



IPARD EXPERIENCE:

THE CASE OF THE MEAT PROCESSING

INDUSTRY BILJANOVI - STRUGA

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IPARD

A POSSIBILITY WHICH LEADS OUR
CHALLENGES INTO REALIZATION



CONTENT

- ✘ BILJANOVI – company's profile
- ✘ IPARD II experience
 - + Application process
 - + Signing of contract
 - + Implementation
 - + Controls by authorities
- ✘ Obstacles and proposals



BILJANOVI - LOGO

- ✘ The six stars on our logo represent the six generations of the Biljan family – the oldest butchers' family in Struga, with a tradition which began in the middle of the XIX century.

Шест генерации Билјанови, шест генерации месарство...



BILJANOVI - PROFILE

- ✘ Family owned small enterprise
- ✘ Founded in 2012 as LTD company
- ✘ Registered food operator by the Food and Veterinary Agency for:
 - + production, processing and storage of semidry and fresh meat products,
 - + import and storage of meat, and
 - + export in Kosovo and Montenegro
- ✘ Mission: to meet consumer preferences by providing top quality products.
- ✘ Vision: to develop BILJANOVI as a brand well known for the top quality of the meat products



THE FULFILLING OF THE MISSION, VISION AND THE STRATEGIC GOALS IS BASED ON:

- ✘ Knowledge and skills which are passed on generations for almost two centuries;
- ✘ Buildings:
 - + 130m² administration building
 - + 550m² modern production plant
- ✘ Modern equipment which meets the highest technical and technological standards for food quality and safety;
- ✘ Qualified employees and expert team;
- ✘ Purchase of high quality and certificated raw materials;
- ✘ Installed capacity (Processing of 5 tons per day)
- ✘ Distribution with vehicles equipped with certified cooling systems
- ✘ Applied contemporary managerial methods.



THE MEAT PROCESSING INDUSTRY BILJANOVI OFFERS OVER 60 PRODUCTS INCLUDING SMOKED MEAT PRODUCTS, HAMS, SALAMI, SAUSAGES, FRANKFURTERS AND FRESH MEAT PRODUCTS



TWO PROJECTS

- first project within the IPARD I (2015-2016)
- second project within the IPARD II (2017-2018)

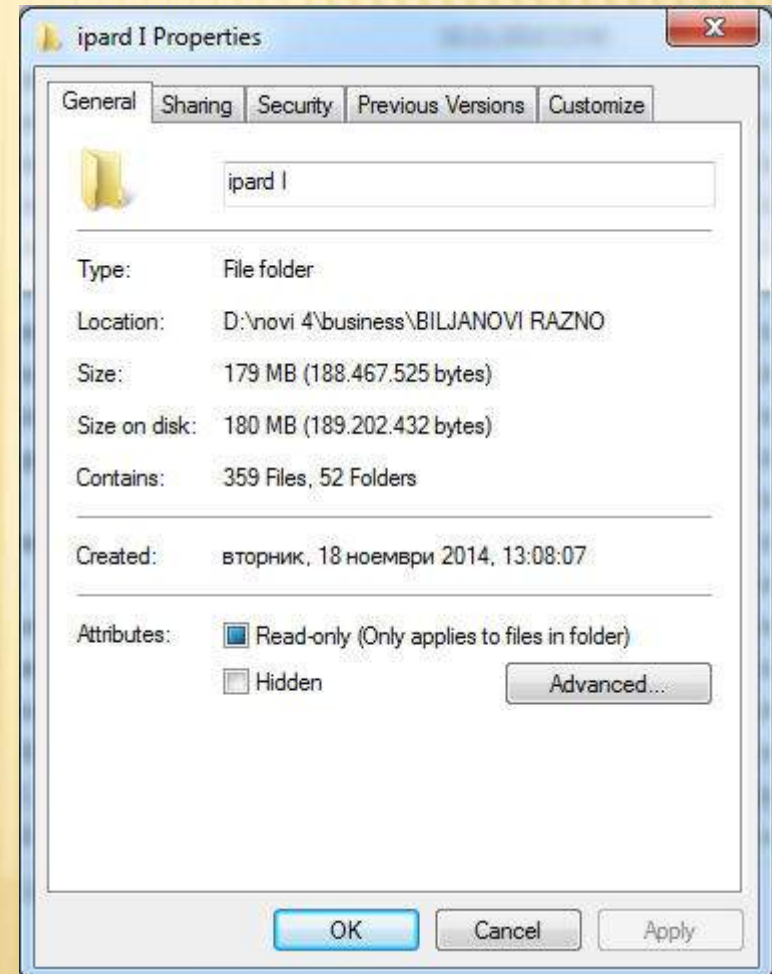
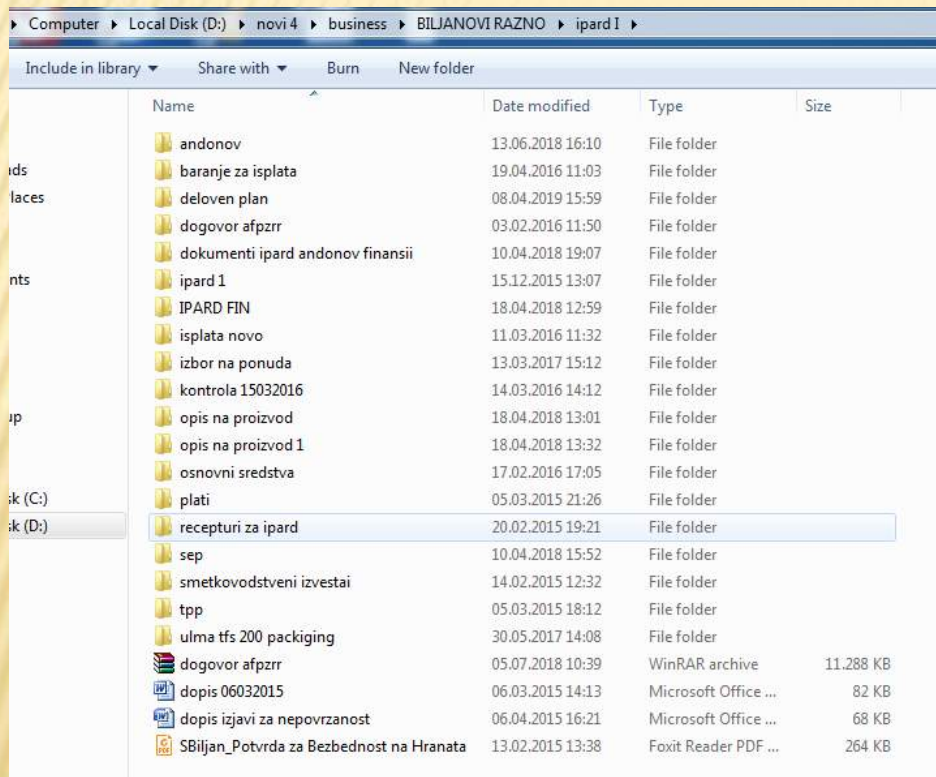


IPARD EXPERIENCE – hard copies



FIRST PROJECT – IPARD I

- soft copy



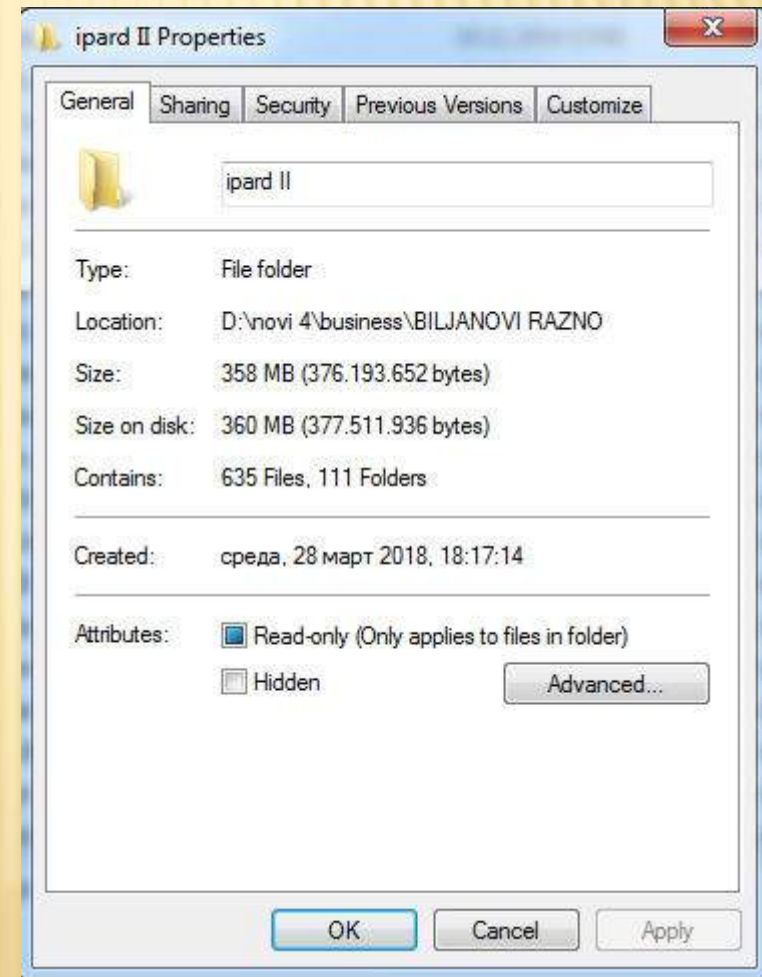
SECOND PROJECT – IPARD II

- soft copy

Local Disk (D:) ▶ novi 4 ▶ business ▶ BILJANOVI RAZNO ▶ ipard II ▶

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baranje za isplata	16.01.2019 15:12	File folder	
dogovori	27.09.2018 15:16	File folder	
DP	28.03.2018 18:17	File folder	
farmi i biznisi	28.03.2018 18:17	File folder	
ipard	27.09.2018 19:09	File folder	
IPARD dogovor i resenie	10.04.2018 17:14	File folder	
IPARD II fin	08.02.2019 10:12	File folder	
mala firma	11.04.2018 11:09	File folder	
povik 1	28.03.2018 18:18	File folder	
povik word	28.03.2018 18:18	File folder	
programa	18.03.2019 16:28	File folder	
propisi	28.03.2018 18:18	File folder	
SEP	12.06.2018 11:30	File folder	
sliki	05.07.2018 10:59	File folder	
subvencioniranje na kamata	08.02.2019 10:48	File folder	
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opis na proizvodi	05.06.2017 16:03	Microsoft Office ...	406 KB
povik 1	09.05.2017 09:40	Foxit Reader PDF ...	5.222 KB
resenie za DDV obvrznik IPARD II	12.06.2018 11:19	JPEG image	1.126 KB
resenie za DDV obvrznik	30.10.2017 15:29	PNG image	5.690 KB



OUR FIRST EXPERIENCE WITH IPARD

- ✘ IPARD I – project titled *PROCUREMENT OF EQUIPMENT FOR IMPROVEMENT AND MODERNIZATION OF PRODUCTION TECHNOLOGIES FOR PROCESSING MEAT, PACKAGING AND MARKETING* within the
 - + Measure 103 - Investments for processing and marketing of agricultural and fishery products by their restructuring and upgrading to meet EU standards
 - + Priority sector 1034 - Meat products
 - + Type of investment 10343 - Investments for restructuring of production facilities for meat processing
 - + Subtype of investment 10343/2 - Equipment
- ✘ Personal efforts:
 - ✘ to fill in the application form
 - ✘ to collect all related documents
 - ✘ to manage the project activities
- ✘ No detailed guidelines



THE SECOND IPARD PROJECT: FIRST PUBLIC CALL WITHIN IPARD II

- ✘ Issued on 24.04.2017
- ✘ Deadline 23.06. extended to 23.07.2017
- ✘ We applied on 23.06.2017 with the project titled
 - + TECHNOLOGICAL MODERNIZATION – TO COOL, TO HEAT, TO MEASURE within the
 - + *Measure Investments in physical assets concerning processing and marketing of agricultural and fishery products*
- ✘ Purchasing of equipment:
 - ✘ Ice maker x 1
 - ✘ Smoke chamber x 2
 - ✘ Cuter cart x 5
 - ✘ Smoking trolley x 5
 - ✘ Weight scale with printer x 1



Application process

- ✘ A complex process that we consider as a challenge rather than a problem
- ✘ Issuing documents by public authorities mainly is not a problem
- ✘ Currently there is no detailed guideline - a detailed guideline will facilitate our job as well as the work of all related parties in IPARD
 - + I would have not pointed it out if in the next call it is necessary to have a fully completed application (no possibilities for additional completion of an application and related documents)



OFFER REQUEST

- ✘ It is difficult to obtain three offers especially because North Macedonia is a small country and a small economy with limited market opportunities
 - + limited number of suppliers of meat processing equipment
- ✘ Purchasing of equipment closely depends not only on the price, but on the offering of post buying services as well, such as maintenance
- ✘ We should contact companies from abroad, and then other problems occur:
 - + Translation
 - + Different regulations for issuing documents – in Serbia, companies issue their statement electronically but when we ask for a stamp on the document they should go to Belgrade, because only the office in Belgrade issues hard copy of the document
 - + Problems with quick response (45 days is a short period. The CEO went to Serbia to get the offers)

SIGNING THE CONTRACT

- ✘ Accepted prices
 - + Reductions
 - ✘ Can we have an access to the date base?
 - ✘ If we know the established standard costs maybe we can manage the project differently – in order to receive better prices
- ✘ After six month the representatives from the IPARD Agency visited us
- ✘ We signed the contract on 05.04.2018
- ✘ Registration of the project for tax purposes lasted almost two months (from 10.04.-31.05.2018)



IMPLEMENTATION

- ✘ We realized the project activities according to the schedule planed and concluded in the contract
- ✘ We delayed the order for smoke chambers
 - + the installation in general lasts 2 weeks
 - + summer is a high season for our production, therefore we could not stop the production process



CLAIM FOR PAYMENT

- ✘ We submitted the claim for payment on 08.10.2018 and the payment was done on 27.12.2018
- ✘ No detailed guideline for filling in the claim
 - + For example: **Proof for implemented HACCP system**
 - + In IPARD I, I enclosed statement from Food and Veterinary Agency, as a governmental institution which controls and evaluate the implementation of HACCP
 - + It was not correct, and I was told to enclose internal documents / records to prove that the related equipment is implemented in our HACCP system
 - + I did the same when I claimed for payment within the second project, but this time I received the statement from the Agency that the claim is not completed, because I do not have a signed statement by the HACCP leader that the equipment is implemented in HACCP



TARIFF AND TAX TREATMENT

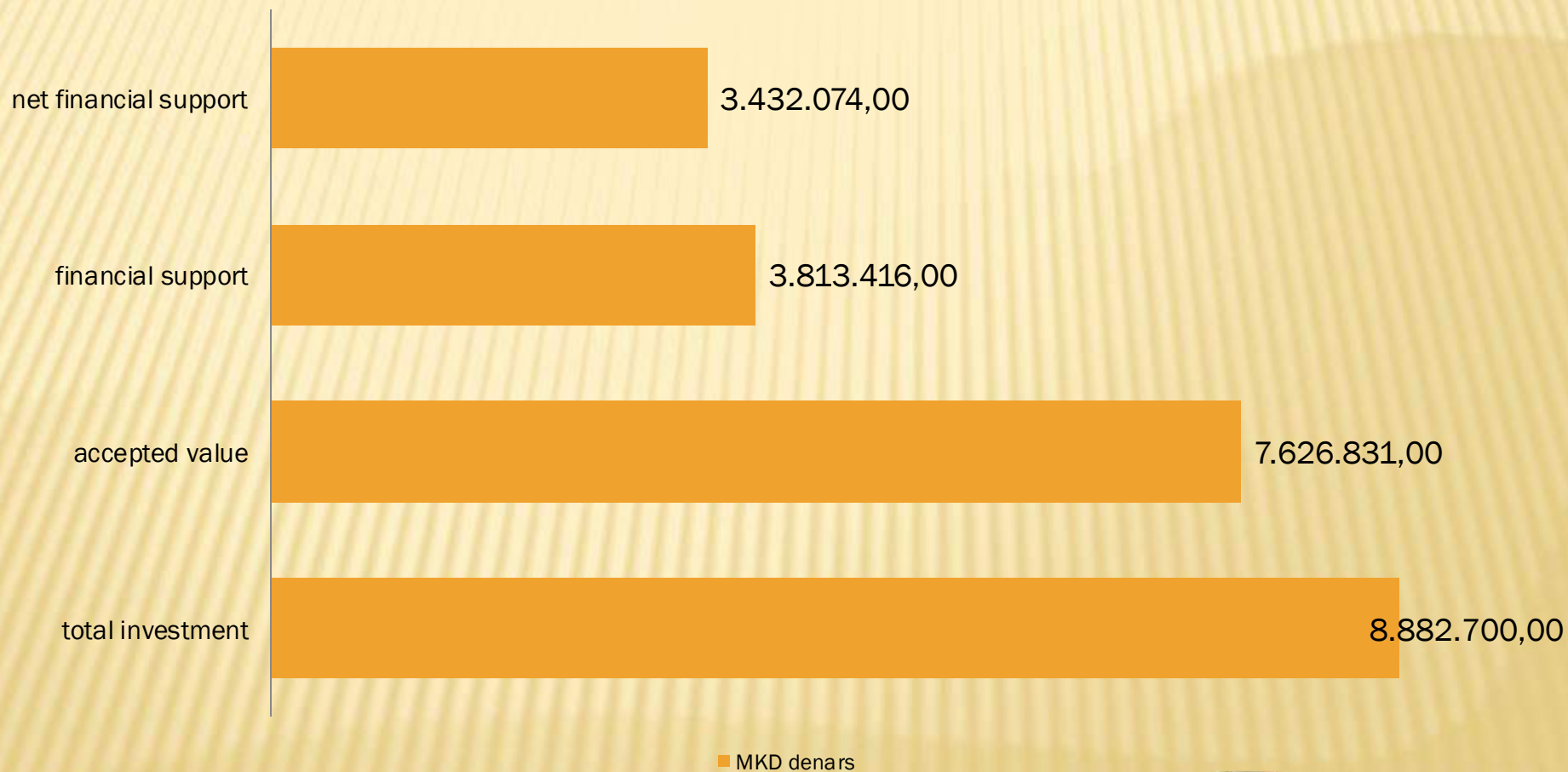
- ✘ Tariff exemption – Customs code, article 198
- ✘ Exemption from VAT – Rulebook imposed according to the Law on VAT
- ✘ Subject to income tax
 - + Lowers the grant value
 - + Exemption from **personal income tax for natural persons** , Law on personal income tax, Article 12: “Personal income tax is not paid for: *state subsidies as financial support in agriculture and rural development for natural persons who achieve income from selling of their agricultural products*”
 - + Proposal: amendment on Law of income tax
 - ✘ imposition of income tax exemption for financial support from IPARD
 - ✘ **FINANCIAL SUPPORT FROM IPARD IS EXCLUDED FROM THE INCOME TAX BASE**



1) NET FINANCIAL SUPPORT IN TOTAL INVESTMENT

39%

2) NET FINANCIAL SUPPORT IN ACCEPTED VALUE 45%



CONTROLS BY AUTHORIZED PERSONS

- ✘ Statement for the controllers from the IPARD Agency
- ✘ The governmental auditors do not issue a statement
 - + We do not have any document that they visited us and that they did an audit on the realization of the project activities. Also, we do not have any document on their findings.





***IPARD - A POSSIBILITY WHICH
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REALIZATION***



THANKS FOR YOUR ATTENTION

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QUESTIONS AND DISCUSSIONS

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