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# Slovenia

# Trade Policy Monitoring

# European Union Accession Progress

# 2000

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**Report Highlights: In 1999 Slovenia completed the European Union accession screenings in the field of agriculture. According to the state secretary in the Ministry of Agriculture, Forestry and Food (MAFF) competent for European affairs, Slovenia's agricultural legislation was judged to be largely conformant with EU legislation. Slovenia has requested eight transition periods and five permanent derogations.**

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**Summary**

In 1999 Slovenia completed the European Union accession screenings in the field of agriculture. According to the state secretary in the Ministry of Agriculture, Forestry and Food (MAFF) competent for European affairs, Slovenia's agricultural legislation was judged to be largely conformant with EU legislation. Slovenia has requested eight transition periods and five permanent derogations.

**Negotiation Positions for Agriculture**

Slovenia transmitted its accession negotiation position paper to the EU Commission In December 1999. In this document Slovenia committed itself to complete harmonization of its agricultural legislation with that of the EU by 2003, with the exception of eight requested transition periods and five permanent derogations. The bases for negotiations are a new law on agriculture (scheduled to pass Parliament in the middle of this year), agricultural policy reform, and establishment of an agency for agricultural markets and rural development. Quotas and financial questions are not mentioned in the position paper.

The transition periods requested were:

1. Dairy quotas: Until December 31, 2012 distribution of dairy quotas to individual producers remain a prerogative of the Slovenian government, and not the EU;
2. Nurse cow premiums: Postponement until December 31, 2012 of mandatory distribution to individual producers of rights to nurse cow premiums.
3. Sheep and goat premiums: Postponement until December 31, 2012 of mandatory distribution to individual producers of rights to sheep and goat premiums.
4. Fluid milk categories: Postponement until December 31, 2005 of imposition of EU butterfat content grading standards, i.e., for that period Slovenia can continue to permit domestic retailing of 3.2% fat milk.
5. Breeder organizations: Postponement until December 31, 2004 of imposition of provisions relating to breeder organizations and authorities exercised by them.
6. Forest reserves: Postponement of adoption of definition of forest reserve areas until December 31.2005
7. Forestry reproductive material: Regarding trade in forestry reproductive material produced in Slovenia, postponement of imposition of EU directives on seeds until December 31, 2003 and on saplings produced from these seeds until December 31, 2007.
8. Breeders rights: Postponement until December 31, 2009 of imposition of breeders licensing fee.

The following permanent derogations were requested:

1. Surplus wine: Exception from the EU requirement on mandatory distillation of surplus grape wine production for Slovenian producers
2. "Cvicek" wine: Regarding the prohibition on blending of white and red grape varieties and provisions on the minimum alcohol content, Slovenia requests an exception for the wine known as "Cvicek", for which blending and minimum alcohol content of 8.5% should be allowed. This wine is protected by special decree in Slovenia.
3. Wine labeling: That table and quality wines produced in Slovenia be allowed to be labeled in Slovene and one other EU member state language.
4. Bee trade: That Slovenia be permitted to restrict trade in bees within Slovenia to the Carniola bee breed -*Apis mellifera Carnica*.

5. Agricultural chemicals: That on territory of Slovenia the restrictions on use of atrazine, chloropicrin, methyl bromide, paraquat dichloride, 2,4,5-T and carbon tetrachloride remain in effect.

Slovenia will in its negotiations seek compensatory payments from the first day of full membership for the measurements in effect upon that date in Slovenia and which will be until that moment fully financed from the national budget. Based on currently existing market orders in the EU, Slovenia anticipates compensatory payments of an estimated EUR 303 million per year.

These negotiating positions were generally well accepted by the agricultural NGOs, except that they were not pleased with Slovenia's obligation to follow consistently EU law.

**Red meat export ban**

Because of an incompatibility of the Slovene veterinary control system with EU legislation and some irregularities discovered during a routine EU veterinary inspection in some Slovene slaughterhouses in September 1999, the EU veterinary commission issued a ban on import of red effective February 1, 2000 unless specific conditions are met by that date. The main complaint by the EU veterinary inspectors was the duality of veterinary inspection in Slovenia. On the one side the Veterinary Administration as part of the Ministry of Agriculture, Food and Forestry is authorized to issue export certificates, and on the other side the Veterinary Institute, as an independent institute established by the government , had the veterinarians who perform the actual veterinary inspections. The Veterinary Administration had no opportunity to decide which veterinarian could be licensed for certifying meat for export. Thus Slovenia had to amend its veterinary inspection regulations to shift this authority to the Veterinary Administration. This change took place in the beginning of December 1999. Accordingly, the EU veterinary authorities at the end of December found no deficiencies and the export ban on red meat from Slovenia will not be imposed.

**Change in market orders for wheat and milk**

The market order for wheat changed this year to match EU market orders. This year the buying in of wheat will not be conducted at harvest time, but rather it will start September 1 and last until the end of December. The minimum quantity is set at 500 kg and the guaranteed price is 21 SIT ($0.11) per kilogram, which covers about 60% of average production costs.

The change in the dairy market order involves switching from a price-controlled market, in which the producer price for milk was set by the state, to free market price formation. Producers are apprehensive at this moment that the processors will try to push prices too low and the milk producers will not be able to stand up to them because the existing system has not forced them to organize for mutual goals, and it was until now not important how much milk a farm produced. Until now, all milk was collected and transported to processors. The second change in milk production is the strict attention to milk quality standards, particularly the sanitary requirement that in one ml of milk a maximum of 100,000 somatic cells may be detected. This standard is specially hard for small producers, which have only a few animals each and whose milking equipment is not very up to date. Also, most of them they don't have individual cooling tanks.

This year Slovenia is also starting to introduce agri-environmental programs on the same premises as such programs in EU. At the moment it is not clear yet to what extent these programs will be implemented in the year 2000, because the budgetary debate is not finished yet, and the financial resources for this programs could potentially be redirected to some other programs.

In 1999 Slovenia also started an animal passport system, permitting tracking meat from "stable to table", which was also a requirement set by the EU. In this system the most important information is a farm code, which will follow the animal and later the meat, so the consumer (and if necessary, veterinary authorities) will be able to trace back from which farm the animal originated.

**SAPARD**

In the framework of the EU's Special Accession Programme for Agriculture and Rural Development (SAPARD) program Slovenia is receiving, according to the distribution criteria, EUR 6.337 million per year, which is much less than expected. Because of this, Slovenia is now seeking an opportunity to use additional SAPARD funds, if some other candidate countries do not use their full allocations. The total SAPARD budget for the period 2000-2006 should be, according to Slovenian Ministry of Agriculture, Food and Forestry's proposal, EUR 69,512,443.

Slovenia prepared three groups of priorities:
- investments on farms for production restructuring,
- qualifying the Slovene food processing industry to cope with competition from the EU, and
- investments in agricultural and regional development.

The primary condition that Slovenia must meet in order to start using this money next September is establishing a functioning paying agency, which should be accredited by the EU before June 26.