



Government of the Republic of North Macedonia

**Ministry of Agriculture, Forestry
and Water Economy**

Mr. Ljupcho Nikolovski, Minister

Respected,

The Ministry of Agriculture, Forestry and Water Economy is strongly committed to creating policies and measures that will contribute to the growth and development of agricultural production in the Republic of North Macedonia. Agriculture is the fourth load-bearing pillar of the Macedonian economy and it has a strong input in the overall economic growth of the country. Agriculture participates with approximately 9% in the national gross domestic product and it covers 17% of the country's labor force, although the actual contribution exceeds this percentage. There are approximately 100.000 beneficiaries of state financial assistance. This makes this sector exceptionally important for the local economic development. Something of particular importance for the sustainability of agricultural holdings is the need of modernization and adaptation to the national standards of the European Union, diversification of economic activities, flexibility, and association. Therefore, as a line ministry, together with the Government of the Republic of North Macedonia, we are focused and we are continuously working on creating not only medium-term, but also long-term strategies that will contribute to solving these shortcomings, increasing the production of agricultural products and food, increasing the export and reducing the trade deficit, whereof farmers will have the final benefit, by achieving higher incomes, but also the whole country will benefit in general. These are the new policies for subsidies in agriculture, the proper allocation of state agricultural land, the capital investments in the water economy, the efficient utilization of the funds from the European IPARD Program, the resolution of the main problem in agriculture - the purchase and the surplus of products by creating conditions for investments in processing facilities and purchase-distribution centers, as well as many other measures that we are devotedly working on. These goals are outlined in the five-year National Strategy, and we are implementing them through the measures in the annual Programs for Financial Support in Agriculture and Rural Development, but also through the European IPARD 2 Program. In order to make agriculture the basis of the strong economy that we are building, this year we have made a series of changes and we have introduced new measures in the Programs for Financial Support in Agriculture and Rural Development. I would like to mention some of the most important measures created according to the European regulations.

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Such measure is, for example, the measure for small agricultural holdings below 1 hectare of the Direct Payments Program 2019, wherewith we provide twice higher subsidies for farmers with a potential for development, that is, those who have from 0.5 to 1 hectare of land. We provided increased subsidies for fruit growers, with a special emphasis on apple producers, for which the subsidy for maintenance of crops in areas with hindered conditions reaches an amount up to 57.500 denars per hectare. In the part of gardening, we facilitate the criteria, that is, we introduce a possibility for the planted area that is being registered, to be aggregated for all garden crops. Of course, one of the most important measures introduced for the first time by the Government of the Republic of North Macedonia is the measure for co-financing the costs for procurement of cheap green oil, which will drastically reduce the production costs of 55.000 farmers. With the measures of the new Program for Rural Development, we create conditions for greater involvement of young farmers in the agricultural sector, therefore this year we have increased the financial support for young farmers from 10.000 to 20.000 euros. Following the needs of the farmers, we significantly increased the total support for livestock supply, from 14 to 91 million denars, and the support for the purchase of tractors increased from 30 to 60.2 million denars. In this program, we provided 4 million Euros for a measure for pre-financing of investment projects covering 100% of the amount of the project proposals, by means of which we support investments in processing facilities, refrigerators and purchase centers for the priority agricultural products that face problems in their placement. These are only a part of the development measures wherewith we plan to encourage the development of agriculture, to create a modern agricultural sector and competitive products. At the same time, during this period, we are diligently working to fulfill all prerequisites for a successful start of the negotiations with the EU, specifically emphasizing the harmonization of the legal acts in the areas that I am in charge of - agriculture and the rural sector, as well as in the fields of food safety, veterinary medicine and phytosanitary policy. With the accession to the European Union we will provide European life for our citizens, and we are creating European agriculture. At the same time, together with the Agency for Financial Support of Agriculture and Rural Development and the Agency for Promotion of Agricultural Development, we actively promote the European IPARD Program and we work diligently to improve our staff and simplify the administrative procedures. The ultimate goal is to increase the utilization of these funds, which is a great support for Macedonian farmers. The positive results of our policies are already evident, since the first call for IPARD 2 programs, about 950 contracts with a total requested amount of 21.4 million Euros have been concluded. As a ministry, we find it particularly important to put the entire arable land into use. Therefore, we are working intensively on clearing the agricultural land and publishing new notices for leasing state-owned agricultural land up to 3 hectares or bigger, we have implemented some serious reforms in the agricultural policy, with a sole purpose of restoring agricultural land to the right farmers. We have been working with the Food and Veterinary Agency towards the common strategic goal - guaranteeing safer and quality food. Veterinary medicine, food safety and plant protection are crucial for protecting the health of people, animals and plants, and of course for meeting the European standards, i.e. for greater representation of Macedonian agricultural products on the European and international markets. The development of agriculture is one of the priorities of the Government of the Republic of North Macedonia, as a sector that has a significant share in the economic growth and is one of the pillars of the Macedonian economy. By means of the continuous and strong support for agriculture, we are building a strong economy that opens chances for everyone.

Sincerely,

Ljupcho Nikolovski

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