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## LEGISLATION REVIEW

# Agriculture, Food and Renewable Energy Sector

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## State Support to Agriculture

### Intervention prices for Agrarian fund in the 2012/13 marketing year

*The Order of the Ministry for Agricultural Policy and Food # 125 "On Activities of the Agrarian Fund on Organized Agricultural Market in the 2012/13 Marketing Year" as of 26<sup>th</sup> March, 2012 and amended on 18<sup>th</sup> of April, 2012.*

The Order establishes minimum and maximum intervention prices for objects of government price regulation in the 2012/2013 marketing year. These are the prices at which the Agrarian Fund can intervene in the markets. For example, a minimum and maximum intervention price (including VAT) for milling wheat (soft, 3d grade) is UAH 1800/t and UAH 2154/t, accordingly. Feed wheat (soft, 4<sup>th</sup> grade) intervention price band is set at UAH 1729/t (min) and UAH 2066/t (max).

### Agrarian Fund is less constraint on its commodities

*The Draft Law of Ukraine # 10417 "On Amendments to the Law of Ukraine "On State Support of Agriculture of Ukraine"" as of 27<sup>th</sup> April, 2012.*

The Draft makes the Agrarian Fund less restricted in term of its scope of activities in cases when: i) the period of storage is terminated; ii) the quality of commodities is worsened; iii) temporary lease is agreed, etc.

## Taxes and Customs

### Methodology for calculation of the agricultural production share

*The Order of the Ministry for Agricultural Policy and Food # 772 "On Approval of Calculation of the Share of Agricultural Production" as of 12<sup>th</sup> December, 2011; registered at the Ministry of Justice on 6<sup>th</sup> of April, 2012.*

According to the Tax Code of Ukraine, agricultural enterprises that derive no less than 75% of their gross revenues from sales of self-produced agricultural products are eligible to pay the fixed agricultural tax (FAT). This Order approves the Calculation of a share of

agricultural production of goods to determine a share of agricultural production to obtain and to confirm the status of the FAT payer.

## Agricultural Land

### Land auctions

*The Draft Law of Ukraine # 10231-2 "On Amendments to some legislative acts of Ukraine (on the order of land auctions conduct)" as of 3<sup>d</sup> April, 2012*

and

*The Draft Law of Ukraine # 10231-3 "On Amendments to the Land Code of Ukraine (on the order of land auctions conduct)" as of 3<sup>d</sup> April, 2012*

The Land Code of Ukraine contains the possibility of selling the land via land auctions. This is obligatory for the state and communal land. So far, however, there is no legislative framework for this. These Draft Laws suggest closing this gap in the legislation.

## Renewable Energy

### Mandatory blending of biofuels into fossil fuels

*The Draft Law of Ukraine "On Amendments to Certain Laws of Ukraine regarding Production and Use of Motor Fuels Containing Biocomponents" as of 19<sup>th</sup> April, 2012.*

On April 19, 2012 the Ministry of Energy and Coal Industry of Ukraine has published on its website the Draft Law "On Amendments to Certain Laws of Ukraine regarding Production and Use of Motor Fuels Containing Biocomponents". It has not been submitted to the Parliament yet. The Draft Law aims at increasing the share in the production and use of biofuel and mixed motor fuel, including the share of bioethanol in motor fuels produced and/or sold in Ukraine. The Draft Law contains the following schedule:

- in 2013 – recommended content of bioethanol is at least 5%;

- in 2014-2015 – mandatory content of bioethanol is at least 5%;
- as of 2016 – mandatory content of bioethanol is at least 7%.

The Draft Law, however, contains no provision for mandatory content of biodiesel in diesel fuel.

Production of mixed motor fuels and blending bioethanol and/or bio-components to hydrocarbons (petrol, fractions, components) will be performed by companies that are on the list that shall be determined by the Cabinet of Ministers of Ukraine.

### Miscellaneous

#### **State Committee for Fishery has been renamed**

*The Resolution of the Cabinet of Ministers of Ukraine # 199p "On the State Committee for Fishery" as of April 11<sup>th</sup>, 2012.*

The Resolution basically renames the State Committee for Fishery into the State Agency for Fishery.

#### **Author:**

Olexandr Polivodskyy  
Law Firm "Sofiya", Kyiv  
opolivodskyy@lawfirmsofiya.kiev.ua

#### **Editor and contact person:**

Oleg Nivievskiy  
German-Ukrainian Agricultural Policy  
Dialogue (APD)  
Institute for Economic Research and  
Policy Consulting

Reyterska 8/5 A, 01034 Kyiv  
Tel. (+38044)235-7502, 278-6360  
nivievskiy@ier.kiev.ua