

 <b>МІНІСТЕРСТВО АГРАРНОЇ ПОЛІТИКИ ТА ПРОДОВОЛЬСТВА УКРАЇНИ</b>	 <b>Проект фінансується Європейським Союзом</b>	 <b>Проект впроваджується консорціумом на чолі з WYG International</b>
<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 July 5-11, 2012

### ▪ **WTO and Neighborhood Policy**

The Swiss-Ukrainian project entitled "Development of the Organic Market in Ukraine" was launched in Ukraine. The project is financed by the Swiss State Secretariat for Economic Affairs (SECO) and is implemented by the Research Institute of Organic Agriculture (FiBL, Switzerland).

The project's implementation period is 4 years (2012-2016). The project will facilitate the integration of Ukrainian SMEs into international trade through certification of organic products.

[www.fibl.org](http://www.fibl.org), 06.07.2012,

Ukrainian foreign minister Konstantin Grishchenko met with his Austrian counterpart Michael Spindelegger at the Croatian Summit. The ministers discussed issues related to European integration of Ukraine. Mr. Grishchenko informed Mr. Spindelegger on the steps taken by Ukrainian Government to implement political and economic reforms. At the end of the meeting Mr. Spindelegger confirmed his readiness to pay an official visit to Kyiv to continue the dialogue about prospects for deepening bilateral cooperation between the two countries and cooperation in the field of European integration.

Ukrainian Ministry of Foreign Affairs, 07.07.2012

Ukraine and the Netherlands will develop cooperation in agriculture. The cooperation will not only result in sharing experience and implementing joint training programmes, there will also be investments into Ukrainian agricultural sector, the Deputy Minister of Agrarian Policy and Food of Ukraine Ivan Bisyuk said on July 10, during a meeting of the Ukrainian-Netherlands Working Group on Agriculture. During the meeting the sides discussed ways to exchange experience and know-how, develop product storage and processing, and implement training programmes for farmers.

At the end of the meeting, it was decided that next time the working group will meet in autumn in the Netherlands.

The Press Service of the Ministry of Agrarian Policy and Food, 10.07.2012

Ukrainian-Irish political consultations were held on July 10, 2012 in Kiev. The heads of the delegation were Deputy Foreign Minister of Ukraine Andriy Olefirov and Deputy Secretary General Ministry of Foreign Affairs of Ireland David Donoghue.

The sides discussed a wide range of issues related to bilateral relations and cooperation between the two countries in international organisations including cooperation in OSCE, where Ireland will pass presidency to Ukraine at the end of this year.

Ukrainian Ministry of Foreign Affairs, 10.07.2012

## ▪ Food Safety

According to Kiev Veterinary Medicine Department, leptospirosis was detected among horses in private households in Sviatoshyn district of Kiev and in the National Environmental and Naturalistic Centre (Podol district).

Quarantine restrictions were introduced to eliminate the infectious disease which is common to human beings and horses. In particular, places where the sick horses had been kept were disinfected.

<http://vet.gov.ua/>, 07.07.2012

Russian, Kazakhstan and Byelorussian veterinary experts began to check the effectiveness of the Ukrainian State Veterinary and Phytosanitary Service's (Derzhvetfitosluzhba) inspection system. The Customs Union experts are most of all interested in how the Derzhvetfitosluzhba guarantees the safety of animal products that are exported to Russia, Kazakhstan and Belarus.

There will also be carried the audit of those Ukrainian enterprises who are interested in exporting their animal products to the Customs Union.

<http://vet.gov.ua/>, 09.07.2012

The Byelorussian company "Santa Bremor" is allowed to import its ice cream to Ukraine since the Byelorussian Veterinary Service provided all the necessary guarantees to prevent future non-compliance with the Ukrainian food regulations.

The relevant resolution was sent to all the veterinary departments across the country.

<http://vet.gov.ua/>, 10.07.2012

## ▪ Market Infrastructure

Ukrainian Government intends to stop paying subsidies to large agricultural companies in 2013, the Minister of Agrarian Policy and Food Mykola Prysiazhniuk said.

"The State budget has already been reoriented to support small businesses, backyard holdings and cooperatives. In the next year we will altogether stop paying subsidies to large companies. There will be left only sectoral benefits such as VAT and single fixed tax", the minister said. He noted that by 2020 small farmers will produce at least 40% of all agricultural products. "It is important for the Ukrainian small farmers not to get lost during the land reform", Mr. Prysiazhniuk added.

UNIAN 07.07.2012

The amount of funds which the State provides for the construction of agricultural wholesale markets is growing every year. UAH 246 million are planned to be allocated for this purpose in 2012, the Director of the Economic Development and Agricultural Markets Department of the Ministry of Agrarian Policy and Food Sergiy Kvasha said.

"A significant amount of funds were used to develop agricultural markets in previous years: UAH 36 million were allocated in 2010, 198 million - in 2011 and this figure will reach UAH 246 million in 2012 ", Mr. Kvasha said. He noted that wholesale markets are beneficial not only to buyers who will be able to buy agricultural products at fair prices there, but also for producers. Mr. Kvasha also said that the State is creating a network of agricultural wholesale markets to ensure the most favourable prices for Ukrainian consumers.

LigaBusinessInform, 07.07.2012

Ukrainian Government wants Ukraine to be fully supplied with the fruits of domestic production, except for the exotic fruits. "The network of wholesale markets which is now being built in Ukraine and systems of instant product delivery will help Ukraine become fully supplied in the

next few years with the fruits of its own production, except for the exotic ones", Ukraine's Prime Minister Mykola Azarov said during his visit to Kaczynski + company in Crimea. He explained that the Government focused its attention on this problem since a large number of fruits are imported to Ukraine. "If in summer 2/3 of fruits are produced in Ukraine, in winter import accounts for 3/4 of fruits and imported fruits are often processed with chemicals", Mr. Azarov said.

According to Mr. Azarov, the Government boosted fruit and grape cultivation by introducing special compensations and a 1.5% duty to be spent for vines` recovery. The Prime Minister also said about the programme of building up-to-date vegetable stores. "This is a successful programme in the framework of which we managed to build many vegetable stores within 1.5 years", the Prime said.

Cabinet's Department of Information and Communications, 09.07.2012

Ukrainian agricultural producers will harvest 3.5 million tons less of early grain as a result of adverse weather conditions. The monetary equivalent of the losses is 5.6 billion UAH, the president of the Ukrainian Agribusiness Club (UABC) Alex Lissitsa said at a press conference in Kiev.

According to the UABC, due to drought and heat in southern, eastern and central regions the yield of early grain turned to be 16 kg/ha instead of expected 22 kg/ha. According to the UABC experts, lower yields increased the production costs up to 1,8-2 thousand UAH/ton with the selling price being 1,5-1,7 thousand/ton. "Agricultural producers lose 300-400 UAH at each ton with production losses of up to 15-20%. It is already clear that producers in most regions will have big losses and if dry weather continues for another 2-3 weeks the actual harvest may be 40 million tons while the UABC predicted it to be 44 million tons", Mr. Lissitsa said. Let us remind the reader that in Ukraine the volume of grain production in 2011 was 56.7 million tons.

<http://economics.unian.net/>, 10.07.2012

5 new grain elevators will be built in Zhytomyr oblast, the head of Zhytomyr Regional State Administration Mykola Deysan said. "The issues of land allocation, necessary documentation and designs will soon be solved for all of the 5 elevators. The elevators will be built in Popilnia, Ovruch, Romaniv and Andrushivka rayons", he said.

<http://latifundist.com/>, 11.07.2012

## ▪ Rural Development

July 5, 2012 - Ukraine's Parliament adopted law amending the Land Code in relation to land auctions. In particular the law provides that:

- land shall be sold through auctions with the sale/lease contract signed with the person who offered the highest price/rent for the land plot;
- public and municipal lands shall be sold only through land auctions and the preferential purchase right shall not apply in this case;
- public lands with buildings subject to privatization shall be sold through auctions by official privatization authorities;
- land owners (both legal and private persons), the Supreme Council of Crimea, the executive authorities and local governments shall have the right to conduct a land auction.

APK-Inform, 06.07.2012

Ukraine's Cabinet of Ministers adopted decree #609 from July 2, 2012 launching the State Land Bank. The text of the document was published on the governmental website.

The State Land Bank will be a public joint stock company with the statute capital of UAH 120 million. The State will own 100% of the statute capital. 120 million of ordinary nominal shares

UAH 1 each are planned to be issued to establish the statute capital. The Cabinet of Ministers instructed the Ministry of Agrarian Policy and Food to use funds from the State budget to establish the statute capital of the State Land Bank. MAPF should in a month time submit the draft statute of the Land Bank to the Cabinet for approval.

[www.unian.net](http://www.unian.net), 10.07.2012