

Agricultural Policy and Monitoring in the Context of EU Integration: The Western Balkan and Moldova (Chapter 11)

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Continuous monitoring of WB agricultural policy!

Data and method

StatDatabases - series of tables with national statistical data with predefined structure

APMC uses the **EU two-pillar concept** of policy measures (at the higher level of aggregation), combined with the OECD PSE classification (at the lower levels)

Data source:

national statistical offices, international statistical databases (EUROSTAT or FAOSTAT), national customs offices, **payment agencies**, line ministries, EC country progress reports, formal policy documents, research studies, expert papers, personal communications, etc

Period: 2005/10-2025

Analysis: mixed approach

6 Country Reports (extensive team)

+ **Agricultural Statistics Database** (Volk, 2010, 2014; upgrated)

+ **Agricultural Policy Measures Classification (AMPC) Database** (Rednak, Volk, Erjavec, 2013)

+ **Conceptual framework** (Erjavec, et al. 2020)

= **CROSS-COUNTRY SYNTHESIS REPORT**

Key principles of the pre-accession ag. policy framework:

P1: Strategic policy framework

P2: Size and allocation of financial resources

P3: Direct producer support

P4: Measures to improve competitiveness

P5: Policy for sustainability and public goods provision by the farming sector

P6: Quality of life and employment

Accession tasks

The entire process of EU integration in the field of agriculture can be divided into four areas.



1. Legal harmonisations

CAP Regulations

Related regulations

Candidate must be able to implement CAP after accession



2. Implementation capacity upgrading

Execution of EU rules, new institutions and mentality

Very costly but the key condition...



3. Policy reforms and economic adjustments

Policy harmonisation and reforms

Strategic management of policy

New economic stimulus and pressures

Trade „creation“ & „diversion“



4. Accession negotiations

Sum-up of above issues and derogations from acquis

Financial package negotiations

Selected issues:

„the policy reforms and economic adjustments“

- A. Integration of **WB agri-food markets** into the EU **single market**: economic opportunity or threat for whom?
- B. The CAP increasingly emphasizes the 3 pillars of **sustainability** and reflects **societal concerns** (environment, food, nature, animal welfare). Does WB agricultural policy reflect this as well?
- C. CAP after 2028 is evolving towards increased **flexibility** in policy making, based on **national priorities** and combining public policy resources. How does this (should) affect the **EU's requirements** for candidates?

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A. WB agro-food markets & EU integration impacts



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A. WB agro-food markets & EU integration impacts

	AL	BA	ME	MK	RS	XK*	EU-27	HR	RO	SI
GDP per capita in PPS (volume index, EU=100)	42	35	53	42	52	:	100	77	46.4	90
AgGVA (million €)	3,863	1,236	267	953	2,641	759	291,053	2,488	9,942	1,036
Utilised agricultural area, UAA ('000 ha)	1,126	1,148	248	1,249	3,337	421	159,985	1,468	12,689	476
Farm size (UAA/holding)	:	:	9.3 (2024)	1.8 (2016)	6.4 (2023)	1.8 (2020)	17.1 (2020)	8.6 (2020)	4.4 (2020)	6.7 (2020)
Farms with <5 ha UAA/ holding (%)	:	:	73% (2024)	95% (2016)	69% (2023)	91% (2020)	62% (2020)	69% (2020)	89% (2020)	61% (2020)
Wheat yield (t/ha)	3.9	4.8	2.9	3.5	5.3	4.4	5.3	5.9	4.1	5.5
Milk Yield (t/cow)	3.3	3.4	3.5	4.0	4.0	2.1	7.8	6.6	3.4	6.0
Wheat area (2015=100)	-34%	-4%	-11%	-8%	-7%	-11%	-2%	-1%	8%	-9%
Dairy cows (2014=100)	-38%	-32%	-32%	-41%	-28%	-7%	-11%	-53%	-12%	-18%
Net agri-food trade (EUR billion)	-1.04	-2.00	-0.87	-0.46	1.29	-1.22	63.23	-2.68	-3.65	-1.29

Source: WBC StatDatabase 2024, EUROSTAT 2026

- **Purchasing power** and economic development, comparable to the least economically developed parts of the EU (RO, BG)
- **Resources** (land, labor, capital), the entire region is smaller than RO.
- **Natural conditions**, except in the north and along rivers, are less favorable (mountainous and karst terrain).
- A fragmented **agricultural structure** dominated by small farms with a few larger ones.
- **Agricultural productivity** lags significantly behind the EU average (with exceptions).
- Stagnation in **agricultural production** (more so than in the EU).
- **Net food importers**, except for Serbia.

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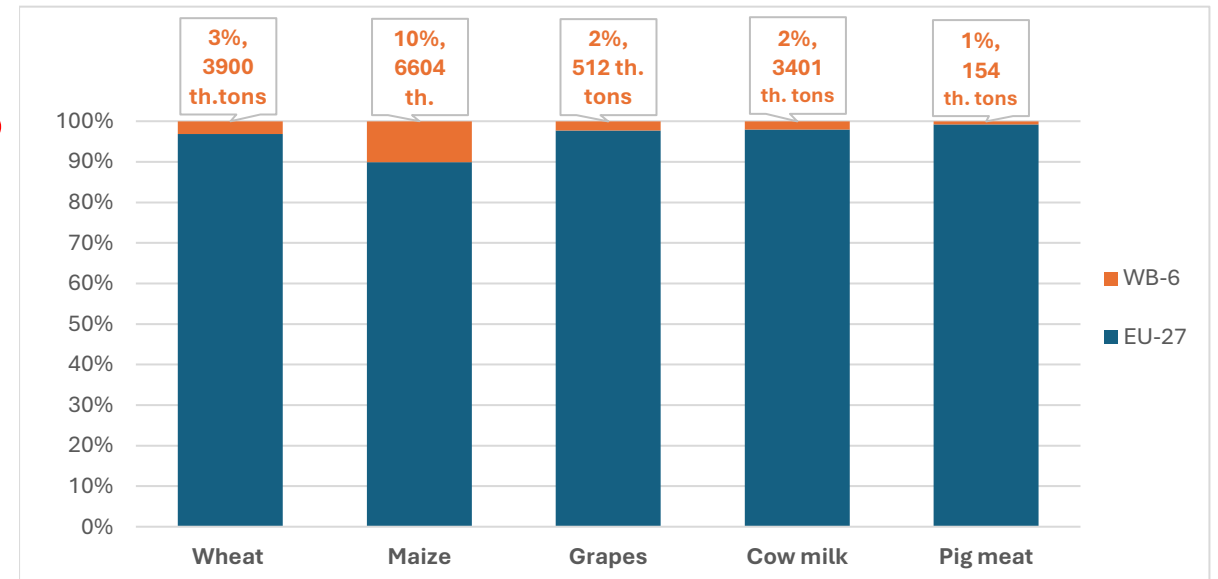
A. WB agro-food markets EU integration impacts

- WB will not account for a significant **EU share** of key agricultural products
 - ... with the exception of corn, soybeans, and berries from Serbia.
- **EU-WB trade** is growing. The trade deficit for the WB is increasing. Even more pronounced changes following accession.
- **Producer price** levels for **crop products** are generally lower than the EU average. This applies only partially to animal products (rough milk, pork!).
- Weaknesses in the **vertical and horizontal organization** of agriculture. Semi-subsistence farming is still existing. Preference for foreign goods in retail.

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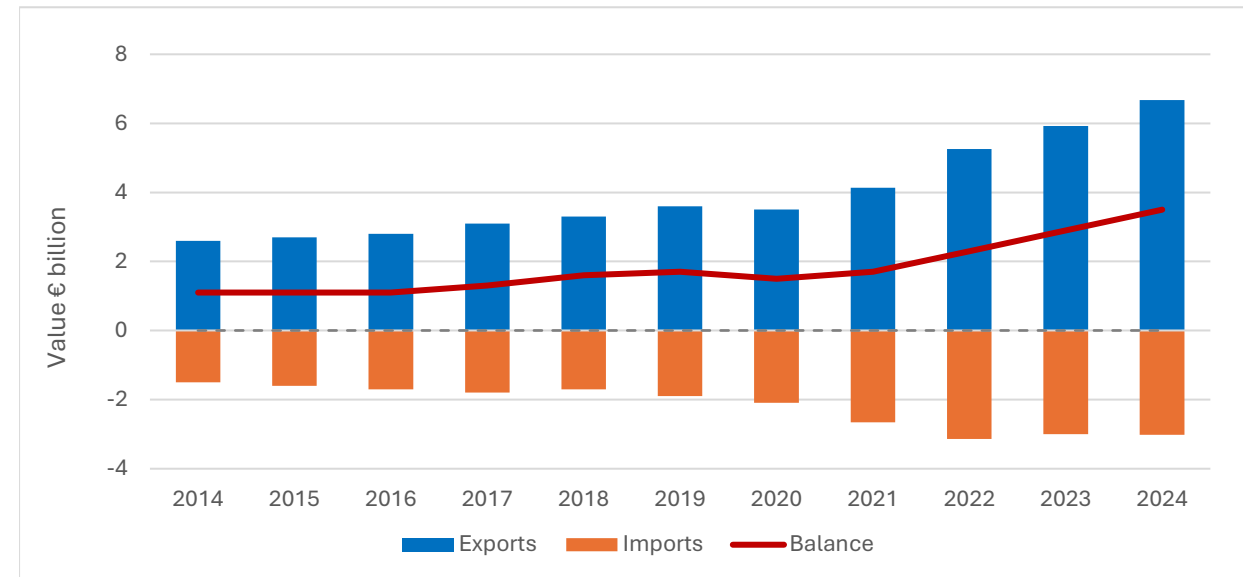


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Share of WB-6 in EU-27 production of selected agricultural commodities (2024, percent and thousand tons)

Source: Eurostat 2026



EU agri-food trade with WB-6 (2014–2024, € billion)

Source: DG Agri 2025a

A. WB agro-food markets & EU integration impacts

- Western Balkan agriculture does not pose an **economic threat** to the EU single market.
 - On the contrary, given the level of development and competitiveness, we expect a major upheaval in production, consumption, and supply chains for WB producers.
- The opportunity **to sell to EU markets** will have positive effects on certain products and supply chains in the WB.
 - If there are no strong supply chains, individuals will take advantage of this (as has been the case so far).
- We can expect a strong positive signal for producers following accession due to increased **budgetary resources**.
 - *Is this statement still true?*

B. EU harmonisation and sustainability of WB agricultural policies



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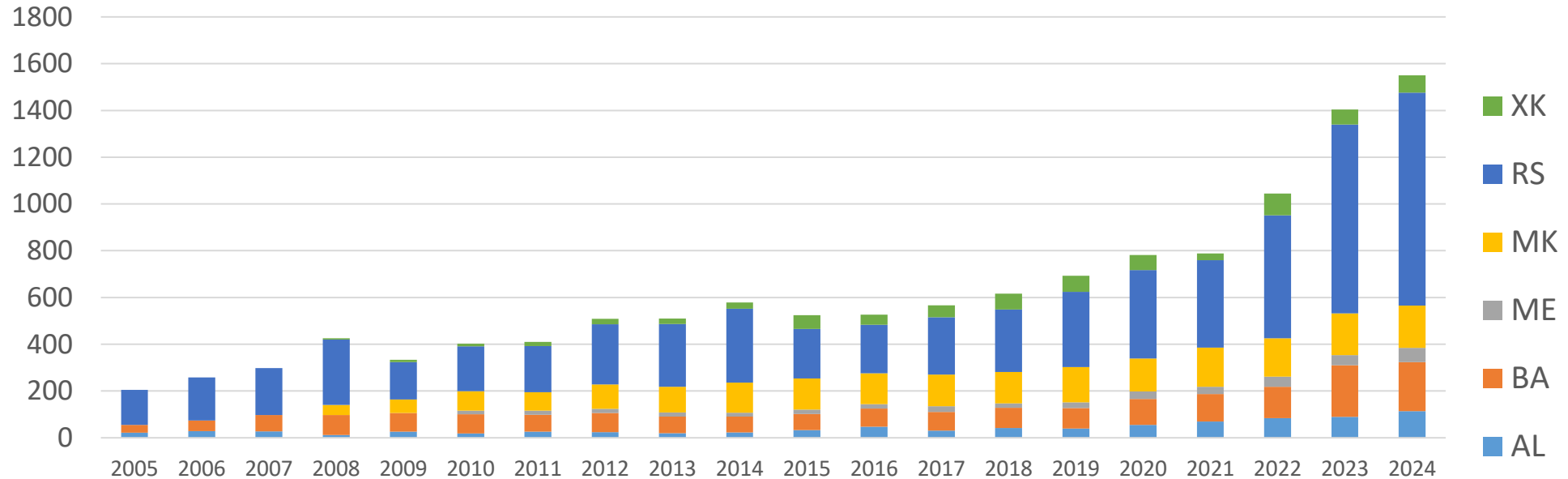


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B. EU harmonisation and sustainability of WB agricultural policies

Total Budgetary Support to Agriculture in WB (total) million EUR



- The region has been discussing **EU accession** since the beginning of the millennium.
- During this period, total **agricultural support** have more than quadrupled! The region is investing in agro-food sector!
- The question is whether this approach is sufficient to improve its infrastructure and adapt to EU requirements.

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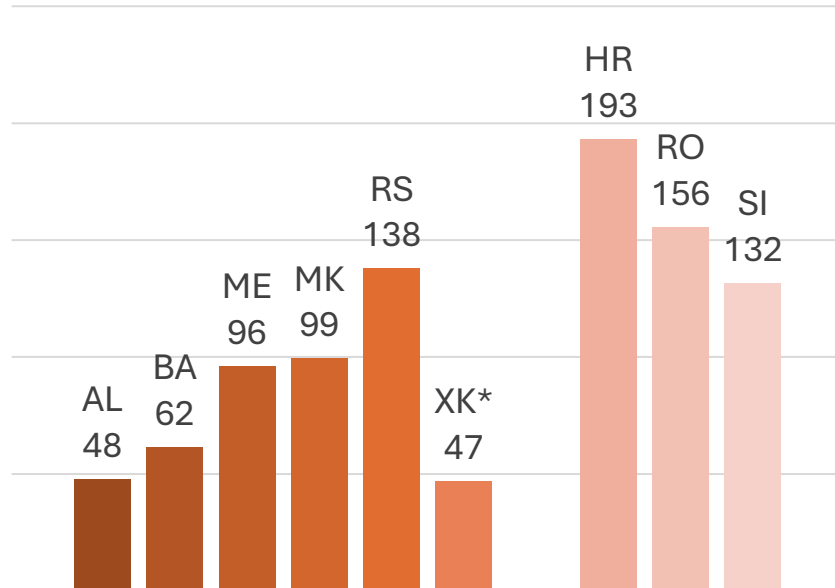
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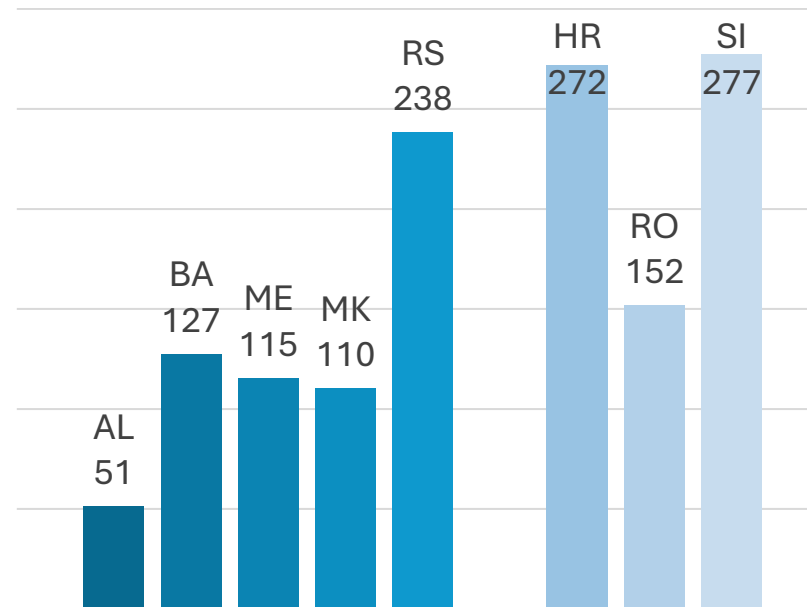
B. EU harmonisation and sustainability of WB agricultural policies

Comparison with selected EU neighboring countries (2023/2024)

Source: Based on WB APMC 2025



Total Budgetary Support
(EUR/capita)



Direct Payments (EUR/ha)

- Differences in **subsidies levels** among WB countries. However, these differences are narrowing.
- Some are already reaching **the level of EU** member states (whether per capita, per hectare, or as a share of GDP)
- Are the subsidies comparable to those in the EU?

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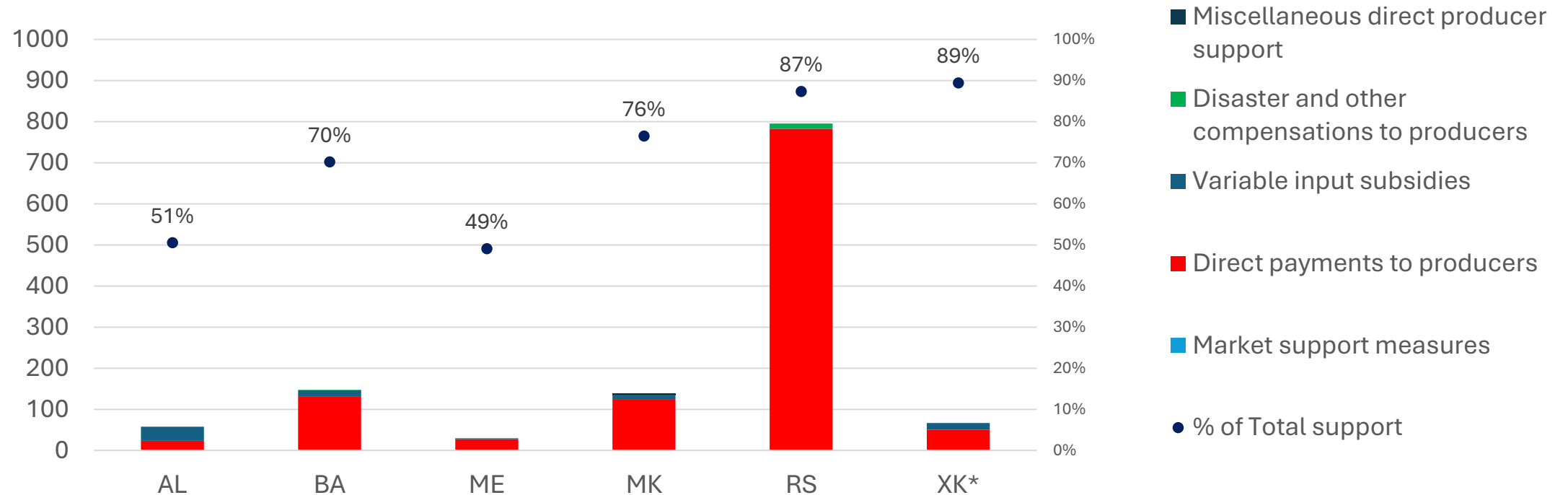


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B. EU harmonisation and sustainability of WB agricultural policies

MARKET AND DIRECT PRODUCER SUPPORT (2024)



Coupled direct payments, input subsidies, and price aids are the predominant forms of support. Their elimination upon accession will cause serious economic difficulties for certain agricultural sectors (dairy, ...).

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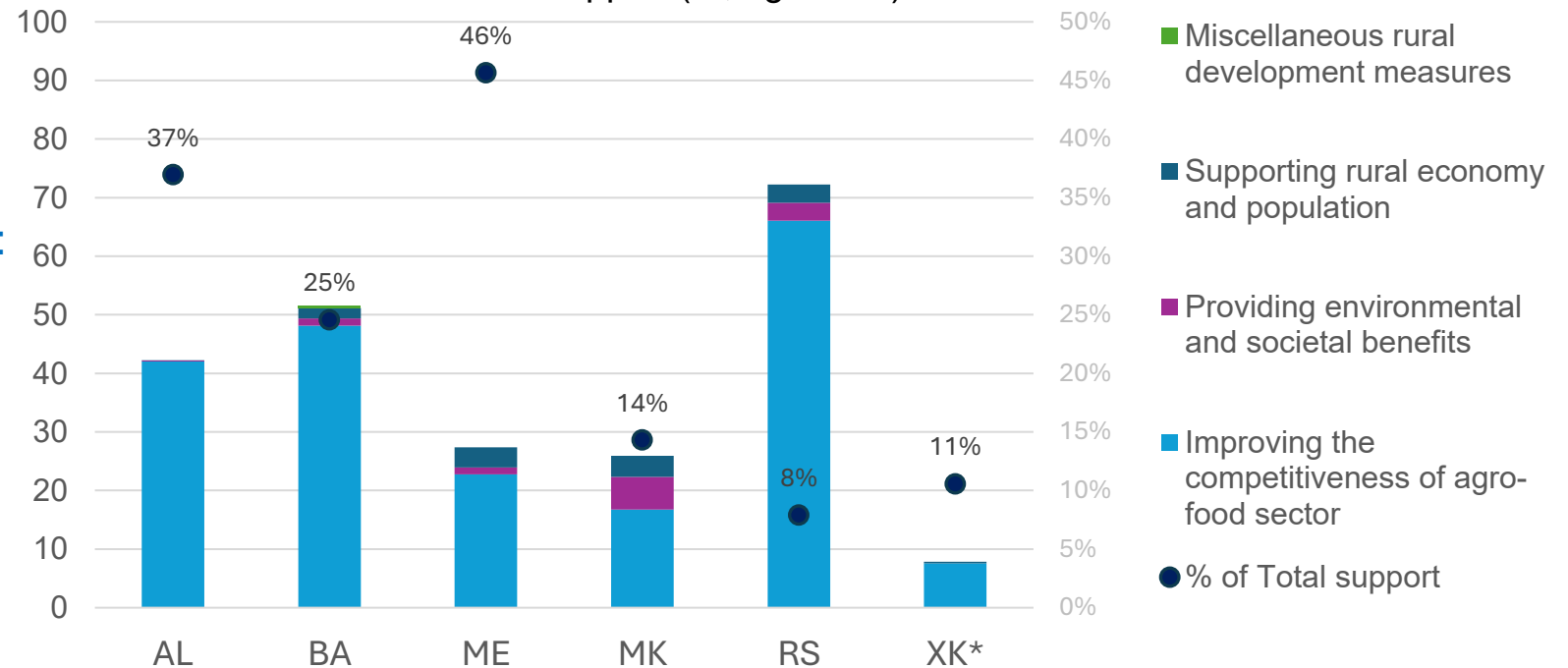
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B. EU harmonisation and sustainability of WB agricultural policies

- The vast majority goes toward **investment support for modernizing agriculture**.
- The other two pillars are negligible (**the environment and social requirements**).

Structural and Rural Development Measures
total amount and composition for 2024 (million EUR, left axis)
and share in total support (% , right axis)



B. EU harmonisation & sustainability of WB agric. policies

- The **strategic documents** of the Western Balkan countries focus on adopting and implementing the principles of the CAP.
- Accession process is further supported by an increase in **budgetary allocations** for agriculture.
 - *The question is whether the support guidelines are consistent with future EU requirements.*
- The **implementation of measures** and **legislative harmonization** is aligning with EU requirements.
 - *Are the differences between countries adequately assessed by the EU?*
- Economic support is provided through **direct payments** and **investment support** strengthening agriculture. Only partially for supply chains!
- The biggest shortfall is the lack of support for **environmental sustainability** (climate, environment, nature, animal welfare). Lack of support for mountainous and ANC areas. Weak for AKIS.
 - Are these deficiencies strong enough reasons for poor ratings on harmonization and policy reforms?

C. Strategic management of CAP post 2028 and EU accession process



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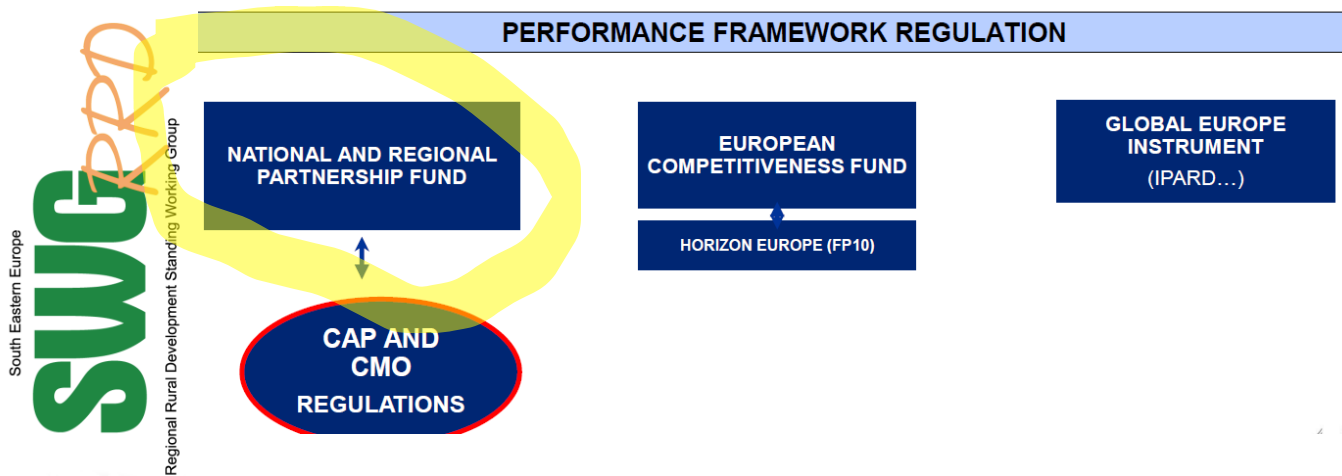
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C. Strategic management of CAP post 2028 & EU accession

Three key policy areas. Traditional policies consolidated into the NRPP.

The CAP in the MFF architecture



National and Regional Partnership Plans

One NRP Plan	• Simplify the current framework: simplified implementation, one set of rules, one programming exercise • Holistic, consistent and coordinated framework • Reforms, investments and other interventions • Enable synergies • More flexibility and adaptability
Comprehensive partnership with all relevant partners	• Regional, local, urban, rural authorities (and other public authorities/associations representing such authorities) • Economic and social partners, including farmers, fishers and their organisations • Civil society, such as environmental partners, non-governmental organisations, youth organisations, and bodies responsible for promoting social inclusion, etc. • Research organisations and universities, where appropriate • Ownership at all levels
Tailored to Member States' & regions' needs	• National, sectoral & regional and territorial chapters (depending on each Member State's administrative set-up, as is currently the case under cohesion policy/CAP) • Tailored to each Member State's national and regional needs • CAP national recommendations providing guidance for the implementation of the CAP-relevant specific objectives,

- The CAP is an **integral part** of the Single Fund and Program (NRPP).
- Two pillars of the CAP will be abolished.
- CAP funds are **ring-fenced** (MS can only use them for CAP measures).
- A different way of deciding and planning!

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C. Strategic management of CAP post 2028 & EU accession

Greater flexibility in designing measures, greater co-financing by MS. But, no paradigmatic change in objectives (sustainability) and basic design of measures.

South Eastern Europe

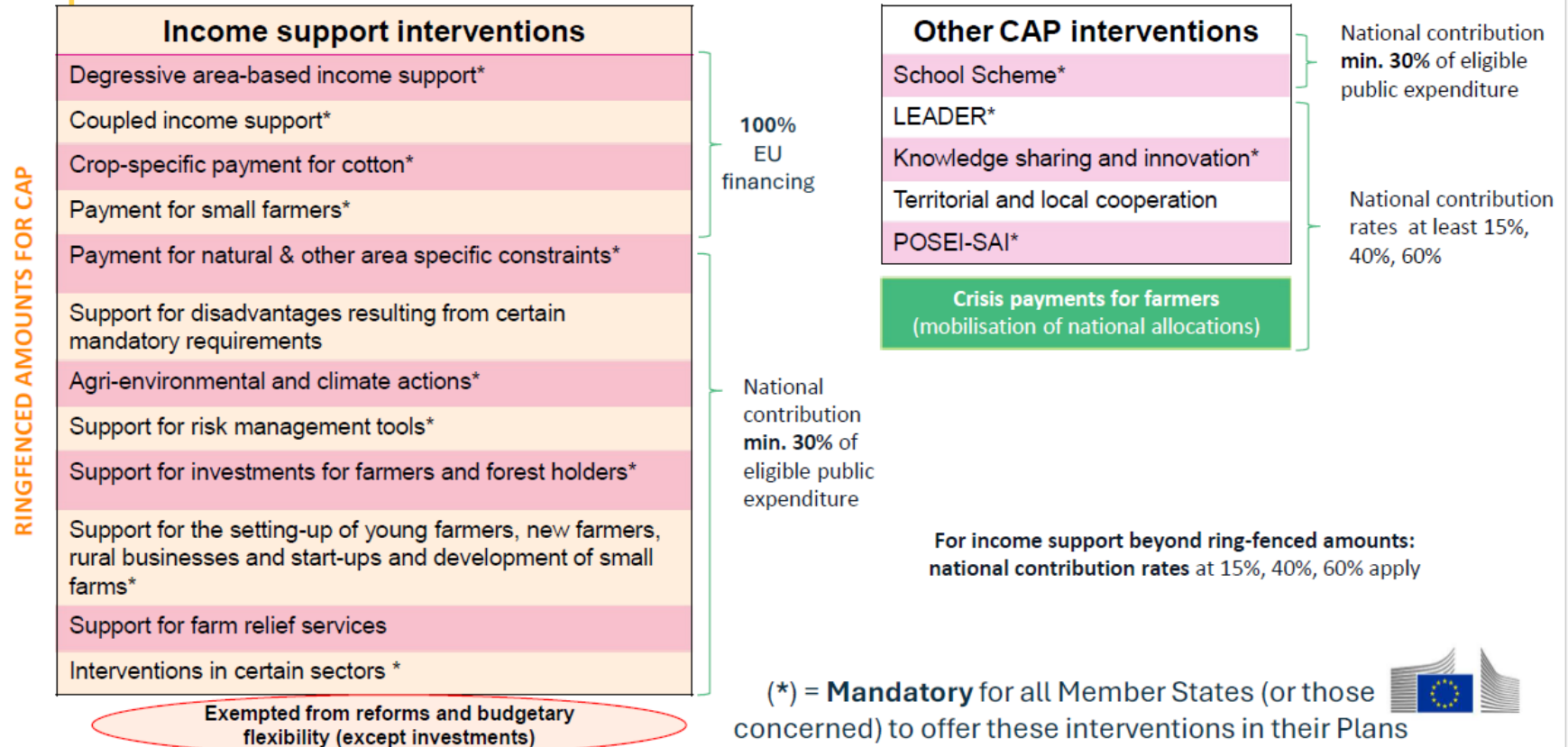
Supporting **fairer and sufficient income** for farmers and their long-term competitiveness, including the farmers' position in the value chain

Contributing to long-term **food security**

Enhancing **rural attractiveness** and living standards, ensuring fair work conditions, fostering generational renewal, improving farmers' preparedness to cope with crisis and risks, and promoting knowledge, innovation, and the digital-green transition in the agri-food sector

Promote resilient **climate** action, ecosystem services, efficient **water** management, **biodiversity**, **soil** and natural resources, and animal welfare

Preserving and expanding the CAP toolbox



C. Strategic management of CAP post 2028 & EU accession

- The EC's proposals for **the CAP and MFFpost 2028** brings significant changes in policy and institutional frame.
 - These must be incorporated into the accession process!
- Greater **responsibility** and **flexibility** for Member States may mean that candidate countries also bring more differences with them into the EU.
 - Adapting to differences and priorities!
- Candidate countries generally plan their EU accession on a sectoral basis. The NRPP requires a **coordinated approach** and greater scope for integrated policies.
 - This is important for the development of agro-food supply chains, environmental policies, and, of course, a different, broader understanding of rural development.

D. Take home messages (questions)



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WB accession to EU: agriculture an obstacle?

- Is **agriculture** a serious obstacle to the WB' accession process?
 - NO.
- Are the **economic consequences** of accession acceptable to both sides?
 - Yes, if economic structures in the Western Balkans are strengthened.
- Is **agricultural policy** adapting sufficiently in terms of institutions, legislation, and policy reforms?
 - There are differences, but where there is political will, things move faster.
 - In general, the process can be accelerated quickly in all countries.
- What is the **key driver of change**: **political will** on both sides, specifically:
 - For the **Western Balkans**, to increase political will: implement serious reforms and build administrative capacity.
 - For the **EU**, to increase understanding of the regional (historical – cultural) differences and strengthening political support for the Western Balkans' integration into the EU.