

## **11 Annex - Agriculture and rural development**

### **39. Law on Agriculture and Rural Development**

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Pursuant to Article 95 item 3 of the Constitution of Montenegro, I hereby issue the

## **Decree on Promulgating the Law on Agriculture and Rural Development**

*(Official Gazette of Montenegro 56/09 of 14 August 2009)*

I hereby promulgate the Law on Agriculture and Rural Development passed by the Parliament of Montenegro at the third sitting of the first ordinary session in 2009 on 27 July 2009.

No: 01-2330/2

Podgorica, 5 August 2009

The President of Montenegro

Filip Vujanovic, manu propria

## **LAW ON AGRICULTURE AND RURAL DEVELOPMENT**

### **I BASIC PROVISIONS**

#### **Subject matter**

#### **Article 1**

This law governs: the development of agriculture and rural areas, objectives and measures of the agricultural policy, support in agriculture and eligibility requirements, support to beneficiaries, supplementary activities in agriculture, organization in agriculture, as well as other issues of relevance for agriculture and rural development.

#### **Article 2**

(1) For the purpose of this Law, the following terms shall be used:

- 1) **Agriculture** means an economic activity, including plant and livestock production and related activities, in compliance with the regulations laying down the classification of activities and register of organizational units;
- 2) **Agricultural holding** means an economic entity completed in terms of organization and business, comprising of a single or several production units, engaged in agriculture having a single management, name or firm, or address or headquarters, and is organized into one of the following forms:
  - a) Company, or other legal person or entrepreneur,
  - b) Family agricultural holding,
  - c) Producers organization,
  - d) Educational or scientific-research institution engaged, among other things, in agriculture.
- 3) **Production unit** is an spatial economic unit where agriculture is performed;
- 4) **Family agricultural holding** is an agricultural holding where a farmer is engaged in agricultural production alone or together with members of his household members;
- 5) **Farmer** is a natural person engaged in agriculture alone or as a member of a family agricultural holding;
- 6) **Holder of the agricultural holding** is a company, other legal person, entrepreneur or farmer registered in the Register of Agricultural Holdings;
- 7) **Individual identification number of agricultural holdings** (hereinafter referred to as: the IDBR) is the basis for keeping of the single Register of Agricultural Holdings and its linking with other registers;
- 8) **Agriculture product** means a product of plant or livestock origin obtained from primary agricultural production and a product that underwent a simple physical treatment;
- 9) **Primary agricultural production** means production and keeping of primary agricultural products of plant or animal origin, including harvesting and fruit collecting, milking and animal rearing, fishing and hunting and collecting forest fruit and herbs, including also handling, transport and storage of primary products at the production site, resulting only in a product that has been subjected to no other technological procedure following harvesting, collecting or fishing/hunting, except a simple physical treatment.

10) **Agriculture product processing** means a process changing the primary product through use of certain physical and chemical procedures,

11) **Food** is a substance or a product intended for human consumption, processed, partly processed or unprocessed, including drinking water and water used during the food preparation process, that may be of plant or animal origin, and composite food.

(2) All terms used in this Law for natural persons in masculine shall also include the same terms in feminine.

## **II AGRICULTURE AND RURAL DEVELOPMENT PLANNING**

### **Objectives of the agricultural policy**

#### **Article 3**

The main objectives of agriculture and rural development (hereinafter referred to as: agricultural policy) are, as follows:

- 1) Agricultural resource management sustainable on a long term, with preservation of the environment,
- 2) ensuring a stable supply of safe food affordable in terms of quality and price,
- 3) improving the standard of living of the rural population and rural development in general, with preservation of traditional values,
- 4) strengthening of competitiveness of food producers.

### **Food production and rural development strategy**

#### **Article 4**

- 1) The Food Production and Rural Development Strategy (hereinafter referred to as: the Strategy) lays down long-term directions of agriculture and rural development, or agricultural policy.
- 2) The Strategy is adopted by the Government of Montenegro (hereinafter referred to as; the Government) for the period of ten years.

### **National program of food production and rural development**

#### **Article 5**

- 1) The agricultural policy, defined by the Strategy, shall be implemented based on the National Program of Food Production and Rural Development (hereinafter referred to as: the National Program).
- 2) The National Program includes: short-term and medium-term objectives of agriculture policy development, types of measures and programs, expected results as well as approximate amounts and sources of financial means necessary for implementation of agricultural policy measures.
- 3) The National Program shall be adopted by the Government for the period of five years.
- 4) The National Program shall be published in the Official Journal of Montenegro.

### **Implementation of measures of agricultural policy**

#### **Article 6**

- 1) The conditions, method and implementation schedule for implementation of measures of agricultural policy defined by the Strategy and the National program shall be laid down in more detail by a regulation of the Government (hereinafter referred to as: the Agro-budget) by the beginning of every fiscal year.
- 2) The Agro-budget shall include, in particular, the following:
  - funds planned, by specific agricultural policy measures,
  - terms and criteria for use of incentive measures as laid down by this Law,
  - the method of control in implementation of agricultural policy measures,
  - procedures for monitoring and evaluation of effects of agricultural policy measures,
  - terms and procedure for granting the incentives,
  - measures for remedying the irregularities identified in use of incentives.
- 3) The Agro-budget shall be published in the Official Journal of Montenegro.

## **Report on implementation of the National Program and Agro-budget**

### **Article 7**

- 1) The annual report on implementation of the National Program and Agro-budget shall be presented by the Ministry in charge of agriculture (hereinafter referred to as: the Ministry) for adoption by the Government by March 31 of the current year for the previous year.
- 2) The report referred to in the paragraph 1 of this article shall also include the evaluation for effects of agricultural policy for the reporting year.

## **III AGRICULTURAL POLICY MEASURES**

### **Article 8**

- 1) The agricultural policy measures are identified in order to accomplish the objectives referred to in the Article 3 of this Law.
- 2) The agricultural policy measures include, in particular, the following:
  - a) Market-price policy,
  - b) Rural development policy,
  - c) Activities of public interest,
  - d) Social transfers to family agricultural holdings.

## **A. MARKET-PRICE POLICY**

### **Article 9**

- 1) Market-price policy is implemented through the following:
  - market stabilization measures,
  - direct payments to agricultural holdings.
- 2) With a view to preservation the singleness of the market and equal treatment for all producers, the market-price policy measures shall be implemented at the national level.

## **1. Market stabilization measures**

### **Article 10**

- 1) Market stabilization measures apply to the following:
  - foreign trade,
  - intervention measures in internal trade.
- 2) In case of overimport or overexport of agricultural products, identification of dumping or imports of products into Montenegro that exporting countries apply export subsidies to, or if there is a risk of serious distortion of agricultural product market, which endanger the objectives of agricultural policy set, the Government may introduce protective measures in foreign trade of agricultural products, in line with international agreements signed and regulations governing foreign trade.
- 3) In order to accomplish the objectives of the agricultural policy referred to in the Article 3 of this Law, the Government may implement intervention measures of buying and selling, support storage and withdrawal of certain agricultural products from the market.

## **2. Direct payments to agricultural holdings**

### **Article 11**

- 1) Direct payments to agricultural holdings are measures that have a direct effect on agricultural holdings' income (hereinafter referred to as: the direct payments)
- 2) Direct payments may be made on the basis of the following criteria:
  - a) per hectare of agricultural land,
  - b) per head of livestock or livestock unit,
  - c) per unit of agricultural products,
  - d) per unit of inputs in agricultural production.
- 3) Direct payments may, based on the criteria and conditions set, be also granted to agricultural product processors.
- 4) The criteria and conditions for implementation of measures referred to in the paragraph 1 of this article shall be laid down by the agro-budget.

## **B. Rural development policy**

### **Types of measures**

#### **Article 12**

(1) The rural development policy shall be implemented through implementation of the following groups of measures:

- 1) measures for strengthening the competitiveness of food producers,
- 2) measures for sustainable agricultural resources management,
- 3) measures for improving the quality of life and development (diversification) of economic activities in rural areas,
- 4) leader projects for rural development.

(2) The conditions and procedures for implementation of measures referred to in the paragraph 1 items 1 to 4 of this article, in compliance with the National Program, shall be laid down by the agro-budget.

### **1. Measures for strengthening the competitiveness of food producers**

#### **Article 13**

1) In order to strengthen the competitiveness of food producers, the following measures shall be applied:

- a) support to investments in primary agriculture,
- b) support to modernization and restructuring of processing industry,
- c) support to investments for implementation of land policy (development of use and improvement of the quality of agricultural land, increase in size of family agricultural holdings and prevention of fragmentation),
- d) introduction of international standards and development of the quality in production and processing of agricultural products,
- f) support to establishing and connecting of produces' organizations, support to agricultural producers.

2) The Government may introduce other measures for support to competitiveness of food producers.

3) The conditions and procedures for implementation of measures referred to in the paragraph 1 of this article, in compliance with the National Program, shall be laid down by the agro-budget.

### **2. Measures for sustainable agriculture resources management**

#### **Article 14**

(1) Sustainable agriculture resource management shall be ensured by implementation of the following measures:

- a) Support to development of areas with limited opportunities for agricultural production,
- b) Support to agriculture programs harmonized with the principles of environmental protection – agro-environmental measures,
- c) agro-forestry programs.

(2) The criteria and method for implementation of measures referred to in the paragraph 1 of this article shall be laid down by the agro-budget.

#### **a) Development of areas with limited opportunities for agricultural production**

##### **Article 15**

(1) Development of areas with limited opportunities for agricultural production shall be ensured through additional payments per hectare (ha) of agricultural land or per head of livestock.

(2) The area with limited opportunities for agricultural production shall be determined based on the limited opportunities for use of land and significantly higher production costs induced by unfavorable conditions.

(3) More detailed criteria referred to in the paragraph 2 of this article shall be laid down by the agro-budget.

(4) Based on criteria referred to in the paragraph 3 of this Article, the Ministry shall determine the areas with limited opportunities for agricultural production.

**b) Support to agricultural programs harmonized with the principles of environmental protection - agro-environmental measures**

**Article 16**

(1) Agriculture programs harmonized with the principles of environmental protection shall be supported through agro-environmental measures, aimed at the following:

- protection and development of natural resources (land, water, air) with particular emphasis on development of organic and integral agriculture,
- preservation and sustainable use of genetic resources in plant and livestock production,
- preservation of natural habitats and the environment, with particular emphasis on sustainable use of mountain pastureland.

(2) The Agro-budget may lay down other measures for support to sustainable agricultural resource management.

**c) Agro-forestry programs**

**Article 17**

(1) In order to accomplish the joint objectives of agricultural and forestry policies, support shall be provided to setting up of plantations of appropriate agricultural or forestry cultures in areas with low vegetation, shrubbery or fire-struck areas.

(2) The conditions and procedures for implementation of support referred to in the paragraph 1 of this article shall be laid down by the agro-budget.

**3. Measures for improving the quality of life and development (diversification) of economic activities in rural areas**

**Article 18**

(1) In order to improve the quality of life and develop the economic activities in rural areas, the following measures shall be applied:

- development of rural infrastructure, revitalization and development of rural communities,
- support to supplemental activities in agriculture,
- support to establishing and development of small enterprises in order to encourage entrepreneurship in rural areas,
- support to development of tourism in rural areas,
- support to preservation and protection of cultural heritage.

(2) The agro-budget may lay down also other measures that support the quality of life and development of economic activities in rural areas.

(3) The conditions and procedure for implementation of measures referred to in the paragraph 1 of this Article shall be laid down by the Agro-budget.

**Leader projects for rural development**

**Article 19**

(1) The leader projects for development of rural areas ensure the support to the following:

- local communities and local action groups for preparation and implementation of rural development strategies and projects,
- local public-private partnership in order to develop the rural areas,
- implementation of projects based on participation of several entities from different local economy sectors.

(2) The conditions and procedure for implementation of measures referred to in the paragraph 1 of this Article shall be laid down by the Agro-budget.

**Support to agriculture and rural development from local self-government funds**

**Article 20**

(1) Local self-government may introduce rural development support measures that must not be in contravention of the Strategy, the National Program and the Agro-budget.

(2) Local self-government shall, prior to adoption of the measures referred to in paragraph 1 of this Article or the financing method, present them to the Ministry for approval.

### **C. Activities of public interest**

#### **Article 21**

- (1) Measures of agricultural policy shall support the activities of public interest referred to in the Article 52 of this Law.
- (2) The activities of public interest shall be financed or co-financed based on the program of activities of public interest.
- (3) The program referred to in the paragraph 2 of this article shall include the type and scope of public activities, implementation schedule, financial means necessary and financing or co-financing method, as appropriate, as well as effects expected in implementation of public interest, in compliance with the Strategy and the National Program.
- (4) The conditions and procedure for implementation of activities referred to in the paragraph 1 of this Article shall be laid down by the Agro-budget.

#### **Article 22**

- (1) The measures of the agricultural policy shall support vocational training of human resources working on implementation of development programs, structural changes in agriculture and harmonization of agriculture-related regulations with the relevant documents of the European Union.
- (2) The conditions and procedure for implementation of measures referred to in the paragraph 1 of this Article shall be laid down by the Agro-budget.

#### **Article 23**

- (1) Agricultural policy measures may support international cooperation and implementation of international projects in the field of agriculture and rural development, as well as membership in international organizations.
- (2) The priorities for membership in the international organizations shall be laid down by the Ministry, on the basis of the opinion given by the Council referred to in Article 70 of this Law.

### **D. Social transfers to family agricultural holdings**

#### **Article 24**

- (1) In addition to measures of support to rural development referred to in Articles 12 to 20 of this law, the Government may, at proposal of the Ministry and the ministry in charge of labour and social welfare issues, decide on payment of an old-age allowance to a holder of a family agricultural holding, for men above 65 years of age and for women above 60 years, as well as allowances for payment of contributions for the mandatory social insurance of farmers.
- (2) More detailed conditions for payment of old-age allowances referred to in paragraph 1 of this Article shall be laid down by the Agro-budget.
- (3) The allowances for payment of contributions for the mandatory social insurance of farmers shall be laid down by the Government.

## **IV INCENTIVES TO AGRICULTURE AND RURAL DEVELOPMENT**

### **Sources of financing**

#### **Article 25**

- (1) Incentives to implementation of agricultural policy objectives referred to in the article 3 of this law shall be provided from the budget of Montenegro.
- (2) In addition to funds referred to in the paragraph 1 of this Article, funds of local self-governments, international projects, donations and other sources may be used as incentives to development of agriculture and rural development.

### **Implementation of incentives**

#### **Article 26**

Implementation of the incentives to agriculture and rural development shall be carried out by the administration authority in charge of paying in agriculture (hereinafter referred to as: the Agency).

## **The Agency's Scope of Authority**

### **Article 27**

- (1) The Agency shall perform the following technical and related administrative tasks related to:
- Implementation of measures of agricultural policy and fisheries policy,
  - Implementation of international support programs for agriculture and rural development,
  - Control of data and documentation and internal audits,
  - establishing and implementing the integrated control system for its scope of work,
  - keep registers, records and databases within its scope of work,
  - keep register of incentive beneficiaries,
  - operations of the market information system in agriculture,
  - keep documentation that served as a basis for using the incentive funds,
  - prepares reports and analyses within its scope of work,
  - performs other tasks in accordance with the law.
- (2) The methods and procedure for implementation of activities referred to in the paragraph 1 of this Article shall be laid down by the Agency.

### **Article 28**

The activities and duties within its scope of work shall be carried out by the Agency, abiding by the principles of legality, responsibility, efficiency, professionalism and transparency.

### **Article 29**

- (1) The Agency may delegate some of its activities and duties to other legal persons by a contract.
- (2) The Agency may not delegate the following activities to other legal persons:
- approval of payments,
  - accounting,
  - payments.
- (3) The Agency shall be responsible for lawful implementation of activities referred to in the paragraph 2 of this Article.

### **Article 30**

- (1) The Agency shall keep the documentation related to programs implemented by the Agency, financed in entirety or co-financed in line with this law and programs financed from international donations, during the period of at least five years following the completion of the implementation of the programs.
- (2) In case of court proceedings, the period referred to in the paragraph 1 of this Article shall be extended pending the validity of the court decision.

## **Eligibility for incentives**

### **Article 31**

- (1) Persons eligible for incentives shall be a holder of an agricultural holding who submitted the application for exercising the right to incentives, accompanied by appropriate documentation, who is also registered at the register of agricultural holdings referred to in the Article 63 of this law (hereinafter referred to as: incentive beneficiary).
- (2) The conditions for registration in the Register of Agricultural Holdings and documents required for exercising the right to the incentives referred to in the paragraph 1 of this Article shall be laid down by the Ministry.

## **Procedure for exercising the right to incentives**

### **Article 32**

- (1) The procedure for exercising the right to incentives is launched when an incentive beneficiary submits the application to the Agency.
- (2) The procedure referred to in the paragraph 1 of this Article may also be launched by a public call or otherwise, depending on the incentive type and method.
- (3) The Agency makes a decision on the application for exercising the right to incentives in a procedure referred to in the paragraph 1 and 2 of this Article.
- (4) A claim on the decision referred to in the paragraph 3 of this Article may be submitted to the Ministry within the period of 15 days from the day of the receipt of the decision by the applicant.



(5) The claim shall not postpone the execution of the decision.

### **Obligations of incentive beneficiary**

#### **Article 33**

(1) Incentive beneficiary shall be responsible for the accuracy of the documentation and data for exercising the right to use incentives and for use of incentive funds for their appropriate purpose.

(2) The incentive beneficiary who exercised the right to an incentive based on inaccurate documentation or fraudulent activities, or who used the incentive funds for an unauthorized purpose, shall pay back the funds received together with an interest on delinquent accounts, within the period as laid down by the valid decision of the Agency.

(3) The incentive beneficiary who received the funds in the way referred to in the paragraph 2 of this Article shall not be entitled to incentives for the period of two years from the day of the Agency's valid decision on repayment of such funds.

(4) The decisions referred to in paragraphs 2 and 3 of this Article shall be made by the Agency on the basis of control carried out.

(5) The beneficiary of incentives referred to in paragraph 3 of this Article shall not be entitled to use of funds granted based on other incentive measures.

(6) The incentive beneficiary shall keep the documents related to the exercising of the right to incentives for at least five years from the day of the last payment of incentive funds received.

## **V AGRICULTURAL PRODUCER ORGANIZATIONS**

### **Purpose of organizing**

#### **Article 34**

(1) The measures of agricultural and fisheries policy shall encourage organization of producers in agriculture and fisheries into cooperatives and other forms of organizations of producers (hereinafter referred to as: producer organizations).

(2) Producers referred to in paragraph 1 of this Article may be organized into a producers organization based on one product or a group of products, with a view to:

- planning the production in line with market demand in terms of quality and quantity,
- marketing the products produced by members of the producers' organization,
- optimization of production costs and stabilization of the producer price,
- conservation of the environment by implementation of Good Producers Practice, waste management and biodiversity conservation.

(3) A product or a group of products that producers' organizations may be organized for shall be laid down by the Ministry.

### **Producer organizations**

#### **Article 36**

(1) Producer organization referred to in Article 34 paragraph 2 of this Law may be established only at the initiative of producers and in case it complies with the following conditions:

- that it has at least five members,
- that it has established the minimum volume and value of the production,
- that it places the total quantity of products produced by members of the producers' organization on the market,
- that it has its rules of organization and operation,
- that it has the capacity of a legal person.

(2) More detailed conditions referred to in paragraph 1 of this Article shall be laid down by the Ministry.

(3) Members of the producers' organization shall abide by the rules of the producers' organization referred to in the paragraph 1 indent 5 of this Article laying down in particular the following:

- production planning,
- submitting of reports on production,
- method and conditions of production,
- sale of products,
- environmental protection,
- financial obligations of the members of the producers' organization.

(4) More detailed contents of the rules referred to in the paragraph 3 of this Article shall be laid down by the Ministry.

### **Recognition of producers' organization**

#### **Article 36**

(1) The founders of the organization shall submit the application for recognition of producers' organization to the Ministry.

(2) Evidence on compliance with the conditions referred to in Article 35 paragraph 1 of this Law shall be presented together with the application referred to in the paragraph 1 of this Article.

(3) Compliance with the conditions referred to in Article 35 paragraph 1 of this Law shall be established and the decision on recognition of a producers' organization adopted by the Ministry.

(4) Recognized producers' organizations shall be registered in the Register of producers' organizations kept by the Ministry.

(5) The content and the method of keeping the Register of Producers' Organizations shall be laid down by the Ministry.

(6) The Ministry shall issue a decision canceling the status of a producers' organization when it no longer complies with the conditions referred to in the Article 35 paragraph 1 of this Law.

### **Interbranch organizations**

#### **Article 37**

(1) Producers' organizations engaged in production, processing and marketing of certain agricultural products may be organized into interbranch organizations in order to:

- harmonize the production, processing and marketing of certain agricultural products with consumers' demand and interests,
- promote the rationalization and development of production and processing,
- conduct market survey in order to harmonize the marketing of products,
- combine the supply of products of the organization's members,
- develop methods and instruments for enhancing the quality of products.

(2) The organizations referred to in the paragraph 1 of this Article shall abide by the rules governing the competition, in accordance with the Law.

(3) The conditions for recognition of organizations referred to in the paragraph 1 of this Article shall be laid down by the Ministry.

(4) The recognized interbranch organizations shall be registered in the records kept by the Ministry.

(5) The contents and method of keeping the records referred to in paragraph 4 of this Article shall be laid down by the Ministry.

### **Machinery rings**

#### **Article 38**

(1) For the purpose of efficient use of agricultural mechanization and equipment, workforce and other production opportunities, the natural persons may organize themselves, in accordance with the Law, for inter-neighbour and inter-village support (hereinafter referred to as: the machinery rings).

(2) The conditions for work of machinery rings shall be laid down by the Ministry.

## **VI QUALITY AND MARKING OF AGRICULTURAL PRODUCTS AND FOOD**

### **Minimum quality**

#### **Article 39**

(1) The minimum quality of certain agricultural products and food shall be laid down by the Ministry, with approval from the Ministry in charge of health.

(2) The regulations referred to in paragraph 1 of this Article shall lay down, in particular:

- production and processing method,
- ingredients and content thereof, including the permitted additives,
- normative provisions for accomplishing and maintaining the quality,
- classification,
- marking.

### **Higher Quality Products**

#### **Article 40**

- (1) Agricultural products and food of higher quality are agricultural products and food that, according to its specific characteristics, differ from the same agricultural products and food and from their minimum quality.
- (2) The specific characteristics of agricultural products and food shall also be determined as regards: the composition, sensorial and physico-chemical characteristics as well as the method of production and processing.
- (3) Agricultural products and food may bear the mark “higher quality” if they comply with the conditions prescribed.
- (4) More detailed characteristics from the paragraph 2 of this Article for agricultural products and food of higher quality, the method of control and the mark of the higher quality shall be laid down by the Ministry.

### **Producer specification**

#### **Article 41**

- (1) Agricultural products and food shall be in accordance with the producer specification.
- (2) The producer specification is kept by the producer.
- (3) The contents and the period of keeping the producer specification shall be laid down by the Ministry.

### **Organic agriculture product**

#### **Article 42**

Agricultural product or food from organic agriculture means product or food produced in line with the methods of organic agriculture, in compliance with the law.

### **Integrated agriculture product**

#### **Article 43**

- (1) Agricultural products or food of integrated agriculture means products produced in line with the methods and procedures of integrated agricultural production.
- (2) The integrated agricultural production means a balanced use of agro-technical measures so that, at the same economic effect, natural measures are given the advantage as compared to phyto-pharmaceutical, veterinary-pharmaceutical and bio-technology measures.
- (3) The products referred to in the paragraph 1 of this Article shall bear the mark “Integrated agriculture product”.
- (4) The records on producers and products of integrated agricultural production shall be kept by the Ministry.
- (5) More detailed conditions for integrated production or processing, methods of control and the mark of integrated agriculture product referred to in the paragraph 2 of this Article as well as on keeping of records of producers and products of integrated agriculture shall be laid down by the Ministry.

### **Traditional product guaranteed**

#### **Article 44**

- (1) Traditional product or food guaranteed are products meeting the requirements set as regards composition, production and processing procedure for certain agricultural products or food with a guaranteed tradition.
- (2) The products referred to in the paragraph 1 of this Article shall bear the mark “Traditional product guaranteed”.
- (3) The register of producers and traditional products and food guaranteed shall be kept by the Ministry.
- (4) More detailed conditions as regards the composition, production and processing procedure for certain agricultural products or food with a guaranteed tradition, methods of control and the mark “Traditional product guaranteed”, as well as on keeping of records of producers and products of traditional products and food guaranteed shall be laid down by the Ministry.

## **Products with protected designation of origin and geographic indication**

### **Article 45**

Acquiring and legal protection of, and exercising the right to use the designation of geographic origin of agricultural products and food shall be done in accordance with the Law.

## **VII GOOD AGRICULTURAL PRACTICE**

### **Article 46**

(1) Agricultural holdings engaged in production of agricultural products and food shall abide by the Good Agricultural Practice.

(2) The method for implementation of the Good Agricultural Practice shall be laid down by the Ministry, in accordance with the law.

## **VIII TRADE IN AGRICULTURAL PRODUCTS AND FOOD**

### **Article 47**

Trade in agricultural products shall be done in accordance with the law.

## **Trade from a family agricultural holding**

### **Article 48**

(1) On a family agricultural holding, small quantities of agricultural products and food of plant and animal origin produced on that holding are traded for the purpose of supplying the final consumer directly on that holding, or through retail establishments.

(2) small quantities referred to in the paragraph 1 of this Article, the hygiene conditions for production and placing on the market, the contents of the application and the procedure for approval of establishments where small quantities of agricultural products are produced, the registration conditions, approval of products and food of plant and animal origin shall be laid down by the Ministry.

(3) Compliance with the conditions referred to in the paragraph 2 of this Article shall be established with the competent administration authority in accordance with the law.

## **IX SUPPLEMENTARY ACTIVITY**

### **Article 49**

(1) Supplementary activity of a family agricultural holding is an activity related to agriculture and forestry, carried out at the family agricultural holding and makes possible better utilization of its production opportunities and workforce.

(2) The type of supplementary activities in family agricultural holdings, their scope and requirements shall be laid down by the Government.

(3) In determining the scope of supplementary activities referred to in the paragraph 2 of this Article, the specific conditions and features of certain types of supplementary activities shall be taken into account.

### **Article 50**

(1) A holder of supplementary activity referred to in the Article 49 of this Law is a natural person who is the owner, lessee or other person authorized to use the agricultural holding concerned and to engage in agriculture (hereinafter referred to as: supplementary activity holder).

(2) In carrying out the activities, the supplementary activity holder shall meet the minimum of criteria as laid down by laws governing the environmental protection, public health, animal and plant health, animal welfare and safety at work.

## **Approval for supplementary activity**

### **Article 51**

(1) A supplementary activity at family agricultural holdings may be carried out solely on the basis of an approval.

(2) The approval for carrying out a supplementary activity referred to in the paragraph 1 of this Article shall be issued by the Ministry, following an application from the holder of the supplementary activity.

(3) The Ministry shall keep records of supplementary activities on family agricultural holdings.

(4) The contents and the method of keeping the records referred to in the paragraph 3 of this Article shall be laid down by the Ministry.

## **X ACTIVITIES OF PUBLIC INTEREST**

### **Article 52**

(1) Activities of public interest in the field of agriculture and rural development shall be carried out by authorized scientific-research institutions and other legal and natural persons in the field of agriculture that meet the conditions for carrying out these activities.

(2) Activities of public interest in the field of agriculture and rural development are the following:

- a) extension activities,
- b) professional activities in livestock production,
- c) professional activities in plant production,
- d) professional activities in preservation of genetic resources – gene bank,
- e) analytical-developmental activities,
- f) activities of education and training of human resources for the purpose of agriculture and rural development,
- g) research activities in agriculture.

(3) Activities of public interest in the veterinary and plant protection fields shall be carried out in accordance with the Law.

## **Extension activities**

### **Article 53**

Extension activities in the field of agriculture and rural development are the following:

- organization of organic, integrated and conventional agricultural production,
- implementation of new scientific developments, technologies and techniques, etc,
- development of programs for rational use of agricultural land and plant nutrition products in line with the principles of sustainable development,
- implementation of Good Agricultural Practice,
- environmental protection,
- drawing up developmental and investment programs for agricultural holdings,
- training related to management of agricultural holdings, including economic analyses,
- incentive applications,
- development of supplementary activities in agricultural holdings and extending the scope of economic activities (diversification) in rural areas,
- farmers' organizations,
- interpretation of regulations in the field of agriculture and related activities.

## **Professional activities in livestock production**

### **Article 54**

(1) Professional activities in livestock production are the following:

- implementation of breeding-selection programs by livestock species and breeds,
- control of livestock fertility,
- evaluation of breeding value of breeding animals,
- monitoring and enhancing the quality of livestock products,
- keeping the prescribed records in livestock production,
- forecasting the optimal locations and weather conditions for bee nutrition, etc.

(2) The conditions and the method for carrying out the activities referred to in the paragraph 1 of this Article are laid down by the law governing the livestock breeding.

## **Professional activities in plant production**

### **Article 55**

(1) Professional activities as regards selection of seed and introduction of new varieties in plant production are the following:

- checking the genetic characteristics and the value of usability of new domestic and non-domestic varieties of agricultural plants in the preliminary procedure, the registration procedure and variety protection procedure, as appropriate,
- keeping the official samples of seed of protected or registered varieties, as appropriate,

- selection and recommendations on variety regionalization,
- certification of seed and planting material of agricultural plants.

(2) The conditions and methods for carrying out the activities referred to in the paragraph 1 of this Article shall be laid down by the law.

### **Activities of preservation of genetic resources – gene bank**

#### **Article 56**

(1) The activities in preservation of genetic resources – gene bank are the following:

- collecting and recording of autochthonous genetic material, including old domestic or domesticated varieties of agricultural plants,
- collecting and recording of autochthonous livestock breeds and types with the value of usability, including the domesticated breeds and types,
- evaluation of genetic material collected in line with international descriptors,
- keeping, multiplication and exchange of samples of genetic material collected, etc.

(2) The conditions and methods for carrying out the activities referred to in the paragraph 1 of this Article shall be laid down by the Ministry.

### **Analytical-developmental activities**

#### **Article 57**

Analytical-developmental activities are the following:

- collecting and processing the data in the field of agriculture and rural development for the purpose of making economic and other analyses,
- development of economic and other analyses in the field of agriculture, processing and trade in agricultural products,
- development of analyses from the agricultural policy,
- activities of relevance for guiding and monitoring the development of agriculture, processing industry and rural areas, etc.

### **Activities of education and training of human resources for the purpose of agriculture and rural development**

#### **Article 58**

Education and training activities for the purpose of agriculture and rural development are activities concerning the needs of certain agriculture sectors, in line with the Strategy.

### **Research activities in agriculture**

#### **Article 59**

In line with the National Program, research and development projects in the field of agriculture and rural development, for the purpose of implementation of the Strategy, shall be financed or co-financed.

## **XI CERTIFICATES OF MERIT**

#### **Article 60**

(1) For results achieved in the field of agriculture and food technology in Montenegro, the Ministry may grant certificates of merit to individuals, groups of individuals, associations, scientific-research institutions and other organizations.

(2) The conditions for granting and types of the certificates of merit referred to in the paragraph 1 of this Article shall be laid down by the Government.

## **XII REGISTERS AND RECORDS**

#### **Article 61**

(1) The Ministry shall set up and keep the following:

- 1) Register of Entities,
- 2) Register of agricultural holdings.

(2) In addition to the registers referred to in the paragraph 1 of this Article, the Ministry shall keep other registers, records and databases, in accordance with the law.

## Register of Entities

### Article 62

(1) Legal and natural persons registered in accordance with the law in appropriate records kept by the Ministry and administration authorities in charge of agriculture shall be registered in the Register of Entities.

(2) The Register of Entities referred to in the paragraph 1 of this Article shall be kept uniformly and shall include the following data:

- name of the legal person and head office address, or name, date and place of birth and address of the natural person,
- type of the entity,
- tax identification number (PIB),
- personal identification number of citizens (JMBG) or the registration number (MB) of the business entity,
- code and name of the core activity,
- bank account number for entities applying for incentives.

(3) The form, more detailed contents and method of keeping the Register of Entities shall be laid down by the Ministry.

## Register of agricultural holdings

### Article 63

Registration in the Register of agricultural holdings (hereinafter referred to as: the Holding Register) shall be mandatory for the following:

- agricultural holding applying for exercising the right to incentives or support in accordance with this law,
- olive producer who has at least 0.1 ha under olives or more than 50 olive trees,
- fruit producer in intensive orchards with at least 0.2 ha under intensive orchard, or 0.1 ha of berries or stone-fruit,
- producers of agricultural products intended for the market.

## Contents of the Holding Register

### Article 64

(1) The Holding Register shall contain the following data:

- the unique identification number of agricultural holdings (IDBR),
- address, or head office, of the agricultural holding,
- data on the holder of the agricultural holding and in case of a family agricultural holding, data on its members as well,
- data on activities of the agricultural holding,
- data on the actual use of the agricultural land, pastures, forests and forestland by parcels, by use, etc,
- data on status and number of breeding animals,
- whether the holding belongs to an less favoured area.

(2) The identification number of agricultural holding (IDBR) from the Holding Register shall be used for linking with other agriculture-related registers.

(3) The holder of the agricultural holding shall notify the Ministry of any change in the holding.

(4) The forms, more detailed contents and method of keeping the Holding Register as well as the type, method and period for notification of changes referred to in the paragraph 3 of this article shall be laid down by the Ministry.

## Data collecting and keeping

### Article 65

For the purpose of keeping and updating of the Register of Entities and the Holding Register, the Ministry shall collect the data from:

- state bodies,
- public institutions,
- agencies,
- concessionaires,
- local self-governance units,
- other authorized institutions.

## **Data publicity**

### **Article 66**

The data from the registers and records shall be public, with the exception of the data that are, in accordance with the law, established or protected as confidential data.

## **Market Information System in Agriculture**

### **Article 67**

(1) In order to collect, process and publish the data on quantities and prices of certain agricultural products, the Agriculture Market Information System shall be established.

(2) Organization, contents and the method of managing the Market Information System referred to on the paragraph 1 of this Article shall be laid down by the Ministry.

## **Agricultural holding accounting data system**

### **Article 68**

(1) For the purpose of monitoring and analysis of measures of agricultural policy, the Ministry shall establish a system of accounting data in selected agricultural holdings, on the basis of the following criteria: production orientation, size and regional representation.

(2) The participation of agricultural holdings in implementation of activities referred to in the paragraph 1 of this Article is voluntary.

(3) The Ministry shall bear the responsibility for technical and organizational aspect of implementation of the activities referred to in the paragraph 1 of this Article.

(4) The Commission for monitoring and implementation of agricultural accounting shall be appointed by the Ministry, from accounting experts.

## **XIII COUNCIL FOR AGRICULTURE AND RURAL DEVELOPMENT**

### **Setting up and tasks**

#### **Article 69**

For the purpose of providing professional related to implementation of the Strategy, the National Program, international agreements in the field of agriculture, Agro-budget, the annual report on situation in agriculture, drafting of legislation, the Council for Agriculture and Rural Development (hereinafter referred to as: the Council) shall be established.

### **Council members**

#### **Article 70**

(1) The Council shall be comprised of the representatives of the following:

- Ministry (one member),
- Chamber of Commerce (one member),
- Confederation of Employers (one member)
- Association of Cooperatives (one member)
- Associations (NGO) of agricultural producers at the national level (1 members),
- Organizations of agricultural producers at the national level (1 member),
- High-education, scientific and expert institutions dealing with agriculture and rural development (2 members),
- Paying agency in agriculture (1)
- Renowned specialists in specific agriculture fields (2 members).

(2) Entities referred to in the paragraph 1, indents 2 to 8 of this Article shall proposed the members of the Council to the Ministry.

(3) The Ministry shall propose the Council members referred to in the paragraph 1, indents 1 and 9 of this Article.

(4) The Government shall appoint members of the Council at proposal of the Ministry.

(5) The mandate of Council members shall be four years.

#### **Article 71**

(1) The Minister shall call the foundation sitting of the Council, where the president, the vice-president and the secretary of the Council would be appointed.

(2) The Council shall adopt its rules of procedure.



(3) The administrative-technical work for the needs of the Council shall be carried out by the Ministry.

(4) Members of the Council are entitled to compensation for their work, which shall be provided from the Budget of Montenegro, from the position earmarked for the Ministry.

#### **XIV INSPECTION**

##### **Article 72**

(1) The inspection over the enforcement of this Law and regulations adopted on the basis of this Law shall be done by the Ministry, through agricultural inspectors.

(2) The inspection over the enforcement of this Law and other regulations related to production and placing of agricultural products and food of animal origin and feed on the market shall be done by the administration authority in charge of the veterinary issues, through veterinary inspectors, in accordance with the law.

(3) The inspection over the enforcement of this Law and other regulations related to the production and placing on the market of agricultural products and food of plant origin at the primary production level shall be done by the administration authority in charge of the phytosanitary issues, through phytosanitary inspectors, in accordance with the law.

(4) The inspection over the enforcement of this Law and other regulations related to the production and trade in agricultural products and food of plant origin following primary agricultural production shall be done by the administration authority in charge of health issues, through sanitary inspectors, in accordance with the law.

#### **Authority of the agricultural inspector**

##### **Article 73**

In addition to authority of inspectors as laid down by the law governing the inspection, the agricultural inspectors shall also have the authority for the following:

- to check the agricultural land, plantations, production establishments and premises where agricultural activity or supplementary activity is performed, production volume, documents of legal and natural persons engaged in agriculture and supplementary activity in agricultural holdings or in other activities related to implementation of measures of agricultural policy.
- to monitor the process of exercising the right to incentives and unauthorized spending of the funds,
- to check implementation of activities of public interest,
- to check keeping of registers and records in accordance with this Law,
- to check the compliance with the conditions set for acknowledging the production organization and interbranch organizations,
- to control the compliance with the conditions set for carrying out supplementary activities in an agricultural holding,
- to monitor implementation of the Good Agricultural Practice,
- to check the compliance of agricultural products with quality norms prescribed, the labels and designations in production, trade and processing,
- to take samples for analysis in order to check the quality of agricultural products and food.

#### **Administrative measures and activities of agricultural inspectors**

##### **Article 74**

In addition to administrative measures and activities as laid down by the law governing the inspection, agricultural inspectors shall undertake the following administrative measures and activities:

- pending the decision of the competent authority, to prohibit carrying out of a supplementary activity or request withdrawal of licence and deletion of the activity from the records on supplementary activity, as appropriate,
- pending the decision of the competent authority, to prohibit carrying out of activities of public interest in case the holder of public activities fails to perform its tasks in compliance with the law or program, as appropriate,

- prohibit trade in agricultural products in case their quality fails to meet the prescribed quality norms,
- prohibit trade in agricultural products quality of which was marked in contravention of the law,
- set other measures and activities in accordance with the law.

## **XV PENALTY PROVISIONS**

### **Article 75**

(1) A fine in the amount of 50 to 100 minimum wages in Montenegro shall be imposed for a misdemeanour on a body, company, entrepreneur or any other legal and natural person in case it:

- 1) fails to keep the documents related to programs financed or co-financed in accordance with this law and programs financed by funds from foreign donations for the minimum period of five years following the implementation of the programs (Article 30),
- 2) fails to present correct documents and data for use of the funds for incentives, fails to use it for authorized purposes or fails to repay the amount received on the basis of incorrectly presented data, together with an interest on delinquent accounts, within the period of time set (Article 33 paragraphs 1 and 2),
- 3) fails to keep the documents that relates to exercising the rights to incentives for the period of at least five years from the day of the final instalment (Article 33 paragraph 7),
- 4) fails to register the recognized producer organizations into the Register of Organizations (Article 36 paragraph 4),
- 5) uses the mark “integrated agriculture product” for the product not produced in accordance with the method and procedures of integrated agricultural production (Article 43 paragraph 1),
- 6) uses the mark “traditional product guaranteed” but fails to meet the conditions prescribed as regards the composition, production and processing procedure for specific agricultural products or food with guaranteed tradition (Article 44 paragraph 1),
- 7) fails to abide by the Good Agricultural Practice (Article 46),
- 8) trades in agricultural products against the law (Article 47),
- 9) from a family agricultural holding sells products or food not produced on the holding concerned and fail to comply the general and specific requirements as regards hygiene and quality (Article 48),
- 10) engages in supplementary activities without approval (Article 51 paragraph 1),
- 11) keeps the Register of Entities against the law (Article 62),
- 12) fails to notify any change on the holding as prescribed and within the period prescribed (Article 64 paragraphs 3 and 4).

(2) For the misdemeanour referred to in paragraph 1 of this Article a fine in the amount of one to 20 minimum wages in Montenegro shall be also imposed on a responsible person in the company or other legal person concerned.

(3) For the misdemeanours referred to in paragraph 1 items 1, 2, 3, 9, 10 and 12 of this Article a fine in the amount of one to 20 minimum wages in Montenegro shall be also imposed on a natural person.

## **XVI TRANSITIONAL AND FINAL PROVISIONS**

### **Article 76**

Bylaws for enforcement of this Law shall be adopted within the period of two years from the day this Law enters into force.

### **Article 77**

(1) The Agency shall be established by January 1, 2011.

(2) Pending the establishing of the Agency, the Agency’s work shall be carried out by the Ministry.

### **Article 78**

The Council shall be established within the period of six months from the day this Law enters into force.

**Article 79**

On the day this Law enters into force, the Law on providing and directing of funds for support to agriculture development (Official Gazette of the Socialist Republic of Montenegro 11/90 and Official Gazette of the Republic of Montenegro 24/92) shall be repealed.

**Article 80**

This Law shall enter into force on the eighth day from the day of its publishing in the Official Gazette of Montenegro.

SU-SK No 01-1134/19-08  
Podgorica, 27 July 2009

Parliament of Montenegro  
President  
Ranko Krivokapic, manu propria