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REGIONAL CONSULTATION WORKSHOP

Smallholders and family farms

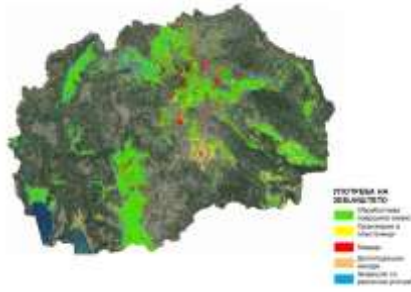


Weight and role of smallholders and family farms in Macedonia

National definition of smallholder and/or family farm *“An independent economic and social unit, based on a combined management and ownership and/or using agricultural property of the family members.” – (use more than 1000 m2 of agricultural area or more or certain minimum number of livestock)*

- Participation of agriculture in the GDP - 10% (without processing industry)
- Total number of family farms 192.378 SHF in 2007 – 161.657 in 2017 (226 000 in 1994 census)
- Official employment of 17% (111 489)
- 88% at least one member of the household works outside of the SHF

Regional distribution	Number of Agricultural farms			Index 2017/2007
	2007	2013	2017	
Vardar region	23,287	20,322	23,657	2%
East region	27,795	23,762	19,750	-29%
Southeast region	25,978	25,818	26,183	1%
Northeast region	21,631	20,464	15,770	-27%
Southwest region	21,412	18,775	11,156	-48%
Pelagonia region	27,578	24,939	36,372	32%
Polog region	25,632	21,492	15,281	-40%
Skopje region	19,065	15,313	13,488	-29%
Total	192,378	170,885	161,657	-16%



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Number of farms by size and ha of UAA

Farms	Number of Farms	Percentage	Ha of UAA	% of total UAA
to 0.50 ha	83,502	43.00%	21,478	8.13%
0.51 - 1.00 ha	38,598	20.00%	29,690	11.23%
1.01 - 3.00 ha	50,422	26.00%	90,998	34.43%
3.01 - 5.00 ha	11,919	6.00%	46,365	17.54%
5.01 - 8.00 ha	5,067	3.00%	31,657	11.98%
8.1 - 10.00 ha	1,212	1.00%	11,037	4.17%
above 10 ha	1,658	1.00%	33,110	12.53%
Total	192.378	100.00%	264,335	100.00%

Total available agricultural land (in thousand ha)

Agricultural area in total	1,264
Arable area	514
Gardens	415
Orchards	16
Vineyards	23
Meadows	60
Pastures	750
Ponds, reeds and fish ponds	1

- 90% under 3 ha (43% under 0.5 ha) average 1,67 divided in 7-8 parcels
- Cattle (253,442 -4,5%); Sheep(733,510 -4,3%); Pigs (195,443 -0,05%); Poultry (1761145 -11,7%) Bee (73960 +13,3%)
- Apples (136,931 +9,9%); Plums(41,477+17%); Grapes (324,769 +38%); Cherries(8,483 +30%)
- Peppers (12,7%); Tomatoes 173,434+3,2%); Cabbage (193,796 +29,9%)
- Small farms with a limited non- standardized production, different quality and variety and limited postharvest;
- Lack of existence of strong trade associations in the value chains (except in the fruit and vegetable processing VC);
- Low level of trust between primary and secondary participants in the VC;
- Limited existence of vertical linkages in the value chain;
- Lack of existence of strong horizontal structures (Farm associations, cooperatives ...) MKV: Overlap to point on associations above.

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Conclusions

- **SHF Dominate agricultural production** with extensive participation in the total production
- The available statistical data **does not provide clear distinction of the family farmers and the business entities**, making it more difficult to develop measures for direct support to the farmers;
- **Ageing: 436.842** household members engaged from them **59%** are over 45years and **18,6%** are over 65 years

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- **Lack of an adequate system of extension services**
- **Diversification of Agricultural production**
- **Improving the monitoring of the direct payments as a measure for support of the family farms Adequate Financial Resources available for farmers**
- **Marketing of Macedonian Production**
- **Limited existence of horizontal and vertical linkages**

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- **Improvement of the rural infrastructure**
- **Development of cooperatives**
- **Introduction of modern production technology**
- **Land Consolidation process Improvement of Post-Harvesting practices**
- **Standardization of the production**
- **Improve the links between the rural households and local administration structures**
- **Foreign investments in agriculture**

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- **Establishment of functional communication system between private and public stakeholders**
- **Limited willingness to change – inline with EU markets and requirements**
- **Micro region cooperation**
- **Research and Development**
- **Improvement of irrigation systems**
- **Improved equipment**
- **Seasonal workforce**

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RECOMMENDATIONS

- **Improving the Financial Subsidy direct payments as a measure for a direct support of the family farms – Who; What; When; How; - complete restructure of the System of direct payments.**
- **Evaluation and restructuring of the system of extension services that should support the operations of the SHF – Restructuring of NEA (law) and evaluation of Government support measures for funding extension services**
- **Improvement of horizontal linkages representing the interests of farmers – trade association; farm association; cooperatives ..**

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- **Introduction of modern production technology through establishment of demonstration plots or farms, strategically located and adequately supported;**
- **Marketing of Macedonian Production**
- **Land Consolidation process**
- **Improvement of irrigation systems**
- **Research and Development**

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- **Seasonal workforce** - Amending the Labor Law
- **Improvement of Post-Harvesting practices**
- **Improvement of the rural infrastructure**
- **Without continuous support from the government through different support programs, it is difficult to expect that the smallholders will maintain or increase the competitiveness on the market**

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