



## WORKGROUP ON AGRICULTURE

### FINAL DOCUMENT

DURRES 25.05.2006

#### Introduction

The President of the Workgroup Mr. Jago Lasic opened up the activities remembering that the FBiH (Federation of Bosnia and Herzegovina) is concluding an agreement that will create a free trade area: it means that 31 contracts will merge into a single protocol with the CEFTA (Central European Free Trade Agreement). This agreement, that involves Croatia, Romania and Bulgaria as a current members of CEFTA and also BiH, Macedonia, Montenegro, Serbia and Albania, will have the following results:

- The creation of a large area of market liberalization;
- The possibility of an increase in the merchandising of a food products in entry and in exit from the adherent countries;

The stipulation of the contracts requires the harmonization of the national legislations concerning the food producing and merchandising. The obligatory of phytobiological and sanitary analysis, the traceability, the food safety, the harmonization with EU regarding certification and brands are of considerable importance. After the discussion and the main problems showed, the following actions were agreed:

#### Proposals

After the prolonged discussion that characterized the Workgroup, the participants agreed about the main directions of the project named "Exchange of the know-how: the strategy for the Balkans", that was presented in this occasion. The project will be concretised through a double stage course whose goal is to "train" the entrepreneurs from Balkan areas (Croatia, Federation of Bosnia and Herzegovina, Albania) about the specific issues of food farming branch. The participants highlighted the following topics:

- Production and merchandising of biological products (brands, certification...);
- Warehousing of the products even for distant markets;
- Food safety;
- Product traceability;
- Product identification;



- Support of commercial exchanges, therefore, direct relationships with Italian enterprises for possible synergies (commercial relationships, specific resolutions of business questions...);
- Phytosanitary analysis of products and other controls;
- Credit access (financing forms);
- Funding possibilities deriving from new EU programs also in view of signature of the stability pact;
- European certification for biological products (e.g. Montenegro has only one producer of biological agriculture): balancing and certificating toward the European standard;
- Adoption proposals of production rules that settle various production steps;
- Exploitation of hinterland's resources (wood, berries and mushrooms, medicinal herbs) and their emphasizing;
- Multifunctionality of the companies; both multi-branch companies and companies that effect entire production chain (from raw material to final product);
- Production quality;
- Creation of cooperation forms and associations to join together land properties split into unduly small lots, allowing to aggregate the offer reaching the minimum level of production to be able to reach the distant markets.

### Conclusions (agreed initiatives)

It was decided that the stage course would be structured as follows:

<b>Areas of Intervention:</b>	<b>Objectives:</b>
South of Montenegro	To support fruit and vegetable producers in the warehousing and the marketing of mandarins and pomegranates, with extension of the initiative to olive oil branch.
Mostar	To create the cooperative of local vine and champagne producers and to establish a brand of their protection.
Dubrovnik - Konavli	To encourage the beginning of a pilot - cooperative that acts in fruit and vegetable branch with intention to surmount the problems with warehousing and facilitate a merchandising of the products also on distant markets.
Albania – coastal area	To create one or more small cooperatives of olive oil branch to encourage the extra-virgin olive oil of quality production and to establish a brand of its protection.



In particular:

- 1) **Stage course 1° part:** activities of consulting and training to effect in: Croatia, Federation of Bosnia and Herzegovina, Montenegro and Albania with entrepreneurs of above indicated areas – Autumn 2006 (October – November);
- 2) **Stage course 2° part: deepening residential course in Italy – Marche:** deepening of some topics. Location: Arcevia; period: February-March 2007.
- 3) **Business visits in Italy – the region Marche:** the visits will be focused and they will take place at the companies and cooperatives of food farming branch.

The partners of the project engage themselves to start the following actions:

- contacts with entrepreneurs who are participants on the project;
- identification of the preliminary course sites;
- logistics of the Balkans: specialized technicians would have to be housed to reduce costs of the project.