

 <b>МІНІСТЕРСТВО АГРАРНОЇ ПОЛІТИКИ ТА ПРОДОВОЛЬСТВА УКРАЇНИ</b>	 <b>Проект фінансується Європейським Союзом</b>	 <b>Проект впроваджується консорціумом на чолі з WYG International</b>
<p align="center"><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 30 August – 5 September, 2012**

### **WTO and Neighborhood Policy**

August 31, 2012 Ukrainian Minister of Economic Development and Trade (MEDT) Petro Poroshenko met with the Ambassador Extraordinary and Plenipotentiary of the USA to Ukraine John F. Tefft and the Director of the USAID Mission for Ukraine, Belarus and Moldova Jed Barton.

The U.S. side handed over to Mr. Poroshenko the draft National Strategy for Public Procurement in Ukraine, which was developed jointly by USAID and MEDT experts in accordance with international principles and standards. On behalf of the U.S. Government Mr. Tefft thanked Mr. Poroshenko for developing and further implementing the strategy, which will be a significant step forward in the reform of public procurement in Ukraine. MEDT will soon submit the draft strategy to the Cabinet of Ministers for consideration and will ensure its approval and implementation.

Mr. Poroshenko and Mr. Tefft discussed the future meeting of the trade expert group to be held on September 18 to implement agreements reached at the Fourth Session of the U.S.-Ukraine Trade and Investment Council.

Mr. Poroshenko proposed the American side to jointly develop a roadmap to revise the list of anti-dumping measures against Ukrainian products imported into the United States.

MEDT Press Service, 31.08.2012

Ukraine asked the WTO to set up a panel to hear a dispute on "measures concerning trademarks and other plain packaging requirements applicable to the tobacco products", the Australian newspaper «Age» reports. The article notes that Ukraine does not sell cigarettes to Australia, but a Philip Morris International subsidiary employing 1400 people is located in Ukraine and corporations do not have the right to appeal to the WTO in their own names. The Ukrainian statement says that Australian law is "more trade restrictive than necessary to achieve the stated health objectives and constitute[s] an unnecessary obstacle to trade." Rather than agreeing to the establishment of a dispute resolution panel as is customary in less serious disputes, Australia rejected Ukraine's request.

Earlier, it was reported that Ukraine intends together with Honduras and the Dominican Republic to block Australian tobacco control regulations.

RBC-Ukraine, 03.09.2012

Increased European integration should be the response to the European crisis, the First Vice Prime Minister of Ukraine Valerij Khoroshkovskiy said during his speech at the International Economic Forum, held September 4, 2012 in Krynica Zdroj (Poland).

Mr. Khoroshkovskiy stressed that the Association Agreement between Ukraine and the EU can pave the way for a greater European integration in Eastern Europe. "This will benefit not only Europe. This is necessary both for both the EU and Ukraine. The right way to response to the crisis is to find new markets and incentives. I am convinced that our economies and our citizens

will benefit from such steps. We need more integration", he added.

The Press Office of the First Vice Prime Minister, 04.09.2012

## Food Safety

Ukrainians will consume safer products after HACCP quality control system will be introduced at all domestic enterprises. Its effectiveness has already been proved, since 99% of Ukrainian enterprises exporting their products to the European Union and to the Russian Federation use it, the Deputy Director of the State Veterinary and Phytosanitary Service Vitaly Bashinsky said, adding that Ukrainians themselves should consume products from manufacturers whose control systems meet international requirements. "This will be possible after the law On Food Safety and Quality will be adopted", Mr. Bashinsky said. The official explained that the HACCP system reduces the possibility of biological, chemical or mechanical factors entering into the food production process and enables the highest quality of products. "The HACCP helps to establish a clear system of traceability from farm to fork. The new law will allow for recalling products from store shelves meaning that manufacturer can lose up to 40% of their customers. This is why most manufacturers will be interested in keeping the highest quality standards", Mr. Bashinsky said.

Thanks to modern equipment it will be impossible to fake data when providing them to supervisory bodies. And this will not be the representatives of the latter who will check the enterprises but the employees of the State Veterinary Service trained by the experts from the European Union and the United States.

<http://vet.gov.ua/>, 30.08.2012

Rabies quarantine was introduced in two villages of Mykolaiv oblast, the State Veterinary and Phytosanitary Service reported. Rabid fox tried to bite cows near the village of Stepove, Mykolaiv oblast on August 16. Local shepherds have killed the fox. On August 22 the anti-epidemic commission established a 60-days quarantine in Stepove and Ulyanivka villages.

<http://economics.unian.net/>, 03.09.2012

Rospotrebnadzor accredited 5 Ukrainian laboratories to check dairy products for import to Russia.

The accreditation received the L.I. Vedmedya Institute of Ecological Hygiene and Toxicology (Kyiv), UkrMetrTestStandard Research Center (Kyiv), CherkasyStandartMetrolohiya food testing centre (Cherkassy), Poltava Oblast State Veterinary Laboratory, State Research Institute for Laboratory Diagnostics and Veterinary-Sanitary Examination of the State Committee for Veterinary Medicine (Kyiv).

Rospotrebnadzor experts found that these laboratories have adequate equipment and qualified personnel to check the quality and authenticity of cheeses. However, during the first stage the results of Ukrainian laboratories will be double-checked in Russia.

APK-Inform 04.09.2012

The Ministry of Agrarian Policy and Food proposes to introduce the term "milk-containing products" and set requirements for their sale and labeling. According to the draft decree, food products and food supplements will be considered as "milk-containing" when produced from raw milk, but with the addition of substances of non-dairy origin replacing milk fat, milk protein or lactose in them. The draft provides that milk-containing products shall be labeled as "products with substituted milk components". The inscription should be in size not less than 80% of the product's title. The draft obliges trading companies to put dairy products apart from milk-containing ones. If the manufacturer breaks labeling requirements for milk containing products the draft provides for a penalty equaling 100% of product's price. In case of trade

companies the penalty may vary from 100 to 1000 of non-taxable minimum incomes.

Interfax-Ukraine 04.09.2012

## Market Infrastructure

The State actively supports service cooperatives in rural areas. The Government will allocate UAH 100 million to support service cooperatives, the Minister of Agrarian Policy and Food Mykola Prysiazhniuk said. "Rural cooperatives are crucially important. UAH 5 million have already been foreseen to support cooperatives and changes to the budget will be introduced to allocate UAH 100 million for development of dairy cooperatives", Mr. Prysiazhniuk said. Earlier, the Minister informed that the development of the cooperative movement will be an effective tool for uniting farmers and addressing social and economic issues in rural areas. Cooperatives will facilitate the creation of new jobs, ensure comfortable living conditions for farmers and increase their income. The Government provides all the necessary conditions for cooperatives` development, for example, pays subsidies for young cattle. It is planned to create 1 500 agricultural service cooperatives.

MAPF Press Service, 30.08.2012

The EU and CIS countries are interested in buying fortified flour from Ukrainian State Reserve, the director of the Novopokrovskiy bread plant Andriy Yakovenko said during the launch of a new packaging line.

According to Mr. Yakovenko, the new equipment will pack flour not only into 2 kilograms packages but also into smaller ones. For latter there is a great demand in domestic and foreign markets. Moldova, Russia and Romania are already interested in buying Ukrainian fortified flour. Ukrainian scientists developed a technology for enriching flour with thiamine, iron and vitamins. The consumer price of the fortified flour will not be higher than that of the ordinary one.

Speaking at the opening of the new packaging line, the president of the Ukrainian State Reserve Olexandre Lelyuk emphasized that the Novopokrovskiy bread plant managed to upgrade its equipment at its own expense. "Today it is impossible to sell unfortified flour even in Southeast Asia. And the fact that Ukraine has begun to make such products is not only useful for all of us, but also adds to the international prestige of our country", Mr. Lelyuk said, adding that not only flour but also meat and other foods stored in the State Reserve will be enriched with vitamins and minerals.

<http://latifundist.com>, 31.08.2012

Hrad Oliya company will launch a sunflower and rapeseed processing plant in Kirovohrad oblast with crushing capacity of 700 tons per day. The project also includes an elevator with the capacity of 60 thousand tons.

The company plans to buy sunflower and rapeseed on the open market or directly from manufacturers. The company will export its products, but it does not rule out the possibility to enter the domestic market with its own brands in the future.

Total construction investment exceeded \$ 40 million. The company expects to recoup the investment in five years. The project began in the spring of 2011, after Kernel bought Allseeds Group.

Let us remind the reader that Ukraine is among the three largest sunflower oil producers in the world. In 2011/2012 marketing year, Ukraine produced 3.65 million tons of sunflower oil, 3.2 million of which were exported.

LIGABusinessInform, 04.09.2012

## **Rural Development**

Starting from January 1, 2013 Ukrainians will be able to check their land plots on-line via digital cadastral map. The preparation of the State Cadastral Map, which is the integral part of the land reform, is now being completed, the Minister of Agrarian Policy and Food Mykola Prysiashniuk said on August 31 while presenting the State Land Cadastre.

"The digital cadastral map will give Ukrainian citizens the opportunity to view all the land plots within Ukraine and learn about their space, boundaries, purpose, etc. A transparent and open access to information about land plots will be provided for land owners this way. The digital cadastral portal will help reduce queues and link citizens with their territorial bodies of land resources", Mr. Prysiashniuk said.

The Minister stressed that the paper version of the land registry contains many errors and inaccuracies. The digital version will help identify and quickly fix them.

MAPF Press Service, 01.09.2012