Dear Minister Nikolovski, dear ministers, dear Mr. Ilić, ladies and gentlemen, dear colleagues,

I would like to kindly greet you on behalf of the Croatian Ministry of Agriculture and Minister Tomislav Tolušić, who was not able to participate personally at this Meeting. Nevertheless, I would like to emphasise that we very much appreciate the SWG activities and are willing to work and cooperate with its members, as demonstrated at the informal meeting held in Croatia earlier this year.

Agriculture is an important segment in economy in general and an activity facing a number of different challenges. All of these require adequate policy responses and a share of experience in this regard is very helpful. In particular, I believe that the Croatian perspective as an EU Member State will be useful in our discussions, taking into consideration that all SWG members are on the road to the EU.

In that sense, I would like to point out that Croatia fully supports the enlargement process. We consider the integration to the EU of the candidate and potential candidate countries an important objective of our foreign policy. Taking into account our relatively recent accession process, Croatia and the Ministry of Agriculture understand the challenges faced by the candidates and potential candidate countries and we are ready to support these countries at political and expert level.

I would like to use this opportunity to highlight two topics, which we are currently dealing with in the Ministry of Agriculture as a matter of priority: important changes in our national agricultural policy and the reform of the Common Agricultural Policy of the EU.

As regards the national policy, we have recently published important laws regulating the status of family farms and the business relations in the food supply chain, and we are currently working on related implementing legislation.

Family farms dominate in the structure of Croatian agriculture. We need to support family farms not only because of their importance in the food production, but also to ensure the maintenance of rural areas. The intention of
the Law on Family Farms was to define their legal status, as well as conditions for their agricultural and linked activities. One important issue that we regulated by the Law is the protection of production resources and the private home of the members of the family farm when they are in financial difficulties.

Another Law which had the intention of protecting interests of small producers in agriculture is the Law on unfair trading practices. Unfair trading practices are in general forced upon the farmers by the retail chain or large processors. The idea was to define which practices will no longer be tolerated in the food supply chain, such as delayed payment deadlines, return of goods to the supplier at short notice, the requirement for the supplier to co-finance marketing costs of their buyers and others.

This is currently also debated at the level of the European Union and the EU Directive on this issue will be compatible to our national law.

You are probably aware of the most important topic currently discussed at the EU level, namely the reform of the Common Agricultural Policy. The proposal of the European Commission introduces a huge shift in the policy logic by including the direct payments in the current rural development programs.

The final result of the discussions will also depend on the level of financing of the EU agriculture in the future. The Commission proposes a cut in the agricultural budget, which we oppose, because then it will not be possible to support all the objectives of the CAP. In the case of Croatia, of particular interest are small farms and young farmers, and we share this priority with many other Member States.

This debate concerns directly EU Member States, but it is important that candidates for membership follow closely how it develops because you will have to prepare for the implementation of the future EU agricultural policy. Croatia can serve as a partner which can help you in this.

We believe that the assistance provided so far by our experts was useful and appreciated by the institutions that requested it. It was also a very positive experience for our experts, who reported in general that they were very well welcomed by the institutions in candidate countries and that positive and useful contacts were established.

In this respect, we are confident that such cooperation will continue and the Ministry of Agriculture is ready to provide the necessary expertise in areas defined by the candidate countries.
We are aware that IPARD funding is still a fresh experience for the most of the SWG countries. Direct experience from Croatia in managing the EU funds can be an extremely useful asset in a preparation for the implementation of the IPARD II Programme.

Issues like the adoption of the Acquis, the sustainable use of natural resources, agro-environmental measures, climate change mitigation and other similar initiatives, form a package which aims at creation of a sustainable and competitive agricultural environment and preservation of natural resources and biodiversity. This is an important factor in a process of development of each country individually, as well as the region as a whole.

Once again, I would like to emphasize that Croatia is willing and ready to help our neighbors and partners in the EU accession process.

Finally, I would like to thank our hosts for organizing this event as well as their hospitality, and wish us all good luck in accomplishing our goals.

Thank you for your attention!