

1st Interim Meeting:
“National policy instruments and EU Approximation process: Effects on farm holdings in the Western Balkan countries (EUEWB)”



Presentation of project findings- MONTENEGERO

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OUTLINE

- Agricultural Statistics Database- Montenegro,
- Availability and quality of farm level data- Montenegro,
- Direct payment schemes and other direct income support to producers,
- APM data- Montenegro

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MONTENEGRO:

- Area – 13.812 km²
- Total population – 621.000
- Popul. density – 45 inhab./km²
- Capital – Podgorica
- Divided into 23 municipalities
- Coastline: 293.5 km



Agricultural Statistics Database- Montenegro



Agricultural Development in the country

- Agriculture with tourism and energy is a major strategic development branch (37% of Montenegro's population lives in the rural areas and it is assumed that about 70% of the total income of these people is realized through agricultural activities);
- Agricultural land in Montenegro accounts for 22.3% (309,240.7 hectares - 0.5 ha per capita);
- Total agricultural utilised arable land in 2014 covers 230,3 ha (0.36 ha per capita);
- The structure of the utilized agricultural land in the highest degree is represented by meadows and pastures (94.4%).



Agriculture- Economic importance

Montenegro: Agriculture in the economy

	2005	2014/2015
Agriculture share in GVA (%)	10,5	8,01 (2014)
Agriculture share in employment (%)	18,7	6.9* (2014)
Agro-food exports (% of total exports)	18,7	17,0
Agro-food imports (% of total imports)	18,0	25,2

Montenegro: Characteristics of the agricultural sector

	2005	2014
Agricultural area (AA)(thousand ha)	517	309
Share of arable land in AA (%)	8,7	8,9
Share of crop in total agricultural production (%)	47,7	56,4
Average wheat yield (t/ha)	3,10	3,5
Average milk yield (t/dairy cow)	2,4	2,5
Agro-food export to import cover ratio (%)	22,66	11,16



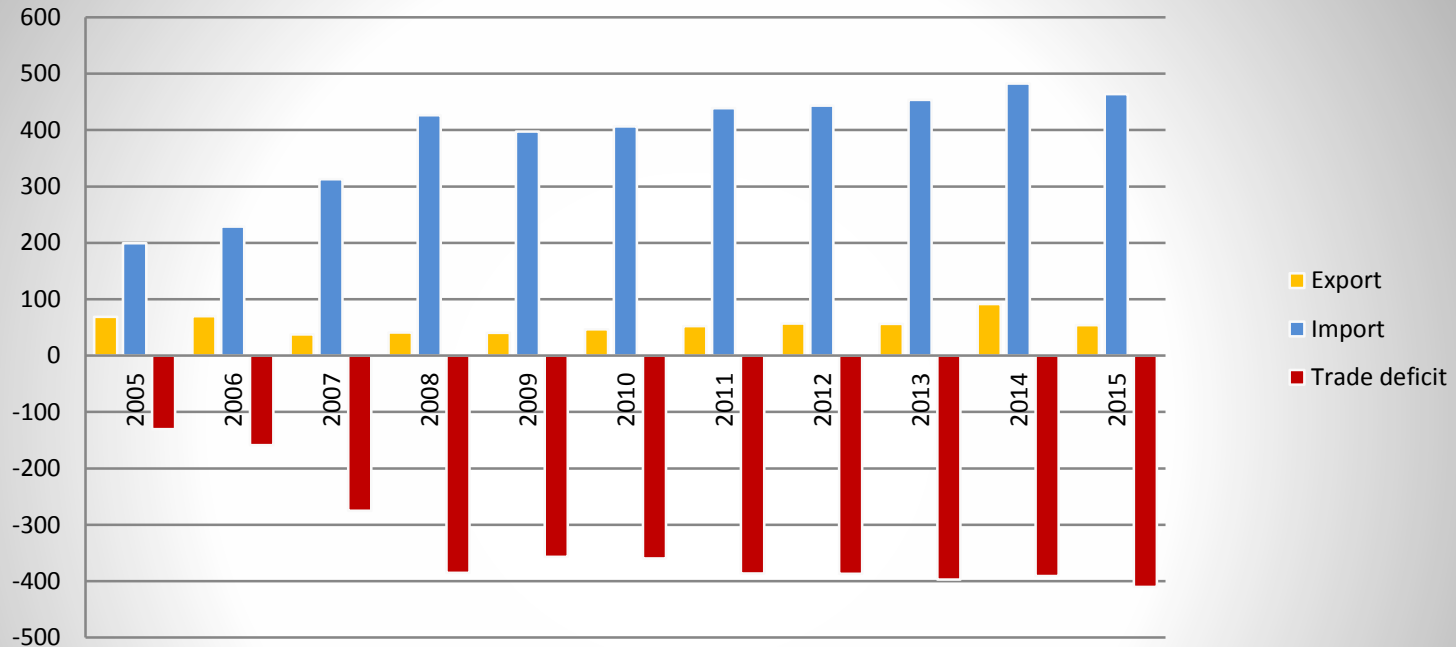
Agro- food trade

- Montenegro is a net importer of agricultural and food products facing with trade deficit;
- Transparent and predictable environment for trade and foreign investment:
 - *The Law on Agriculture and Rural Development* (Official Gazette of Montenegro No. 56/09)
 - *The Law on Foreign Trade* (Official Gazette of the Republic of Montenegro No.28/4 and 37/07);
 - *The Protocol on Montenegro’s Accession to the Marrakesh Agreement on establishing of the World Trade Organization* (Official Gazette – International Agreements No. 3/2012)
 - *The Law on Intervention Procurements* (Official Gazette of Republic of Montenegro No. 69/03)
- Member of the WTO in April 2012;
- FTAs: with CEFTA in 2007, EFTA in 2012, Russia (since 2000), Ukraine (since 2011), Turkey (since 2008), and the EU under the Interim Agreement on trade and trade-related issues (since 2008);

Total trade of agricultural products in 2015 amounted to EUR 518 million and increased nearly 10% compared to the previous year.



Agro-food trade



- Main partners in imports and exports continued to be CEFTA countries and the EU;
- Serbia is still the most important partner

Availability and quality of farm level data- Montenegro

- **Key legislation:**
 - THE LAW ON OFFICIAL STATISTICS AND OFFICIAL STATISTICAL SYSTEM (Official Gazette of Montenegro 18/12 from 30 March 2012)
 - **Managing authority:**
 - Statistical office of Montenegro - MONSTAT
- Farm Structure Survey in our country harmonized with EUROSTAT
- Farm Structure Survey data collected for the year 2010.
Typology of agricultural holdings; Topics of special interest; livestock resources; utilized land

- **Planned frequency of Farm Structure Surveys**

- Research is planned in November 2016.

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FADN (Farm Accountancy Data Network)

- **Specify key legislation:**

- A Farm Accountancy Data Network (FADN) has not yet been established in Montenegro, but the typology of agricultural holdings included in the Agriculture Census 2010 was developed using standard output values (SO).
- The typology contains the classification of agricultural holdings by economic size and production type. The typology is a prerequisite for the selection of a sample of agricultural holdings to be included in the FADN survey.
- The Law on Agriculture and Rural Development (Official Gazette of Montenegro 56/09) foresees the adoption of a Rulebook on FADN.

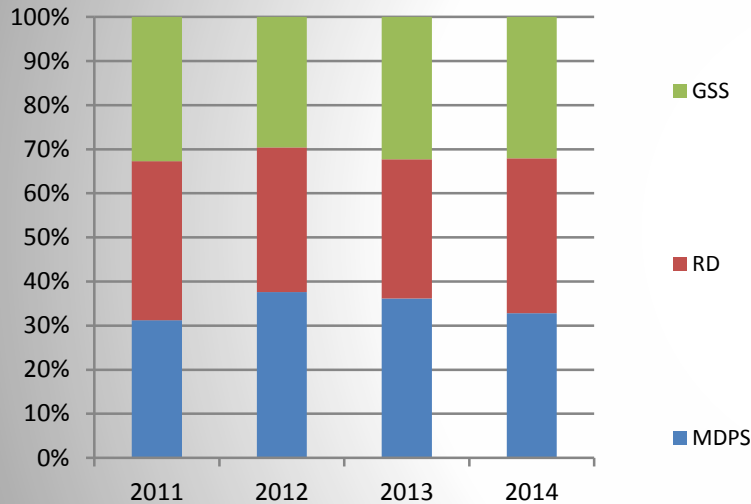
FADN Implementation in Montenegro

Activity	Body responsible	Timeline
Conclude a Memorandum of Understanding among the Ministry, MONSTAT, Extension Service and Faculty of Agriculture on Agreement on establishment of FADN system	MARD	2016
Employment and education of staff to manage FADN system	MARD	2016-Ongoing
Adoption of the Rulebook on establishing FADN (nominating the National Committee and Liaison Agency)	MARD	2017
1. Establish a National Committee 2. Establish a Liaison Agency.	MARD	2017
Preparation of methodological manual (including forms and instructions for accounting officers)	MARD	2017
Bringing FADN system closer to farmers (seminars, workshops, brochures)	MARD, Extension Service	2018 - 2020
Training of accounting officers	MARD, Extension Service	2017 - 2020
Development of FADN software support (IT support)	MARD	2018
Implementation of the survey of purposive sample with the aim to control methodological and organizational aspects (Pilot project)	MARD, Extension Service in cooperation with MONSTAT and Faculty of Agriculture	2018
Data processing and control (Pilot project)	MARD, Extension Service	2018
Defining FADN population	MARD, Extension Service in cooperation with MONSTAT and Faculty of Agriculture	2018
Defining FADN sample	MARD, Extension Service in cooperation with MONSTAT and Faculty of Agriculture	2018
Implementation of overall FADN survey in accordance with the EU rules	MARD, Extension Service	2020
Obtaining FADN results in accordance with EU rules	MARD	2020

Direct payment schemes and other direct income support to producers

Budgetary commitments for expenditures

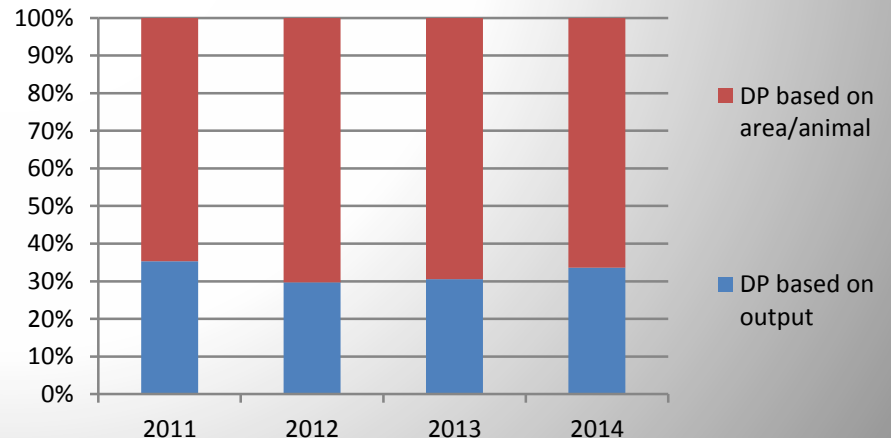
Structure of budgetary expenditure for agri-food sector and rural areas (%)



The producers are not obliged for fulfilling horizontal conditions and there is no application of the IACS/LPIS systems for the management and the control of direct payments.

Direct payments relate mainly to the payments per animal, per area, or to the support based on the quantity of the product, which is not in line with the current CAP measures.

The national payment schemes are not in liaison with the ones currently applied in the EU.



Structure of budgetary expenditure of Direct Payment measures (%)

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Short name of the measure	Description/Specific requirements	Unit	2010	2011	2012	2013	2014	2015	2016
Payments based on output (price aids)									
Dairy premium	Payments to farmers that deliver min. 400 liters of milk/month to dairies	litre	0,055	0,07	0,07	0,07	0,065	0,06	0,06
Additional dairy premium	Payments to farmers that produce min. 5,000 liters of milk/month; paid for delivered quantities above this minimum	litre	0	0	0	0,01	0,01	0,01	0,01
Milk quality payment	Payments for milk delivered to dairies; different payments depending on milk quality class	litre							
- extra class cows milk	Cow’s milk with less than 100,000 bacteria’s and less than 400,000 somatic cells in ml	litre	0	0	0	0	0,01	0,03	0,03
- first class cows milk	Cow’s milk with more than 100.000 but less than 200,000 bacteria’s and less than 400.000 somatic cells in ml	litre	0	0	0	0	0,01	0,01	0,01
- sheep and goat milk	Goat and sheep milk with less than 1.5 million microorganisms in ml	litre	0	0	0	0	0,01	0,02	0,02

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Payments based on area (per ha)		Unit	2010	2011	2012	2013	2014	2015	2016
Payments for crop production	Payments per hectare of cultivated land for cereals, potatoes, fodder plants, buckwheat and other crops (except tobacco) and seed production of crops; min. eligible area of individual crop: 1 ha for cereals and 0.5 ha for other crops	ha							
For crops produced for mercantile purposes		ha	130	150	160	160	160	160	160
For forage crops	in the year of sowing	ha	130	150	150	150	150	150	160
For forage crops	in the following four years	ha	130	150	150	100	100	100	100
For seed potato	elite category	ha	0	700	700	700	700	700	700
For production of cereal seed		ha	600	600	300	300	300	300	300
Payments for tobacco production	Payments per hectare of planted tobacco; min. density: 17,000 plants/ha	ha	1,000	1,200 1,000 800	1,000	1,000	1,000	1,000	1,000
Support for olive growing	direct payment perennial crops	ha	0	0	0	0	0	0	160
Support for fruit and vineyard production	direct payment perennial crops	ha	0	0	0	0	0	0	160
Support for medicinal and aromatic plants	Support to growth of multiannual plantations of medicinal and aromatic plants	ha	0	0	0	0	0	0	160

Payments for crop production amounts to 3.2% of the total budget in 2015

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**Payments based on livestock number
(per animal, hive)**

		Unit	2010	2011	2012	2013	2014	2015	2016
Payment for cows and heifers	Payment to farmers rearing more than 4 animals (kept on farm at least 6 month); paid for the number of animals above this minimum.	head	70	70	80	70	70	70	70
Payments for sheep	Payment to farmers rearing more than 40 sheep (kept on farm at least 6 months); paid for the number of animals above this minimum.	head	9	9	10	8	8	8	8
Payments for goats	Payment to farmers rearing more than 30 goats (kept on farm at least 6 months); paid for the number of animals above this minimum.	head	9	9	10	8	8	8	8
Payments for organized cattle fattening	For bought heads regardless of whether bought in Montenegro or imported	head	120	120	130	120	120	120	120
Beef slaughter premium	The basic slaughterhouse premium for fattened young bulls, bulls and oxen is up to 140€ per head from own production	head	0	0	0	0	140	140	140

Direct support for livestock production is the 12.8% of the total budget in 2015

Input subsidies		Unit	2010	2011	2012	2013	2014	2015	2016
Support for bee queens production		total	28.000	28.000	28.000	32.000	32.000	32.000	32.000
Improvement of quality of bee-keeping products?	The support to the improvement of selected queen bee production is related to the support to operation of selection centres that strictly follow the prescribed criteria with regard to selection of high-quality queen bees and to the support to bee breeding centres in breeding queen bees from the selected material.	total	230.000	182.500	182.500	200.000	147.000	148.000	150.000
Support for milk collection by the dairies	The costs shall be reimbursed per each litre of milk collected in the amount of € 0.01 per litre, which includes the quantity of less than 400 litres per month purchased from subcontractors.	litre	0,025	0,025	0,025	0,020	0,01	0,01	0,01
Insurance subsidy	Financing of a part of costs of insurance against crop and livestock damage on registered agricultural holdings.	total	210.000	260.000	360.000	300.000	200.000	202.000	200.000

Program to beekeeping improvement is 0.7% of the total budget in 2015

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Environment and animal welfare payments		Unit	2010	2011	2012	2013	2014	2015	2016
Payments to organic crop and livestock farming	The support is given to organic production in any segment of agricultural production	ha	350.00	685.00	568.00	100.00	150.00	200.00	250.00
Payment in plant production:	In plant production, minimal areas eligible for the support are the following:	ha							
Perennial plants	0.5 ha for the production perennial plants;	ha	250	250	250	250	350	350	350
For crop production	0.5 ha for crop production.	ha	250	150	150	150	200	200	200
Vegetable production, medical/aromatic herbs	0.2 ha for vegetable production in closed space; 0.5 for medical/aromatic herbs	ha	350	250	250	250	250	300	300
Production of seed and planting material	0.3 ha for production of seed and planting material or vegetable production in open space;	ha	250	250	250	250	250	250	250
Payment in livestock production	In livestock production, the minimum criteria are the following:	head							
per head of cow or heifer	More than three heads of cows and breeding heifers;	head	50	50	50	50	80	80	85
per head of sheep and goat	More than 30 sheep; More than 20 goats;	head	50	50	50	50	80	80	85
per head of poultry	More than 300 poultry units.	head	2	2	2	2	4	4	4
per bee hive	In bee-keeping production the minimum criteria are the following 20 bee communities.	hive	30	30	30	30	30	35	30
Sustainable utilization of mountain pastures	The support is given to agricultural holdings practicing transhumance for at least three months in a year in katuni (their livestock and livestock taken for dairy farm).	head	15	10	10	7,69	8,5	9	10

Support to organic production invented 1,1% of the total budget in 2015.

Support Sustainable utilization of mountain pastures is 0.95% of the total budget in 2015.

Strategy for the development of agriculture and rural areas 2015-2020



Direct payments:



- The relatively limited number of payments will be linked to the support scheme, based on the established areas and yields or on the basis of the established number of heads.

THANK YOU!

