

THE EUROPEAN REGULATORY FRAMEWORK FOR FARM ADVISORY SERVICES

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Summary

In the European Union farm advisory systems' preliminary purpose is to help farmers to better understand and meet the requirements of the EU rules on environmental aspects of agriculture. A great shift towards these goals and the importance of the farm advisory systems took place in 2003, when the reform of the Common Agricultural Policy introduced the cross compliance mechanism, which is in force as of 2005, and links direct payments directly to farmers' compliance with basic standards related to the environment, food safety, animal and plant health and welfare, and in general, the requirement to maintain land in good agricultural and environmental conditions.

The purpose of this paper is to define the regulatory framework of farm advisory system and services in the EU and raise the question of the lack of interest and appropriate mechanisms to broaden the activities of Serbian Agricultural Extension Services towards control of cross-compliance requirements and good agricultural practices.

Key words: *Farm Advisory System, Extension Services, Farm Advisory Services, cross-compliance, agri-environmental measures*

JEL: *Q15, K32*

Introduction

In a modern economy, environmental concerns can no longer be disassociated from economic activities and sector specific policies, such as agricultural policy. The Common Agricultural Policy has been constantly evolving in order to encompass the changing needs of the agricultural producers, the economy and European society as a whole, aiming also to ensure the long term protection of the EU's natural resources. EU's agricultural policy has recognized the complex interactions between food production and natural resources, and many regulatory instruments

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have been developed to guide European farmers towards a sustainable agriculture. The farm advisory system is just one component of a large and complex matrix of EU agricultural policy to address the sustainable management of natural resources. Rising interest in agricultural advisory services is emphasizing the continued need for agricultural advisory services as a means of promoting agricultural productivity, increasing food security, improving rural livelihoods, and promoting agriculture as an engine of economic growth (Birner et al., 2006).

Since the Mac Sharry reform in 1992 an increasing focus has been put on the environmental dimension, and this is confirmed in the ‘Agenda 2000’ reform which was built on two pillars. The first is linked to market support and farmer income support, and the second relates to rural development. In 2003 a new reform of the first pillar has reinforced the environmental concerns, urging farmers to respect environmental, food safety and animal welfare legislation, as well as good agricultural and environmental conditions. Cross-compliance, a link between the payments to agricultural producers and their adherence to compulsory standard of production in line with statutory requirements and good agricultural and environmental practices had been established.

This GAP reform urged national authorities of the Member States to set up a Farm Advisory System and to offer farmers advices, as of 2007. Pursuant to article 4 of the Council Regulation No. 73/2009, any farmer receiving direct payments is obliged to respect the statutory management requirements listed in Annex II of this Regulation and the good agricultural and environmental condition, which is referred to in Article 6 of this Regulation and essentially relates to member states’ power to define minimum requirements for good agricultural and environmental condition on the basis of the framework established in Annex III of this Regulation. The competent national authority has to provide the list of statutory management requirements and the good agricultural and environmental condition to be respected.

The existing legal framework at the EU level and the impact of reform of the CAP

The Farm Advisory System is a concept used to cover the overall organization within the country. It includes public and/or private operators which deliver advisory services to farmers: all farmers or the priority categories of farmers, e.g. if the available budget is not sufficient for all.³ From a legal standpoint, the farm advisory system is envisaged as an instrument in Regulation (EC) No. 1782/2003,⁴ as well as the Regulation (EC) No. 1698/2005 as a support from the European Agricultural Fund for Rural Development for the setting-up and use of advisory Services. Both Council regulations were complemented by an implementing act, the Commission Regulation (EC) No 1974/2006, which forms the initial legal architecture of this instrument of common agricultural policy.

3 The initial obligation is to give priority to farmers receiving more than 15.000 EUR in direct payments.

4 Article 13 introduced the obligation for the member states to set up a farm advisory system by January 1, 2007.

Article 12 of the Council Regulation (EC) No 73/2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and Repealing Regulation (EC) No 1782/2003 requires that Member States establish and operate a system of advising farmers on land and farm management. The farm advisory system must cover at least the statutory management requirements and the good agricultural and environmental condition as defined in articles 4 to 6 of this Regulation. The advice is an output of a farm advisory system, which should also be clearly distinguished from the mere provision of information to farmers, as advisory services should assess the specific situation of the farmer and not only present general information. The provision of information on cross-compliance is already obligatory pursuant to Article 4(2) of Regulation 73/2009.

Recently announced Reform of the Common Agricultural Policy⁵ has revealed that the cross-compliance list of rules has been simplified to exclude those where there is no clear or controllable obligation for farmers.⁶ The list of issues on which member States will have to offer advice to farmers has been enlarged to cover, beyond cross compliance, the green direct payments, the conditions for maintenance of land eligible for direct payments, the Water Framework and Sustainable Use of Pesticides Directives, as well as certain rural development measures. Article 12 of the Commission's Proposal for a Regulation on financing, management and monitoring of the CAP, stipulates that the farm advisory system should cover at least:

- a) The statutory management requirements for good agricultural and environmental condition of land;
- b) The agricultural practices beneficial for the climate and the environment as proposed in Commissions proposals on rules for direct payments and rural development;⁷
- c) The requirements or actions related to climate change mitigation and adaptation, biodiversity, protection of water, animal and plant disease notification and innovation at minimum, as laid down in Annex I to this Proposal for a Regulation;
- d) The sustainable development of the economic activity of the small farms as defined by the Member States and at least of the farms participating in the small farmers scheme referred to in the Proposal for a Regulation on support for rural development by the European Agricultural Fund for Rural Development (EFARD);⁸

5 European Commission, CAP Reform – An explanation of the main elements, MEMO/13/937, 25.10.2013.

6 European Commission, Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy, SEC(2011) 1153; SEC(2011) 1154), COM(2011) 628/final/2, 19.10.2011.

7 www.ec.europa.eu/agriculture/cap-post2013/legal-proposals/index_en.htm

8 Article 16 of the Proposal for a Regulation, COM(2011) 627 final/2.

- e) The farm advisory system may also cover the sustainable development of the economic activity of holdings which are not small farms, according to national legislation.

The Farm Advisory System already covers many practices that reduce the impact of farming on the climate. For instance, protection of permanent pasture, crop rotation, minimum soil cover, reduced tillage under the minimum land management standard, rules on crop residue management and maintenance of soil organic matter and requirements under the Nitrates Directive relating to the application and storage of manure. However, the Proposal includes within the FAS framework specific action on climate change, including the provision of technology-related advice.⁹

From Commission's Report on the Application of the Farm Advisory System of 2010¹⁰, it is evident that the farm advisory system in the EU will undergo changes, mostly related to the improvement of the system's management; its main instruments such as the provision of advice, delivery of information, extension services; and the description of advisory work. The Commission's Proposal for the Regulation on financing, management and monitoring of the CAP indeed gives Commission powers to adopt implementing delegated acts aiming to render the system fully operational, assisted by a Committee called 'Committee on the Agricultural Funds' within the meaning of Regulation (EU) No. 182/2011.

Purpose and scope of farm advisory services in the EU

The term 'agricultural advisory services' has evolved from the term 'agricultural extension'. Although agricultural advisory services trace back as far as 1800 B.C., formal practices began in late 1800s A.D.: the first modern agricultural advisory service was established in Ireland during the potato famine in 1845. In many developing countries, commodity-oriented technical advice was provided during colonial times to farmers, but national agricultural advisory services were not formally established until the 1950s and 60s. Initially, these services were designed to bring new knowledge and techniques from public research organizations to a broader spectrum of farmers. While the goals of agricultural advisory services are much the same as when they were introduced, their scope have changed and today assume a much more holistic and facilitatory role, and the range of organizations providing advisory services also increased. Nowadays there is a tendency of pluralistic agricultural advisory services, referring to coexistence of a variety of institutional options existing for financing and providing agricultural advisory services (Birner et al. 2006; Lashgarara, Peshbien, 2004).

9 This has been envisaged in Commission's White Paper on climate change: 'Adapting to climate change' (COM(2009) 147); European Commission, DG AGRI Staff Working document accompanying the White Paper: 'Adapting to climate change: the challenge for European agriculture and rural areas' (SEC(2009) 417).

10 European Commission, Report from the Commission to the European Parliament and the Council on the application of the Farm Advisory System as defined in Article 12 and 13 of Council Regulation (Ec) No 73/2009, COM(2010) 665 final, 15. 11. 2010.

Farmers nowadays need a broad spectrum of information and advice, from farm accounting issues to nature conservation. A general agricultural adviser, no matter how much educated and how well trained, can not be a specialist in every field. We may say that he or she is a general practitioner. Such as medical doctors who are general practitioners, the farm advisory service advisor should be able to suggest to farmers to address to specialized services and guide him through sources of relevant information. Therefore, an important question of the organization of the farm advisory system is the coordination: coordinating bodies at the national or regional level should help advisors to build up a network of specialists (Nitsch, Osterburg, 2007).

As above presented, the minimal scope of advisory services must cover at least the statutory management requirements and the good agricultural and environmental condition, including an overall permanent pasture ratio, as defined in articles 4 to 6 of the Regulation (EC) No. 73/2009. This can be briefly explained in the following table.

Table 1. Minimal scope of advisory services

1. Statutory Management Requirements	2. Good Agricultural and Environmental Conditions	3. Permanent Pasture Ratio
<p><i>Annex III of Regulation (EC) No. 1782/2003, slightly amended in Annex II of the Regulation (EC) No. 73/2009</i></p> <p>Natura 2000 Directives; Nitrates and Groundwater Directives; Sewage Sludge Directive; Animal Identification-Registration; Pesticides Directive; Hormones ban Directive; General Food Law; Notification of diseases Directives; Animal Welfare Directives</p>	<p><i>Annex IV of Regulation (EC) No. 1782/2003, amended in Annex III of the Regulation (EC) No. 73/2009</i></p> <p>Minimum soil cover; Minimum land management; Retain terraces; Crop Rotation; Arable stubble management; Appropriate machinery use; Minimum livestock stocking rates; Permanent Pasture protection; Retention landscape features; Unwanted vegetation; Olive groves maintenance</p>	<p>Overall obligation to maintain a percentage of land under permanent pasture</p>

Source: Regulation (EC) No. 73/2009, articles 4-6.

The reform of the CAP introduced the notion of sustainable agriculture and opened the way for a number of accompanying measures to promote production methods compatible with the environment and the maintenance of the rural and natural space. Regulation (EC) No. 2078/92 has launched the agro environmental measures, further elaborated under the Regulation (EC) No. 1257/1999. National agricultural extension services started to provide farmers on these issues. One interesting concept of extended advisory capacity is developed in France and introduced by the Agrarian Law of 1999 ‘Sustainable territorial user contract’ (*Contrat territoriaux d’exploitation*). This is an innovation of rural development policy, which included an economical approach of the farm and multi-functionality of agriculture, associating support to farm investment to the application of environmentally sustainable farming practices.

The farm advisory system is an additional tool to support the integrated system of direct support schemes, which inter alia consist of the identification system for agricultural parcels and farms, and their payment entitlements. Such systems represent control systems to ensure compliance with the statutory management requirements and good agricultural and environmental condition. The farm advisory system must be clearly distinguished from the control of cross-compliance. Advice to farmers is clearly distinguished from controls to ensure cross compliance obligations.

As a tool of the farm advisory system, farm advisory services include various advisory activities provided to farmers ranging from information to training and advice. As stipulated in Article 20a of Regulation (EC) No. 1698/2005, one has to differentiate between ‘training activities’ (measure 111) and ‘advisory services’ (measures 114 and 115). Training activities are just an input which is therefore not directly linked to farm advisory system, but the acquisition of competences to improve performance of both farmers and advisors. Training may reduce advice costs, but is often less focused on the individual problem of the farm. On the other side, unlike information, as the provision of facts, such as for example a list of farmers’ obligations as required by article 3.2. of Regulation (EC) No. 1782/2003, advice is the provision of a technical and skilled opinion on a specific subject. The advice is an opinion which should help the farmer in order to decide relative to a product or process, or to clarify the farm holding parameters and interact with the farmer’s assessment of his farms strengths and weaknesses.

Table 2. Actors and their roles with regards to compliance requirements

Farm advisory system	Agricultural producer	Integrated Administration and Control System (IACS)
Advisors help farmers with advice on statutory cross-compliance requirements and good agricultural practices	Agricultural producer has to implement minimum statutory requirements and good agricultural practices and is responsible for his actions	In case of non-compliance, both intentional and non-intentional, controls can lead to reductions and sanctions

Source: According to author.

When non-compliance is the result of an act or omission directly attributable to the farmer who submitted the aid application, the sanction would be the reduction or exclusion of the amount granted, taking into account the severity, extent, permanence and repetition of the non-compliance. As non-compliance is often the result of the absence of knowledge and information about good agricultural practices and statutory agro-environmental standards, the existence of national farm advisory systems is a guarantee that farmers may receive advice at least on the basic cross-compliance requirements, which should be a motivation to comply with environmental standards (Winter, May, 2001).

Operationally, the farm advisory service helps farmers to meet cross-compliance requirements, but in many EU member states it supported farmers’ accountancy skills and book-keeping as regards cross-compliance obligations. Especially beneficial is one-to-one advice using checklists, as it is an individualized and structured approach to providing

advice. Therefore, the purpose of the advisory activity is to help farmers facing their obligations under cross compliance. The Regulation 73/2009 did not specify conditions to the frequency of advice, qualification of advisers and whether the advice has to be paid. Farmers use the advisory system on a voluntary basis and they remain responsible for acting on the advice they receive. Farm advisory systems do not affect obligations and responsibilities of farmers to meet the legal requirements. When inspecting farms, some member states consider that farmers seeking advice present a lower risk (Povelatto, Scorzelli, 2006).

Another purpose of farm advisory services is to enhance competitiveness of agricultural activities. Pursuant to Regulation (EC) No. 1698/2005 on support for rural development by the EFARD *‘To achieve the objective of improving the competitiveness of the agricultural and forestry sectors it is important to build clear development strategies aimed at enhancing and adapting human potential, physical potential and the quality of agricultural production’*. Axis 1 of CAP Pillar II specified activities related to competitiveness which may be summarized as follows in Table 3.¹¹

Table 3. CAP Pillar II - measures related to competitiveness

Measure 111	Measure 114	Measure 115
Vocational training and information for agricultural, food and forestry sectors – focused on improving the overall level of skills in the farming, food and forestry sectors.	Use of advisory services by farmers and foresters – farmers to become more responsive to new developments and techniques increasing efficiency and economic viability whilst adopting more sustainable practices. Advisory services should cover at least a minimum of statutory and good agricultural practices, including occupational safety.	Setting-up of farm management, farm relief and farm advisory services – incentive or farm advisory services to be set up, including support for investments to strengthen institutional capacity.

Source: According to author.

Financing and access

With regards to its financing, the rural development policy (CAP Pillar II) may co-finance the setting up and the use of the farm advisory service by farmers – that is a choice of the Member State when preparing its Rural Development Programme.¹² The first measure is co-financing farmers’ use of farm advisory services in order to help farmers to meet the costs arising from their use of advisory services. The support is limited to 80% of the eligible cost per advisory

11 European Commission, Directorate General for Agriculture and Rural Development, Handbook on Common Monitoring and Evaluation Framework, Guidance document, Guidance note E, Sept. 2006.

12 Articles 24 and 25 and Annex I of Council Regulation (EC) No 1698/2005.

service, up to a maximum amount of 1500 euro. The Commission has established guidelines on the conditions for granting aid and prioritizing certain target groups, and on the frequency of advice and coordination and supervision of public or private advisory bodies. The second measure is co-financing the setting-up of farm advisory services, where member states may grant support throughout a maximum of five years.

However, ceilings are set up for financing setting-up or use by the farmer and the service must cover also occupational safety, and not only statutory requirements and good agricultural practices. In case the advisory activities were funded through the EFARD, the minimum coverage of these activities was broader than it was prescribed in Regulation (EC) No. 1782/2003, including occupational safety standards and the targeted beneficiaries (farm and forestry holders versus commercial farms). This has later been changed by article 12 of the Regulation (EC) No. 73/2009, which authorized member states to determine, in line with objective criteria, the priority categories of farmer that have access to the farm advisory system.

The second-pillar implementing rules pursuant to Article 15 of Commission Regulation (EC) No. 1974/2006 specify that co-financed farm advisory services shall have appropriate resources in the form of qualified staff and this can be set via a minimum level of education or certification. Detailed capacities are requested from authorities and bodies selected to provide advisory services, in order to be selected or accredited (see Article 15(2) of this Commission Regulation).¹³ Also, it is important to ensure that farm advisory system's coordinating bodies organize basic and continuous trainings of advisors, what will be of a particular importance in the area of new action, and also to share their knowledge of the practical implementation of cross-compliance requirements.

The Proposal for the Regulation on financing, management and monitoring of the CAP goes further and specifies requirements relating to the farm advisory system (article 13). It establishes a general requirement that member states are required to ensure that the advisors within the farm advisory system are 'suitably qualified and regularly trained'. On the other side, article 13., par. 2. of the Proposal introduces a duty of member states to separate the advice and control and obliges member states to ensure that bodies designated to operate the farm advisory system do not disclose information and data they obtain in their advisory activity, except for irregularities and infringements upon which they are obliged to inform a public authority.

Operating bodies, providing advice, operate either through their own staff advisors or through networks of external advisors. Their accreditation is two-fold: it may be considered as part of the overall selection process of the operating body, or an additional accreditation/certification of staff or advisors within the accredited bodies. Most member states have set the threshold for advisors' minimum qualifications at university level and in only six

13 It is important to note that there was a project on developing professional competencies and certifications of agriculture advisors, co-funded by the Leonardo da Vinci programme and set up by IAFI in Prague, which involved six member states and developed a series of information and tools for improving advisors' capacities. <http://www.agroextension.net/default.asp>

of them a parallel accreditation of advisors with technical or basic vocational agricultural training (Evaluation study, Descriptive Part, iv).

The requirement set out in the existing Regulation (EC) No. 73/2009 that beneficiaries, whether or not they receive support under the common agricultural policy, including rural development, may use the farm advisory system on a voluntary basis is reflected in Article 14 of the Commission's Proposal for the Regulation on financing, management and monitoring of the CAP.¹⁴ Same is the case with regards to entitlement of member states to determine, in accordance with objective criteria, the categories of beneficiaries having priority access to farm advisory system. Whether they are priority farmers or not, the Commission is of the opinion that member states should do more to promote the farm advisory service, for instance by enclosing a list of advisory bodies when sending aid application forms to farmers and therefore it is proposed that Article 4 of Council Regulation (EC) No. 73/2009 includes an obligation on Member States to provide farmers with the list of FAS advisors (European Commission, 2010).

An overview of the organization of Farm Advisory Services in member states

At the EU level, there are no specified criteria for these bodies, they can be public or private, and national authorities are responsible for designating the advisory bodies in charge of the farm advisory service. The structure of farm advisory systems among the member states is characterized by a high diversity, as each country has developed its own extension services before Regulation (EC) No. 1782/2003 entered into force. In most member states the competence to set-up and coordinate farm advisory system is vested to the Ministry of Agriculture or a designated agency or centre within or outside this ministry.

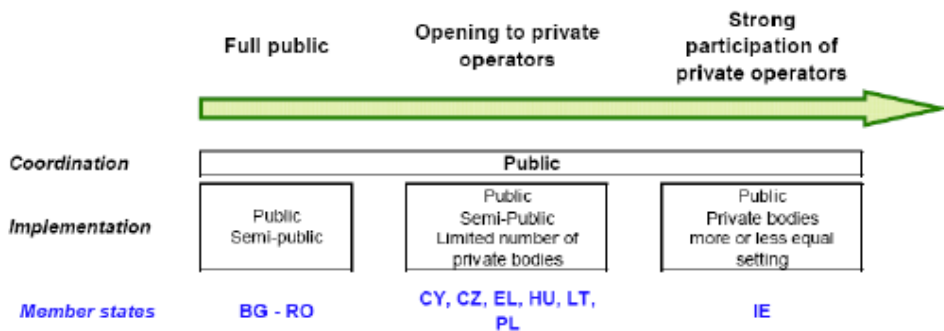
The farm advisory system in most member states become fully operational as of 2008, in around half of the member states the system was set up as a specific service, complementary to existing extension services, while in other cases it was interwoven with the existing extension service (European Commission, 2010, p. 5). According to the evaluation study commissioned by the Commission in 2009, the advisory bodies are selected via calls for tenders (14 member states) and by designating private (5 member states) and public bodies (5 member states). Fourteen member states established systems focused strictly on cross compliance, while in other countries it encompasses broader issues, such as support for agri-environmental commitments. In many states the farm advisory system is established as a specific service or facility within or alongside the existing extension system, as an autonomous system within the existing extension system. In countries which rely on their national network of chambers of agriculture and several new member states (such as Bulgaria, Romania, Poland, Latvia, Lithuania) the farm advisory system is implemented through most of the existing extension service providers, providing advices that includes advice other than the minimum to be offered in relation to cross-compliance issues.

¹⁴ Regulation (EC) No. 1782/2003 has foreseen the possibility to make the participation compulsory for certain categories of farmers after 2010, but this possibility has not been introduced through Regulation (EC) No. 73/2009.

The EU regulatory framework for farm advisory services leaves a margin of discretion to the member states in establishing their own farm advisory systems. The Evaluation Study commissioned by European Commission of 2009 has presented three main organizational situations regarding operating bodies: public bodies, private bodies and mixed public and private bodies, including an additional distinction between private profit and non-profit bodies. Most member states are moving towards a greater involvement of private firms in the delivery of extension and/or advisory services, but public service operators usually retain the overall guidance and coordination role. Privatization of extension services is being considered as supplement for public extension service, and solution to the problem of the lack of funding would be through consulting services and privatization of extension services by contracts to farmers (Amirani, 2001).

Chambers of agriculture play an important role in eleven member states.¹⁵ The overall organizational structure of the farm advisory system is in line with the existing organizational modes and is showing a greater involvement of private or independent operating bodies. The Evaluation study of 2009 has grouped member states under five approaches: publicly-driven approaches, privately-drive approaches, chamber of agriculture driven approaches, mixed approaches and new advisory system organized around a government coordination unit, an implementation unit (governmental or out-sourced) and a number of accredited or designated operation bodies. Evolving publicly driven systems are characterized by the involvement of public services both in coordination and policy making, a sell in day-to-day implementation. Through the Programme of Community aid to the countries of Central and Eastern Europe (PHARE) and Special Pre-Accession Programme for Agriculture and Rural Development (SAPARD), the Czech Republic as an interesting model opening to private operators has built an agriculture extension system involving several types of service providers: NOGs, universities and specialized centres, private contractors etc.

Picture 1. Evolving publicly driven systems



Source: ADE – ADAS – AGROTEC – Evaluators EU, Evaluation of the Implementation of the Farm Advisory System –Descriptive Part, Report prepared at the request of the European Commission, December 2009, p. 23, available at: http://ec.europa.eu/agriculture/eval/reports/fas/report_des_en.pdf

15 Sections 3.1. and 3.2. of the ‘Descriptive Part’ provides a more detailed description of three major types of operation bodies. ADE – ADAS – AGROTEC – Evaluators EU, Evaluation of the Implementation of the Farm Advisory System – Descriptive Part, Report prepared at the request of the European Commission, December 2009.

Another model relies on chambers of agriculture, where the government retains responsibility for overall policy and enters into contracts with the national network of chambers of agriculture, specifying accreditation conditions and grant systems for advice. Such chambers are governed by specific national laws and their strength is in their local offices and potential to interact with farmers at local level. This model is developed in the following countries: Austria – with a complete network of chambers at a local level, Slovenia – eight regional chambers, and Luxembourg – one national level chamber.

Privately driven systems are characteristic for Denmark, Netherlands, Finland and Sweden. Here the oversight and policy lies in the hands of government, but the daily implementation is vested to private operation bodies, which organize and implement the advisory services independently of the government, but government may specify minimum criteria or good practice standards. In all these countries there is one main advisory institution, which emerged from the former associative organizations (the one in the Netherlands – DLV – was nationalized and then re-privatised). In these countries farmers have to pay full cost for advice received, but subsidies may be granted.

Belgium, Denmark, the United Kingdom and France are countries where different approaches co-exist. On one end of the spectrum, there is Denmark, one of the two EU countries where farm advisory services are totally paid for by farmers. Denmark does not take any EAFRD funds and overall organization of extension services was privatized in 2003 and is almost exclusively exercised by farmer-driven service providers. Some countries, like Italy, have a regional structure and in most regions service providers are private operators, often farmers' associations, cooperatives and local organizations. Belgium's system differs in Wallonia, where it is free for the farmer, and Flanders, where farmers pay for the service and can subsequently benefit from EAFRD co-funding. Be-WAL mostly operates through thematic advice providers organized as non-profit associations, while Be-FLA mainly through private profit-making bodies providing modular services.

Germany has a heterogeneous structure of agricultural advisory services that are the competence of the federal lands (*Länder*). In some of them Chambers of Agriculture play a major role. Interestingly, agri-environmental measures are not addressed by farm advisory service advisors, but other advisors under the leadership of the Ministry of Environment. In Southern federal states the system may be categorized as fully publicly driven, while in the former Eastern federal states there is a more privately-driven approach, with the exception of Sachsen (publicly driven). In some countries the system rests on chambers of agriculture, which are entrusted with public service obligations, and privately driven 'circles' of agricultural advices (*Beratungsringe*). With regards to the UK, while England has a fully privately-driven approach, Wales has a strong public setting aided by private advisory networks, while Scotland and Northern Ireland operate a fully publicly-managed system, with some of their services outsourced to accredited advisers. French system is made of many organizations with strong geographical ties or these are local chambers of agriculture, management centres, technical groups and groups of producers in the same sectors. These bodies may be public, semi-public, private and non-governmental, and they all interact

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with farmers through decentralized system of regional services – *Direction Régionale de l'Agriculture et des Forêts* (DRAF).

In general, monitoring of the farm advisory system as a core coordinator task usually falls under the responsibility of coordinating bodies, ministries of agriculture, sometimes chambers of agriculture, and rarely some specific organizations. Basic monitoring system includes: the monitoring of advice at the farm level, the monitoring of the operating bodies and advisors, and the monitoring of the system's overall functioning.

Table 4. Three major segments in implementation of the Farm Advisory System

Member State's Farm Advisory System coordination –	The operating bodies	The advisors
Governmental managing authority for coordination (day-to-day management sometimes outsourced)	Profit or non-profit oriented bodies, public or private	Employed by the operating bodies or consultants

Source: According to author.

A wide range of operating bodies is found throughout the Union – according to the Evaluation study of 2009 (Descriptive part, iv), private operating bodies represent a major group of operators, almost 90%, in which a clear distinction has to be made between the business and profit-oriented bodies that represent almost two thirds of the private operating bodies, and other non-profit member driven bodies such as associations, cooperatives or unions, providing services to members or specific types of farming. Regardless of their profit function, private operating bodies are quite heterogeneous. They may be holding-company like, with a central hub which provides support services to network of regional units or sister companies. It is often the case of public extension services privatized in Denmark, Netherlands, or association of farmers as in Finland and Sweden. On the other side, these can be rural economy centres, associative structures which combine specific technical services and business support, some of them are university linked. Some of them are farmers unions, producer associations, non-profit associations set up with public support and small private companies providing direct farm or technical advices, the last one is typical for Ireland. Approaches based on farmers' associations, unions and cooperatives are notably present in Spain, Italy and Portugal, as these countries do not have a tradition of formalized publicly-led extension systems. Public operating bodies make 8% of the share, while chambers of agriculture 3%.

Conclusion: where are we now?

Serbian agricultural subsidies sector attempted to approximate the EU *acquis* and allowed for three types of subsidies: direct payments, market support and structural measures. Entitlement to subsidies, in line with article 18., par. 2. of the Law on Agriculture and Rural Development obliges the producer to respect regulation setting out standards of environmental protection, protection of public interest, plant and animal health and safety, animal welfare and protection of agricultural land. Acting contrary to this requirement entitles the Administration for Agricultural Payments to decrease the amount of subsidy or limit the producer's right to

one or several types of subsidies in the future – this is repeated in Article 10 of the Law on Subsidies for Agriculture and Rural Development (Official Gazette of RS, No. 10/2013). Due to ineffective monitoring system, this legal transplant from the Council Regulation No. 73/2009 is not efficient in practice. Needless to say, Serbia is missing the framework of Good Agricultural Practices (Jovanić, 2013).

On the other hand, Agricultural Extension Services of Serbia (including Agricultural Advisory Service of Vojvodina) do not seem to understand the need of a general duty of advising on cross-compliance related issues. Serbian Agricultural Advisory Services, including Vojvodina Agricultural Advisory Service and its units, are being supervised by the Institute for Science Application in Agriculture, which monitors their work and the work of individual advisers, and is in charge of trainings. Extension services of Serbia are state controlled companies with limited liability and members of their board are nominated by the Government of the Republic of Serbia, upon the proposal of the Ministry of Agriculture, Forestry and Water Management. This is essentially a public institution as an intermediary between the Ministry of Agriculture, Forestry and Water Management and advisory services – and this makes our existing agricultural extension system, which needs to be upgraded in order to build an efficient farm advisory system, to encompass at least minimum cross-compliance requirements.

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EVROPSKI REGULATORNI OKVIR SAVETODAVNIH USLUGA U POLJOPRIVREDI

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Rezime

Primarna svrha poljoprivrednih savetodavnih službi u Evropskoj uniji savetodavne je da pomognu poljoprivrednicima da bolje razumeju i ispune zahteve pravila EU o ekološkim aspektima poljoprivrede. Veliki pomak ka ovim ciljevima i pridavanje značaja savetodavnim sistemima u poljoprivredi pridaje se od 2003, kada je reformom zajedničke poljoprivredne politike uveden mehanizam unakrsne usklađenosti, koja je na snazi od 2005, i povezuje direktna plaćanja poljoprivrednicima sa osnovnim standardima koji se odnose na životnu sredinu, bezbednost hrane, zdravlja biljaka i dobrobit životinja, i uopšteno, uslovima da se poljoprivredno zemljište održi u dobrim poljoprivrednim i ekološkim uslovima.

Svrha ovog rada je da definiše regulatorni okvir savetodavnog sistema za poljoprivredna gazdinstva i savetodavnih usluga u EU i postavi pitanje nedostatka interesa i odgovarajućih mehanizama da se proširi aktivnosti srpskih poljoprivrednih savetodavnih službi ka kontroli uslova za procenu unakrsne usklađenosti i dobre poljoprivredne prakse.

Ključne reči: poljoprivredni savetodavni sistem, savetodavne službe, savetodavstvo u poljoprivredi, unakrsna usklađenost, agro-ekološke mere.

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