

 <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 July 26 - August 01, 2012

▪ **WTO and Neighborhood Policy**

Ukraine and USA need to increase the trade turnover between the two countries, stated First Vice Prime Minister of Ukraine Valery Khoroshkovsky at the meeting with US trade representative Ron Kirk which was held as part of the fourth sitting of the Ukrainian-American Trade and Investments Council in Washington on July 31, 2012.

The parties discussed the status and prospects for trade-and-economic cooperation between Ukraine and USA and reached an agreement on setting up a task force on trade matters. "The objective of this task force will be to eliminate hindrances to trade relationships between our countries and, as a consequence, to increase the trade turnover", Mr. Khoroshkovsky stated. He emphasized that making compromise decisions on termination of anti-dumping measures with regard to Ukrainian produce is very important in this context. "American support in liberalizing the access to the US market for Ukrainian produce and elimination of existing limitations is of paramount importance for us", underscored Mr. Khoroshkovsky. According to him, the trade turnover between the two countries can be increased several times over by eliminating existing problems in bilateral trade.

In addition, Mr. Khoroshkovsky expressed interest in developing new high tech projects in power engineering and joint measures to intensify cooperation in agriculture and air and space industry.

Press Service of the First Vice Prime Minister of Ukraine; 31.07.2012

Special Representative of Ukraine for the Middle East and Africa Yevhen Mykytenko met with Ambassador of the Kingdom of Morocco to Ukraine Abdeljalil Saubry on July 31, 2012.

The parties discussed various aspects of bilateral Ukrainian-Moroccan relations. In particular, they have emphasized the importance of developing high-level dialogue between the states and holding the second meeting of the Ukrainian-Moroccan Intergovernmental Commission on Trade and Economic Cooperation in Kyiv later this year. Yevhen Mykytenko and Abdeljalil Saubry exchanged opinions on recent developments in the Middle East and North Africa.

Besides, the parties have pointed out the need to develop trade and economic relations between Ukraine and Morocco, praising the fact that trade turnover between the states had been growing in 2011, reaching \$250 million.

Ministry of Foreign Affairs of Ukraine; 31.07.2012

▪ **Food Safety**

According to the State Veterinary and Phytosanitary Service of Ukraine, 820 incidences of animal rabies were registered in the country from January through July 2012. Typically, rabies

is carried in Ukraine by red foxes (303 cases). Other infected animals include cats, dogs, cattle, pigs, horses.

It is worth mentioning that in the year of 2011, 96,682 individuals asked for medical assistance because of animal bites including 2,016 individuals who suffered from bites of animals suspected to be infected with rabies virus. The last years, stray dogs were major carriers of rabies virus.

AgroNews; 31.07.2012

According to Zaporizhya Oblast Department for Veterinary Medicine, the pig die-off was revealed in one of individual homesteads in Komyshuvatka village, Promorsky raion, Zaporizhya oblast, on July 30, 2012.

The state veterinary service in Zaporizhya oblast took samples of pathologic materials of died animals for testing purposes. The tests made by the State Research Institute for Laboratory Diagnostics and Veterinary-and-Sanitary Expertise" on July 31, 2012 revealed the DNA virus of the African swine fever (Test Report # 2049П/12 dated July 31, 2012).

The probable source of the infection is food products of animal origin brought by holiday makers from the Russian Federation. Quarantine is enforced in the locality. The motor road running through the village is blocked. All transit vehicle use a bypass road. A task force is set up to coordinate actions to eradicate the disease and prevent proliferation of the disease agent across other regions of Ukraine.

<http://vet.gov.ua>; 01.08.2012

▪ **Market Infrastructure**

It is planned to construct and renovate 91 agri-industrial facilities total UAH 470 million in Sumy oblast in the year of 2012. According to RegioNews, this information was released by Volodymyr Ivchenko, the Head of Sumy Oblast Department for Agri-Industrial Development.

The list includes 36 animal production facilities, 24 food companies, and 31 agrarian market infrastructure facilities. 29 investment projects totalling more than UAH 230 million were implemented in the oblast agri-industrial complex in the year of 2011. The number of investment projects increases due to the Memorandum of Cooperation between the Government and Business Community which was signed the last year, mentioned Volodymyr Ivchenko.

<http://latifundist.com>; 26.07.2012

Cabinet of Ministers of Ukraine issued the Decree "On Setting up the State Intervention Fund in the 2012/2013 Marketing Year". This news was released by the Press Service of the Cabinet of Ministers on July 26th.

The Decree allows the Agrarian Fund of Ukraine to procure in 2012/2013 marketing year commodities which are subject to state price regulation and included in the list approved by Cabinet of Ministers Decree # 180 dated March 05, 2012 at average weighted prices, which were observed during the last three trade sessions at the Agrarian Exchange and commodity exchanges accredited by the Agrarian Exchange. In so doing the purchase prices are capped by 120% of the maximum intervention price set for a specific commodity for 2012/2013 marketing year.

The communication stresses that the said Decree will facilitate formation of the State Intervention Fund in the statutory volume.

APK-INFORM; 26.07.2012

Most probably, the existing prices for grain crops in Ukraine will remain at their current high level until the USDA report on crop yields in the world including the USA is released (expectably in the first half of August), said Serviy Stoyanov, the Director General of the Ukrainian Agrarian Confederation, when commenting the current situation at the grain market.

"The market is functional. However, this is the USDA report which can change the price pattern", the expert told. He believes that the August export will be slightly larger than in July - nearly 1.5 million tons. Mr. Stoyanov is also convinced that there are not reasons today to discuss a need to take any prohibitive measures because the country has a large surplus of grain crops. However, the expert admits that some limitations may be imposed if the export is too large.

UKRINFORM; 31.07.2012

According to the State Statistical Service of Ukraine, the aggregate index of agriculture production costs in January through 2012 was 109.3% of that in the same period of 2011. In so doing, the index of costs of industrial material and technical resources which are used in agriculture production was 111.1%.

The June to May aggregate index of agriculture production costs was 98.1%, and the index of industrial material and technical resources used in agriculture production was 98.7%.

The aggregate index of agriculture production grew by 17% in Ukraine in the year of 2011.

RBK-Ukraine; 31.07.2012

The high yield of apples in Ukraine may coincide with lack of the major market to market this produce, communicated LIGABusinessInform.

"Unfortunately, the record high apple yield in Ukraine is likely to coincide with the record high apple yield in Russia which is, in fact, our only export market. Besides, higher than average apple yields are expected also in Poland and other EU member states which are our competitors at the Russian and Ukrainian markets", says Andriy Yarmak, the Director of the APK-INFORM Fruit and Vegetables Project.

Besides, Russian will join WTO very soon, thus opening its market to other countries as well. This means that Ukraine will lose its major advantage at the Russian market - duty free export of apples to the Russian market.

<http://latifundist.com>; 31.07.2012

The Government of Ukraine is planning to give the right to insure agriculture produce with government support to those duly licensed insurers which meet requirements of the Law of Ukraine "On Insurance" and are members of the Agrarian Insurance Pool.

This is envisaged by the Draft Decree of the Cabinet of Ministers "On approving the Regulation on using state budget funds allocated for the purpose of insuring agriculture plan products" posted on the web site of the Ministry of Agrarian Policy and Food of Ukraine.

According to the Draft Law, the eligible insured will include resident agriculture producers owning and leasing agriculture land and carrying out their business operations on the territory of Ukraine. More specifically, an agriculture producer will sign with an insurer a contract for insuring agriculture produce with government support and pay an insurance premium at a standard rate. In so doing, the insured must not be in the process of liquidation. A decision on covering a part of insurance premia will be made by commission set up by the Ministry of Agrarian Policy and Food.

Participants to process of insuring agriculture produce with government support will include insurers, the insured, Agrarian Insurance Pool, and the Government as represented by the Ministry of Agrarian Policy and Food, National Commission on Financial Services, Crimean Ministry of Agrarian Policy and Food, oblast and Sevastopol City State Administrations.

Interfax-Ukraine; 31.07.2012

▪ Rural Development

To ensure compliance with crop rotation standards, Ukraine is planning to develop and

implement a system of agrarian passports which will make it possible to monitor crops across all regions of Ukraine and, thus, assure the food security, stated Mykola Bezuhly, the First Deputy Minister of Agrarian Policy and Food of Ukraine. The news was communicated by the Press Service of Kharkiv Oblast State Administration.

"Agrarian passports will be developed at three levels. The general crops structure will be developed in Kyiv according to existing natural and climate zones. Based on the actual situation at the agriculture market, it will offer those crops which can be produced with the maximum efficiency in each oblast. Each oblast's agrarian passport will be subject to approval by the Cabinet of Ministers. The information in such passports will be communicated to raions and then to each agriculture producer. According to Mr. Bezuhly, the system of agrarian passports will be introduced from 2014 through 2015.

APK-INFORM; 26.07.2012

Volyn region received UAH 2.6 million from the state budget to refund the cost of purchasing milking units by individual farmers. This is 75 per cent of all funds allocated from the state budget for this purpose, said Mykola Bezuhly, the First Deputy Minister of Agrarian Policy and Food of Ukraine, at the regional workshop on agriculture and rural development in Volyn oblast. Therefore, Volyn region received UAH 2.6 million out of UAH 3.1 million allocated to entire Ukraine. This effectively means that Volyn farmers will be refunded for the purchase of 591 milking units out of all 700 milking units to be refunded in Ukraine at the national level. Funds are already available at the raion level. As the Head of Volyn Oblast State Administration, Boris Klimchuk, emphasized, regional authorities also support to individual farmers and family farms by providing them with milking units for free. Rural residents are already using 260 such units. 500 more units will be purchased until the end of the year. According to Yury Horbenko, the head of the regional agrarian department, 22,500 family farms are provided with free presscake, compound feeds, access to newly developed pastures, etc.

Government portal; 31.07.2012

President Yanukovich has issued an instruction to Prime Minister Mykola Azarov, Vice Prime Minister and Health Minister Raisa Bohatyryova, Chairman of the Crimean Council of Ministers Anatoly Mohylyov, and heads of oblast state administrations binding them to ensure that people residing in rural in remote areas are provided with high quality and affordable medical assistance.

Press Service of President Yanukovich; 31.07.2012