

 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 June 21 - 27, 2012

▪ **WTO and Neighborhood Policy**

On June 19-21, Deputy Foreign Minister of Ukraine Pavlo Klimkin was on a working visit to Iceland to conduct Ukrainian-Icelandic political consultations at the level of Deputy Foreign Ministers. The delegation of Iceland to the consultations was headed by Permanent Secretary of State of the Icelandic Ministry of Foreign Affairs Einar Gunnarsson. During the visit, Deputy Minister Klimkin also held a meeting with Chief Negotiator of Iceland in the EU accession talks Stefan Johannesson.

During their talks the sides have defined joint measures to strengthen bilateral trade-economic and investment cooperation, especially in view of the entry into force of the FTA agreement between Ukraine and EFTA in June 2012, which Iceland is also a member of.

The sides have confirmed their mutual interest in further development of the political dialogue at all levels and agreed to prepare a schedule of bilateral activities for the near future.

The Icelandic side was advised of Ukraine's European integration priorities and the development of EU-Ukraine relations. In particular, the Ukrainian side stressed its determination to complete the preparations for signing and ratifying the Association Agreement.

Foreign Ministry of Ukraine; 21.06.2012

On June 21, 2012, during his working visit to Hungary, the Minister for Foreign Affairs of Ukraine Kostyantyn Gryshchenko met with Vice Prime Minister of Hungary Zsolt Semjen, Minister for Foreign Affairs of Hungary János Mártonyi, Head of Hungarian national delegation to Council of Europe Parliamentary Assembly Marton Braun, Head of Hungarian national delegation to OSCE Parliamentary Assembly Andor Nagy as well as with representatives of interparliamentary group for relations with Ukraine.

Those meetings focused on the issues of further intensification of bilateral political dialogue, cooperation within international organizations, European integration of Ukraine, domestic developments in Ukraine and Hungary, and numerous aspects of bilateral cooperation.

Foreign Ministry of Ukraine; 21.06.2012

Andriy Honcharuk, the Advisor to the President of Ukraine and Head of the International Relations Department of the Presidential Administration, met with Ambassador Bernhard Marfurt, IMF Special Representative of the Swiss Federal Department of Finance.

The meeting participants discussed the current cooperation between Ukraine and IMF, measures to intensify the cooperation, reform of managerial bodies of IMF, bilateral interaction in other international financial institutions. They also touched upon prospects for further cooperation under EFTA framework in the context of future free trade agreement between Ukraine and EFTA states.

Press Service of President Yanukovich; 25.06.2012

▪ **Food Safety**

Given the guarantees of the competent German Veterinary Medicine Service that vitamin-and-mineral premixes of Blattin Mineralfutterwerk Seitschen Gmb&Co. KG will comply with applicable Ukrainian statutory requirements, Ukraine removed temporary limitations on import of the said company's produce effective June 19, 2012.

Instruction of the Chief State Veterinary Medicine Inspector of Ukraine # 65 dated March 14, 2011 "On Premix Suspension" is rendered null and void.

<http://www.vet.gov.ua/>; 21.06.2012

During the last week, veterinary medicine inspectors suspended operation of 13 companies for non-compliance with the current legislation and withdrew over 21 tons of bad quality animal products.

Specifically, inspectors found 6,000 kg of bacon (salo) which was stored at refrigerator without documentary evidence of its quality and safety. The bacon was withdrawn and guilty persons were called to administrative account. Slaughtering of animals without animal identification tags and accompanying veterinary documents was revealed at one of meat processing plant in Volyn oblast. The slaughter house operations were suspended, and almost two tons of beef was seized.

<http://www.vet.gov.ua/>; 25.06.2012

The Ministry of Economic Development and Trade drafted the Cabinet of Ministers Decree "On approving the Regulation on labelling (marking) food products with regard to GMO content". The Regulation sets requirements to marking food products containing or not containing GMOs. In the list of ingredients of a food product, mentioning of each ingredient containing GMOs or produced with use of GMO must be followed by the name of GMO or a relevant footnote written in the same typeface size -- at least 2 mm.

<http://economics.unian.net/>; 26.06.2012

▪ **Market Infrastructure**

The Ministry of Agrarian Policy and Food of Ukraine believes that Ukraine needs to construct approximately 500 ha of greenhouses in order to produce greenhouse vegetables in sufficient quantity and quit importing them, said acting Minister of Agrarian Policy and Food Mykola Bezuhly at a briefing. His words are cited by UNIAN News Agency. According to Mr. Bezuhly, today Ukraine desperately lacks greenhouses and has to import greenhouse vegetables. "Import of greenhouse vegetables may be reduced when we construct at least 500 ha of greenhouses. This work began the last year. New modern greenhouses totalling 44 ha have been already constructed", mentioned Mr. Bezuhly.

www.liga.net; 21.06.2012

The issues of agriculture produce quality control and prospects for exporting Ukrainian agriculture products to EU markets are closely inter-related, stated Head of the State Agriculture Inspection of Ukraine Mykola Vashennykov at the meeting with President of Ukrainian Agrarian Confederation Leonid Kozachenko, communicates the Press Service of the State Agriculture Inspection of Ukraine.

"Everyone realizes that poor quality produce which is not subject to proper official controls will never be in demand in other countries", said Mr. Vashennykov. He added that both parties to the dialogue are interested in resolving issues which pose certain problems for business operations as the State Agriculture Inspection is planning to establish such controls and supervision which would stimulate increase in production output.

In addition, the Head of the State Agriculture Inspection mentioned that a hot line operating 24 hours a day will be created at the Inspection which will help with addressing problems at the

time of harvesting. Leonid Kozachenko stressed that the meeting is very appropriate as grain crops harvesting campaign is coming, and agriculture producers expect their problems to be solved at least partially.

APK-INFORM; 22.06.2012

The State Agriculture Inspection of Ukraine is willing to build a system of controls which would facilitate business operations rather than create extra problems for all agrarian market participants, said Head of the Inspection Mykola Vashennikov at the meeting with representatives of the European Business Association and its Executive Director Hanna Derevianko.

The meeting participants discussed outcomes of activities of the joint task force of the State Agriculture Inspection of Ukraine and European Business Association which was set up with engagement of all stakeholders for the purpose of addressing problems existing at the domestic grain market. The task force considers existing proposals and comments on the Ukraine legislative framework.

Hanna Derevianko said that “thanks the task force, which is an appropriate format of interaction and cooperation between the agrarian business community and government authorities, a lot of urgent issues were resolved”.

АПК-ІНФОРМ; 25.06.2012

Ukraine imported 63,640 tons of pork during the initial five months of 2012 or 3.3 times more than in the same period of 2011. Frozen produce accounted for a lion's share of the pork import in the reported period, communicates ProAgro News Agency. In so doing, the pork import reached the record 20,600 tons – five times as much as that in May 2011.

Experts explain the import increase by importing a lot of cheap meat from Brazil and Germany. “Ukrainian meat processing plants buy Brazilian meat in pieces or even trimmings rather than carcasses. This is exactly what producers of sausages and minced meat need. In a situation where Ukraine lacks slaughter houses and animal handling facilities, meat processing plants are more than willing to buy ready-to-use imported products rather than incur extra costs of animal handling and slaughtering”, says Mykola Vernytsky, ProAgro Director.

Mr. Vernytsky also believes that the large meat import should not be regarded as a consequence of the deficit of domestic raw meat. “As long as imported meat is cheaper than Ukrainian meat, it will be imported in Ukraine even if the offer of local meat is sufficient, says the expert.

Higher prices for Ukrainian meat are caused by falling profitability of pig production in Ukraine.

LIGABusinessInform; 26.06.2012

▪ **Rural Development**

The number of servicing cooperatives in Ukraine is growing. There were 774 agriculture servicing cooperatives in early 2012 – by 30.5% more than in the last year, said Mykola Prysiashnyuk, the Minister of Agrarian Policy and Food of Ukraine

Establishment of new and development of existing cooperatives is stimulated by amendments to the current legislation. For example, the Ministry of Agrarian Policy and Food drafted the Law of Ukraine “On amending the Law of Ukraine ‘On Agriculture Cooperation’ and some other pieces of the Ukrainian legislation”.

“Adoption and implementation of proposed changes enable individual homesteads to cut costs and increase incomes and get an access to government support. On the whole, these initiatives will lead to increased agriculture production and improved living standards of the rural population and, as a result, to further development of the cooperative movement”, pointed out the Minister.

Press Service of the Ministry of Agrarian Policy and Food; 22.06.2012

An international expert group from of leading EU's experts in the land area to assist in the completion of land reform in Ukraine is being created chaired by the Head of the State Agency of Land Resources. In particular, this was discussed during the talks between the head of the State Agency of Land Resources Sergiy Tymchenko and the Chief Financial Officer of the State Land Survey and the Land Bank of the Netherlands Pieter van der Yagt.

"The process of land consolidation is costly and the state budget can not solve this problem in the near future. It is therefore we should create an institution that would be self-sustaining through market transactions with the land", Sergiy Tymchenko said during a press conference at the Cabinet of Ministers.

Given the advances of Dutch colleagues in the field, one of the main objectives of the land bank is land consolidation. Thus, land consolidation in the European Union is seen as the main engine of development in rural areas and increasing of the profitability of farms at the expense of consolidated arrays.

"The experience of the European Union, as well as many other developed countries confirms the necessity for the functioning the State Land Bank at the land market. Effective governance of agricultural land use in market conditions can be successful in the operation of a land bank, which will act as market regulator and manager of public agricultural lands" - Sergiy Tymchenko said.

Government Portal; 22.06.2012

Cabinet of Ministers of Ukraine amended its Decree # 1131 dated September 19, 2007 "On approving the Regulation on using 2007 state budget funds allocated for government support of the agriculture extension service". The relevant decision was made at the June 20, 2012 meeting of the Government. The Decree aims at defining a transparent and efficient mechanism for utilizing budget funds earmarked by the Ministry of Agrarian Policy and Food of Ukraine under the budgetary programme "Financial support of measures in the agri-industrial complex" for the purpose of supporting the agriculture extension service.

Issuance of the Decree will enable Ukraine to use a transparent process of procuring socially oriented advisory services from agriculture extension service, solve urgent problems and eliminate existing gaps in the sphere of procurement of socially oriented services, form a legal basis for efficient and rational use of state budget funds allocated for supporting the agriculture extension services, and ensure accomplishment of tasks set by the National Targeted Rural Development Programme until 2015.

Government Portal; 22.06.2012