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**MINISTRY OF AGRICULTURE, FORESTRY AND  
WATER ECONOMY**

**LAW ON PERFORMING AGRUCULTURAL ACTIVITY  
(Draft Version)**

**Skopje, April, 2001**

## **I. Rationale for Proposing Adoption of the Law**

Presently there is no legislation that substantively regulates the performance of agricultural activity, although the use, possession and protection of agricultural land as an essential condition for performing agricultural activity is regulated by the Law on Agricultural Land. The Draft Law on performing agricultural activity directly regulates the performance of agricultural activity by some entities, physical and legal persons, conditions for performing this activity and the manner in which such entities are organized. Therefore, the Draft Law on Performing Agricultural Activity represents a basic legal act for regulating the two essential conditions required for successful performance of an agricultural activity within the frameworks of the general social and economic situation in the country.

## **II. Basic Principles of the Law**

The Law is based on the following principles:

- respect of all the conditions for productive utilization of the agricultural land regulated by the Law on Agricultural Land;
- regulating relevant and different legal position of given types of persons performing agricultural activity according to their nature;
- implementation of general rules for performing an economic activity provided by the Law on Trade Companies; and
- compulsory registration with the competent state authorities (the Ministry of Agriculture, Forestry and Water Economy, court) of all types of persons performing an agricultural activity.

### **III. Contents of the Law**

The Draft Law contains the basic relations governed by this Law and the manner in which they are to be regulated.

The content of this Law is presented as a Draft Law.

### **IV. Adoption of the Law by Accelerated Procedure**

Given the fact that this Law is not considered to be of complex law nature, it is proposed according to the Article 316 of the Book of Rules of the Assembly of the Republic of Macedonia, at the same session on which the Proposal for adoption of the Law, a Draft Law also to be reviewed.

# **LAW ON AGRUCULTURAL ACTIVITY**

## **I. GENERAL PROVISIONS**

### **Article 1**

This Law shall regulate the terms and manner of performing an agricultural activity.

### **Article 2**

Agricultural activity as referred to in this Law shall comprise production, processing, final processing and marketing of own agricultural products.

Agricultural activity shall also include livestock, bees and fish breeding, as well as marketing of their products.

### **Article 3**

Agricultural activity shall also include the activity of different organizational forms (cooperatives) aimed at enabling, facilitating and improvement of different phases of agricultural production (supply of products to agricultural producers required for their primary agricultural production, construction of facilities for processing and final processing of their own agricultural products and marketing of agricultural products produced by individual farmers).

### **Article 4**

The agricultural activity shall be performed in different sub-sectors, depending on the crops cultivated, respectively animal's breeding, such as: farming, vine growing, fruit growing, horticulture, sheep breeding, cattle breeding, pig breeding, poultry, bee keeping, fishery, etc.

## **Article 5**

Activity of agricultural producers organized in different associations for supporting agricultural activity, without own participation in concerned activity, shall not be deemed an agricultural activity pursuant to this Law.

## **Article 6**

Agricultural activity, which according to a separate law is also considered as trading, or other activity, shall not lose its basic character as an agricultural activity.

## **Article 7**

Agricultural activity may be performed by a physical person whose operation shall not exceed an agricultural activity of lesser volume and is noted in the register for private farmers (hereinafter: Private Farmer).

Agricultural activity may be performed by private persons as trader-individual whose operation shall exceed an agricultural activity of lesser volume and by trading companies as joint stock companies and companies with limited liability (hereinafter: Trader), that are entered into the trade register.

Agricultural activity may also be performed by an agricultural cooperative entered into the relevant register.

## **Article 8**

Agricultural activity of lesser volume as referred to in this Law shall be performing of agricultural activity personally by a farmer and up to ten employers, including the members of the family, as well as up to five seasonal workers.

### **Article 9**

Agricultural activity may be performed on agricultural land on the entire territory of the Republic of Macedonia.

### **Article 10**

Person performing agricultural activity may sell own products at the place of production, at their living place and at certain places intended for selling of agricultural products (markets), if the performer fulfils the conditions regulated by this or other Law.

### **Article 11**

Person performing agricultural activity should meet the following general condition:

- To perform the activity on an agricultural land for which he/she has a property right or has legally acquired such a property right from its owner (concession, lease, usufruct, etc.)

### **Article 12**

The seat of the person performing agricultural activity shall be the place of residence, respectively seat of the person concerned.

### **Article 13**

Person performing agricultural activity shall have a firm.

#### **Article 14**

Person performing agricultural activity shall, concerning the utilization, possession and protection of the agricultural land, be liable to:

1. Perform the activity in accordance with the provisions of this Law, the provisions of the Law on Trade Companies and the Law on Agricultural Land, as well as the provisions regulated in other relevant regulations.
2. Put a price list of own agricultural products at a visible place if sold in a retail sale.
3. Refrain from producing, respectively marketing of own agricultural products harmful for human, plant and animal health.
4. Fulfill ecological attributes of the product in accordance with the regulations of environment sector.

#### **Article 15**

Person performing agricultural activity shall be liable to register according to the provisions of this Law, respectively the Law on Trading Companies.

Person performing agricultural activity shall not begin agricultural activity without been entered into the relevant register.

Person performing agricultural activity may register only for one of the types of persons performing agricultural activity referred to in Article 7 of this Law.

## **Article 16**

Person performing agricultural activity may perform only the agricultural activity, respectively activities listed in the decision for entry into the relevant register.

## **Article 17**

The Government and other responsible institutions shall, referring to the persons performing agricultural activities, undertake relevant financial and other activities, providing an agricultural development.

## **II. PERSONS PERFORMING AGRICULTURAL ACTIVITY**

### **Chapter I**

#### **Private Farmer as Person Performing Agricultural Activity**

#### **Terms and Manner of Performing Agricultural Activity by Private Farmer**

## **Article 18**

Private farmer may perform agricultural activity if besides the general condition referred to in Article 11 of this Law meets the following conditions:

1. To be of legal age;
2. To be of sound health;
3. Not to be employed or retired;
4. Not to have been prohibited to perform certain activity by court decision;
5. To have paid due tax obligations and other public levies;

6. Not to have been be registered for performing agricultural activity and not to have been entered into the trade register; and
7. To have fulfilled other conditions regulated by law.

### **Article 19**

The private farmer who is full-time employed, respectively who is beneficiary of pension, may be permitted to perform agricultural activity if he/she submits proof to the Regional Unit of the Ministry of Agriculture, Forestry and Water Economy (hereinafter: Regional Unit of the Ministry) that his/her labor relations is terminated, respectively waive his/her pension within one month from the date the entry into the register for individual farmers has been refused.

In case the evidence referred to in paragraph 1 of this Article is not submitted within the determined period, the Regional Unit of the Ministry shall, decide ex officio that there is no legal basis for entry into the register of private farmers, respectively that the refusal of such registration is founded.

#### **1. Entry into Register of Individual Farmer**

### **Article 20**

The private farmer shall, for the purpose of performing agricultural activity referred to in paragraph 1 of Article 7 of this Law, submit to the Regional Unit of the Ministry an application for entry into the register in the place where the agricultural land on which the agricultural activity is performed, is located.

The private farmer shall attach to the application the evidences from Article 18, items 1 to 6 of this Law.

The Regional Unit of the Ministry shall pass a decision for registration of performing agricultural activity within 15 days from the date the application for entry into the register has been received.

An appeal against the decision referred to in paragraph 3 of this Article may be filed to the Commission for Administrative Affairs of second instance of the Government of the Republic of Macedonia dealing with agriculture within 15 days from the date the decision refusing an entry has been submitted.

## **Article 21**

The decision for entry into the register for agricultural activity kept by the Regional Unit of the Ministry shall contain:

1. Name, father's name, surname and home address of the private farmer;
2. Unique Identity Number
3. Scope of operation and code of activity
4. Trade name and seat
5. Abbreviated trade name, if any.

The Regional Unit of the Ministry located in the place of residence of the private farmer shall submit a copy of the decision referred to in paragraph 1 of this Article to the Ministry of Agriculture, Forestry and Water Economy, the administrative authority responsible for Public Revenues in the place where such agricultural activity is registered, the Pension and Disability Insurance Fund, the Health Insurance Fund, and the Service responsible for employment mediation in the place of residence of the private farmer.

With the entry into the register for agricultural activity, the farmer shall acquire the status of private farmer.

The Minister of Agriculture, Forestry and Water Economy shall pass a regulation concerning the form and contents of the register for private farmers.

## **2. Firm of Private Farmer**

### **Article 22**

The private farmer shall have a firm.

The firm shall include:

- A designation referred to the subject of operation;
- Name and surname of the private farmer;
- Scope of operation; and
- Seat of the private farmer.

### **Article 23**

The firm under which the private farmer performs agricultural activity shall be written in Macedonian language, with Cyrillic alphabet, and also it may be translated in other languages and alphabets, provided that the content is the same.

In case the firm under which the his/her farmer performs his/her agricultural activity is written besides in Macedonian language, in other languages and alphabets, such other languages and alphabets shall also be entered into the Register for Framers.

A same or similar activity performed by other person may not be entered in the Register for Private Farmers kept in the Regional Units of the Ministry of under the same firm.

#### **Article 24**

The private farmer shall be liable to use in his/her operation the firm under which the agricultural activity is performed, in the form it has been entered into the Register for Private Farmers.

The private farmer may also use an abbreviated firm name under which the agricultural activity is performed, that distinguishes the farmer from other private farmers.

The abbreviated firm name shall be entered into the Register for Private Farmers.

### **3. Seat**

#### **Article 25**

The seat of the private farmer shall be the place of his/her residence.

### **4. Evidence of Sold Products**

#### **Article 26**

The private farmer shall not keep business books, and its tax duties shall be determined by certain regulation of the Public Revenue Office.

### **5. Liabilities**

#### **Article 27**

The private farmer shall be liable for his/her obligations against third persons with his/her entire property.

## **6. Temporary Cancellation and Termination of Agricultural Activity**

### **Article 28**

The farmer may temporarily cancel his/her operation in the following cases:

1. When sick - while not capable to work
2. When serving or finishing his military obligation;
3. When detained or when confined for a period up to six months, i.e. pronounced a protection measure forbidding performance of the activity from six months to one year.

In cases referred to in paragraph 1, items 1, 2 and 3 of this Article, the private farmer may temporarily employ a person to carry out the agricultural activity, if such person meets the conditions referred to in Article 18 of this Law, and shall be liable to inform the Regional Unit of the Ministry within three days from the date of the evidencing of the working contract to the service in charge for employment mediation.

The cancellation of an activity for a period not exceeding 30 days shall not be deemed as temporary cancellation.

The farmer shall be liable to register the temporary cancellation of the activity with the Regional Unit of the Ministry within seven days.

### **Article 29**

The Regional Unit of the Ministry where the entry into the Register for Individual Farmers is made, shall, upon request by the private farmer, issue a decision for temporarily cancellation of the agricultural activity.

The decision referred to in paragraph 1 of this Article shall be submitted to the state authorities from Article 21, paragraph 2 of this Law.

### **Article 31**

In case the private farmer starts to perform activity prior to the time determined in the decision for temporary cancellation, he/she shall be liable to register such continuation in the performance of the agricultural activity with the Regional Unit of the Ministry within three days from the day the reason for temporary cancellation of the agricultural activity has ceased to exist.

The Regional Unit of the Ministry shall inform the state authorities referred to in Article 21 paragraph 2 of this Law about the continuation in the performance of the agricultural activity referred to in paragraph 1 of this Article.

The private farmer shall be liable, when registering the continuation of the activity referred to in Article 28 paragraph 2 of this Law to submit a proof that the working contract is cancelled should it exceed the number of workers referred to in Article 8 of this Law.

### **Article 31**

The private farmer shall terminate his/her activity and shall be erased from the Register for Private Farmers by:

1. By withdrawing; and
2. By force of Law.

### **Article 32**

In case the activity of an private farmer is terminated by withdrawing, the Regional Unit of the Ministry shall adopt a decision based on the written request of the private farmer.

In case the date for termination of the activity by an private farmer is not indicated in the notice of withdraw, as a date of termination of the activity of an private farmer shall be the day the notice of withdrawing has been submitted.

The decision referred to in paragraph 1 of this Article shall be entered into the Register for Private Farmers and it is submitted to the responsible authorities referred to in Article 21 paragraph 2 of this Law.

The private farmer shall be liable to announce the termination in a public newspaper within 30 days before the date of termination of such activity.

### **Article 33**

The Regional Unit of the Ministry shall erase the decision for entry into the Register for Private Farmers and shall announce the termination of the agricultural activity should it establish that the farmer acquired such decision for entry on the basis of false evidence.

### **Article 35**

The private farmer shall terminate his/her activity by force of law in case of:

1. To have lost his/her working ability or death, except in cases when a member of the family may carry out the already started obligations, but for a period not exceeding one year;
2. To have been effectively sentenced to a prison sentence exceeding 6 months;
3. To have been forbidden to perform agricultural activity by decision or other court measure;
4. To have been employed, to have acquired the right to pension or to have started another gainful activity; and
5. To have exceeded the performance of the agricultural activity of lesser volume.

## **Chapter II**

### **Trader as Person Performing Agricultural Activity**

#### **Article 35**

Trader (individual trader and trading company) may perform agricultural activity if besides the general condition for performing agricultural activity regulated by Article 11 of this Law, also has a vocational education, i.e. professional qualification for performing such activity.

#### **Article 36**

It shall be considered that the trader has a vocational education referred to in Article 35 of this Law if he/she acquired at least a diploma for completed relevant secondary school of agriculture.

The professional qualification of the trader referred to in Article 35 of this Law shall be examined by a Committee established by the Minister of Agriculture, Forestry and Water Economy.

Should the trader fail to meet one of the conditions regulated by Article 35, he/she may perform the agricultural activity if he/she employs a person meeting such condition.

### **Application of Provisions from the Law on Trading Companies**

#### **Article 37**

The provisions of the Law on Trading Companies shall apply to a trader performing agricultural activity with regard to the conditions, manner of performing the agricultural activity, supervision and penalty provisions, unless otherwise provided by this Law.

### **Chapter III**

#### **Agricultural Cooperative as Entity Performing Agricultural Activity**

#### **Article 38**

Agricultural cooperative shall be a form of voluntarily pool of material resources and labor of physical persons for the purpose of providing better conditions for performing agricultural activity, giving different services by the cooperative to its members, if such a cooperative has been entered in the relevant register.

#### **Types of Agricultural Cooperatives**

#### **Article 39**

Agricultural cooperative as referred to in Article 38 of this Law shall also be deemed pooling for the purpose of ensuring production of a different type or types of agricultural products in a whole process or some stages of such a process (specialized and multi-functional cooperative).

#### **Article 40**

Agricultural cooperative as referred to in Article 38 of this Law shall also be deemed pooling of agricultural land to which the members of the cooperative have a right to ownership, or the cooperative has the right to lease, for the purpose of efficient production of a certain type or types of agricultural products (production and operational agricultural cooperative).

#### **Article 41**

Special provision shall apply to agricultural cooperatives referring to the terms, manner of performing of agricultural activity and organization.

### **III Supervision**

#### **Article 42**

Ministry of Agriculture, Forestry and Water Economy shall perform supervision over the legality of the operation of persons performing agricultural activity.

The inspection over the implementation of the provisions of this Law concerning fulfillment of terms for performing agricultural activity shall be performed by the State Agricultural Inspection, as well as by other responsible institutions with regard of certain issues regulated by this Law of their responsibility.

#### **Article 43**

In case the agricultural activity, respectively activities is performed without been entered into the appropriate register, the inspector in charge shall pass a decision on prohibiting the performance of such activity, respectively activities.

#### **Article 44**

In case the individual farmer while exercising his/her activity exceed the conditions for performing agricultural activity in lesser volume as referred to in Article 8 of this Law, the inspector in charge shall pass a decision for prohibiting the performance of such activity in his/her capacity of private farmer, and shall inform the Ministry of Agriculture, Forestry and Water Economy that made the entry into the Register for Private Farmers.

Against the decision referred to in paragraph 1 of this Article an appeal may be filed to the Ministry of Agriculture, Forestry and Water Economy within 15 days from the date such decision has been received.

The appeal submitted against the decision referred to in paragraph 1 of this Article shall not delay the execution of the decision.

#### **Article 45**

In case the agricultural activity, respectively activities are performed by a person failing to meet the condition referred to in Article 11 (for private farmers), respectively the conditions from Articles 11 and 35 (for trader), the agricultural inspector shall pass a decision for prohibiting performance of such activity, respectively activities.

#### **Article 46**

Should the person performing agricultural activity produce, respectively sell his own agricultural products harmful for the human, plant and animal health, the market inspector shall pass a decision for prohibiting sale of such products.

#### **Article 47**

Should the person performing agricultural activity produce, respectively sell own agricultural products failing to meet ecological properties according to environmental regulations, the inspector in charge shall pass a decision for prohibiting further production, i.e. marketing of such products.

#### **IV. Penalty Provisions**

#### **Article 48**

A fine from 15.000 to 150.000 denars shall be levied upon a trader performing agricultural activity:

1. Should the activity is performed by a person failing to meet the conditions referred to in Articles 11, 35 and 36 paragraph 3 of this Law;
2. Should he/she fail to perform the activity according to the provisions of this Law, the Law on Trade Companies and the Law on Agricultural Land and the relevant regulations (Article 14, paragraph 1, item 1);
3. Should he/she fail to put a price list of his/her products at a visible place when sold as retail sale (Article 14, paragraph 1, item 2);
4. Should he/she produce, respectively put for sale a product harmfully affecting the health of people, plants and livestock (Article 14, paragraph 1, subparagraph 3);
5. Should he/she produce, respectively market a product failing to meet ecological attributes according to the environmental regulations (Article 14 paragraph 1, item 4);
6. Should he/she perform, respectively start to perform agricultural activity without registration, i.e. without been entered in the court register (Article 15 paragraphs 1 and 2);

7. Should he/she register in to the trade register in more than one types of persons performing agricultural activities regulated in Article 7 of this Law (Article 15 paragraph 3);
8. Should he/she perform agricultural activity, respectively activities not listed in the decision for entry into the trade register ( Article 16).

For the activities from paragraph 1 of this Article, a responsible person working for the trader performing agricultural activity shall also be fined from 3.000 to 10.000 denars.

#### **Article 49**

A fine from 8.000 to 30.000 denars shall be levied upon a private farmer:

1. Should he/she fail to meet the conditions from Article 11 and the conditions from Article 18 of this Law when performing agricultural activity, respectively activities;
2. Should he/she fail to perform the activity in accordance with the provisions of this Law, the Law on Agricultural land and other relevant provisions (Article 14, paragraph 1, item 1);
3. Should he/she fail to put a price list of his/her products at a visible place when sold as retail sale (Article 14, paragraph 1, item 2);
4. Should he/she produce, respectively put for sale a product harmful for human, plant and animal health (Article 14, paragraph 1, item 3);
5. Should he/she produce, respectively market a product failing to meet ecological properties according to the environmental regulations (Article 14 paragraph 1, item 4);
6. Should he/she produce, respectively market a product without registration, i.e. without an entry into the Register for Private Farmers (Article 15 paragraphs 1 and 2);

7. Should he/she register more than one types of persons performing agricultural activities regulated in Article 7 of this Law (Article 15 paragraph 3 and Article 18, paragraph 1, item 6);
8. Should he/she perform agricultural activity, respectively activities not indicated in the decision for entry into the Register of Private Farmers (Article 16);
9. Should he/she use the firm under which the private farmer performs his/her agricultural activity in the form it has been entered into the Register for Private Farmers (Article 24);
10. Should he/she fail to notify the Regional Unit of the Ministry of Agriculture, Forestry and Water Economy for the temporary cancellation of performing agricultural activity within seven days (Article 28 paragraph 4);
11. Should he/she start performing the activity before the expiration of the time defined in the decision for temporary cancellation, without registering the continuation of the performance of the agricultural activity with the Regional Unit of the Ministry within three days from the date the reasons resulting in temporary cancellation of the agricultural activity have ceased to exist, and should he/she fail to submit evidence that the working contract with the worker has been terminated in case the number of workers exceed the number determined in Article 8 of this Law (Article 28 paragraph 2); and
12. Should he/she fail to announce in a public newspaper the termination of performing such activity within 30 days before the date of termination (Article 32, paragraph 4).

For the offences from paragraph 1, item 4 of this Article, besides the fine a security measure shall be imposed - prohibition to perform the activity for a period from three months to one year.

For the offences from paragraph 1, items 9 and 10 of this Article, besides the fine a protection measure shall be imposed - prohibition to perform the activity for a period from three months to one year, should the offence is repeated.

## **V. Transitional Provisions**

### **Article 50**

This Law shall come into force on the eighth day upon its publication in the "Official Gazette of the Republic of Macedonia".

## **Rationale**

### **I. Constitutional Basis for Adopting the Law**

The Constitutional basis for adopting the Law is Article 68 paragraph 1 indent 2 of the Constitution of the Republic of Macedonia according to which laws are enacted by the Assembly of the Republic of Macedonia.

### **II. Assessment of the Situation in the Field to be Regulated by Law**

The Draft Law, directly and completely covering the agricultural activity as subject to be legally regulated, is a novelty in the present positive legislation of the Republic of Macedonia. Therefore, this legislative step represents an additional normative valuation of agriculture as the important economic branch for the overall development of the country.

However, it should be noted that some of the legal aspects of the agricultural activity have already been regulated, at least in the area of agricultural land. Reference is made to the Law on Agricultural Land from 1998 (“Official Journal of RM” No. 25/98 and 18/99), and the Law under preparation that will replace the existing one. This Law shall regulate the rights and obligations of persons possessing agricultural land in respect of the utilization, possession and protection of agricultural land.

It is well known fact that the land is the basic precondition for agricultural production. Without the land there is no agricultural production. However, human intervention is required for its proper utilization. Therefore, the Law on Agricultural Activity additionally regulates the conditions required for productive use of the agricultural land. This productive use of the agricultural land would be implemented in such a way that the performance of the agricultural activity would be considered as labor relations. Namely, the farmer should be registered with the competent authority, and for

performing his/her activity should meet the conditions provided by the law. The relevant authority proposing this Law considers that in this way a great number of unemployed labor forces would become engaged in agriculture thus revitalizing the agriculture in the Republic of Macedonia. The registration of the farmers and payment of relevant contributions to the state would also mean certain advantages for the farmer – financial support by the state as well as pension after his/her labor relation as a farmer is completed.

### **III. Goals to be Achieved with this Law**

The aim of the Draft Law is to regulate the agricultural activity as a type of economic activity and to provide conditions for its performance. In the first place it is about the legal regime of the entities involved in this activity, i.e. private and legal persons as persons performing agricultural activity and their forms of organization, fully respecting the present local and international conditions, respectively the current domestic social system and the aspiration for approximation of the legislation of the country with the legal systems of the European Union member states.

### **IV. Structure of the Law**

Having in mind the function and purpose of this Law, its subject matter is essentially presented in two basic parts. The first part, under the heading GENERAL PROVISIONS defines the general term and types of agricultural activity and the general regulations for all persons performing agricultural activity and their rights and obligations. Regarding the general concept of the agricultural activity, the legal text in determining this activity accepted a broader concept. Namely, apart from the agricultural activity in its narrower sense (production of own personal agricultural products), it also includes agricultural activities such as livestock breeding, fishing and bee-keeping which, due to their connection with the land and their complex functions (and although regulated by separate laws), are treated as agricultural activity. Also, in a situation of market economy, when selling an own product, in whole or partially is an economic necessity,

the concept of agricultural activity includes also sales of own agricultural products on the market, as well as their processing and finishing.

The Draft Law, with regards to the identification of entities performing agricultural activity, takes the standpoint that different associations of farmers whose goal is to stimulate agricultural activity (which on their part are not involved in performing such activity) through persons directly involved in the performance of this activity shall not be considered as entities performing agricultural activity (Article 5). The proposed standpoint is in line with the general position of the local legislator reflected in the existing Law on Associations of Citizens and Foundations from 1998 ("Official Journal of RM" No. 31/89) by declaring these associations of citizens as non-for-profit organizations that are not entitled to carry out economic activities (Article 2 and Article 7). The solution given in the Law on Trading Companies from 1996 ("Official Journal of RM" No. 28/96) regarding the legal position of the so-called economic communities of interest (Article 6 and the Articles that follow) is almost the same.

The Law also contains provisions, given as general rules in the conditions for performing agricultural activity that are mandatory for all persons performing this activity: possession of relevant land for performing agricultural activity, professional qualification required for carrying out relevant agricultural activity, tread name and seat, registration with the authorized body, as well as the obligation the products to be without any harmful effect on the human, plant and animal health.

This part of the Law regulates, in principle the role of the state regarding the performance of agricultural activity where emphasis is given to its stimulating role, not excluding its supervisory function that should provide implementation of the Law (Article 17).

The second part under the heading PERSONS PERFORMING AGRICULTURAL ACTIVITY, in its separate parts - *chapters*, regulates the legal position of individual types of persons performing this activity: (private farmer, trader

and agricultural cooperative). Consequently, there are two chapters: *Private Farmer as person performing agricultural activity (Chapter one)*, *Trader as person performing agricultural activity (Chapter two)* and *Agricultural cooperative performing agricultural activity (Chapter three)* .

Regarding the classification of persons performing agricultural activity, the text of Draft Law takes into consideration that there are two types or levels of activities performed by these persons. Those whose production, respectively activity is of lesser volume, and the others whose production is not of lesser volume (is of bigger volume). The text takes into consideration the number of workers employed by the person performing the activity (up to 10 full-time employed and up to 5 seasonal workers) as a criterion defining lesser volume of agricultural activity. However, there is a possibility to include more detail standards in order to establish more precise differentiation. Such a differentiation results from the necessity to have different treatment of these two types of agricultural producers depending on the different economic power, respectively the size of both producers. This different treatment is understandable and justified. Except this, it is expecting this differential treatment of private farmers independent of their name, that could be disputable, from reasons to initiate the development of domestic agricultural sector.

This Chapter regulates in details the legal position of the individual farmers. The Draft Law, in fact precisely regulates the conditions for performing agricultural activity, the obligations and the procedure for registration of the firm, seat, temporary and final termination of the activity in the register of the Regional Units of the Ministry of Agriculture, Forestry and Water Economy, in order that such a regulation would stimulate the person to perform such activity in a modern manner. It is to believe that some misunderstandings and difficulties would accompany the first steps towards such a legal treatment of small farmers, but these difficulties would be overcome with the active role of the competent state authorities and other relevant factor.

In the second chapter - Trader as Persons Performing Agricultural Activity, the Draft Law deals with higher categories of agricultural producers: traders - individuals and trading companies (joint-stock companies and limited liability companies).

The Draft Law refrains from formulating provisions except those of general nature, and upholds that the existing legal regulations, respectively the Law on Trading Companies is applied. The authority proposing the Law is convinced that this approach is both rational and justified since it is about legal entities that are seriously entering the field of trading, which irrespectively of the types of entities should apply the same legal principles and rules, i.e. law of the market economy. Also, it is considered that a parallel or dual regulation of the legal position of such persons performing this activity may result in unjustified difference on the same questions, and therefore it is recommended that single solution in the legal system are applied.

Taking into consideration that according to this Law (as well as other laws regulating other economic activities, such as craftsmanship) the persons performing this activity are termed as traders, and consequently their activity as trading activity, the registers in which this activity is entered into should also be termed as trade registers. This, however, does not exclude the need and the possibility for specifying separate annotations in this unique system of registration {except for the small farmers who according to the Draft Law are entered into separate register kept by the Ministry of Agriculture, Forestry and Water Economy (Articles 20 and 21)} that would make the evidence of persons performing agricultural activity sufficiently transparent. Also, this would evidently lead to easier monitoring of the situation in the relevant field of agriculture.

The third part - *Agricultural cooperative performing an agricultural activity*, is concerns the agricultural cooperative as a performer of agricultural activity. Apart from the definition for agricultural cooperative (Article 39) and the types of agricultural cooperatives (Article 40, 41 and 42), the Law consists another provision that indicates that agricultural cooperatives regarding to the terms, manner for performing of

agricultural activity and organization will apply certain specific regulations (Article 43). This provision defines that until adoption of the Law on cooperatives, prepared by the Ministry of Economy, the agricultural cooperatives shall not be registered as performers of agricultural activity.

It should be not foreseen that in our legal system concerning the cooperatives, there are two existing old Laws, the first Law adopted by SR Macedonia in 1980 (Law on association of farmers) and another adopted in 1990 (Official List of SFYR No. 3/90, as Law of former SFRY). Since these two Law were overcome, it seems that it is not relevant that this theme should be base on them, and it is real to prepared certain regulations i.e. preparation of Law on cooperatives by the Ministry of Economy.

The third part titled as *Supervision* contains provisions about the supervisory function of the relevant inspectors in charge of supervising the performance of the agricultural activity. Next are the PENALTY PROVISIONS, and at the end the TRANSITIONAL AND CLOSING PROVISIONS of the text.

#### **V. Financial Resources Required for Implementing the Law and Manner of Providing such resources**

There is no need of additional funds for implementation of this Law.