

 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 August 09 -15, 2012

WTO and Neighborhood Policy

On August 9th, 2012, Andriy Olefirov, the Deputy Minister and the Chief of Staff of the Foreign Ministry of Ukraine met with an American delegation headed by Richard Lugar, the Co-Chair of the US Senate Committee on Foreign Relations.

The meeting participants discussed a number of burning issues of the Ukrainian-American bilateral relations. They shared opinions on Ukraine-USA cooperation in the energy sphere and the countries' interaction in the international arena, specifically, the interaction under Ukraine's chairmanship in OSCE in 2013.

Besides, Andriy Olefirov and Richard Lugar stressed the importance of deepening the Ukrainian-American strategic partnership, in particular, through intensification of trade and development of personal contacts.

<http://www.mfa.gov.ua>, 09.08.2012

On August 08, 2012, the Government of Ukraine approved the Draft Law "On Acceding the Convention on the elaboration of a European Pharmacopoeia as amended by the Protocol attached to it".

The Convention has been developed by the Council of Europe for the purposes of approving unified pharmacopoeia standards of medicinal drugs quality; approving specifications of medicinal substances which hold general interest in their primary condition or in the form of pharmaceutical preparations and are important for peoples of Europe; developing specifications of medicinal substances emerging at the market; and implementing pharmacopoeia which is common for interested European countries.

At the moment, Ukraine is in the process of harmonizing its legislation on circulation of medicine products with EU legislation (for example, introduction in Ukraine of Good Manufacturing Practices (GMP)).

Ukraine needs international cooperation in the sphere of medicinal product standards in order to gain the reputation of a developed pharmaceutical country. The first step in this direction was made when Ukraine acceded the Pharmaceutical Inspection Co-operation Scheme (PIC/S).

It is also important that once Ukraine has acceded the Convention, it will gain the status of a voting member of the European Pharmacopoeia Commission

Press Service of the Health Ministry; 11.08.2012

Food Safety

For the purpose of preventing occurrence and proliferation of contagious diseases of agriculture animals and poultry, veterinary medicine specialists in Poltava oblasts made over 1.3 million laboratory and diagnostic tests and 19 million inoculation and take numerous treatment and

prevention measures between January and June 2012. Like in previous years, regional agriculture enterprises remain unaffected by cattle leucosis, pointed out Serhiy Aranchiy, the Head of Oblast Veterinary Medicine Department at the collegium meeting.

During the first half of 2012, regional laboratories carried out more than 745,000 bacteriological and microbiological tests of raw materials, finished food products, forage and compound feeds. Results of these tests served a basis for seizing over 88 tons of substandard quality products and issuing more than 4,000 warnings. More than 3,000 peoples are called to account for non-compliance with the sanitary legislation. UAH 226,000 worth penalties are imposed.

<http://vet.gov.ua/>; 13.08.2012

Because of hot weather, state veterinary medicine inspectors, together with veterinary police officers, increase the number of inspections. Specifically, 480 outlets selling products of animal origin were inspected in large cities of Donetsk oblast. The inspectors destroyed 675 kg and seized 1,7000 kg of animal products. The inspections revealed violations at half of the inspected outlets. “Inspection were conducted in large regional cities – Donetsk, Mariupol, Makeyevka. Non-compliance with storage and storage temperature requirements is the most common violation”, said Eugene Nikulin, the Director of the Veterinary Medicine Office of Donetsk Oblast Department of the Ministry of Interior.

<http://vet.gov.ua/>; 14.08.2012

Veterinary services of Ukraine, Russia and Belarus are planning to combine their efforts to prevent proliferation of African swine fever. According to UNIAN news agency, such agreement was reached at a recent meeting of head of three countries’ veterinary services in Kyiv.

The meeting was convened on the initiative of the Ukrainian party which was concerned by the recent outbreak of the disease on the Ukrainian territory and exacerbation of the epizootic situation in Russia. “Despite the disease outbreak in Zaporizhya oblast was eliminated in a fast and efficient manner, the threat that the disease will spread from Russia to Ukraine and Belarus remain high”, emphasizes the communication.

Eugene Nepoklonov, the Deputy Head of the Russian Agriculture Supervisory Authority, mentioned that proper measures taken by the Ukrainian veterinary service allowed their Russian counterparts not to take additional protection measures with regard to Ukrainian pork products.

Ivan Bisjuk, the Deputy Minister of Agrarian Policy and Food of Ukraine, said that the existing system of veterinary services which was created in Russian during the last decade, failed to create proper conditions to fight such dangerous diseases at African swine fever. According to Mr. Bisjuk believes that there is a need to develop a system of joint and well coordinated professional measures in order to ensure the epizootic security in the region covering the European part of Russia, Ukraine and Belarus.

<http://vet.gov.ua/>; 15.08.2012

Market Infrastructure

The other day, a regular round of negotiation was held between the Ukrainian and Chinese parties as part of activities under the Memorandum of Cooperation in supporting priority agriculture projects which was signed by the Ministry of Agrarian Policy and Food of Ukraine and Export-Import Bank of China on June 28, 2012.

The parties agreed on details of the supply of Ukrainian grain crops to China. Currently, a process is underway whereby Ukrainian crops, such as wheat, maize, soy beans, rape etc. are being certified so that the Ukrainian produce meets Chinese statutory requirements and can be exported to China under bilateral agreements.

Ukraine and China have already signed an agreement on cooperation in the phytosanitary

cooperation and soon will hold negotiation to agree on the volume of plant produce export. Once official procedures have been completed, Ukraine will supply test lots of maize to China. Every year, chine import 5 to 7 million tons of maize, predominantly from USA. Potentially, China is interested in importing Ukrainian grain crops as the internal demand for grain and the import component in the supplies keep growing in China.

Press Service of the Ministry of Agrarian Policy and Food; 09.08.2012

According to analysis, the demand for large facilities for agro-industrial sector operations is resuming. Agri-industrial companies order facilities totalling more than 20,000 m². Such revival is triggered by investment projects which are implemented in regions, says Open Knowledge.

More specifically, large funds – UAH 375 million – are invested in the agri-industrial sector in Sumy oblast. Most of these funds will be used to develop grain infrastructure facilities in the region. It is planned to construct eight new grain elevators with the total capacity of 339,000 tons and four modern grain drying complexes. It is also envisaged to mobilize UAH 85 million for renovation and modernization of animal farms. Local authorities believe that they will attain within two or three years what they failed to do during the last 20 years. Special hopes rely on implementation modern technologies.

Large-scale investment projects in developing facilities in the agri-industrial sector are being implemented also in Dnipropetrovsk, Kherson and Kyiv oblasts.

Interest on loans will be partially covered from the state budget.

Besides, the Cabinet of Ministers allocated UAH 200 million to the Ministry of Agrarian Policy and Food for development of wholesale agriculture markets in Kyiv, Donetsk, Lviv, Kharkiv and Chernihiv. Over UAH 800 million will be spend for renovation or construction of 33 animal farms in Poltava oblast as part of implementing the Animal Production Development Programme for 2011-2015.

Delo.ua; 10.08.12

The Draft Law “On Land Market”, if passed in its current wording, will negatively affect large agriculture companies, said Andre Kuusvek, the EBRD/Ukraine Mission to Ukraine, in his exclusive interview to the National agri-portal Latifundist.com. According to him, large agriculture holdings “can never be efficient unless they are able to purchase or lease enough land”

“Ultimately, everybody will lose: producers, processors, and the state which will not receive some income to be generated in the agri-industrial sector. That is why development of the land market in Ukraine, like development of other sectors of the Ukrainian economy, should follow the free market economy patterns”, pointed out Mr. Kuusvek.

Mr. Kuusvek does not believe that sale of land to foreign investors poses any threat to the country’s security. “All those statements that some persons may buy land whereas the others may not reflect the soviet approach. Although, it may be feasible to use a system of unlimited lease relationships in Ukraine, clarified his position the EBRD/Ukraine Mission Director.

At the same time, Andre Kuusvek does not support the idea of setting up the State Land Bank. He says that concentration of land in a single bank is a step toward the monopoly at the land market. “EBRD expressed its opinion in this regards to the Government of Ukraine and law makers. All commercial banks rather than a single entity should be engaged in land relationships”, summarized Andre Kuusvek.

Latifundist.com; 13.08.2012

Prices for forage wheat and maize have been increased by 12% in Ukraine since the beginning of the 2011/12 marketing year (July through June) because of projected reduced yield of grain crops and growth of global prices. Prices for barley dropped by 30%. Offer prices for fodder wheat are record low; they almost equal prices for milling wheat and are slightly above prices for maize. This information is communicated by ProAgro.

The company’s analysis are convinced that the increase in prices for grain crops will lead to

increase in prices for feeds. The production costs of compound feeds will also rise, thus increasing the production costs of animal products. This, in turn, may affect prices for pork, beef, dairy and poultry products. The latter may become more expensive by 10% to 20% in months to come.

LIGABusinessInform; 13.08.2012

Rural Development

The total amount of 2011 rent which was actually paid to land unit owners is UAH 6.03 billion. According to the Ukrainian Agrarian Business Club Association, this is by 20 percent or by one billion hryvnias more than what the lessors received in the year of 2010. In the first place, the increase is due to the rent increase up to UAH 350 per 1 ha of agriculture land in 2011.

According to the Vice President of the Association, Volodymyr Makar, the above increase resulted in that 4.5 million land unit owners received UAH 1,300 per land unit on average. "This means an extra income for the vulnerable rural population, primarily, for rural pensioners who own more than a half all leased agriculture land in Ukraine", Mr. Makar emphasizes. He believes that improvement of conditions for agriculture producer operations is an essential condition for increasing incomes of the rural population.

<http://latifundist.com>; 09.08.12

By its Decree # 741 dated July 25, 2012, the Cabinet of Ministers of Ukraine introduced budget subsidies in the amount of UAH 250 for every three months of keeping young cattle.

More specifically, the Decree says: "If an individual homestead keeps young cattle purchased from other owners, the budget subsidy will be paid in the amount of UAH 250 for every three complete months of keeping such animals until they reach the age of 15 months".

The said three month period will commence on the day on which a purchased young animal is moved to the recipient's homestead as specified in the animal's passport and approved by the stamp of the local veterinary clinic or on the day of issuing the animal passport to the new owner of such animal.

RBK-Ukraine; 14.08.2012