

Voluntary Report – Voluntary - Public Distribution

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Report Name: EC Finds BiH is in Early Stage Preparations in Agriculture and Fishery Areas

Country: Bosnia and Herzegovina

Post: Sarajevo

Report Category: Agricultural Situation

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Report Highlights:

On October 6, the European Commission (EC) released its opinion on Bosnia and Herzegovina's (BiH) application for European Union membership, noting that preparations in the areas of agriculture and fisheries are at an early stage, while the country has achieved some level of preparation in the area of food safety, veterinary and phytosanitary policy. The EC particularly noted that in the future BiH should improve its administrative capacity for participating in the Common Agricultural Policy (CAP) and ensure that its legislation and agricultural information systems are aligned with the EU acquis. It should also improve its food inspection services and testing laboratories, adopt the OECD seed schemes, and an EU – like strategy on fisheries and aquaculture.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Summary

On October 6, the European Commission (EC) issued an annual progress report on Bosnia and Herzegovina's (BiH) application to the European Union (EU) membership, noting that the country's preparation ranges from an early stage for agriculture and fishery policy to slightly more advanced stage in the areas food safety, veterinary and phytosanitary policies.

Specifically, in the area of agriculture and rural development policy, BiH needs to ensure effective implementation the 2018-2021 strategic plan for rural development by harmonizing programs and support measures across the country and prepare a new post-2021 strategic plan. BiH needs to establish administrative structures required for the CAP, such as a paying agency and an integrated administration and control system, including a land parcel identification system. It will also need to establish a farm accountancy data network in line with the *acquis*. Due to a lack of political agreement related to the current state-level competencies, the country cannot establish the institutional structures (in particular a paying agency at the state level) necessary to benefit from the instrument for pre-accession assistance for rural development.

The extension service is underdeveloped and not harmonized across the country. Direct payments are still unaligned with the EU rules by decoupling them from production. The EC earlier noted that agricultural payments that mainly include direct payments for milk, per head of cattle/hectare and other direct payments, are not harmonized countrywide, and are not effective to boost the sector's productivity and competitiveness.

In the wine sector, BiH does not have a register of grape and wine producers or a vineyard cadaster, and there is no official statistics on the number and size of households and farms producing grapes. The country needs to adopt a state-level law on wine, as well as on organic production, as required by the *acquis*.

Regarding fisheries, the EC emphasized that BiH is at an early stage of preparation. BiH should adopt a countrywide strategy on fisheries and aquaculture, harmonize legislation in this sector across the country, and establish relevant statistics.

The EC specified that BiH achieved some progress on food safety, veterinary and phytosanitary policies. Limited progress was made in terms of compliance with the EU rules and requirements for the export to the EU of poultry meat and poultry meat products, as well as industrial eggs, but the BiH still needs to achieve compliance in other categories of meat (so far BiH is only allowed to transit beef meat and products through the EU when exporting it to third countries).

BiH needs to ensure alignment with the acquis in particular in official controls and laboratories. There is still no full national reference laboratory system in BiH that conducts hygiene, veterinary, phytosanitary controls, food and feedstuff analysis as per acquis requirements, and no state-level strategy for laboratory testing of samples, as required by the official food and feed controls system.

Regarding the veterinary policy, BiH has achieved some progress in controlling communicable animal diseases but needs to increase efforts to further align with the acquis, in particular with EU legislation on animal health and on animal by-product management. It should continue to implement its veterinary policy regarding control, prevention, and eradication of communicable animal diseases, including measures against brucellosis and rabies (there was a recent outbreak of rabies in a hunting dog) despite challenging budgetary constraints.

Animal identification, registration and movement control for bovine should be improved in order to ensure more efficient animal health measures. BiH should work on setting up its central animal identification and registration systems for sheep, goats, pigs, and horses.

Inspection capacities need to be upgraded and their operating procedures must be harmonized countrywide and in line with the EU legislation.

As for its phytosanitary policy, BiH successfully maintains a functioning registration of relevant producers, importers, exporters, and distributors in a single phyto-registry, but did not start issuing of plant passports. BiH has not adopted the OECD seed schemes yet, and work of official diagnostic laboratories and official controls of imports needs to be aligned with the acquis. BiH should implement the principles of integrated pest management across the country.

In the area of “genetically modified organisms (GMOs)”, BiH should ensure alignment with the EU acquis, and harmonize and enforce legislation across the country. The country should set up its reference laboratory for testing, controlling, and monitoring the presence of “GMOs” in food and feed.

In its earlier report, the EC stressed that agriculture is one of the most important economic activities in BiH that generates approximately eight percent of its gross domestic product and employs approximately 160,000 people (19 percent of the total work force).

However, BiH’s accession to the EU is expected to have limited impact on the CAP, as it would add 2.2 million hectares of agricultural land. This corresponds to approximately one percent of the utilized arable area in the EU-27.

Attachments:

No Attachments.