

July 31, 2008

Ukraine



Yulia Tymoshenko threatens to cancel subsidies on poultry meat if poultry producers preserve high prices

Prime Minister Yulia Tymoshenko has threatened poultry producers to cancel state subsidies on poultry meat if they preserve high prices.

Tymoshenko told this to the Heads of Regional State Administrations at a conference call meeting on July 16. Tymoshenko said she would do her utmost to cancel subsidies on poultry meat if poultry meat prices stood high within a month.

She also requested the State Tax Administration and the State Inspection for supervision over prices to check economic grounds for the price of poultry meat.

Yulia Tymoshenko noted that permanent price rise for the poultry appears to be the main reason of inflation. "We are still facing a monopoly plot and neither Antimonopoly Committee nor the General Prosecutor's Office operates the way they have to," Yulia Tymoshenko pointed out.

Ukraine's Prime Minister has drawn attention to the fact that chicken legs cost today 22-23 UAH per kilo while their wholesale price in the world amounts 10-11 UAH. "Can you answer my question: what are those special conditions for the Ukrainians? Why is this special policy of collusion and corruption? And they are getting grants from the budget at this," she complained.

The Prime Minister called on the Heads of Regional State Administrations to take advantage of the start of interventions on the poultry meat market by the State Material Reserve Committee.

Tymoshenko said the profitability of poultry breeders was too high.

Chairman of board of directors of the Ukrainian Poultry Union Association Oleksandr Bakumenko on July 15 announced that poultry producers agreed to maintain stable wholesale prices for poultry meat at UAH 16-17 per kilogram by September.

He also marked that trading networks mainly set trade markup on poultry meat of not higher than 15%, so the market of these products is stable in prices - retail prices on poultry meat equals to UAH 17-18 per kilogram.

On July 9, Prime Minister Tymoshenko asked President Viktor Yushchenko to assist in settling poultry meat prices.

The same day Prime Minister Tymoshenko accused Head of the State Affairs Department Igor Tarasiuk of involvement in ungrounded increase of poultry meat prices.

- Source: *Ukrainian News Agency*

Anti-monopolistic Committee of Ukraine investigates price increase on poultry

In the nearest future prices on poultry will not increase. Deputy Chairman of Anti-monopolistic Committee Alexander Melnichenko announced this on July 3.

Alexander Melnichenko has informed that Anti-monopolistic Committee investigates justification of price increase on poultry.

Melnichenko said that Anti-monopolistic Committee has prepared a decision on suspending of price increase on poultry by such large companies as "Gavrilovskie kurchata", "Nasha ryaba" during investigation.

- Source: *Meatinfo.ru*

Translated by: *usapeec.kz*

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Public Agrarian Organizations ask Ukrainian Authorities to consider the situation on the meat market during session of National Security and Defense Council

Public Agrarian Organizations ask Ukrainian Authorities to consider the current situation of drastic increase in meat imports during session of National Security and Defense Council (NSDC)

The Ukrainian Poultry Producers Association, The Association of Farmers and Private Landowners, The Ukrainian Union of Agricultural Enterprises and “Tvarinprom” Corporation have applied with a letter to the President of Ukraine Victor Yushchenko, Chairman of Verkhovna Rada A. Yatsenyuk and Head of NSDC Raisa Bogatireva.

The letter points-out that during January-June 2008, Ukraine imported 160 thousand MT of meat and by-products worth 189 million USD. According to the letter all the imported meat was of low quality, such which is not consumed in any developed country.

“If the volume of meat imports stays at the same level then there is a risk that during 3-4 months the number of livestock of poultry, pork and cattle in Ukraine will decrease even more. Local poultry, pork and cattle production will not be able to reach even the last year level”.

It is outlined in the letter that it is mainly poultry and pork that are imported to Ukraine; however the existing deficit of beef is not covered by the imported meat. - *Source: Apk-Inform Agency; Translated by: usapeec.kz*

Ukraine: Yushchenko demands from Timoshenko to stop realization of “Bush’s legs” via State Reserve starting from September

President of Ukraine Victor Yushchenko asked the Cabinet of Ministers to abolish until the 1st of September government’s decrees on realization of meats of foreign origin at a dumping price that are currently imported to Ukraine via Enterprise of State Reserve of Ukraine.

The Head of the country wrote a letter on the matter to Prime-Minister – Yulia Timoshenko.

Yushchenko asked the Government to implement an extended veterinary control of each lot of imported meat products; to ban import of meat for further processing until the 1st January, 2009; to make an inspection of all the companies that are importing meats for further processing; to analyze the current Ukrainian legislation that allows importers to use a “further processing scheme” in their foreign economic activity.

Yushchenko also asked the government to implement new standards for the further processed meat products with prevision of norms of meat content in the meat products; to set up together with the customs services of neighbor countries customs control over transportation of meat products through their borders.

During the preparation of amendments to the State budget of Ukraine for 2008, and working project of State Budget for 2009, President asked the Government to stipulate all necessary expenses in order to meet the requirements of agricultural products producers.

As a reminder, in the middle of July, 2008 The State Reserve Committee of Ukraine started realization of imported poultry meat (of American and European origin) at 10.7-11.0 UAH (\$2.21- \$2.27) per kilogram in order to stabilize retail prices on poultry products in Ukraine.

- *Source: Meetinfo.ru; Translated by: usapeec.kz*

NBU: consumer boom can lead to a heavy price growth

Customer demand is still at a high level in Ukraine, said head of the NBU adviser board Valeriy Lytvitskyi.

According to him, nominal incomes increased by 46%. Lytvitskyi mentioned that it is a historical maximum for Ukraine.

The expert says it is an “enormous growth”, more than in any other country. Moreover, he noted that “the country will have new social initiatives soon” and added he has always been against this incomes policy, which favors consumer boom which grows faster than the investments. As a result, according to Lytvitskyi, the product offer will be at the same level and “the growing incomes may result in a heavy price growth”.

- *Source: Forum Agency*

All meat imported to Ukraine was inspected

According to The Chairman of Ukrainian State Reserve Committee M.Pozhyvanov, all meat imported to Ukraine was inspected. He demonstrated chicken leg quarters from the State Reserve Storage to the journalists saying the following: "During last days it is widely discussed that Ukraine imports cheap meat of low-quality. I invite journalists to see the imported meat products and all required certificates themselves. There are dishes prepared from the imported chicken leg quarters in the next room, let's go there and I shall taste them myself".

Remind that on July 15th during Conference Call Meeting with The Heads of Regional State Administrations Yulia Timoshenko informed that State Reserve Committee started intervention of chicken leg quarters to Ukraine in order to decrease prices on poultry products to the level of 13.5UAH (about 2.81 USD) per kilo.

On July 16th M.Pozhyvanov announced that State Reserve Committee has already been selling chicken leg quarters for 10.72UAH (2.23 USD) per kilo. He also pointed out there are all grounds to say that retail price for chicken leg quarters will be 13.50UAH (about 2.81 USD) per kilo. - *Source: MIGnews Agency; Translated by: usapeec.kz*

Ukrainian Economy Ministry revises downward meat production forecast for 2008

The Economy Ministry of Ukraine has trimmed its meat production forecast for 2008 from 2.03 million MT to 1.99 million MT.

The Ministry also boosted its meat import forecast for 2008 to 300,000 MT, rise from 250,000 MT. It is expected that per capita meat consumption in Ukraine in 2008 will be over 50 kilograms.- *Source: Meatpoultry.com*

Moldova



Moldova will have a Sanitary-Veterinary Agency for Security of Products of Animal Origin

A Sanitary-Veterinary Agency for the Security of Products of Animal Origin will be created in Moldova in accordance with the plan of action for implementing the law on sanitary-veterinary activity approved by the Government on July 16.

The Ministry of Agriculture and Food Industry is to work out a draft decision about the creation of the agency and a draft decision about the reorganization of the district veterinary laboratories into a single network by September.

Under the action plan, the Agriculture Ministry must draft a law on the profession of veterinary doctor and a decision regarding the basic conditions of the contracts for transferring the sanitary-veterinary services. The plan also envisions setting up sanitary-veterinary posts at customs posts.

The property of the state sanitary-veterinary services will be transferred from the local authorities to the Sanitary-Veterinary Agency for the Security of Products of Animal Origin. - *Source: Moldova.org*