

 <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 June 28 – July 4, 2012

▪ **WTO and Neighborhood Policy**

Denmark continues to support farmers in Lviv oblast. The Danish project entitled "Providing Services to Manage Two Value-Added Chains of Agricultural Products in Ukraine" (Agro-Lviv) has approved new grants for Lviv oblast agri businesses. The following 6 agri-producers became new grantees: HalEkoSad, Lelyk, Pomirky, Agro-Victoria, Malynivka and Mostyska Milk. The grant only covers a part of the cost needed for a specific project, with the rest of the costs to be covered by the businesses themselves.

The Agro-Lviv project aims at Lviv oblast agricultural producers and processors and is funded by the Danish Government and Danish foreign ministry.

Project's objective is to increase the productivity and profitability in the agricultural and processing sectors with milk and fruit and vegetables selected as target sectors. Project's timing: January 2010 - December 2013 The project consists of the following components:

- Support to value adding chains: providing advice on production and marketing issues;
- Grants: proving grants to agricultural producers and processors who are members of the selected value-added chains;
- Forum: setting up a forum for all stakeholders from the dairy and fruit and vegetable sectors so that they could exchange ideas and information, and facilitate changes in laws and regulations.

Agro-Lviv, 04.07.2012

▪ **Food Safety**

Kharkiv Inspectorate of Agriculture checked the quality and safety of agricultural products, supporting documents, storage conditions and declarations in two branches of Billa-Ukraine (a company with 100% foreign investments). Some of the plant products being sold turned to be rotten and the company has voluntarily withdrawn them from sale and returned to supplier. The company has also guaranteed that it will buy plant food only with appropriate supporting documents required by the law On Consumer Protection. The company has also properly relabeled its agricultural products of plant origin.

The Press Service of the State Inspectorate of Agriculture, 02.07.2012

This week the Rospotrebnadzor experts plan to check two Ukrainian laboratories which will control the quality of dairy products before their being exported from Ukraine to Russia, the Press Service of the Ministry of Agrarian Policy and Food informs.

The State Veterinary and Phytosanitary Service of Ukraine sent a list of 6 such laboratories, but the Rospotrebnadzor rejected 4 of them due to unsatisfactory documents.

Let us remind the reader that Russia banned the import of cheese from some Ukrainian

producers on February 7, 2012 since these producers did not observe the requirements of Russian technical regulations for milk and dairy products. It was reported that several types of Ukrainian cheese imported to Russia contained vegetable fats. Later the Rospotrebnadzor allowed five Ukrainian cheese producers to import their products to Russia.

RBC-Ukraine, 03.07.2012

Quarantine was introduced in Zhytomyr and Volyn oblasts since potato golden nematode was detected in Zhytomyr oblast and ragweed in Volyn oblast. Local administration introduced quarantine against golden potato nematode on the area of 1.61 ha around the village of Luginy, Zhytomyr oblast. It is prohibited to take any planting material out of the quarantine zone. In the future only varieties of potato immune to nematode will be planted in the area and crop rotation will be strictly followed.

Quarantine against ragweed was introduced on the area of 0.53 ha around the town of Lyuboml and on 0.97 ha around the village of Ivanychi, Volyn oblast. Mechanical and chemical methods are being applied to beat the parasite.

<http://www.vet.gov.ua/>, 04.07.2012

▪ **Market Infrastructure**

The law № 4391-VI On the Peculiarities of Agricultural Insurance with the Use of State Support has come into force on July 1, 2012.

The law regulates relations arising when one insures his/her agricultural products using financial support from the State. The aim of the law is to protect the property interests of agricultural producers.

The Cabinet of Ministers will together with the National Commission on State Regulation of Financial Services Markets regulate the insurance activities in the agricultural sector. The right to insure their agricultural products will have all the agricultural producers operating within Ukraine.

The Ministry of Agrarian Policy and Food will determine the terms and conditions for providing state support to reduce insurance payments and submit its proposals to the Cabinet of Ministers for approval.

RBC-Ukraine, 01.07.2012

China will invest \$3 billion into Ukrainian agricultural sector. The Ministry of Agrarian Policy and Food of Ukraine and the Export-Import Bank of China signed on June 28, 2012 the memorandum to support priority agricultural projects. The terms of investment have not yet been disclosed.

Earlier in June 2012 the National Bank of Ukraine (NBU) and the People's Bank of China (PBOC) signed a three-year currency swap deal totaling 15 billion yuan (2.36 billion dollars) in Beijing.

"This operation aims to improve bilateral financial cooperation, promote trade and investment, and support the region's financial stability", the PBOC's report reads.

<http://economics.unian.net>, 02.07.2012

Over 300 thousand tons of grain crops have been collected in Crimea as of the end of June, Crimean agricultural minister Valery Kravets said at the meeting of the Crimean Council of Ministers on July 2. According to him, the crops have been collected already from 35% of total acreage (over 300 000 hectares) (in 2011 the corresponding figure was 19%). "If we keep this pace we will collect all the grain crops by July 25", the minister said.

Mr. Kravets also said that the average yield of grain is slightly lower than in 2011 and amounts to 16.2 kg/ha. 557 Crimean combine harvesters and over 400 combine harvesters from other

Ukrainian regions are this summer collecting crops in Crimea.

Portal, 03. 07.2012

The selling price for beef in Ukraine hardly exceeds its production cost, which is 18 UAH/ Kg of live weight, Ukrainian Agribusiness Club (UABC) press service reports. According to the UABC expert Elizabetha Svyatkivska, one can reduce Ukrainian beef production cost by 30% "by improving pasture productivity and production management and by fattening cows and bulls during their last 120-160 days on special feedlots."

Ms. Svyatkivska noted that these were the conclusions of the 10th international conference on beef and mutton sectors entitled Agri Benchmark Beef and Sheep Conference, which was held in South Africa in June.

In 2012 cattle raising costs have increased by 5-10% throughout the world so that producers could retain their economic attractiveness. Small farms and grazing-oriented businesses have not experienced effects of this global trend. Earlier it was reported that some 410 thousand tons of beef were planned to be produced in Ukraine in 2012.

RBC-Ukraine, 03.07.2012

▪ **Rural Development**

The issue of moratorium on the sale of farmland will be solved by itself once a sufficient legal basis for launching land market will be established, the deputy director of the State Agency of Land Resources Yevhen Berdnikov said during the discussion entitled "Who will be the owner of Ukrainian lands" which was held in the Gorshenin Institute. According to Mr. Berdnikov, the normative monetary value (NMV) of 1 ha of Ukrainian black soil is about 21 thousand UAH and this corresponds with the realities of the situation. He added that NMV is not market value, it is established solely for fiscal purposes to determine land tax, rent and state duty rates. Land's market value will in the future be higher. The official added that the draft law On Land Market which has already been passed on first reading will be divided into several blocks and those of these blocks that do not cause public protest will be adopted separately. As for example might be the case with the law regulating the procedure of land sales.

APK-Inform, 02.07.2012

A trial agricultural census will be taken from 1 to 25 July, 2012 in Bashtanka rayon of Mykolayiv oblast. The trial census is a major preparatory step for the First National General Agricultural Census which will be taken in 2014. The purpose of the trial census is to practically check the methods and tools to be used in the General Census. Bashtanka rayon was selected since the structure of its agricultural producers is as country's average.

The Governmental Portal, 03.07.2012