 2012 (10,7% more than in 2011).

The total amount of indirect government support was: in 2010 – 16,4 billion UAH (4,5 billion UAH more than in 2009), in 2011 (forecast) – 18,1 billion UAH (1,7 billion UAH more than in 2010), in 2012 (forecast) – 19,5 billion UAH (1,4 billion UAH more than in 2011).

APK-Inform, 10.05.2012

For the first time in three years in the domestic meat market tends the reduction of all types of meat production. According to the executive director of the Association Ukrainian Agribusiness Club (UABC) Elizaveta Svyatkivska, chilled poultry production decreased by 5.6% to 181 thousand tons, and frozen poultry – by 27% to 23 thousand tons, while this type of meat amounts to 50% in the market structure. "The reduction is affected by reducing cattle and pigs in all household categories and reducing the number of poultry farms. Reduced production allows farmers to maintain price level for livestock and poultry, although the pork market started a slight decline in prices from May 7", she said.

However, UABC experts note the growth of meat imports volume. During three months in 2012 Ukraine imported 59 thousand tons of meat, while during the same period last year, import volumes did not exceed 35.5 thousand tons.

www.liga.net, 11.05.2012

In January-April 2012, the volume of agricultural production in Ukraine increased by 1.1% compared to the corresponding period last year.

The volume of production in farms increased by 3.2%, in households - decreased by 0.6%. The greatest increase in production was observed in Khmelnytsky (7.3%) and Donetsk (6.5%) regions, the largest reduction - in Kharkiv (5.4%) and Lugansk (4.6%) regions.

RBK-Ukraine, 14.05.2012

▪ Rural Development

State Agency of Land Resources of Ukraine will draw up land documents via the Internet after launching the automated system of the State Land Cadastre, which is planned to operate from 2013.

"I see our further development in the transition of all services to the Internet. Already, our experts develop legal and technical mechanisms for the transition to providing internet services. This includes receiving extracts, information, coordination of technical documentation", the Head of State Land Agency Serhiy Tymchenko said. He also said that citizens can choose whether to use their online services or visit the land organizations, considering that the cost of Internet services will be much lower.

<http://economics.unian.net/>, 10.05.2012

May 15, Minister of Agriculture and Food Mykola Prysiashniuk presented the Strategy of socio-economic development of rural areas "Native village". Terms were developed by the Ministry with the participation of the Ukrainian association of village and town councils, relevant NGOs,

international experts and farmers, focused on the creation of agricultural cooperatives and state support of small and medium producers.

"The basic principle of the "Native village" project is the principle of agricultural cooperation. Cooperative movement among small and medium-sized manufacturers is one of the most effective European instruments for sustainable development. Therefore, the project "Native village" includes transferring the focus of state support to medium and small-scale producers, who are the bases for state food security", the Minister said.

RBK-Ukraine, 16.05.2012