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### Ukraine



#### EU experts audited veterinary sector of Ukraine

European Union experts held an audit of the veterinary sector in Ukraine over 10 days.

Inspectors of the Food and Veterinary Office (FVO) of the Directorate General for Health and Consumers (DG SANCO) arrived in Ukraine in mid-November.

The experts were to estimate measures on hygiene of feed additives and premixes, as well as will visit enterprises in Kyiv and Lviv regions.

In the program of EU experts audit was examining the work of the Main Department of Veterinary Medicine of Kyiv region, the State Scientific-Research Control Institute of Veterinary Medicinal Products and Feed Additives and Premixes. Among them, such as Kyiv Vitamin Plant, World of Fodder, Biochem Ltd. Provimi, Kronos-Agro and others.

European inspectors also visited the customs checkpoint Eastern Terminal in Kyiv region, where they get acquainted with the process of control over feed additives and premixes, imported to Ukraine.

As the Cabinet notes, during the previous missions of experts of International Epizootic Bureau, FAO and FVO GD SANCO in Ukraine, results of activities of the competent body (the State Veterinary Committee of Ukraine) were recognized as complying with provisions of the World Trade Organization and the EU requirements. Just veterinary control on the state border and its stability are the basis for

preservation of the status of Ukraine as the country, free from especially dangerous animal diseases. Lost of the status or its revision may lead to unpredictable economic losses, the statement reads.

Meanwhile, the Head of the State Veterinary and Phytosanitary Service of Ukraine Ivan Bisyuk informs that in the near future Ukraine will obtain permission from the European Commission on the export of poultry meat and eggs to the territory of the European Union.

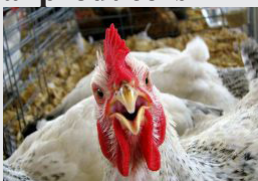
According to him Ukraine has fulfilled all the EU requirements regarding the production of poultry meat and eggs. Thus, now State Veterinary and Phytosanitary Service is awaiting the final report and the permission of the European Commission. I. Bisyuk assures that Ukraine will receive such permission shortly.

In addition, according to the Chief Veterinarian European inspectors are currently inspecting production of feed, feed additives and premixes at Ukrainian enterprises. Mr.Bisyuk says that the results are expected to be positive as well.

*Source: IA GolosUA (www.golosua.com)  
Translated by: USAPEEC Central Asia Eastern Europe Office*

### **Creating a Unified Register of animals will open new markets to national producers**

The State Veterinary and Phytosanitary Service of Ukraine has begun an active work on the implementation



of the Unified State Register of animals. Due to cooperation with the Food and Agriculture Organization of the United Nations, in 2011 hospitals of Veterinary Medicine locating in Kyiv, Volyn and Donetsk regions have joined the Unified Register. Controlling the livestock is one of commitments (in agricultural sector) that Ukraine has taken in order to join WTO, according to the Director of the Department of Veterinary Medicine, Vitaliy Bashinsky.

According to the Agency since the introduction of the new system of identification of animals

the number of registered livestock has increased dramatically. As of November the Unified State Register lists about 5 million heads of livestock.

V. Bashinskiy notes that identification and registration of animals helps tracking the livestock and increases security of the production. This contributes to Ukraine's cooperation with the EU, as well as helps to ensure the epizootic welfare of the country. He believes that Ukrainian producers can become competitive in the global market only after launching the Unified Register, which will ensure the safety and quality of domestic products.

He went on saying that as of today there is a problem of untimely informing of State Services about the animals that have already died.

In order to eliminate this problem V.Bashinsky suggest to raise the discipline in the meat processing enterprises so that they submitted the identification documents for slaughtered animals on time.

The State Veterinary and Phytosanitary Service informs that a lot of attention is paid to upgrade the qualifications of the veterinarians working with the Registry.

*Source: IA Furazh (www.furazh.ru)  
Translated by: USAPEEC Central Asia Eastern Europe Office*

### **MHP increases the share of poultry exports**

Ukrainian Agro-Industrial Group MHP, currently the largest producer of poultry in Ukraine, intends to increase the share of poultry for exports to 8-10 percent out of the total output in 2011, compared to 5 percent in 2010, the Head of Investments and Media department of MHP Anastasia Sobotyuk has stated.



According to her at the same time the volume of production has become stable

about 360,000-370,000 MT per year. A.Sobotyuk also noted that the company has been exporting poultry meat primary to the CIS and the Middle East countries.

EU experts have inspected the production of MHP and given permission for starting exports to the Europe Union. In 2012 the company plans to bring the share of export to 15 percent of production aided by an active supply of their products in the EU.

As of now MHP provides about 65 percent of Ukraine's total exports of poultry meat abroad and in the near future according to preliminary estimates, this figure will remain unchanged or increase slightly.

In 2013, the company plans to double the volume of exports, with the start of its biggest complex in the Vinnytsia region, which in the first year will produce 100,000 MT of poultry annually.

Meanwhile, the company is considering a massive expansion into the EU poultry market through the possible acquisition of meat processing companies in Germany and other EU countries.

According to MHP, the acquisition of EU poultry processors will allow the Ukrainian company to gain a foothold in the EU market, while, in addition to Germany, the company is also considering acquiring of assets in Italy, Slovakia and France. The amount of the potential deal is estimated in the range of EUR 100-150 million.

Currently MHP and other Ukrainian chicken producers are arranging all the latest formalities, regarding the long-awaited start of Ukrainian poultry exports to the EU, which has already been approved by the EU regulative bodies. According to MHP Chief Executive, Yuri Kosyuk, the company's annual exports of chicken meat to the EU are expected to reach 20,000 MT.

MHP has long sought to expand in the EU and US poultry markets, due to lack of opportunities for further expansion in the domestic market.

In the case of the EU, MHP even held talks with Wiesenhof, Germany's leading poultry producer, about possible cooperation in Germany and other EU markets. MHP is also said to be looking for assets in Eastern Europe and Russia, and has plans to start supplies to the US market.

Ukrainian analysts believe that currently Myronivsky Hliboproduct remains one of the most powerful agricultural holdings in Central and Eastern Europe and significantly exceeds its competitors in Poland, Romania, Slovakia and Slovenia, in terms of growth.

At present MHP accounts for about 50 percent of industrial poultry production in Ukraine. Among its major brands are Nasha Ryaba, Legko, Foie Gras, Baschinsky, Friendship of peoples.

*Source: IA MeatTradeNewsDaily (www.meatradenewsdaily.co.uk)*

### **MHP: Ukrainian demand for chicken remained high in Q3**



MHP S.A. focusing on the production of poultry and the cultivation of grain, announced its unaudited

results for the third quarter and the nine months ended 30 September 2011.

#### *Poultry and related operations*

- o During the nine months of 2011 all the Company's chicken production facilities continued to operate at full capacity.

- o Consumer demand for chicken remained high and the Company was able to sell close to 100 percent of the chicken meat produced.

- o The Company's share of industrially produced chicken in Ukraine in 9 months 2011 was around 50 percent.

- o The volume of chicken meat sales to external customers in 9 months 2011 increased by 13 percent year-on-year to 282,000 MT due to more effective use of existing capacity

and decrease in stocks.

o The average chicken meat price for Q3 2011 was 15 percent higher compared to Q3 2010. In 9 months 2011 the chicken meat price increased by 7 percent to UAH 14.39 compared to UAH 13.43 in 9 months of 2010.

o The average price of sunflower oil in 9 months 2011 increased by 54 percent to USD 1,297 per MT.

*Source: IA FeedInfo (www.feedinfo.com)*

### Russian Duma Speaker Gryzlov wants to see Ukraine in Eurasian Economic Space

Russian State Duma Chairman (the lower chamber of the Russian Parliament) B.Gryzlov, the Chairman of the Supreme Council of the United Russia Party, says the Eurasian Economic Space will be incomplete without Ukraine.



“We want to see Ukraine in the future Eurasian Union and we think it will be incomplete without the country”, he said.

He noted that Ukraine, as any sovereign state, will make a decision on the vector of its integration considering interests of its citizens.

B.Gryzlov said Ukraine and Russia have a lot of common interests: documents have been signed concerning the free trade area; integration processes are underway within the Commonwealth of Independent States; close economic ties have been established; there are a number of joint projects, including a project on production of air planes.

The Eurasian Economic Space project is an initiative from Russian Prime Minister Vladimir Putin, who is the leader of the United Russia Party.

V.Putin believes that the Eurasian Economic Space should be created on the base of the Customs Union and the Common Economic Space.

Ukraine is not inclined to join the Customs Union of the Common Economic Space so far.

In early September, President of Ukraine Viktor Yanukovich said Ukraine considers it necessary to see the functioning of the Customs Union in a year or two.

V. Yanukovich suggested a 3+1 formula for cooperation within the Customs Union.

Russian President Dmitry Medvedev excludes this option of cooperation.

D.Medvedev said the member states of the Customs Union may be forced to employ different customs regimes concerning Ukraine if the country does not have full membership of the Customs Union.

*Source: UN.UA (www.un.ua)*

### Ukrainian State Reserve buys 1,450 MT of meat

The State Reserve Agency of Ukraine has purchased 1,450 MT of meat and 40,000 MT of wheat, the Agency’s head, Oleksiy Leliuk reports.



According to him, the country’s reserve stocks have been completely refreshed. He said that the need to refresh the stock appeared after a study of the work of the agency’s enterprises, which uncovered numerous thefts and a shortage of product supplies in 2009-2010.

O.Leliuk said that, in particular, one of such companies was Zlatodar (Cherkasy region). The theft at the company amounted to 53,000 MT of wheat worth about UAH 100 million (USD 12.5 million).

In addition, thefts were discovered at another five enterprises. However, the State Reserve Agency head did not name the companies or the sum of losses.

Mr. Leliuk noted that this year the agency has fulfilled the plan to refresh the stock of canned meat (400,000 cans) and replaced its stock of

diesel fuel, purchasing 10,000 tonnes of Euro 4 standard diesel fuel.

*Source: IA KyivPost (www.kyivpost.com)*

### **Producers obtain more responsibility for the product quality**

The State Veterinary and Phytosanitary Service of Ukraine has developed a draft law that lines the responsibility between the producer and regulatory authorities in the ratio 90:10, respectively.

According to the Director of the Veterinary Medicine Department Vitaly Bashinsky the corresponding draft law "On amending certain Legislative Acts of Ukraine regarding the safety and quality of food products" is in the final stage of approval. In the near future it will be submitted for Verhovna Rada's consideration.

Mr Bashinsky believes that after these changes be introduced the quality of products will be improved and producers will become more attentive to the suppliers they work with.

However, the director of the department noted that at present many regulating bodies are strongly against of these changes.

He also noted that they are now considering to abolish the accompanying veterinary documents for finished goods across the Ukrainian territory. If so, regulating bodies will lose one of the elements of self-financing.

*Source: IA MdOffice (www.mdoffice.com.ua)*

*Translated by: USAPEEC Central Asia*

*Eastern Europe Office*

### **Ukraine and Moldova will simplify local border movement**

Members of the Ukrainian Verkhovna Rada's Parliamentary group for the inter-parliamentary relations discussed with their Moldovan counterparts in Chisinau cross-border cooperation between the two

countries. "In addition to issues of energy cooperation and security, we discussed the possibility of creating an enabling environment not only for the movement of citizens of Moldova and Ukraine across the border, but also for simplification of customs procedures in moving freight and goods", Anatoliy Kinakh, the Head of the Ukrainian delegation and Chairman of the Ukrainian Union of Industrialists and Entrepreneurs, said.

He also noted that the meeting discussed the priorities of improving the regulatory framework based on European principles with the maximum simplification of the conditions of movement of goods and people.

*Source: IA Ukrinform (www.ukrinform.ua)*

### **Ukraine: the number of livestock as of November 1, 2011 - State Statistics Committee data**

The number of cattle in Ukraine as of November 1, 2011 totaled 4.95 million, 2.4 percent less than on the same date last year, the State Statistics Committee reported Wednesday.

The number of cows on the date was 2.62 million, 2.6 percent less than a year ago.

The number of pigs fell by 4.2 percent on the year to 8.06 million and the number of poultry fell by 0.3 percent to 218.6 million. The number of sheep and goats stayed flat at 1.98 million.

In the course of 2010 cattle numbers in Ukraine fell by 1.8 percent to 4.74 million, with the number of cows falling by 2.2 percent to 2.68 million. The number of pigs in 2010 increased by 6.1 percent to 8 million and the number of poultry increased by 5.6 percent to 202 million.

*Source: IA FeedInfo (www.feedinfo.com)*

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### Ukraine poultry import statistics, January-September 2011\*

Partner Country	2010		2011		% Change Value	% Change Qty
	Value	Qty	Value	Qty		
<b>World</b>	139,040	125,129	43,375	42,794	- 69%	-66%
<i>America:</i>						
<b>United States</b>	90,230	77,747	3,886	4,312	- 96%	- 95%
Brazil	30	26	71	54	+ 237%	+ 208%
<i>Europe:</i>						
Belgium	10,711	10,283	3,394	2,940	- 69%	- 72%
England	5,101	4,721	6,248	7,133	+ 122%	+151%
France	886	788	2,773	2,042	+ 312%	+ 259%
Germany	9,524	8,905	10,205	8,328	+ 107%	- 7%
Hungary	4,782	6,725	1,640	2,364	- 66%	- 65%
Denmark	0	0	441	380	---	---
Spain	1000	624	1,274	868	+ 124%	+ 139%
Italy	3,027	2,080	2,920	2,067	- 4%	- 5%
Netherlands	6,812	6,777	4,915	6,730	- 28 %	- 1%
Poland	6,607	6,264	5,124	5,285	- 23%	- 16%
<i>Other Countries</i>	0	0	485	291	----	----
<b>Value Unit:</b> Thousands of USD; <b>Volume Unit:</b> MT						