

 Ministry of Agrarian Policy of Ukraine	 The Project is funded by the European Union	 The Project is implemented by a consortium led by WYG International
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

May 31, 2012 - June 06, 2012

▪ WTO and Neighborhood Policy

Ukraine may and will facilitate strengthening of Ukraine, stated First Vice Prime Minister of Ukraine Valery Khoroshkovsky at Wrocław World Forum on May 31, 2012. He highly appreciated cooperation between the EU and Ukraine under Eastern Partnership Initiative.

“The Eastern Partnership Initiative provided a solid basis for multilateral dialogue between the European Union and countries in the region. Ukraine considers the Eastern Partnership as an important component of bilateral relationship with the EU. We are pretty sure that Ukraine may and will contribute to strengthening of Europe”, Valery Khoroshkovsky pointed out.

Valery Khoroshkovsky emphasized that Ukraine carried out a systemic work in European integration and go through internal reforms which would bring the country closer to EU standards. “Only reforms will make our country strong and ensure success on our way to the EU”, added the First Vice Prime Minister of Ukraine

Press Service of the First Vice Prime Minister of Ukraine; 31.05.2012

Štefan Füle, the European Commissioner for Enlargement and European Neighbourhood Policy, believes that further convergence of the EU and neighbouring countries should be facilitated. According to the Commissioner’s Press Office, Štefan Füle stated so in Wrocław today where he participated in the World Forum.

“We are too cautious. We should send positive messages to our Eastern partners. We need to inspire them to go ahead as far and as quickly as possible thanks to closer political association and economic integration with the European Union”, said the Commissioner. “In so doing, we must insist on securing EU values and principles as any compromise in this regard will finally weaken the EU”, added Mr. Füle.

The Commissioner also mentioned that as globalization does not stop at European borders, the EU should pursue a more effective neighbourhood policy.

<http://eunews.unian.net>, 01.06.2012

The Draft Association Agreement between Ukraine and European Union, which has not been published yet, does not contain anything which could create “special expectation” on the part of the Ukrainian public, stated the Head of the EU Delegation to Ukraine, Jose Manuel Pinto Teixeira.

“I have to tell you that there is nothing in this agreement that typically could not be found in similar agreements which were signed with many accession countries. To a large extent, the content is the same. There is nothing which could create some special expectation on the part of the Ukrainian public”, Mr. Teixeira pointed out. At the same time, according to Mr. Teixeira, “some sections are missing, but as far as political sections on European values are concerned, the Draft Agreement contains everything essential”.

In so doing, Mr. Teixeira mentioned that the text of the Agreement may not be changed.

RBK-Ukraine; 02.06.2012

Membership in the European Union is a strategic goal of Ukraine. Our country may use any instruments including the Eastern Partnership Programme in order to attain this goal, stated First Vice Prime Minister Valery Khoroshkovsky at a high level informal meeting which was held as part of the Eastern Partnership Programme in Chisinau. Štefan Füle, the European Commissioner for Enlargement and European Neighbourhood Policy, stressed that the event initiated a new format of relations between the European Union and countries participating in the Eastern Partnership Programme. He also mentioned Ukraine' progress on its way to the EU.

Press Service of the First Vice Prime Minister of Ukraine; 05.06.2012

President of Ukraine Victor Yanykovich and Klaus Schwab, the Executive Chairman of the World Economic Forum, came to an agreement in Istanbul (Turkey) to set up an Expert Group on further Ukraine' development under umbrella of the World Economic Forum's Global Agenda Council. The meeting was held during the Regional Summit of the World Economic Forum on the Middle East, North Africa and Eurasia.

The Expert group will include government officials and representatives from the business and research communities and civil society who will focus on issues associated with Ukraine development. The Expert Group will work under umbrella of the Global Agenda Council of the World Economic Forum, a wide expert body consisting of more than 1,200 members.

Press Service of the President of Ukraine; 05.06.2012

▪ **Food Safety**

Quarantine regime on *Hyphantria cunea* (Drury) is imposed in Gadyachskiy rayon of Poltava oblast. This dangerous moth damages more than 300 types of different herbaceous, bushy-type and wood crops.

Quarantine regime is imposed on the area of more than 25 thousand ha: at the territory of National Scientific Center of the Institute of Apiculture named after P.I.Prokopovycha – almost 16 thousand ha, Scientific Production Enterprise «Promprylad» - 300 ha, OJSC «PMK-171» – appr. 2 thousand ha, enterprise «Ukrbudservice-DVM» - 7 thousand ha, enterprise «Makrin» - 200 ha. Due to announcement of quarantine zone there were applied agro-technical, biological, mechanical and chemical measures.

Presently it is strongly prohibited to carry out from the quarantine zone the objects of regulation (products of vegetative origin, seed-cultural, planting material, sawdust, soil) without permission of quarantine service and accompanying quarantine or phyto-sanitary certificates.

<http://www.vet.gov.ua/>; 05.06.2012

The Moscow Hygienic and Epidemiological Center completed testing of 55 samples of cheese produced by Ukrainian enterprises. All samples comply with Russian standards.

According to the Russian Federal Consumer Protection and Human Well-Being Supervisory Service (RosPotrebNadzor), this news concerns cheese of four Ukrainian producers: Prometheus, Pyryatyn Cheese Factory, HadyachSyr and DybnoMoloko.

“All 55 cheese samples meet requirement of the Federal Law ‘Technical Regulation on Milk and Dairy Projects’”, says the communication.

RosPotrebNadzor commission is planning to inspect to more Ukrainian cheese producers: Lozivsky Milk Factory and Ros (Akhtyrsky cheese factory branch) from June 5th through June 9th.

LIGABusinessInform; 06.06.2012

▪ **Market Infrastructure**

Ukraine increased butter and powdered milk production significantly instead of unclaimed cheese. In April, butter production rose by 24.9% as compared to the previous month up to 8,000 tons, communicates ProAgro news agency. At the backdrop of seasonal growth of milk yield, production of cream and powdered milk went up by 26.2% in comparison with March and totaled 6,100 tons (including the 20.8% increase in powdered milk production up to 4,500 tons). Current problems with exporting Ukrainian cheese to Russia (existing despite the Russian Federal Consumer Protection and Human Well-Being Supervisory Service (RosPotrebNadzor) issued relevant permits to four inspected Ukrainian cheese producers, namely, Prometheus, Pyryatyn Cheese Factory, HadyachSyr and DybnoMoloko) made export of Ukrainian cheese to Russia negligibly small, say ProAgro analysts.

LIGABusinessInform; 31.05.2012

The Polish company Pronar, a leading European manufacturer of agriculture and communal machinery, is planning to implement an investment project in production of such machinery in Berdychiv raion, Zhytomyr oblast. According to a communication posted on the web site of Zhytomyr State Oblast Administration, this potential project was discussed at a meeting which was presided by Oblast Governor Serhiy Ryzhuk and attended by heads of structural units of the oblast administration and the Polish company representatives.

At the moment, over 30 companies with Polish capital operate in Zhytomyr oblast. Foreign trade between regional enterprises and Poland tends to increase: in the year of 2011 it rose by 44% up to \$91.3 million.

Interfax-Ukraine; 31.05.2012

According to final calculations, the 2011 agriculture production output grew by 19.9% as compared to that of 2010 and totalled UAH 233.7 billion (in 2010 prices), says a communication of the State Statistical Service of Ukraine.

The production output of agriculture enterprises rose by 28.7% up to UAH 121.1 billion. Individual homesteads increased their agriculture production by 11.8% up to UAH 112.6 billion. A significant increase in the production output of agriculture enterprises increased their share in the total agriculture production output to 51.8% in 2011 (up from 48.3% in 2010). The share of individual homesteads was reduced by 3.5% down to 48.2%.

RBK-Ukraine; 31.05.2012

Ukraine is able to increase its export of agriculture produce to India, stated Petro Poroshenko, the Minister of Economic Development and Trade, at the fourth meeting of the Ukrainian-Indian intergovernmental commission on trade, economic, research, technical, industrial and cultural cooperation, says a communication of the Press Service of the Ministry of Economic Development and Trade.

“We are interested in long-term cooperation with reliable partners. This concerns not only trade but also cooperation in establishment of joint ventures, participation in privatization processes, and investment attraction.... Ukraine is willing and able to increase supplies of agriculture produce to India”, Mr. Poroshenko pointed out.

Recently, President of Ukraine Victor Yanukovych also stated the Ukraine was interested in expanding cooperation with India.

RBK-Ukraine; 01.06.2012

As the Executive Director of the Solvent Extractors' Association of India, B.V. Mehta, said to journalists from APK-INFORM new agency, India, as a major buyer of Ukrainian sunflower oil, admits that it may purchase sunflower seeds from Ukraine. “Needless to say, today, India imports relatively small volumes of oil-bearing crops (including sunflower) because of the 30% import duty. India opts for purchase of raw sunflower oil which is subject to zero import duty and

refined sunflower oil which is subject to 7.5% import duty. Nevertheless, certain prospects for importing sunflower by India still exist”, Mr. Mehta added.

APK-INFORM; 04.06.2012

▪ **Rural Development**

The Cabinet of Ministers of Ukraine modified the Regulation on the Funds for Supporting Construction of Single Family Houses in Rural Areas. The relevant document (Cabinet of Ministers Decree # 480 dated May 31, 2012) is posted on the Government portal. The funds will be established for the purposes of attracting investments in residential construction in rural area, reducing costs of residential construction, creating favourable conditions for residential constructions, and purchasing uncompleted residential construction projects and ready to move in housing etc.

<http://economics.unian.net/>; 05.06.2012

32 new farms totalling 7,600 ha were created in Chernihiv oblast in the year of 2012, stated Vyacheslav Shved, the Head of Chernihiv Oblast Department of the State Agency on Land Resources, at the conference “Developing the processing industry and farms: competitiveness and welfare of rural household”, says a communication of the Press Service of the State Agency on Land Resources of Ukraine. Mr. Shved mentioned that expected introduction of the free agriculture land market in 2013 stimulates the process of creating new agriculture holdings including farms. Today, there are 782 farms in Chernihiv oblast cultivating 94,100 ha of which farmers own 1,500 ha. More and more people are interested in farming.

According to the Oblast Department of the State Agency on Land Resources of Ukraine, the oblast reserve land stock including agriculture land is almost 450,000 ha. Potentially, this land may be used by farms.

<http://latifundist.com/>; 05.06.2012