

 <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 12 - 18, 2012

### ▪ **WTO and Neighborhood Policy**

President of Ukraine Victor Yanukovich and Israeli Vice Prime Minister and Foreign Minister Avigdor Liberman discussed issues associated with creation of a free trade area and further development of efficient trade and economic interaction of the two countries. The news is communicated by the Press Service of the Ukrainian President.

Besides, the meeting focused on Ukrainian-Israeli cooperation in the spheres of research and development, strengthening of personal contacts, and political dialogue.

As it was reported earlier, Ukraine is considering a possibility to begin negotiations on creating free trade areas with Vietnam, Lebanon, Persian Gulf countries and selected Latin American countries.

RBK-Ukraine; 13.07.2012

On July 12<sup>th</sup>, Anatoly Maksyuta, the First Deputy Minister of Economic Development and Trade, chaired the round table "Prospects for Ukraine's switching to green economy and green industry in light of UN Conference on Sustainable Development 'Rio+20'".

The UN Conference on Sustainable development "Rio+20" became the largest international event of the decade which confirmed the global course toward sustainable development. Decisions made at the conference gave a strong push to resolving practical issues of the this course at the international and national levels, such as strengthening the integration of three components of sustainable development (economy, ecology, and social development), changing the existing development model for green economy and green development, enhancing methods for measuring well-being and progress, etc.

The primary result of the conference is the nonbinding document, "The Future We Want," a 49 page work paper. It re-affirms that introduction of green economy principles will increase countries' capacity to use natural resources rationally with less impact on the environment and stimulate sustainable growth on the principles of fairness and creation of new jobs.

In addition, the round table participants discussed prospects for pursuing the course toward green economy with allowance for EU and German experience and areas of structural changes in the Ukrainian economy, specifically, making the industry environmentally friendly and acceding to the UNIDO Green Industry Platform, priorities of the energy policy in the context of Ukraine's acceding to the Energy Community Treaty; and priorities of sustainable agriculture and rural development.

Press Service of the Ministry of Trade and Economic Development; 16.07.2012

Ukraine and EU have finally completed the technical process of refining the text of Association Agreement section on creation of the deep and comprehensive free trade area. The text will be initialled in Brussels on July 19<sup>th</sup>. According to UkrInform, this news was communicated by EU Trade Spokesman John Clancy. "Legal proofreading of the text of the Agreement on Deep and

Comprehensive Free Trade Area has been completed. The Agreement will be initialled in Brussels on July 19<sup>th</sup>", stated Mr. Clancy. "Initialling will be followed by technical processes of preparing the Agreement for signing, specifically, translation of the text into official languages of the European Union".

"Making the decision on signing the Agreement will depend on the political situation in Ukraine", emphasized the EU Spokesman for Trade.

[www.kp.ua](http://www.kp.ua); 17.07.2012

## ▪ Food Safety

In consideration of recommendations of the International Epizootic Office, DG SANCO report and assessment of the risk of infecting the ruminant with Schmallenberg virus, Instruction of the Chief State Veterinary Inspector of Ukraine # 15-2-23/6412 dated July 12, 2012 allows importing pedigree cattle, goats, and sheep from the United Kingdom, Germany, Belgium, France, Italy and Luxemburg on the condition that animals in questions origin from problem-free farms and, and testing with IFA and PLR methods returned negative results. Importing other cargoes from the said countries falling under control of the State Veterinary Medicine Service must be subject to relevant veterinary import requirements.

<http://www.vet.gov.ua/>, 13.07.2012

According to an official notice of the International Epizootic Office, highly pathogenic avian flu is registered on certain administrative territories of the People' Republic of China.

Following the said notice, the Chief State Veterinary Medicine Inspector of Ukraine issued an instruction on July 13, 2012 prohibiting import of poultry, poultry products and poultry raw materials from a number of Chinese provinces and Island of Taiwan.

<http://www.vet.gov.ua/>; 13.07.2012

According to a report of the Rivne Oblast Department of Veterinary Medicine, a lot of dead roach, perch and other fish 3-12 cm long weighting 3-25 grams was found in Ustya river. Water samples were taken for parasitological and bacteriological tests.

All necessary measures are being taken to prevent consumption of dead fish.

Preliminary laboratory tests did not reveal any parasitological diseases of fish. Bacteriological tests continue. As far as water hydro-chemical indicators are concerned, it was revealed that the oxygen content was reduced down to 1.07 mg/l (the normal hydrogen content in water in 5.0 mg/l and the ammonia nitrogen content was excessive (2.0 mg/l as against the standard 1.0 mg/l).

State Veterinary and Phytosanitary Service of Ukraine; 16.07.2012

Veterinary medicine inspectors in Lyubomsky raion of Volyn oblast detected virus diarrhea of unknown origin affecting cattle, communicated the Deputy Chief State Veterinary Medicine Inspector of Lyubomsky raion, Petro Nikonchuk. "This is the virus diarrhea of unknown origin which affects solely bovine. Probably, it is associated with weather conditions. Initially, disease outbreak occurred in the prybuh area of the raion but a few days later it happed on the other side of the region", said the official.

According to Mr. Nikonchuk, the disease has already spread in neighbouring Shatsky, Starovyzhivsky and Turiysky raions. Infected animals are being treated. "We provide treatment in those villages which are affected by the disease according to local residents' reports. The disease lasts for three or four days. So far, not a single animal has died", pointed out Petro Nikonchuk.

<http://economics.unian.net/>; 17.07.2012

## ▪ **Market Infrastructure**

Ukraine will be able to export around 20 million tons of grain in the marketing year of 2012-2013 (July 2012 through June 2013), stated President of the Ukrainian Grain Association Volodymyr Klimenko at the press conference in Kyiv.

According to Mr. Klimenko, today, most experts project the grain yield in Ukraine at 45 million tons whereas the Government of Ukraine expects 47 million tons of grain to be harvested. The country's need in grain for all sectors is estimated at 27 million tons. Mr. Klimenko insists that Ukraine's grain export potential will be approximately 20 million tons irrespective whether 47 million or 45 million tons of grain is harvested because the carry-over balance of grain are estimated at 12.6 million tons (as opposed to the yearly average carry-over balance of 6 million tons) – quite enough to ensure the planned volume of export.

UNIAN's note: In the marketing year of 2010-2011 Ukraine exported 12.037 million tons of grain including 4.093 million tons of wheat, 2.7 million tons of barley, and 38,000 tons of rye, 5.055 million tons of maize, and 149,000 tons of other grain crops.

<http://economics.unian.net/>; 12.07.2012

The Crimean regional office of the Antimonopoly Committee of Ukraine imposed UAH 130,000 penalty on the public joint stock company "KrymMoloko" and public joint stock company "Eupatoriya city milk factory" for anticompetitive concerted actions which led to distortion of tender results. The news was communicated by the Press Service of the Antimonopoly Committee of Ukraine on July 12, 2012.

According to the Antimonopoly Committee, the said companies agreed on their bids when Simferopol international airports conducted the tender for dairy products.

Both companies admitted the violation and undertook to pay the penalty to the state budget.

APK-INFORM; 13.07.2012

EBRD is providing up to \$23 million finance package to one of major Ukrainian agri-industrial operators, the AgroTrade Group. The project goal is to attain model indicators of energy efficiency and expand existing grain processing and storage capacities. The finance package includes an up to \$15 million loan for replenishing the working capital up and up to \$8 million senior loan for the purpose of funding energy efficiency measure and expansion of grain processing and storage facilities.

The AgroTrade Group which cultivates 50,000 ha of agriculture land in Eastern Ukraine is planning to use these funds to install gas drying equipment on five of its grain elevators and construct a new seed processing plant with the yearly capacity of 10,000 tons.

Taking the energy conservation measures envisaged by the project will enable the AgroTrade Group to save some 1.9 million m<sup>3</sup> of natural gas per year and cut direct production costs by approximately \$1 million.

LIGABusinessInform; 17.07.2012

## ▪ **Rural Development**

The state budget subsidy for keeping and preserving young cattle is one of a few initiatives the Government of Ukraine has undertaken to help individual homesteads for the last twenty years. In addition to increase of the cattle herd, the subsidy will facilitate developing family farms and improving well-being in rural areas, stated Minister of Agrarian Policy and Food Mykola Prysiashnyuk during this trip to Sumy oblast.

"We will insist that this initiative lasts as long as possible – for at least five to seven years – in order to revive individual homesteads and develop family farms so that rural residents feel dignified members of the society. We should realize that this initiative has social implications", pointed out the Minister. Financial support of developing pig and poultry production by

individual homesteads and family farms will become the next step of the Government in this sphere.

Press Service of the Ministry of Agrarian Policy and Food; 16.07.2012

Development of vegetable production in the Crimea will enable Ukraine to improve the overall situation in agriculture, stated Mykola Bezuhly, the First Deputy Minister of Agriculture and Food at a meeting with journalists. "These are production of vegetables on irrigated land and revival of orchards and vineyards which will change the Crimean agriculture sector", explained the Deputy Minister.

According to Mr. Bezuhly, 32,000 ha of irrigated land in Crimea and as little as 1,000 ha of irrigated land is used vegetable growing. "The comparison is far from being in favour of the Crimea. I have little doubts that dozens of times more land should be used for vegetable production. We need not only to provide the Crimea and its guests with locally produced fruit and vegetables but also supply our fruit and vegetables to central and Northern regions of Ukraine and export our produce to neighbouring countries, in the first place, Russia", added Mr. Bezuhly.

<http://latifundist.com>; 17.07.2012

According to the Press Service of the Ministry of Agrarian Policy and Food of Ukraine, a consulting centre has been set up on the initiative of Minister of Agrarian Policy and Food Mykola Prysiashnyuk. The consulting centre provides its customers with information on the Ministry's functions, farmer support and rural development programs.

LIGABusinessInform; 17.07.2012