

1st Interim Meeting:

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

MACEDONIA: Agricultural Policy Development and Assessment

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- Introduction
- Method
- Strategic documents of ag. policy
- Ag. policy development in the country
- Ag. direct payments
- Conclusions and policy recommendations

- **Background:**
 - In the process of harmonization with CAP EU, the agricultural policy is under continuous reforms: the inconsistency in the scope, form and type of the budgetary transfers to agriculture hinders the process of comprehensive policy analysis.
- **Aim :**
 - to describe and evaluate the development of the Macedonian agricultural policy.



- **Method:**
 - classification of the budgetary transfers in the agriculture with the Agricultural Policy Measures template (APM) (Rednak and Volk, 2010)
- **Data:**
 - from the Agency for financial support of the agriculture and the rural development, and
 - from final financial statement of the budget of the Republic of Macedonia.
 - per year of realization of the payment of the programs
 - national currency is converted in Euros
 - from 2010 to 2015

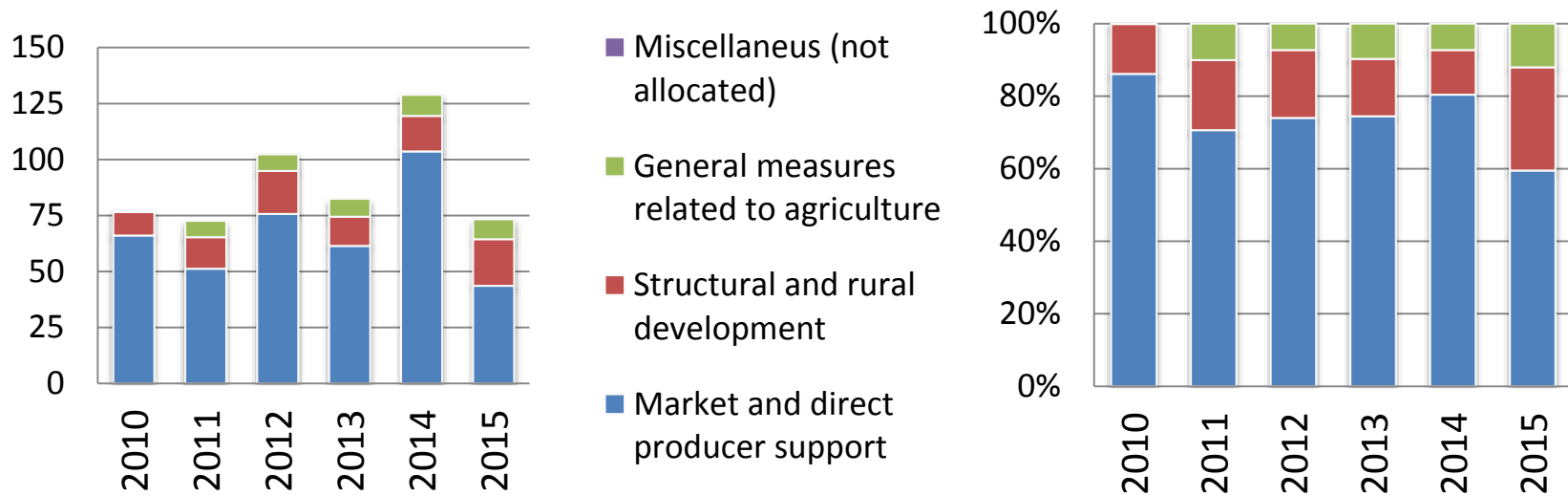
- **Institutions:**
 - Ministry of Agriculture, Forestry and Water Economy (MAFWE)
 - Agency for financial support in agriculture and rural development (AFSARD)
- **Documents:**
 - Law on Agriculture and Rural Development (MAFWE 2010),
 - The National Strategy for Agriculture and Rural Development (NARDS) (2007-2013; 2014-2020)
 - Three-annual program (2013 – 2017)
 - Annual programs: for agriculture and rural development
 - IPARD Program(2007-2013; 2014-2020)
- **Funding:**
 - National budget - mainly
 - EU budget – IPARD
 - Other sources - few capital investments

- **Objectives:**
 - restructuring and modernization of the agri-food sector
 - market regulation
 - conditions in rural areas
 - knowledge and the human capital in agriculture
 - food safety system
 - natural resources

- **Identified aspects for further improvement:**
 - increasing the rural development support
 - gradual ‘decoupling’ of the direct payments
 - increasing the agro-environmental measures
 - supporting young farmers
 - establishing cooperatives and vertical integration
 - introducing market boards and minimum quality standards
 - mitigating the impact of climate change
 - improving waste management and energy efficiency

Budgetary transfers to agriculture

TOTAL BUDGETARY TRANSFER TO AGRICULTURE BY PILLAR



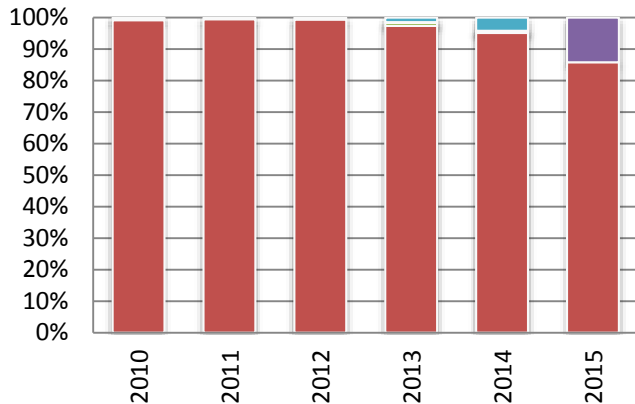
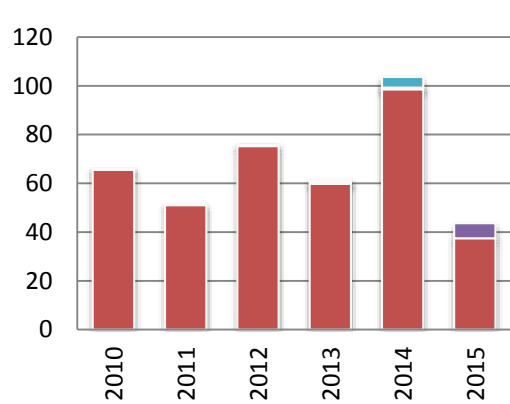
TOTAL BUDGETARY TRANSFER TO AGRICULTURE BY SOURCE

	2010	2011	2012	2013	2014	2015
Total budgetary support to agriculture	76,7	72,6	102,3	82,5	128,9	73,3
National sources	76,7	71,6	101,1	82,0	128,6	71,5
EU_CAP funds	0,0	1,0	1,2	0,5	0,3	1,8



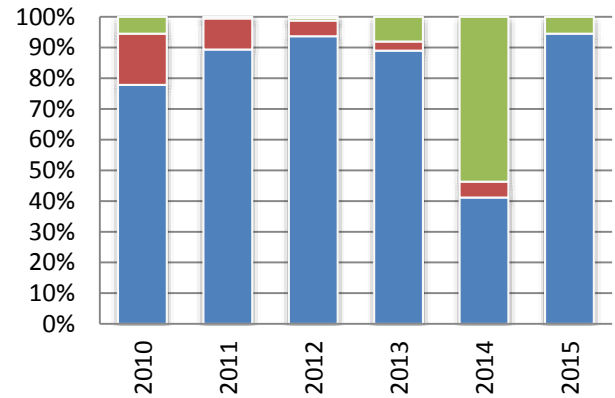
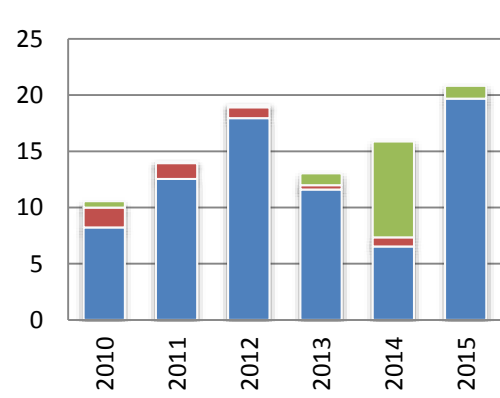
Budgetary transfers to agriculture

MARKET AND DIRECT PRODUCER SUPPORT MEASURES



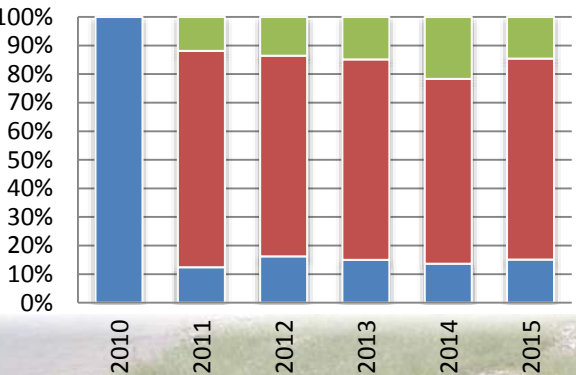
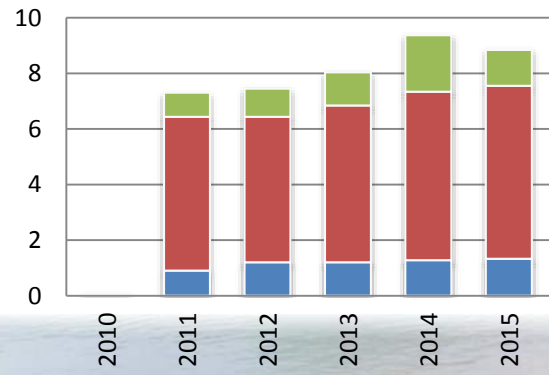
- Miscell.-direct producer support
- Disaster and other payments
- Input subsidies
- Direct payments (DP)
- Market support

STRUCTURAL AND RURAL DEVELOPMENT MEASURES



- RDP- miscellaneous
- Rural economy and population
- Environment & countryside
- Competitiveness

GENERAL MEASURES RELATED TO AGRICULTURE



- Other general support
- Food safety
- R&D and expert services

Overview of the main direct payments (2010-2015)

	Area payments	Livestock payments	Output Payment
Cereals	- Cereals		
	Additional for cereals - from certified seeds - for certain crops		
Vegetables	- Different for different crop		
Fruits and wine	- Maintaining orchards		- Processing fruit and wine
Cattle		- Ear-marked head	- Milk
		- Slaughtered cattle	
		- Calves	
Pig		- Saw	
		- Slaughtered pig	
Sheep and goat		- Ear-marked head	- Milk
		- Kept female head	
Poultry		- Slaughtered broilers and laying hens	- Day-old broiler or female chick
Other	- Seed production	- Wintered bee hive	- Seed and seedling production
	- Tobacco seed	- Ostrich farming	
	- Snail production		

- Agriculture get more often on the political agenda, and many documents are being prepared and adopted
- Budgetary transfers to agriculture are stable in its structure, with direct payments as a main instrument
- There is a lack of systematic impact evaluation of the policy measures
- Many needs for improvements are identified, either in strategic documents, policy analysis or researches, but lacks a political will and commitment to achieve them.

