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

### Number of Agricultural farms

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Vardar region</td>
<td>23,287</td>
<td>20,322</td>
<td>23,657</td>
<td>2%</td>
</tr>
<tr>
<td>East region</td>
<td>27,795</td>
<td>23,762</td>
<td>19,750</td>
<td>-29%</td>
</tr>
<tr>
<td>Southeast region</td>
<td>25,978</td>
<td>25,818</td>
<td>26,183</td>
<td>1%</td>
</tr>
<tr>
<td>Northeast region</td>
<td>21,831</td>
<td>20,464</td>
<td>15,770</td>
<td>-27%</td>
</tr>
<tr>
<td>Southwest region</td>
<td>21,412</td>
<td>18,775</td>
<td>11,156</td>
<td>-48%</td>
</tr>
<tr>
<td>Pelagonia region</td>
<td>27,578</td>
<td>24,939</td>
<td>36,372</td>
<td>32%</td>
</tr>
<tr>
<td>Polog region</td>
<td>25,632</td>
<td>21,492</td>
<td>15,281</td>
<td>-40%</td>
</tr>
<tr>
<td>Skopje region</td>
<td>19,965</td>
<td>15,313</td>
<td>13,498</td>
<td>-29%</td>
</tr>
<tr>
<td>Total</td>
<td>192,378</td>
<td>170,885</td>
<td>161,657</td>
<td>-16%</td>
</tr>
</tbody>
</table>

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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 45 years and 18,6% are over 65 years

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**
• 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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