

**“NATIONAL POLICY INSTRUMENTS AND EU APPROXIMATION PROCESS: EFFECTS ON FARM HOLDINGS IN THE WESTERN BALKAN COUNTRIES (EUEWB)”**

**1<sup>st</sup> Interim Meeting**

22<sup>nd</sup> April 2016, Andrevlje, Serbia

**Task 1:**

**Monitor and collect information on agricultural policy developments in the WB countries –**

**Overview of direct support schemes**

dr. Tina Volk, dr. Miroslav Rednak  
Agricultural Institute of Slovenia

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**JOINT RESEARCH CENTRE**

Institute for Prospective Technological Studies (IPTS)

# Tasks

## ***Three subtasks:***

- ✓ Direct (income) support schemes inventory (by April 2016)
- ✓ APM Database update (by April 2016)
- ✓ Agricultural statistics Database update (by September 2016)

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# Direct support schemes inventory; APM

## *National experts' tasks:*

- ✓ Checking and adding of missing information for 2014
- ✓ Up-dating for 2015 (optional: from 2010 on)
- ✓ Cross-checking of consistency with allocation in APM database
- ✓ Up-dating of APM for 2015

## *Data provided so far:*

|                   | <b>DP</b>    | <b>APM 2015</b>  |
|-------------------|--------------|------------------|
| <b>Albania</b>    | 2010-2015    | Not complete     |
| <b>BH</b>         | 2014-2015    | Completed        |
| <b>Kosovo*</b>    | 2011-2016    | Not complete     |
| <b>Macedonia</b>  | not provided | Not provided     |
| <b>Montenegro</b> | 2010-2016    | Completed (plan) |
| <b>Serbia</b>     | 2010-2015    | Completed        |



# Direct support schemes inventory

## Number of support schemes by country, year and type:

|        | Albania  | BH 14/15 |      |       | Kosovo*  | MN          | Serbia   |
|--------|----------|----------|------|-------|----------|-------------|----------|
|        | 10/14/15 | FBH      | RS   | DB    | 11/14/16 | 10/14/16    | 10/14/15 |
| Output | 2/3/2    | 5/4      | 9/7  | 0     | 0/2/2    | 1/1(3)/1(3) | 1/1/1    |
| Area   | 0        | 9/10     | 1/1  | 8/8   | 2/6/9    | 6/6/5(9)    | 0/1/1    |
| Animal | 1/10/2   | 9/9      | 10/9 | 11/11 | 2/5/7    | 3/4/4       | 3/9/9    |
| Input  | 0/2/1    | 1        | 1/1  | 1/1   | 0        | 1/1/1       | 8/3/3    |
| AE     | 1/1/0    | 0        | 0    | 0     | 0/0/1    | 2/2/2       | 2/2/2    |
| LFA    | 0        | 0        | 0    | 0     | 0        | 0           | 0        |

### Big differences by country:

- ✓ Scarce and unstable schemes in Albania
- ✓ High number of different schemes in BH; big differences by Entity
- ✓ Increasing number of schemes in Kosovo\*
- ✓ Rather stable schemes in Montenegro
- ✓ Changes in type of payments and specific requirements in Serbia

Agro-environment schemes not set on a larger scale (mostly organic farming, endangered breeds (Serbia), maintain pastures (Montenegro))

No specific LFA payments



# Direct support schemes by country

Albania

2015

|               | Product                         | Limits                            | Unit value  |
|---------------|---------------------------------|-----------------------------------|-------------|
| <b>Output</b> | Milk                            | min 1,500 l/month; for max 15,000 | 0.073 €/l   |
|               | Fruits and vegetables           | no limits                         | 15%         |
| <b>Animal</b> | Sheep and goats                 | min 100; for max 300              | 8.74 €/head |
|               | Beehives                        | min 50                            | 7.28 €/hive |
| <b>Input</b>  | Phytosanitary measures - olives | Max per ha                        | 250 €/ha    |

## *Main characteristics:*

- ✓ no area payments
- ✓ payments per output for milk and fruits and vegetables
- ✓ headage payments for small ruminants and beehives
- ✓ rather high min. requirements; rather low max. (where set)

SRMS

# Direct support schemes by country

BH - FBH

2015

|                          | Product                      | Limits                  | Unit value     |            |
|--------------------------|------------------------------|-------------------------|----------------|------------|
| Output                   | Milk                         | min 500 l/month (300)   | 0.150 €/l      |            |
|                          | Seedlings                    | max no                  | 0.18; 0.23 €/p |            |
| Area                     | Wheat                        | 1-200 ha; min 3.5 t     | 256 €/ha       |            |
|                          | Maize                        | 2-400 ha                | 153 €/ha       |            |
|                          | Barley                       | 1-100 ha; min 3 t       | 179 €/ha       |            |
|                          | Oilseeds                     | 1-250 ha; min 2 t/ha    | 205 €/ha       |            |
|                          | Seed of cereals and oilseeds | max ha; min t/ha        | 409 €/ha       |            |
|                          | Seed potatoes                | max ha                  | 665; 869 €/ha  |            |
|                          | Tobacco                      | 0.5-50 ha               | 767 €/ha       |            |
|                          | Medical and aromatic plants  | 1-50 ha (for market)    | 205 €/ha       |            |
|                          | Vegetables                   | 0.5-20 ha; min 2-15 t   | 1023 €/ha      |            |
|                          | Fruits                       | 2-250 ha; min 5 t/ha    | 460 €/ha       |            |
|                          | Grapes                       | 1-250 ha; min 8 t/ha    | 460 €/ha       |            |
|                          | Olives                       | 1-250 ha; min 2 t/ha    | 460 €/ha       |            |
|                          | Animal                       | System cow-calf         | 15-1,000       | 230 €/head |
|                          |                              | Breeding heifers        | 2-20           | 230 €/head |
| Cattle fattening         |                              | 3-1,000                 | 230 €/head     |            |
| Breeding sheep and goats |                              | 50(25)-750              | 18 €/head      |            |
| Fattening lambs          |                              | min 20                  | ? €/head       |            |
| Sows and boars           |                              | 5-150                   | 77 €/head      |            |
| Pig fattening            |                              | 10-8,700                | 31 €/head      |            |
| Breeding poultry         |                              | 10,000-50,000           | 0.61 €/head    |            |
| Beehives                 |                              | 20-550; min 10 kg honey | 7.67 €/hive    |            |
| Input                    |                              | Insurance               | max            | 50%        |

## Main characteristics:

- ✓ all types of direct support (+ additional schemes on cantonal level)
- ✓ payments per output for milk and seedlings (soft fruit; fruit trees, wine grape)
- ✓ area payments for all main crop sectors
- ✓ headage payments for all main livestock sectors
- ✓ rather high min. requirements (except milk); max. set in area or animal number



# Direct support schemes by country

BH - RS

2015

|               | Product                     | Limits                          | Unit value |
|---------------|-----------------------------|---------------------------------|------------|
| <b>Output</b> | Milk                        | no limits                       | 0.153 €/l  |
|               | Wheat                       | spring; max 6 t/ha              | 0.026 €/kg |
|               | Rape                        | min 0.5 ha; max 5,000 €         | 15 %       |
|               | Tobacco                     | max 12,500 €                    | 20 %       |
|               | Seeds                       | registered producers            | 15; 50 %   |
|               | Medical and aromatic plants | min 0.3 ha; max 5,000 €         | 15 %       |
|               | Fruits                      | min 500 kg per variety for sale | 15 %       |
| <b>Area</b>   | Wheat                       | min 1.5 ha (winter); min 4 t/ha | 128 €/ha   |
| <b>Animal</b> | System cow-calf             | min 5; max 15,000 €             | ?          |
|               | Breeding heifers            | no limits                       | 102 €/head |
|               | Cattle fattening            | min 4; max 50,000 €             | ?          |
|               | Breeding sheep and goats    | min 100(50); max 12,500 €       | ?          |
|               | Sows and boars              | min 20; max 12,500 €            | ?          |
|               | Pig fattening               | min 60; max 50,000 €            | ?          |
|               | Breeding poultry            | min 2,000; max 25,000 €         | ?          |
|               | Broilers fattening          | min 5,000/turnus; max 50,000 €  | ?          |
|               | Breeding fillies            | pure breed                      | ?          |
|               | Beehives                    | min 50; max 2,500 €             | ?          |
| <b>Input</b>  | Fuel                        | max 100 l/ha                    | 0.31 €/l   |

## Main characteristics:

- ✓ all types of direct support
- ✓ payments per output for milk and several crops (mostly as a % of selling price)
- ✓ area payment only for winter wheat
- ✓ headage payments for all main livestock sectors
- ✓ rather high min. requirements (except milk); max. mostly set in value per beneficiary

SWGRRD



# Direct support schemes by country

BH - DB

2015

|               | Product                   | Limits                 | Unit value     |
|---------------|---------------------------|------------------------|----------------|
| <b>Area</b>   | Wheat                     | min 1.5 ha             | 153 €/ha       |
|               | Maize                     | min 1.5 ha             | 128 €/ha       |
|               | Barley                    | min 1.5 ha             | 128 €/ha       |
|               | Oilseeds                  | min 1.5 ha             | 205 €/ha       |
|               | Fodder sown in autumn     | min 1.5 ha             | 250 €/ha       |
|               | Tobacco                   | min 1.5 ha             | 511 €/ha       |
|               | Vegetables                | min 0.3 ha (0.02 ha)   | 358-7,669 €/ha |
|               | Fruits                    | min 1 ha (0.2 ha)      | 256-409 €/ha   |
| <b>Animal</b> | Dairy cows                | min 2; min 2,000 l/cow | 205 €/head     |
|               | System cow-calf           | no limits              | 102 €/head     |
|               | Breeding heifers          | min 2                  | 153 €/head     |
|               | Cattle fattening          | min 5                  | 153 €/head     |
|               | Breeding sheep and goats  | min 20(10)             | 26 €/head      |
|               | Sheep and goats fattening | min 20(10)             | 15 €/head      |
|               | Sows and boars            | min 5                  | 51 €/head      |
|               | Pig fattening             | min 20                 | 26 €/head      |
|               | Laying hens               | min 1,500              | 0.77 €/head    |
|               | Broilers fattening        | min 5,000              | 0.10 €/head    |
| Beehives      | min 30                    | 10.23 €/hive           |                |
| <b>Input</b>  | Insurance                 | max                    | 70 %           |

## Main characteristics:

- ✓ no payments per output
- ✓ area payments for all main crop sectors
- ✓ headage payments for all main livestock sectors
- ✓ rather different min. requirements (high for arable crops); max. not set

SWG RRD





# Direct support schemes by country

## Bosnia and Herzegovina

2015

|                                | FBH        | RS       | DB        |                           | FBH  | RS       | DB   |
|--------------------------------|------------|----------|-----------|---------------------------|------|----------|------|
| <b>Output (€/l, kg, piece)</b> |            |          |           | <b>Animal (€/head)</b>    |      |          |      |
| Milk                           | 0.15       | 0.15     | -         | Dairy cows                | -    | -        | 205  |
| Seedlings                      | 0.18; 0.23 | -        | -         | System cow-calf           | 230  | ?        | 102  |
| Wheat                          | -          | 0.03     | -         | Breeding heifers          | 230  | 102      | 153  |
| Rape                           | -          | 15%      | -         | Cattle fattening          | 230  | ?        | 153  |
| Tobacco                        | -          | 20%      | -         | Breeding sheep and goats  | 18   | ?        | 26   |
| Seeds                          | -          | 15%; 50% | -         | Sheep and goats fattening | ?    | -        | 15   |
| Medical and aromatic plants    | -          | 15%      | -         | Sows and boars            | 77   | ?        | 51   |
| Fruits                         | -          | 15%      | -         | Pig fattening             | 31   | ?        | 26   |
| <b>Area (€/ha)</b>             |            |          |           | Laying hens               | -    | -        | 0.77 |
| Wheat                          | 256        | 128      | 153       | Breeding poultry          | 0.61 | ?        | -    |
| Maize                          | 153        | -        | 128       | Broilers fattening        | -    | ?        | 0.10 |
| Barley                         | 179        | -        | 128       | Breeding fillies          | -    | ?        | -    |
| Oilseeds                       | 205        | -        | 205       | Beehives                  | 7.7  | ?        | 10   |
| Seed of cereals and oilseeds   | 409        | -        | -         | <b>Input</b>              |      |          |      |
| Seed potatoes                  | 665; 869   | -        | -         | Insurance                 | 50%  | -        | 70%  |
| Tobacco                        | 767        | -        | 511       | Fuel                      | -    | 0.31 €/l | -    |
| Medical and aromatic plants    | 205        | -        | -         |                           |      |          |      |
| Vegetables                     | 1023       | -        | 358-7,669 |                           |      |          |      |
| Fruits                         | 460        | -        | 256-409   |                           |      |          |      |
| Grapes                         | 460        | -        | -         |                           |      |          |      |
| Olives                         | 460        | -        | -         |                           |      |          |      |
| Fodder sown in autumn          | -          | -        | 250       |                           |      |          |      |

### **Main characteristic:**

- ✓ Different schemes (products, types, limits, amounts ...)

# Direct support schemes by country

Kosovo\*

2016

|               | Product                         | Limits              | Unit value       |
|---------------|---------------------------------|---------------------|------------------|
| <b>Output</b> | Milk (quality premium)          | min 1,500 l/month   | 0.02-0.06 €/l    |
|               | Seedlings                       | min 0.5 ha          | 0.10-0.20 €/p    |
| <b>Area</b>   | Wheat                           | min 2 ha            | 150 €/ha         |
|               | Maize                           | min 1 ha            | 150 €/ha         |
|               | Barley                          | min 1 ha            | 100 €/ha         |
|               | Rye                             | min 1 ha            | 100 €/ha         |
|               | Wheat seed                      | min 5 ha            | 250 €/ha         |
|               | Oilseeds                        | min 1 ha            | 150 €/ha         |
|               | Vegetables                      | min 0.5 ha          | 300 €/ha         |
|               | Fruits                          | min 0.5 ha (0.2 ha) | 400 €/ha         |
|               | Wine grapes                     | min 0.1 ha          | 400-1,000 €/ha   |
| <b>Animal</b> | Dairy cows                      | min 5               | 70 €/head        |
|               | Cattle slaughter                | no limits           | 30 €/head        |
|               | Breeding sheep and goats (milk) | min 30(20)          | 15 €/head        |
|               | Sows                            | min 2               | 20 €/head        |
|               | Laying hens                     | min 2,000           | 0.40;0.50 €/head |
|               | Quails                          | min 100             | 1 €/head         |
|               | Beehives                        | min 30; for max 500 | 10 €/hive        |

## Main characteristics:

- ✓ no input subsidies
- ✓ payments per output for milk and seedlings (fruit trees, vine grape)
- ✓ area payments for all main crop sectors (9 products; 6 different amounts)
- ✓ headage payments for all main livestock sectors (including dairy)
- ✓ rather different min requirements (high for milk, dairy cows, wheat); generally no max.

# Direct support schemes by country

Montenegro

2016

|                            | Product                     | Limits                         | Unit value       |
|----------------------------|-----------------------------|--------------------------------|------------------|
| <b>Output</b>              | Milk                        | min 400 l/month                | 0,06 €/l         |
|                            | Milk - quantity addition    | min 5,000 l/month (paid above) | 0,01 €/l         |
|                            | Milk - quality addition     | quality class                  | 0.01-0,03 €/l    |
| <b>Area</b>                | Arable crops                | min 0.5 ha (1 ha for cereals)  | 160 €/ha         |
|                            | Forage crops                | min 0.5 ha                     | 160;100 €/ha     |
|                            | Cereal seed                 | min 0.5 ha                     | 300 €/ha         |
|                            | Potato seed (elite)         | min 0.5 ha                     | 700 €/ha         |
|                            | Tobacco                     | min 17,000 plants/ha           | 1.000 €/ha       |
|                            | Medical and aromatic plants | no limits                      | 160 €/ha         |
|                            | Fruits                      | no limits                      | 160 €/ha         |
|                            | Grapes                      | no limits                      | 160 €/ha         |
|                            | Olives                      | no limits                      | 160 €/ha         |
|                            | <b>Animal</b>               | Cows and hifers                | paid for above 4 |
| Organised cattle fattening |                             | no limits                      | 120 €/head       |
| Beef slaughter             |                             | male; no limits                | 140 €/head       |
| Breeding sheep and goats   |                             | paid for above 40(30)          | 8 €/head         |
| <b>Input</b>               | Insurance                   | max                            | 50%              |

## Main characteristics:

- ✓ all types of direct support
- ✓ payments per output only for milk (3 different payments)
- ✓ area payments for all main crop sectors (9 different products; 5 different unit values)
- ✓ headage payments for cattle and small ruminants (including dairy)
- ✓ rather different min. requirements (high for cows; unusual limits); generally no max.

# Direct support schemes by country

Serbia

2015

|               | Product                   | Limits                                        | Unit value       |
|---------------|---------------------------|-----------------------------------------------|------------------|
| <b>Output</b> | Milk                      | min 3,000 l/quarter                           | 0.058€/l         |
| <b>Area</b>   | Arable crops              | for max 20 ha                                 | 49.33 €/ha       |
| <b>Animal</b> | Dairy cows                | min 2; for max 300                            | 205.54 €/head    |
|               | Suckler cows              | min 2                                         | 164.43 €/head    |
|               | Young bulls fattening     | no limits; delivered                          | 82.22 €/head     |
|               | Breeding sheep and goats  | min 10(5)                                     | 57.55 €/head     |
|               | Sheep and goats fattening | min 10(5) in fatt.; del.; max 50 kg/head (30) | 16.44 €/head     |
|               | Sows and boars            | min 3                                         | 57.55 €/head     |
|               | Pig fattening             | min 10 in fatt.; del.; max 90 kg/head         | 8.22 €/head      |
|               | Parental poultry          | <b>no limits</b>                              | 0.49-2.47 €/head |
|               | Beehives                  | min 10                                        | 4.11 €/hive      |
| <b>Input</b>  | Insurance                 | animals and plants; max 20 ha                 | 40%              |
|               | Fuel                      | max 24.66 €/ha                                | 0.41 €/l         |
|               | Fertilisers               | max 24.66 €/ha                                | 0.08 €/kg        |

## Main characteristics:

- ✓ all types of direct support
- ✓ payments per output only for milk
- ✓ unique area payment for arable crops (max ha?) + input subsidies for fuel and fertilisers
- ✓ headage payments for all main livestock sectors (including dairy)
- ✓ rather low max. where set

SWG ERD



# Direct support schemes

## Overview of direct payment schemes:

- ✓ Output payments widely in place only in part of BH; in most countries used for milk
- ✓ Area payments used for wide range of products in most countries (except Albania, Serbia and part of BH)
- ✓ Headage payments used for all main livestock sectors (except Albania, Montenegro)
- ✓ Input subsidies mostly related to insurance and seldom to other inputs (Serbia, part of BH, Albania)

|               | Albania<br>(2015) | FBH          | BH (2015)   |          | Kosovo*<br>(2016) | MN<br>(2016) | Serbia<br>(2015)    |
|---------------|-------------------|--------------|-------------|----------|-------------------|--------------|---------------------|
|               |                   |              | RS          | DB       |                   |              |                     |
| <b>Output</b> | milk; f&v         | milk; seedl. | milk; crops | /        | milk; seedl.      | milk         | milk                |
| <b>Area</b>   | /                 | All main     | wheat       | All main | All main          | All main     | arable crops        |
| <b>Animal</b> | sh&g; bees        | All main     | All main    | All main | All main          | cattle; sh&g | All main            |
| <b>Input</b>  | pest              | insur.       | fuel        | insur.   | /                 | insur.       | insur.; fuel; fert. |



# Direct support schemes

## *Direct payment schemes in the light of EU accession – first reflection:*

- ✓ The entrance gate (min) is generally rather high in most countries
- ✓ Topping (max) differ by country and product
- ✓ Pig and poultry sector are supported in most countries (problematic sectors)
- ✓ Payments per unit are rather high at least for some products (high value); for some products payment is set as % of selling price (problematic value)

|                                  | Albania<br>(2015) | FBH                        | BH (2015)<br>RS | DB                          | Kosovo*<br>(2016)          | MN<br>(2016)   | Serbia<br>(2015) |
|----------------------------------|-------------------|----------------------------|-----------------|-----------------------------|----------------------------|----------------|------------------|
| <b>Min</b>                       | Generally high    | Generally high             | Generally high  | High for arable crops       | High for milk; cows; wheat | Generally high |                  |
| <b>Max</b>                       | Low where set     |                            |                 | not set                     | not set                    | not set        | Low where set    |
| <b>Problematic sectors</b>       |                   | pig; poultry               | pig; poultry    | pig; poultry                | pig; poultry               |                | pig; poultry     |
| <b>High or problematic value</b> | milk; %           | milk; veg.; per.c.; cattle | milk; %         | veg.; per.c.; sh&g., insur. | milk; veg.; per.c.         | milk           | milk; sh&g       |





# Direct support schemes

## *Next steps:*

- ✓ Final checking of DP inventory (revised files with comments)
- ✓ Cross-checking of consistency with allocation in APM database (corrections where needed)
- ✓ Finalisation of APM 2015

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