

***Agricultural Policy Developments and EU Approximation Process in the
Western Balkan Countries (APDAP-WB)***

Interim meeting

**May 10th, 2018
Durres, Albania**

**Policy development and European
accession integration process of agriculture
in Republic of Macedonia**

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A. Introduction

- Developments in agriculture (statistical data);
- Situation in agricultural policy:
 - Changin in the policy and EU integration process;
 - Some recent trends;
 - Budgetary support;
 - APM data (graphs)
 - Conclusion and recommendation;

B. Some new developments in agriculture

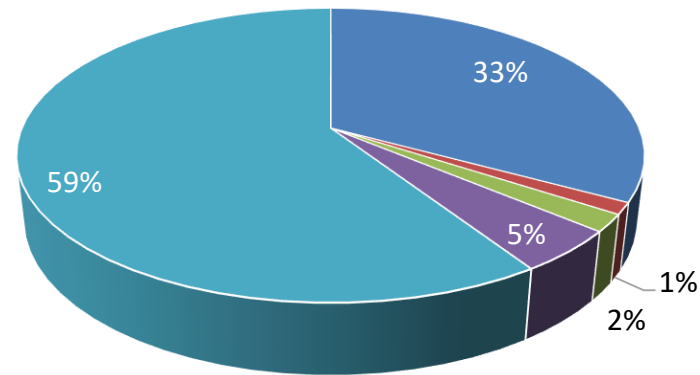
- Compare average 2010-2015, with 2016, (data for 2017 will be added in June):
 - macroeconomics indicators;
 - farm structures;
 - trade;
 - production;
 - prices;

B. Some new developments in agriculture -some macroeconomics indicators-

Key agricultural statistics	Average (2010-2015)	2016
Gross value added of the agriculture, forestry, hunting and fishery sector		
GVA (at current prices) (mill. EUR)	780	↑885,8
Share in GVA of all activities (%)	11	10,5
Employment in the agriculture, forestry, hunting and fishery sector		
Number (000)	123	120,3
Share in total employment (%)	18	↓16,6
Trade in food and agricultural products		
Export of agri-food products (mill. EUR)	467	↑525,9
Share in export of all products (%)	14	12,0
Import of agri-food products (mill. EUR)	633	↑713,7
Share in import of all products (%)	12	11,6
Trade balance in agri-food products (mill. EUR)	-166	↑-187,8
Export/import rate (%)	74	73,7

B. Some new developments in agriculture -land use-

Structure of agricultural land use, 2016

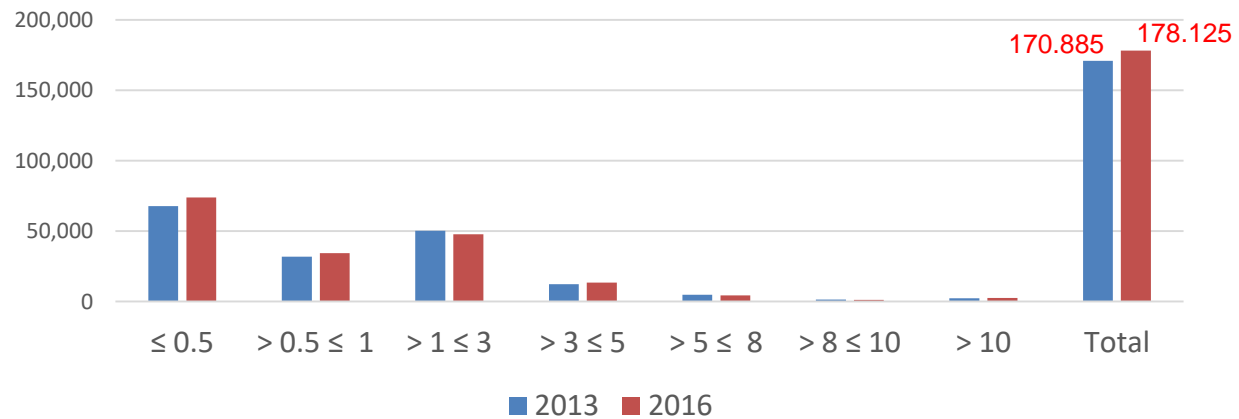


■ Arable Land ■ Orchards ■ Vineyards ■ Meadows ■ Pastures

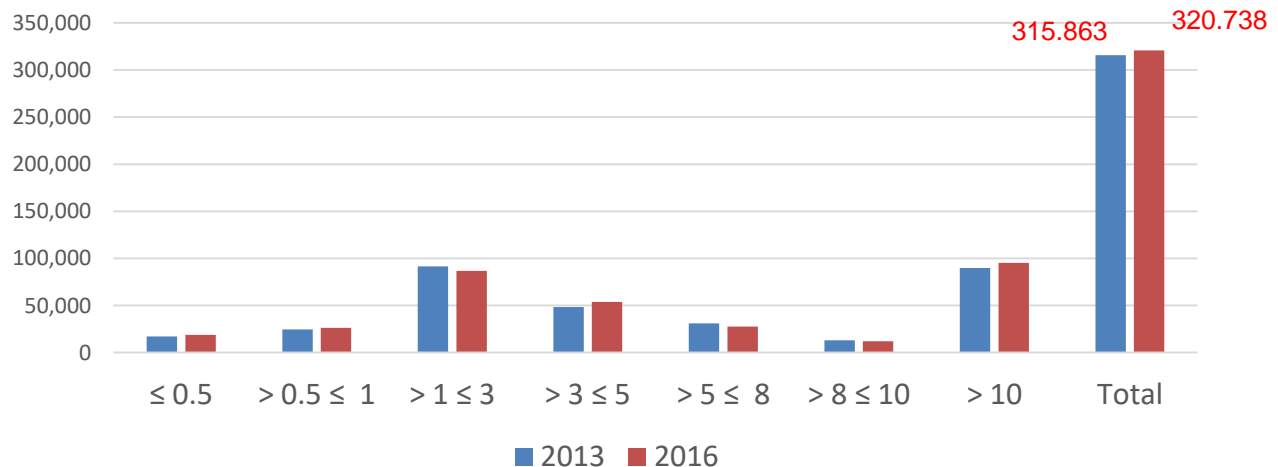
B. Some new developments in agriculture -farm structure UAA/holding-

- Farm structure survey, 2016 (previous one conducted in 2013)

No. of holdings by UAA (ha)

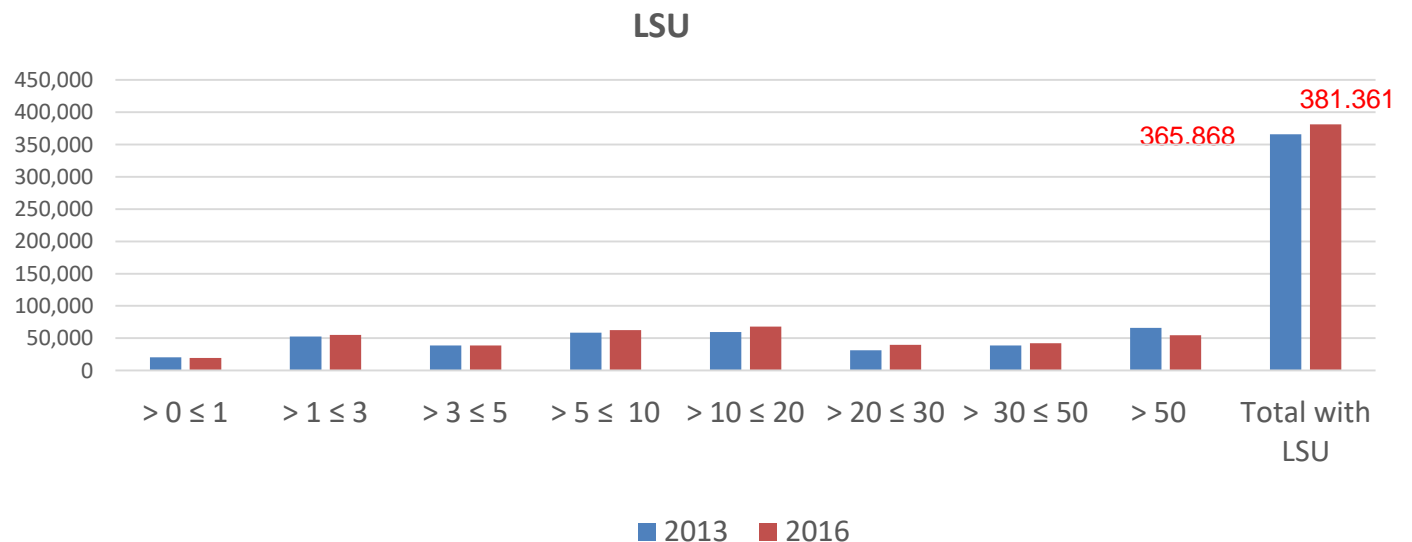
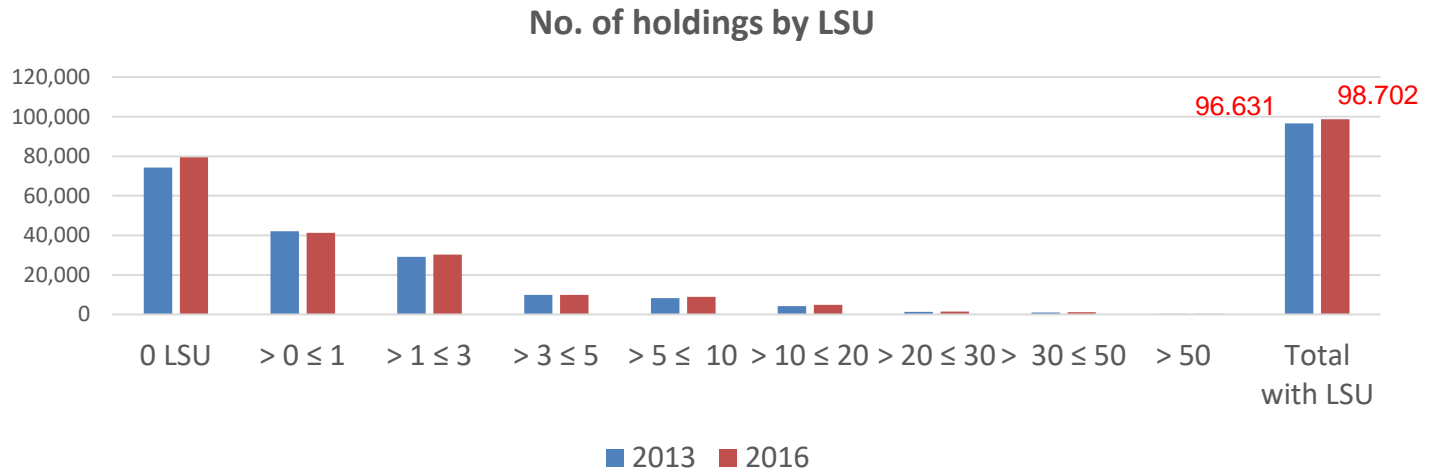


UAA (ha)



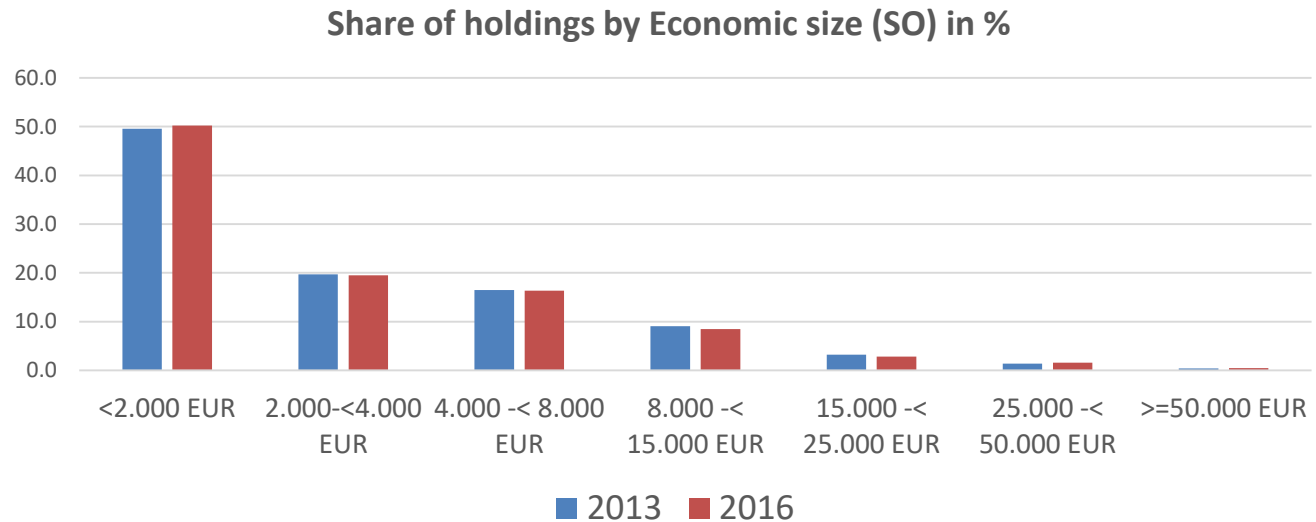
B. Some new developments in agriculture -farm structure LSU/holding-

- Farm structure survey, 2016 (previous one conducted in 2013)



B. Some new developments in agriculture -farm structure SO/holding-

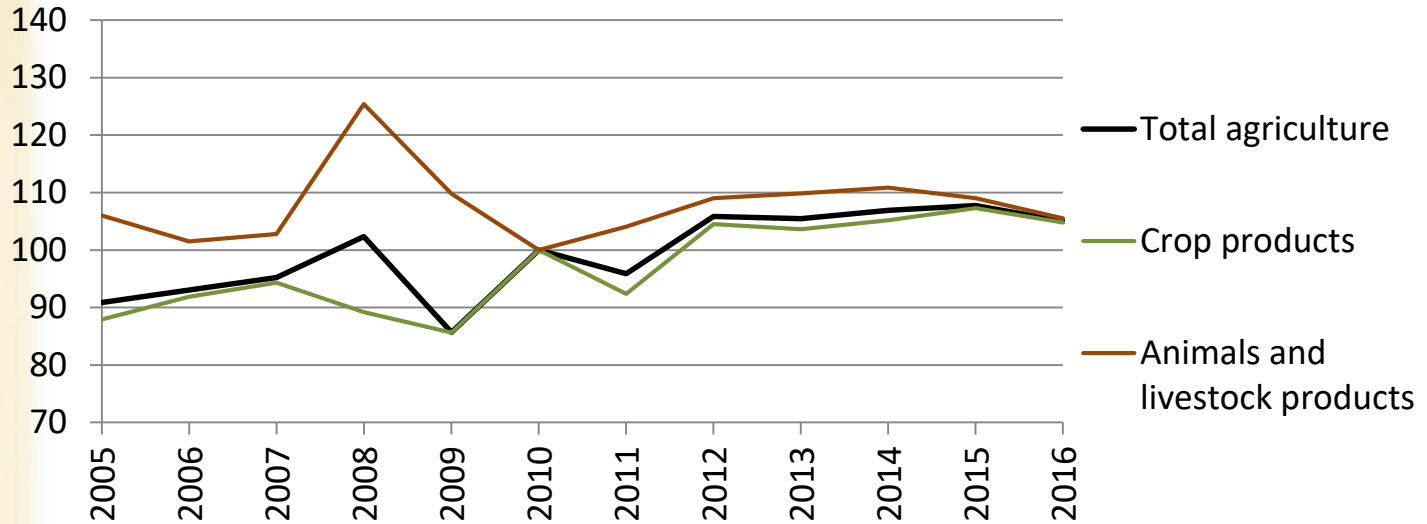
- Farm structure survey, 2016 (previous one conducted in 2013)



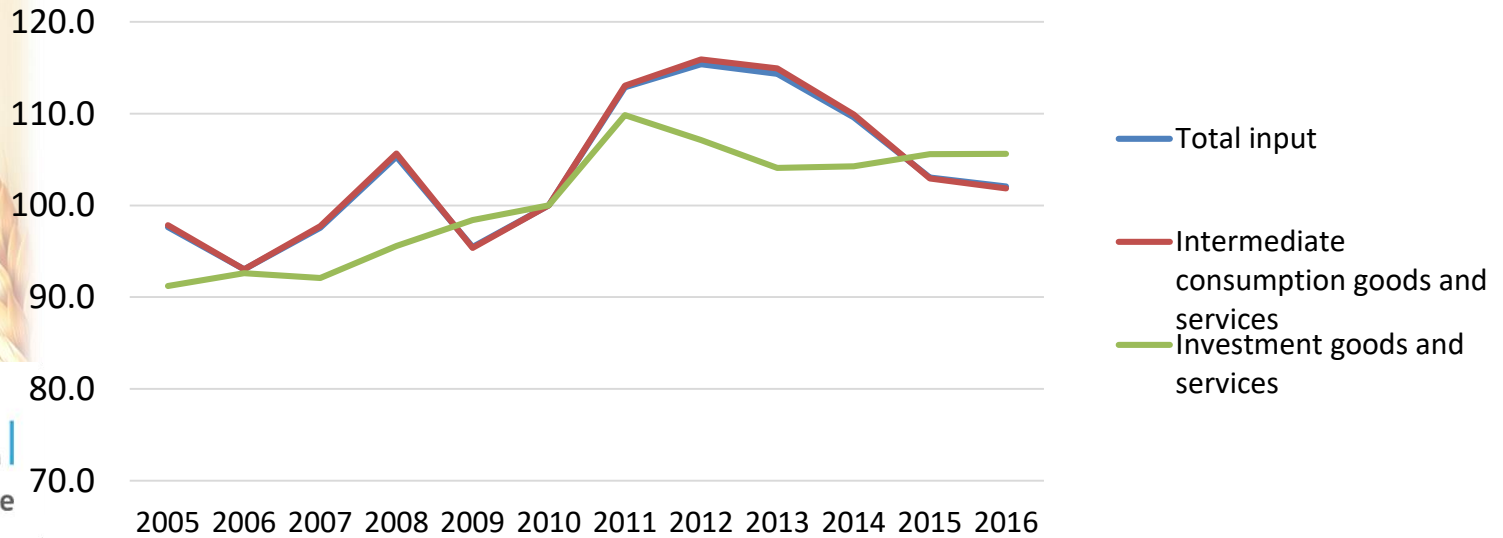
Indicators per holding	2013	2016
UAA per holding (ha)	1,85	1,80
LSU per holding with LSU	3,79	3,86
SO per holding (EUR)	4.819	4.625
AWU per holding	1,43	1,36
AWU per UAA	0,77	0,76
AWU per LSU	0,67	0,64

B. Some new developments in agriculture -output/input price indices-

○ Agricultural output price indices (2010=100)



○ Agricultural input price indices (2010=100)



B. Some new developments in agriculture -crop production-

- Crop agricultural production

	Average (2010-2015)	2016	Average (2010-2015)	2016
	Area of production (000 ha)		Production (000 t)	
Total grain	162,1	165,5	535,2	↑637,7
of which: Wheat	78,6	79,9	243,7	↑306,4
Maize	30,1	31,1	128,8	↑143,8
Oilseeds	4,5	4,0	7,1	6,3
Potatoes	13,4	13,3	189,9	197,1
Grapes (total)	21,1	23,2	263,1	↑333,3
Fruit (orchards)	14,7	16,0	199,6	↓178,3
Vegetables (total)	32,1	32,4	711,5	↑789,5
Other:				
- Tobacco	18,8	16,4	27,5	25,4
- Beans	13,6	13,6	12,7	13,0
- Fodder	28,1	31,7	214,5	↑330,2

B. Some new developments in agriculture -livestock production-

Herd size	Units	Average (2010-2015)	2016
Cattle	000	252	255
of which cows and heifers in calf	000	155	161
of which milk cows	000	126	132
Pigs	000	182	↑203
of which breeding sows	000	23	25
Sheep and goats	000	747	723
of which breeding ewes/goats	000	546	556
Horses	000	22	19
Poultry	000	1.936	1.866
Beehives	000	68	81

B. Some new developments in agriculture -livestock production-

Production	Units	Average (2010-2015)	2016
Beef & Veal			
- total indigenous production (live weight gain)	000 t l.w.	29,9	27,6
- total slaughtering	000 t c.w.	7,4	7,3
Pig meat			
- total indigenous production (live weight gain)	000 t l.w.	26,1	35,3
- total slaughtering	000 t c.w.	13,9	↑19,4
Sheep meat			
- total indigenous production (live weight gain)	000 t l.w.	14,7	15,7
- total slaughtering	000 t c.w.	3,8	4,6
Poultry meat			
- total indigenous production (live weight gain)	000 t l.w.	1,7	2,0
- total slaughtering	000 t c.w.	1,3	1,5
Eggs	mill. pieces	256,0	178,0
Honey	000 t	0,8	0,8
Cows milk	000 t	378,0	415,1
Sheep and goat milk	000 t	50,8	62,2
Sheep wool	000 t	0,9	0,9

C. Changes of agricultural policy frame

- Period of political crisis effected changes in Ag. Policy – **no significant changes**
 - Policy documents, (Strategy 2014-2020, ARDP 2013-2017, Annual program 2016&2017, IPARD-1);
 - No new priorities (mainly as previous period ...);
 - No changes in institutions;
- No changes in EU integration process;
 - IPARD-2 Program 2014-2020

C. Changes of agricultural policy frame -recent trends-

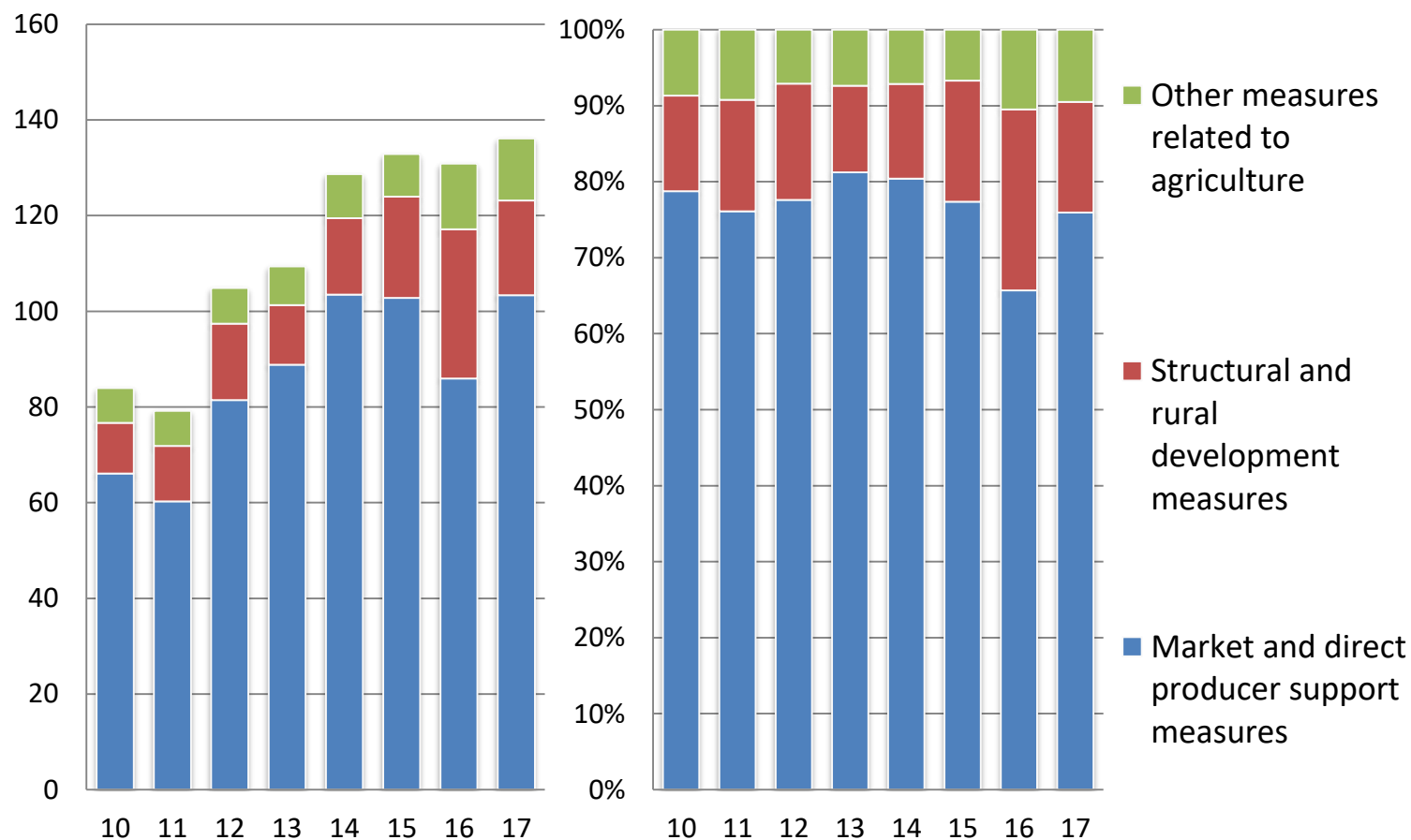
- ARDP 2018-2022,
 - New DP scheme according structuring of the farms
 - Law for ARD, 2016: three groups of farms (according capacity);
 - New DP scheme for tobacco
 - Three quality classes
 - New input subsidy (green oil ...);
 - ...

D. Producer support to agriculture

- New measures of direct support
 - Payment for newly housed laying hens,
 - since 2016
 - Payment: 100 MKD/hen (≈ 1.65 €)
 - Additional payments for changing the production orientation (from cereal production to vegetable, fruit and vine production)
 - Since 2016
 - Additional payments (30%) to those given for vegetable, fruit and vine production

E. Budgetary transfers to agriculture

TOTAL BUDGETARY SUPPORT TO AGRICULTURE (million EUR AND %)

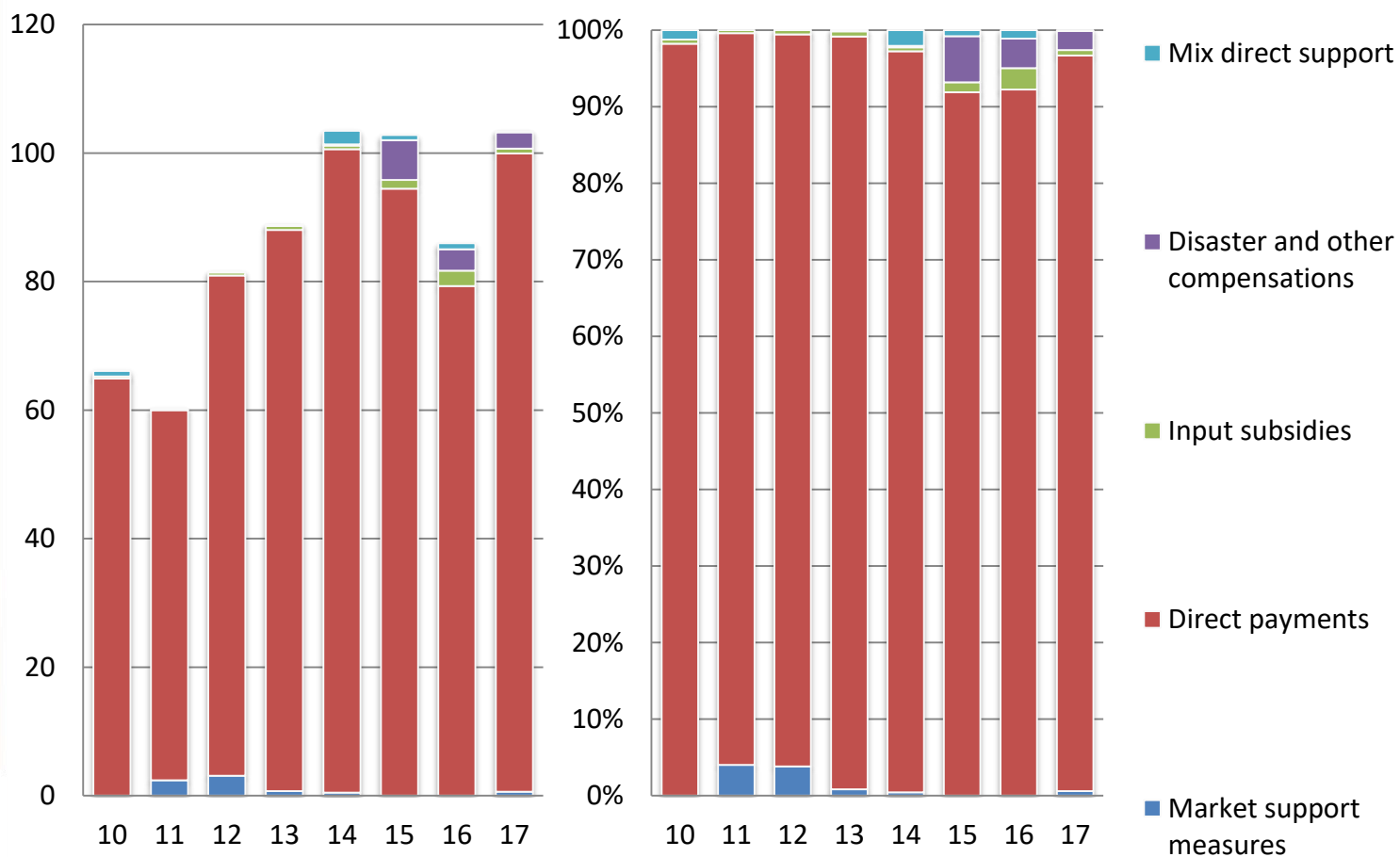


SWG
KRD



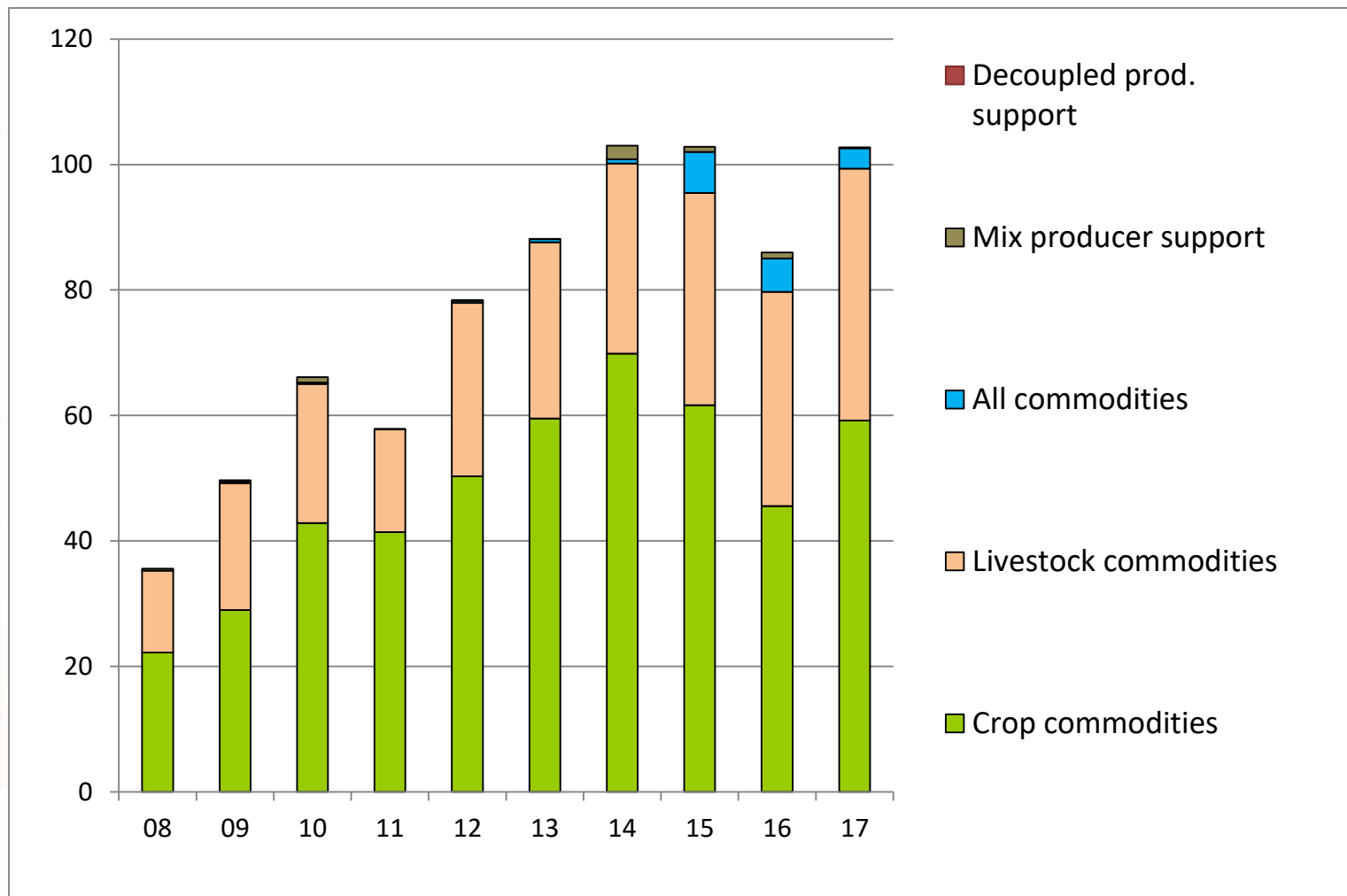
E. Budgetary transfers to agriculture

MARKET AND DIRECT PRODUCER SUPPORT MEASURES (million EUR AND %)



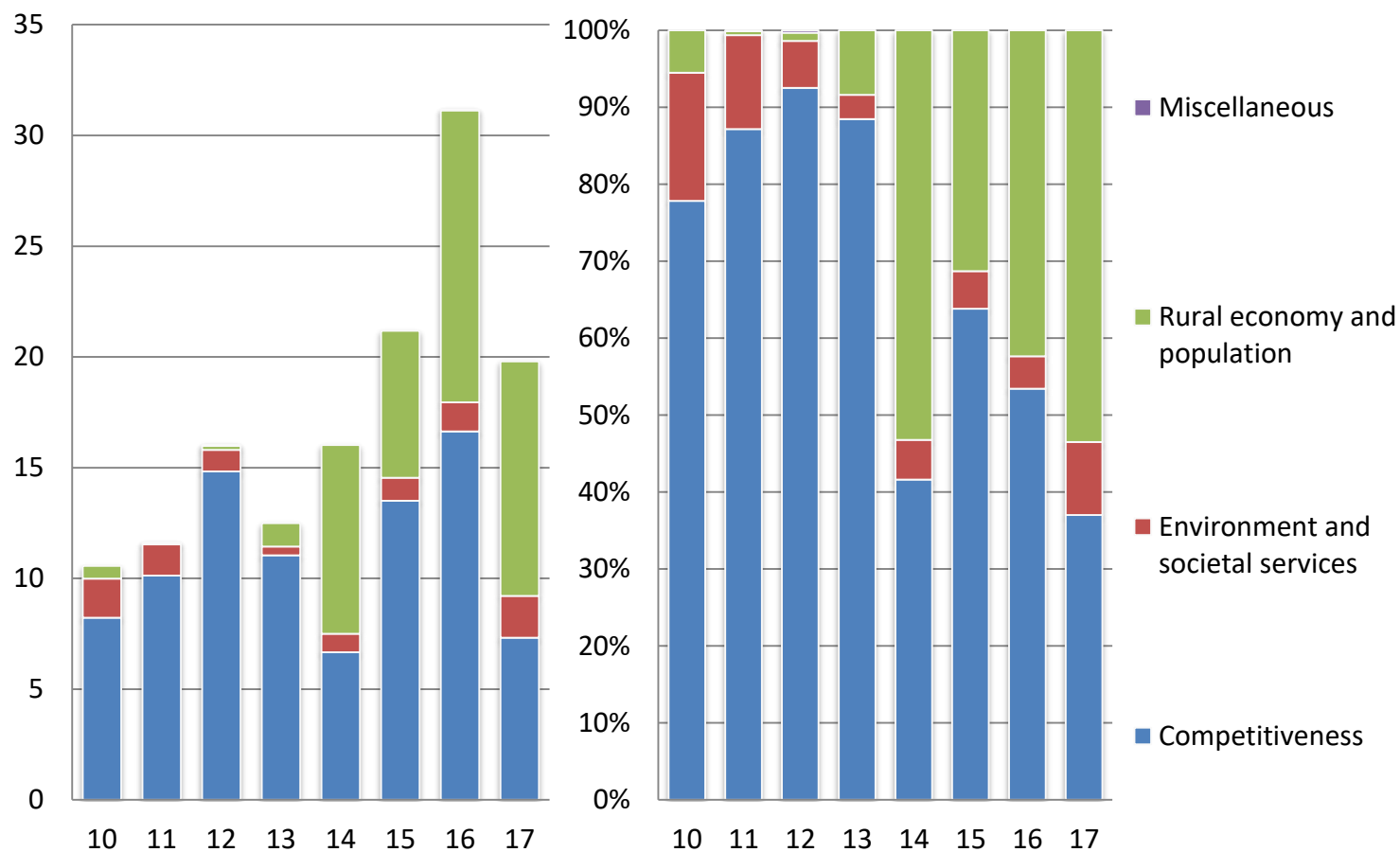
E. Budgetary transfers to agriculture

Direct producer support measures by main sector (million EUR)



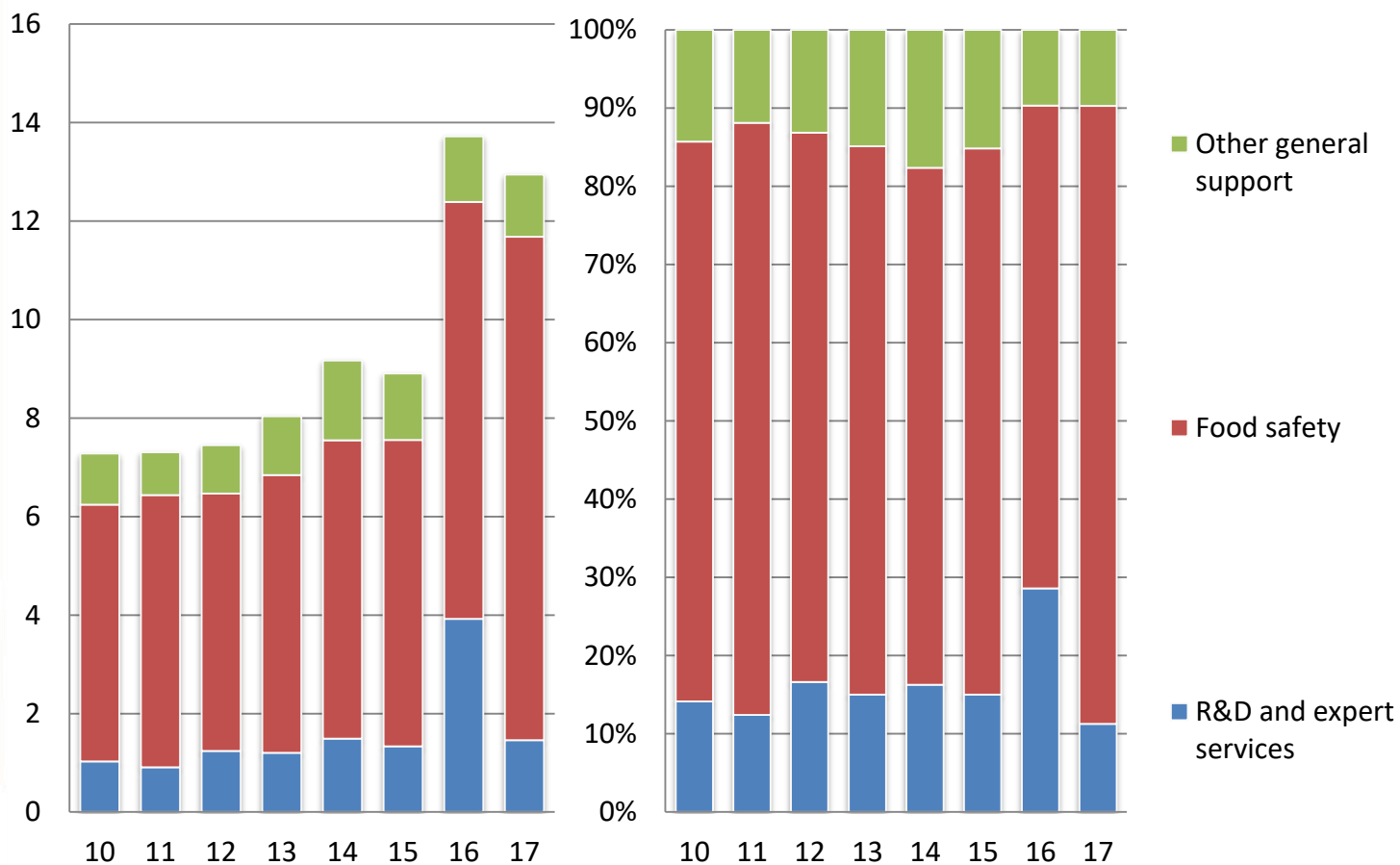
E. Budgetary transfers to agriculture

STRUCTURAL AND RURAL DEVELOPMENT MEASURES (million EUR AND %)



E. Budgetary transfers to agriculture

OTHER MEASURES RELATED TO AGRICULTURE (million EUR AND %)



F. Conclusions and recommendations

- Big influence of political crisis;
- No condition for changing of the policy:
 - Almost the same structure of the support:
 - Market and direct producer support measures prevailing;
 - Direct payment
 - Structural and RD measures (competitiveness and rural economy and population);
- Recommendation:
 - Change structure of budgetary support (increase RD program)
 - Changing direct producer support scheme (decouple);
 - Recommendation on EU accession processes:
 - Take message from the EU Report!
 - 5. Ability to assume the obligations of membership
 - » Chapter 11,12, 13.