

Chances are there for us TO UTILISE

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There is no room in agriculture for lamentations about “yesterday” and “tomorrow”. The ministry is trying to secure a chance for farmers to develop and market their produce – today. In order for this approach to provide even better results, the government must recognise the importance of investment and science in this sector.

Although more was achieved last year in agriculture than had been planned by the ministry, there is no place for taking a break and enjoying achievements in satisfaction, because in this area, and on the EU integration front, and in terms of raising competitiveness and linking agriculture and tourism, there is still much to be done, says Petar Ivanović Ph.D., Montenegrin Minister of Agriculture and Rural development.

■ In 2014 you set ambitious targets with regard to raising the share of agriculture in GDP, reducing the trade deficit, creating jobs and educating farmers. What kind of results have you achieved and what further steps do you foresee?

- We have achieved more than planned. The share of agriculture in GDP increased from 7.4% in 2013 to 8.0% in 2014. Gross add-

ed value in agriculture, forestry and fisheries increased by 15%, or by €34.9 million. Exports increased by €36.7 million or 58.7%. The export-import ratio is 6.8 percentage points higher - from 13.8% recorded in 2013 to 20.6% in 2014. More than 700 new jobs have been created. We implemented a very intensive educational campaign for farmers, which in 2014 included over 250 seminars, training sessions, roundtables, lectures and numerous study visits of Montenegrin farmers to other countries. What comes next is an even faster pace, with special emphasis on investment, as well as strengthening the system of quality and food safety systems.

I expect 2015 will be predominantly shaped by the fulfilling of criteria for the opening of negotiations with the EU on chapters 11, 12 and 13. I would say that it is realistic for us to fully open two of the three chapters by year's end.

What next? An even faster pace, with special emphasis on investment, as well as strengthening the system of quality and food safety systems.

■ Last year saw pretty good results achieved in exports and total coverage of imports by exports in the agricultural sector. What do you expect this year and how important is the Russian market for achieving the goals set?

- Every market is important. However, our goal mustn't be just opening up to some market, but rather remaining on that market. And this can only be achieved through quality and long-term commitment. This year will be very challenging when it comes to maintaining the trend achieved in 2014. We showed that we have a new spirit, ability, skills and willingness to tackle every problem. But our real challenge is not problems, but rather the solutions we need to reach.

■ To what extent do Montenegrin agricultural products find their way to the markets of the region, CEFTA and EU?

- High quality products find their way to customers. We had a significant increase of 62.4% in exports of water. Products of the milling industry have already been identified for their good quality, especially organic grain. We increased exports of beer and wine, by 7.8% and 6.3% respectively. There is also slow growth in exports of cheese, honey, olive oil and medicinal herbs. However, we must realise that at this stage of the development of Montenegrin agriculture, a large part of production is realised through so-called quiet export, or through tourism.

■ You identified the Middle East as a geographical area where Montenegro previously exported agricultural products. How much of a chance is there to return to this market today?

- You know, there are two days in the year we often concern ourselves with, even though we can do absolutely nothing with them. Those days are “yesterday” and “tomorrow”. That is why we strive to create chances for our farmers today. We hope they will know how to take advantage of them, especially after we recently signed a favourable long-term credit agreement with the Abu Dhabi Development Fund. The market of the Middle East has changed a lot in recent decades. It has become very demanding. Making a breakthrough on such a market certainly represents great success.

■ In terms of the level of systemic measures and concrete connections, to what extent is the importance of symbiosis

between the agricultural sector and tourism recognised in Montenegro?

- Not enough. The good news is that we have prepared an IPARD programme which envisages financing projects that can significantly stimulate rural tourism and processing on family farms. With this we will strengthen our systemic approach. On the other hand, in order to reinforce tangible links between farmers it is necessary to change their way of thinking. I often mention Nikola Donović, who published a book in 1936 entitled “Demands of Montenegro – economic and political”, in which he wrote, among other things: “Rivalry in heroism and national martyrs, once so

necessary, did not go without leaving deep traces on the psyche and national character. Because of these innate characteristics, people approach one another with distrust, measured, shy, often envious, fearing the prestige of others, preferring to remain lonely in the belief that nobody under the sun is equal to them, rather than approaching cooperation and being subordinate to the general demands and needs of association. This disassociation and unwillingness to communicate is a serious impediment to the organisation of economic life in this region. This resistance should be defeated through organised work of the intelligentsia in this direction.”

■ By 2013 less than 160 producers of organic agricultural products had been registered, with only 21 of them certified. Thanks to the measures of the Ministry, how much has the number of these farms increased?

- A slight increase was recorded in the number of registered organic producers. At the end of 2014, the Register contained 169 producers, of which 30 were newly registered, while 21 were removed from the register. The number of certified producers for a transitional period has increased. At present, there are 30 certified, while in 2013 there were 21. Thus, you will notice that those who are unable to

cope with the demanding criteria of organic production leave the system, while the interest of new ones increases simultaneously.

■ Of all the EU regulations that Montenegro should implement, around 45 per cent relate to agriculture. How substantial a body of work does that represent for the government and the ministry; and are you are satisfied with the progress made?



People don't realise that agriculture is 95% science and 5% work. As a country, we will be making a big mistake if we don't increase spending on research and development.

- I believe the majority of the government are still not aware of the scope of norms that need to be adopted in the agriculture sector. This is not a mechanical job. Application is much more important than the adoption of the law. Last year, at the proposal of the Ministry of Agriculture and Rural Development, the Government adopted fourteen laws and over 40 bylaws. Four laws were also prepared that have been adopted this year. In addition to the laws themselves, last year we prepared, and have so far adopted, strategies and action plans for all three negotiation chapters, which was a very demanding job. All laws got a green light from the European Commission.

■ **Where is there room to secure the planned balanced rural development in the context of agricultural development (IPARD programme) on the agenda of talks between Podgorica and Brussels?**

- We have already sent the IPARD programme to Brussels. The document is currently in the phase of harmonisation between the various directorates of the European Commission. We expect a positive response, the continuation of work on the accreditation programme and the start of its implementation as soon as next year. Through the IPARD programme Montenegrin farmers will have €39 million at their disposal. As this amount represents half of the total investment – with grant support totalling 50% – this means that, with the help of the IPARD programme, at least €78 million will be invested in Montenegro agriculture by 2020.

■ **To what extent has Montenegro succeeded in branding products**

where it has a comparative advantage, such as honey, medicinal herbs, meat products and organic products; how much can the successful experience of exporting wine serve as a lesson for the better placement of these products?

- We're advancing step by step. We cannot achieve everything at once or in a short period of time. The best assessment of progress is given by people from neighbouring countries who come to Montenegro and see what we don't see: progress achieved. But, of course, that must not satisfy us. The future is a space of possibilities and a space for our freedom. A lot of work is required in order to utilise the potential for agricultural development, achieve new standards, introduce new technologies and make all links in the system even stronger. More work is be-



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ing done in agriculture in Montenegro than was the case two years ago. We took a big step forward with the House of Honey, we opened a market for organic products, we're working on a project of reorganisation that will continue to encourage the production of wine, we're strengthening the quality of connections and started the House of Fruit. All this will contribute to the creation of a brand, but also strengthening our awareness of the importance of its preservation.

I recently visited New Zealand, which exports over 90% of its agricultural products, although farmers do not receive subsidies. It was a pleasure to talk with those people who are highly educated and aware that the most important brand they have is actually New Zealand.

■ **How hard has Montenegro been hit by the redirecting of surplus food from the EU to the markets of the region (as a result of sanctions against Russia), and how prepared are Montenegrin farmers to handle competition from the EU?**

- Surpluses lead to price disturbances and we have certainly been hit by a wave of cheap food from the EU. We fight as much as we can, using investment to strengthen agricultural producers. However, it is realistic to say that, at this moment, the majority of Montenegrin farmers are not yet ready for competition from the EU. That is why the majority of our activities are aimed towards strengthening their competitiveness. Agriculture is more revolutionary than industry. People don't realise that agriculture is 95% science and 5% work. As a country, we will be making a big mistake if we don't increase spending on research and development,

particularly in the area of food production.

■ **In the context of the recent call to join NATO, we would like to ask you how plans are progressing relating to the involvement of NATO in some projects where the ultimate beneficiaries will be farmers (demining, decontamination, etc.)?**

- We are ready. We have prepared and submitted project proposals. We hope and believe that NATO's response will be positive, and focused on faster resolving of the problem you mention. In the meantime, the number of agricultural products covered by NATO codification is increasing. Although they did not initially believe it, more and more farmers are now recognising the opportunity to sell their products in this system. ■

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