

Adaptation of the Food and Agricultural Sector in Republic of Macedonia Toward EU Common Agricultural Policy

¹Trajan Dojcinovski, ¹Liljana Velkovska, ²Petar Trajkov

¹Faculty of biotechnical sciences – Bitola, University “St. Kliment Ohridski” Bitola

²Parliamentary Institute of the Assembly of the Republic of Macedonia

Correspondence Author email: tdojcinovski@gmail.com

Abstract: Common agricultural policy of EU, from its founding until today, sustains large transformation. Particularly significant is period after 1990, where priority in agriculture is given on the reducing of food superfluity, protection of environment, market orientation of the production according the consumers requirement, support of the rural development ect. With the orientation of the Republic of Macedonia for EU membership, adjustment measurements in food and agricultural sector toward common agricultural policy are overtaken. In that direction is preparation of the R. Macedonia in order to use the resources from EU pre-accession funds for rural development.

Keywords: Changes in the EU Common Agricultural Policy, Directions in its Development, Measurements and Preparation of the R. Macedonia for Accommodation of the Agriculture Towards EU.

I. COMMON AGRICULTURAL POLICY OF THE EUROPEAN UNION

The beginnings of the development of the Common Agricultural Policy of the European Union (CAP) appear in the fifties, a time when Europe was affected by the war. At that time, agriculture was not able to provide food for the population and the food industry which manifest necessity of creating a common agricultural policy (CAP). The creation and development of the common agricultural policy mainly characterize three significant periods as follows: the period from 1962, the period from 1980 and the period after 1990 to the present.

The period of development of the Common Agricultural Policy of 1962 defines three basic policy rules, such as: the creation of a single market for agricultural products, giving preference to the agriculture community and financial solidarity of members in the field of agriculture. Also in this period as the priority goals of the community impose: increasing productivity in food production, meeting the needs of food primarily for the personal needs of the population and the food industry, creating practical agricultural sector which can afford to follow the development of other industries, providing subsidies to farmers, the establishment of a system of safe prices and creating conditions for stimulating the production.

The second period of the development of the common policy covers the period from 1980 and features a large food production and combat with produced surpluses of

food which has started export of food from the community and subsidizing it.

The third period is the period of 1990 which characterized the changes that occur in the Common Agricultural Policy of the European Union primarily by limiting production, reduction of surplus food, giving priority to the development of agriculture, protection of the environment, market orientation according to the requirements of the consumers, implementing a policy of support for rural development, the relationship with the produced quantity and stimulation is terminated. In this period also great attention is paid to the training of farmers to protect the environment, breaking the link between subsidies and quantities in order to increase competitiveness, etc.

Further orientation of the Common Agricultural Policy and the EU in March cost - EU support today is oriented towards the interests of consumers in order to ensure a healthy and cheap food and giving priority to the public. Also, its orientation is facing towards graduated freedom of production according to market demands and the introduction of so-called "Green Evolution" in agricultural policy. That means that consumers today have different needs than those previously conducted in CAP. Support of the agricultural policy today depends on whether producers meet quality standards, if they pay attention to environmental protection and food safety. From here is the opinion of the population that the main task of the CAP is 91% as ensuring food safety and environmental protection.

Costs of EU for CAP in the beginning of its existence for agriculture were 2/3 of the Community budget, now they account for about 50%, and the forecast for the next period is that it will be reduced to 1/3 of its budget.

Operation of the Common Agricultural Policy and dyskinesia main priorities - Common Agricultural Policy of the EU works through the application of import tariffs on specific products that are imported into the EU and the establishment of inter-intervent prices which apply in a fall of domestic prices of agricultural products, through which will intervene.

Priorities for support of the Common Agricultural Policy are:

1. Quality is a key success
2. Protection of rural areas,
3. Creation of trust with the consumer,

4. Support for rural municipalities
5. Costs for the EU CAP,
6. Support for agricultural production in the EU
7. Other types of support

Quality is the "key success" requires maintaining the production of high quality, consistent requirements for quality improvement, special products to have their logo and support organic production.

Protecting rural areas is consist in applying appropriate agri-environment measures, genetically modified organisms and European agriculture. In this context is the creation of consumer confidence in food safety, health and welfare of animals and contribution to the common agricultural policy. Support of rural communities is further priority of the EU because 50% of the population in the EU Member States live in rural areas and account for about 90% of the populated territory. Costs for CAP are funded through joint fund for finance EAGGF (European Agricultural Guidance & Guarantee Fund).

The support of agricultural production in the EU is carried out by following the general rules and conditions of financing, using direct payments per area, the application of certain rights, conditions and procedures, immediate payment on cattle, financial support for performing additional work on the farm, support of generational change on farm, support measures for regulating the market, supporting investments in improving competitiveness, support less developed areas and other types of support such as support of primary agricultural production and the provision of funds for investments for the construction and equipping of facilities for the processing of agricultural products, marketing.

Adjustment of agriculture of the Republic of Macedonia to the Common Agricultural Policy - With the commitment of Macedonia for accession to full EU membership, is strengthened the need and obligation to adjust the agricultural and food sector to the Common Agricultural Policy (CAP).

Measures that are taken:

1. Adjusting the Macedonian agricultural legislation to EU legislation
2. Program for financial support in agriculture,
3. Program for financial support for rural development and
4. Other programs

II. ADJUSTMENT OF MACEDONIAN AGRICULTURAL LEGISLATION WITH THE EU

One of the most important measures that have been taken by the Government is adjusting Macedonian agricultural legislation with the EU. For this purpose there are a lot of legislation that brings our legislation closer to the European Union such as the Law on Agriculture, the accreditation of the paying agency etc. The main benefit of this is through European aid that will allow modernization of the Macedonian agriculture, increase competitiveness and adjustment of agri-complex with the requirements of

European markets. European pre-accession funds in Macedonian agriculture should bring projects where each successful project half of them are irreversible for farmers.

Program for financial support in agriculture - The Program for financial support in agriculture each year is adopted by the Government of the Republic of Macedonia. For 2015 it is 101.7 million euros which in respect of 2009 is increased by 100% of which the biggest part of approximately 49.7% is used for financial support for crop production, 33.5% for financial support for livestock production, and the rest used for financial support for the implementation of standards for quality and food safety, financial support for organic agriculture, financial support for Fisheries and Aquaculture, general measures for development of agriculture and fisheries, aid in insurance premiums etc.

Financial support for crop production is intended for financial support for wheat and barley, the spring and forage crops, for certified seeds sold for oriental tobacco, greenhouse and horticultural production, vineyards and orchards etc.

Financial support for livestock production is intended for financial support for tagged cattle, for sold cow milk, sold cattle to the slaughterhouse, the purchase of breeding material and financial support in the sheep, poultry and goat breeding.

From the general measures for development of agriculture and fisheries, which are applied in the country more important are: reimbursement of costs for registered farmers insured in Pension and Disability Insurance fund, compensation of insurance in primarily crop production, supporting large organizations to pool farmers, the establishment of a system for records of farms etc.

Program for financial support for rural development

The program for financial support of rural development is financial support of rural development and utilization of the available budgetary resources of the RM and the preparation of the Republic of Macedonia to use funds from the EU funds from the fifth component of rural development. As elements of the funding program for rural development are capital investments in primary agricultural production and processing industry, finance of operating and material costs for the preparation of construction projects. As a way of funding the program is used co-financed investment of 50%, and for the mountainous areas of 70-80%.

The measures of the program for financial support of rural development for 2015 in amount of 33.252 million euros and is intended for investments to improve the competitiveness and modernization of agricultural holdings for finishing, processing, storage, packaging and marketing of agricultural products, investments in rural infrastructure, financial support for promotional activities for the development of rural tourism, investments to improve the knowledge and promotion of human potential, encouraging association of farmers, investments in production and use of renewable energy sources in rural areas etc.

III. CONCLUSION

Petar Trajkov

Parliamentary Institute of the Assembly of the Republic of Macedonia

1. The creation and development of the common agricultural policy mainly characterize three significant periods as follows: the period from 1962, the period from 1980 and the period after 1990 to the present,

2. EU support today is oriented towards the interests of consumers in order to ensure a healthy and cheap food,

3. Costs of EU for CAP in the beginning of its existence for agriculture were 2/3 of the Community budget, they now account for about 50%, and the forecast for the next period that will be reduced to one third of its budget,

4. Priorities for the support of the Common Agricultural Policy are: quality is a key success, protection of the rural areas, creating trust among consumers, supporting rural communities, costs of the EU for CAP, support of agricultural production in the EU etc.

5. One of the most important measures that have been taken by the Government is adjusting Macedonian agricultural legislation with EU,

6. European pre-accession funds in Macedonian agriculture should bring projects where for each successful project half of them are irreversible for farmers,

7. The Program for financial support in agriculture each year is adopted by the Government of the Republic of Macedonia. For 2015 it is 101.7 million euros of which the biggest part of approximately 49.7% is used for financial support for crop production, 33.5% for financial support for livestock production etc.

8. The measures of the program for financial support of rural development for 2015 in amount of 33.252 million euros and is intended for investments to improve the competitiveness and modernization of agricultural holdings for finishing, processing, storage, packaging and marketing of agricultural products, investments in rural infrastructure, financial support for promotional activities for the development of rural tourism, investments to improve the knowledge and promotion of human potential, encouraging association of farmers, investments in production and use of renewable energy sources in rural areas etc. and

9. The funds provided by the Government are still insufficient in relation to those offered by the Union to their farmers. From here there is an immediate need for greater flexibility by the providers and users of funds so that they could more rational and more efficient to use.

AUTHOR'S PROFILE

Trajan Dojcinovski

Faculty of biotechnical sciences – Bitola, University “St. Kliment Ohridski” Bitola
email: tdojcinovski@gmail.com

Liljana Velkovska

Faculty of biotechnical sciences – Bitola, University “St. Kliment Ohridski” Bitola