

2nd 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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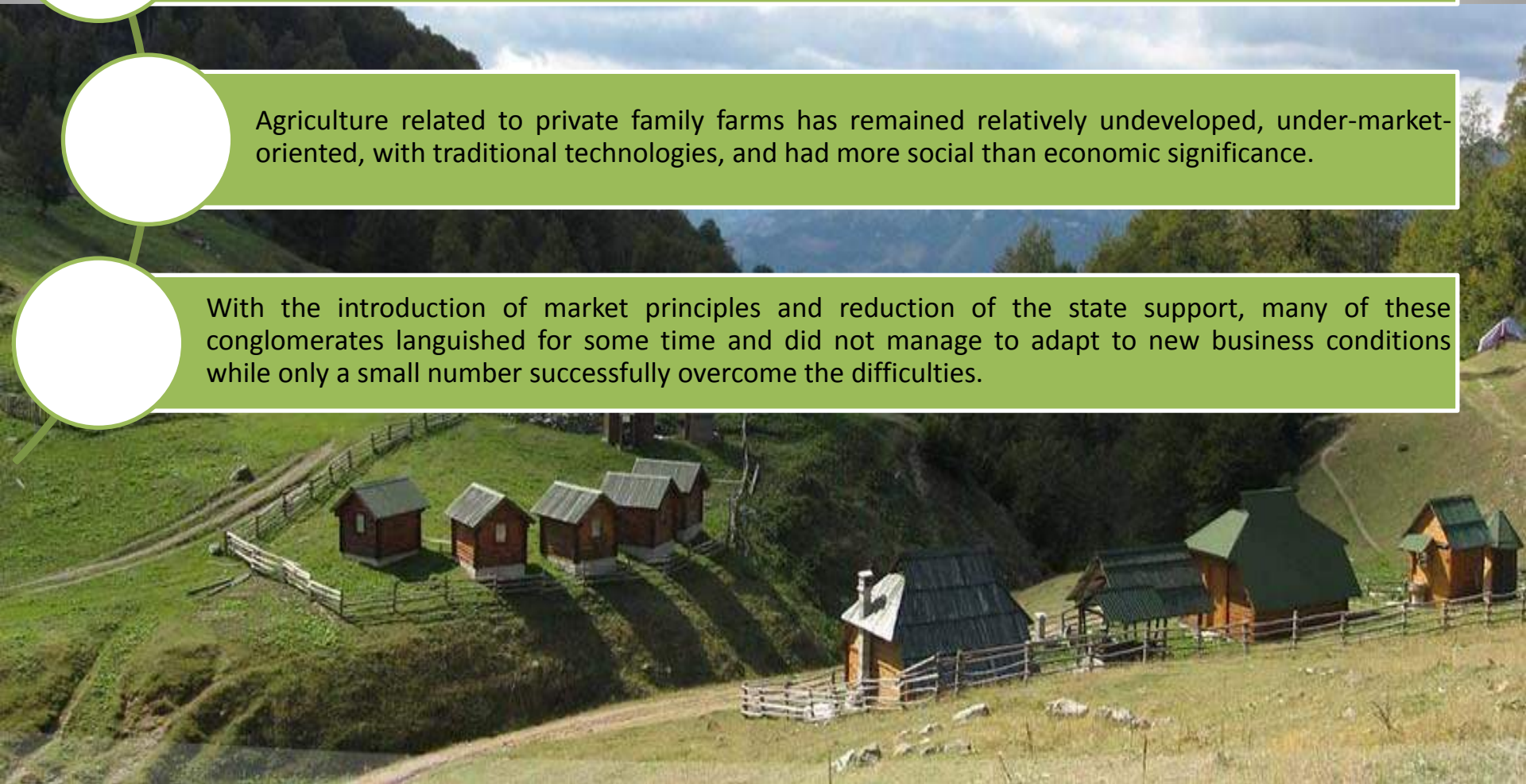
INTRODUCTION



In the last decade there have been very large changes in the political context of the macroeconomic relationships that have an impact on other aspects of the life and economy in Montenegro

Agriculture related to private family farms has remained relatively undeveloped, under-market-oriented, with traditional technologies, and had more social than economic significance.

With the introduction of market principles and reduction of the state support, many of these conglomerates languished for some time and did not manage to adapt to new business conditions while only a small number successfully overcome the difficulties.



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);
- The agricultural sector in Montenegro needs significant improvements in many of its segments,
- The Strategy for the development of agriculture and rural areas (2015-2020) with the adopted Action plan denotes the pathway and directions of the future development of agricultural sector in Montenegro





Strategies and programming documents of agricultural policy

**Program of Montenegro's
accession to the EU for the
period 2014-2018**

**The Montenegro
Development Directions
(MDD) 2013-2016,**

**Pre-accession Economic
Programme (PEP) 2014-
2016**



**National Strategy of
Sustainable Development**

**SME Strategy for 2011-
2015**

**Strategy on Scientific
Research Activities for
2008-2016**

**National Strategic Plan and the
Action Plan for Fisheries sector
2015–2020**

**STRATEGY FOR THE DEVELOPMENT OF AGRICULTURE
AND RURAL AREAS 2015-2020**

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



The strategic objectives for the development of agriculture and rural areas for the period 2015-2020

Develop an effective, innovative and sustainable agri-food sector that provides a healthy, high-quality, specialized food products based on the added value of natural resources and traditional way of production, which is able to meet the demands and resist the pressure of competition on the EU market;

2015

Develop economic activity and create jobs in rural areas with special emphasis on the development of quality tourism offer and a short supply chain in the production of quality products and services, while at the same time respecting the cultural heritage and sustainable use of natural resources;

2020

Promote rural development and social services to improve the quality of life in rural areas to reduce migration of rural population to urban areas

**Investments in
the promotion of
quality
agricultural
products**

**Facilitation of the
development of a
better
functioning of
the agricultural
market**



**Farmer
associations**

**Institution and
capacity building**



Market-price policy measures

Rural development measures

Public services and in agriculture

Fisheries

AGROBUDGET



Rural development measures



Axis I- measures to strengthen the competitiveness of producers includes the largest set of measures (12 out of 17), and of the total budget for rural development for these measures is 85%, or 27% of the total agricultural budget for 2015.

Axis II- Measures for the sustainable management of natural resources (2.5% of the total value of a set of measures for rural development)

**Axis III- Measures for the diversification of economic activities in rural areas
8.6% of the total budget devoted to rural development.**

Support for general services to agriculture



- These funds are earmarked for the budget support to the services of public interest such as education, research, development and analysis, improving of the livestock programs, the program of professional and advisory services in the livestock production, the program of measures for the quality control of products and amounts in 5% of the total agricultural budget for 2015.

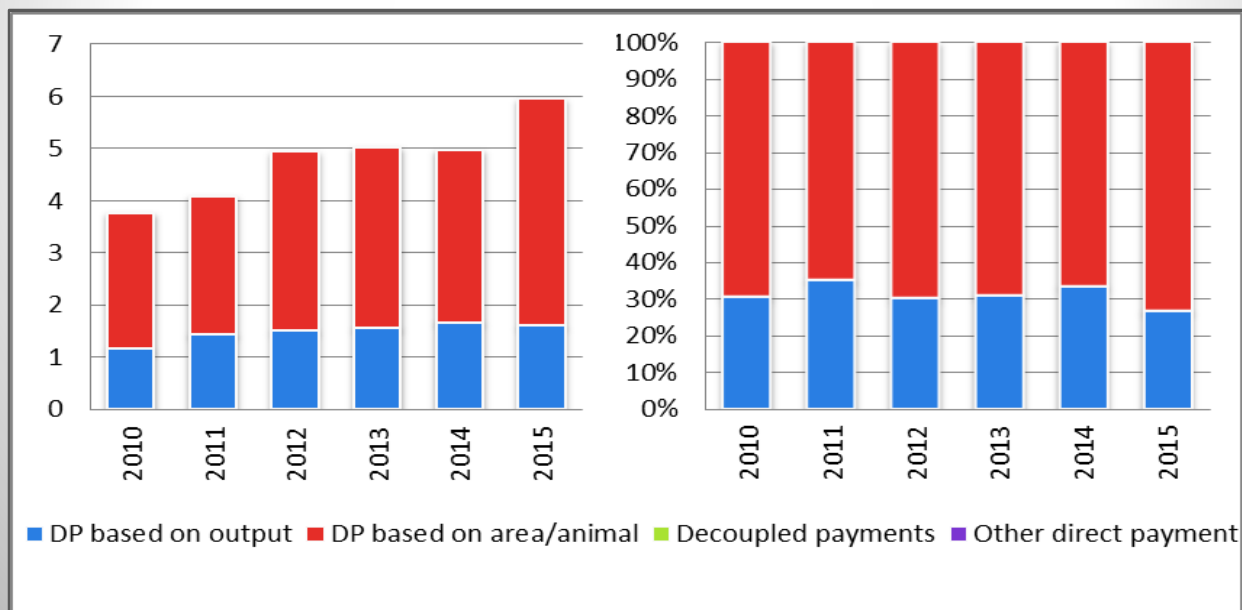


Agricultural direct payments



- Support is given:
- Per hectare of cultivated land for cereals, potatoes, fodder plants, buckwheat and other crops (except tobacco) and seed production of crops or per hectare sown and / or planted areas for the production of tobacco;
- According to the head of breeding cattle, breeding sheep and goats and organized breeding heifers, bulls and oxen;
- Per litre of milk produced and the number of slaughtered cattle.

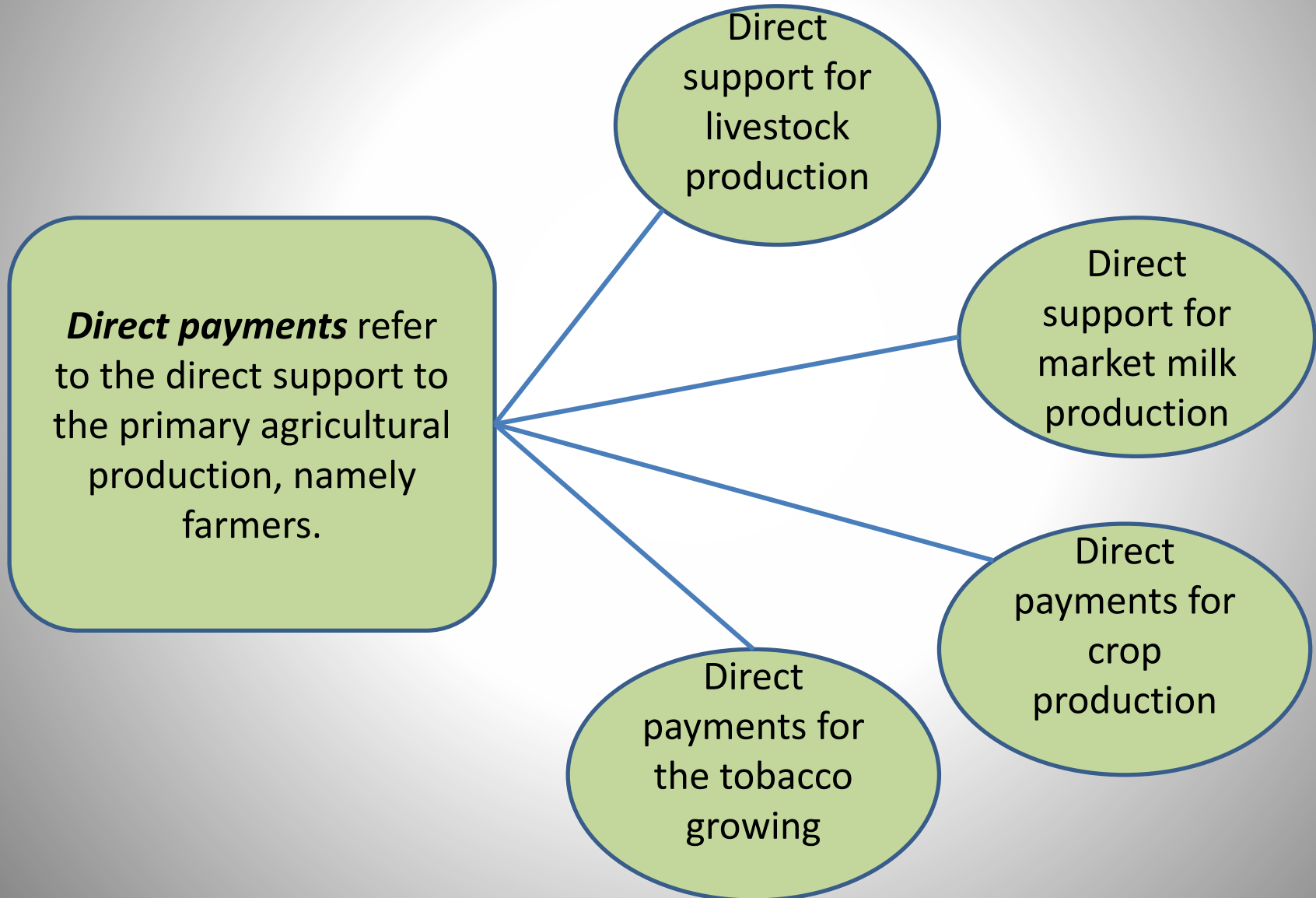
Regarding the eligibility of coupled sectors, all sectors, except for tobacco, are currently eligible for coupling in the EU.



Source: APM table, Montenegro, 2016

Market policy measures

- Market interventions set of the measures is divided to the measures of direct payments, program of the improvement of beekeeping and market stabilization measures.



Assessment of implementation of agricultural policy documents

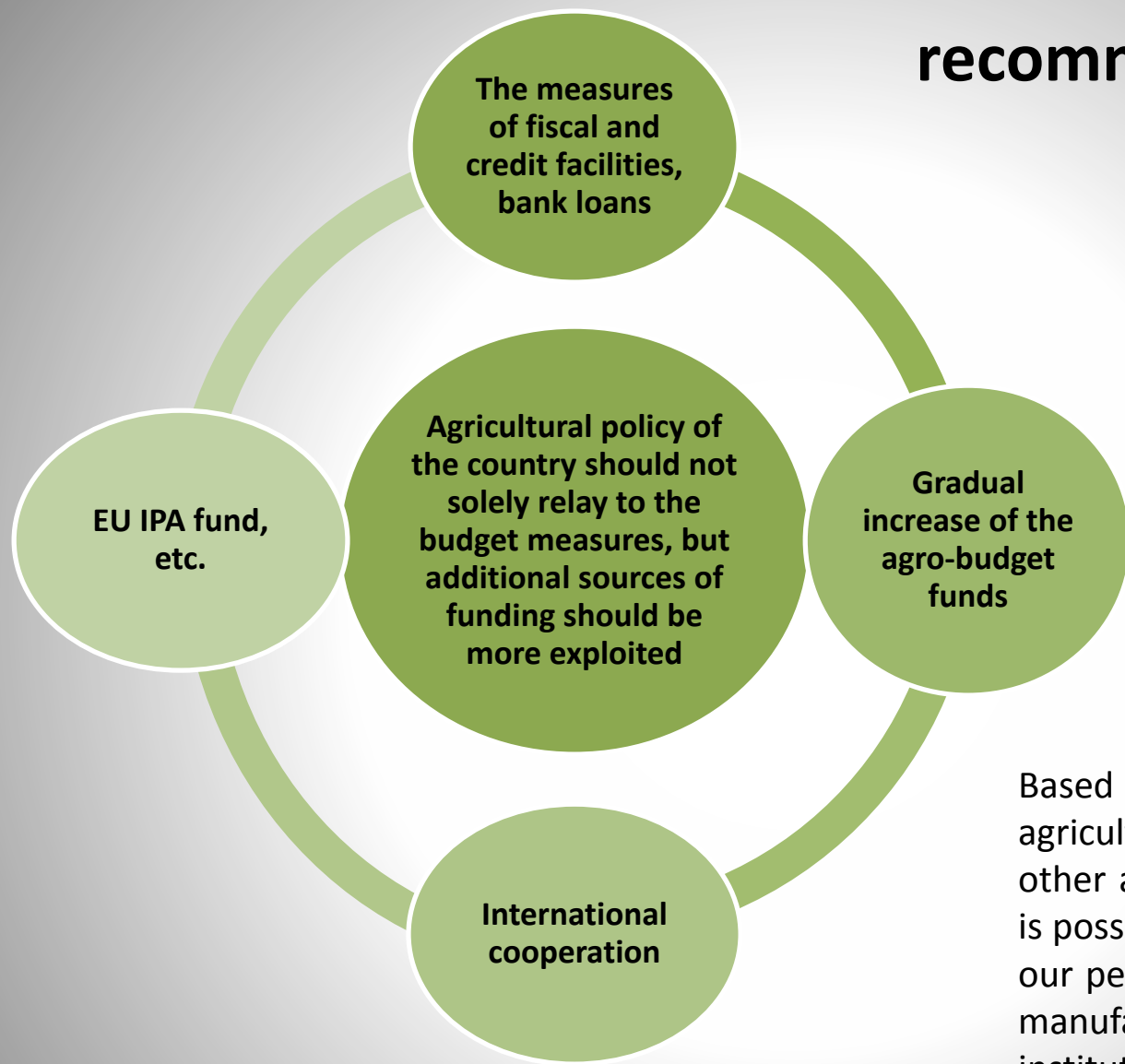


- It is necessary to enhance stronger connections between research community and the producers in order to fuel production quality and ***increase the rate of product finalization***.
- It will be necessary to conduct proper analysis and ***improve agricultural statistics***.
- In terms of market competitiveness of agricultural products, it is clear that it should be strengthened in the part of primary agricultural production, along with stronger stimulation of the development of tourism in the rural areas and utilization of the potentials for the production of high-quality agricultural and food and local specialties.



September, 2016 Kolašin, Montenegro

Conclusions and policy recommendations



Based on tradition and the new role of agriculture and its connection with other activities, especially in tourism, it is possible to raise the living standard of our people. This is a huge challenge for manufacturers, organizations and institutions in the area of agriculture, but also for the state Montenegro.

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	MARD	2017
2. Establish a Liaison Agency.		
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

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THANK YOU!



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