

THE LIVESTOCK FUND OF THE REPUBLIC OF CROATIA 10 YEARS AFTER JOINING THE EU

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ABSTRACT

The long and arduous road that the Republic of Croatia has travelled in adapting its legislation to the European acquis has had a negative impact on livestock farming, especially milk production. Despite that, the livestock population, dominated by three species in Croatia (cattle being most economically important, followed by pigs and sheep), has decreased significantly over the last ten years. According to the data on the number of cattle, pigs and sheep recorded in the Unified Livestock Register, the total number of cattle in 2022 (470,000) is about 5 % lower than in 2013 (443,000), but the number of dairy cows in 2022 (72,000) is almost 30 % lower than in 2013 (102,000). Similarly, the total number of pigs fell from a total of 1.1 million to 945,000 and the number of sows from 106,000 to 70,000. The sheep and goat sector is relatively stable given the size of the population. Unfortunately, Croatia is following Europe in the negative trends in animal husbandry. Although the main reason for the reduction of livestock in Europe is the desire for a more sustainable, greener agriculture, this is not the case in Croatia. Numerous market difficulties and low prices, de-ruralisation and de-agrarianisation as well as poor agricultural policies have led people to abandon livestock farming, which has led and continues to lead to a decline in livestock numbers.

Keywords: livestock farming, EU membership, cattle, pigs, sheep

INTRODUCTION

Since Croatia became a full member of the European Union in 2013, livestock production in Croatia has changed significantly in terms of the number of predominant domestic animal species and the structure of primary livestock production. Although many efforts were made during the accession negotiations to ensure the best possible position of Croatian agriculture in terms of competitiveness and profitability compared to developed Western European countries (Gelo, 2013), the situation has deteriorated in terms of the size of the livestock and its production volume. These efforts may have necessitated changes in the livestock sector to meet EU requirements regarding animal welfare, food safety, and environmental sustainability. Certainly, upon joining the EU, Croatia gained access to various EU funds and agricultural programs aimed at supporting the development of rural areas and agriculture. Croatia had 233 280 agricultural holdings (or farms) in 2012, working 1.3 million hectares of land (the utilized agricultural area). Compared with 12.0 million agricultural holdings across the EU-27 working 172.8 million hectares (Eurostat, 2018), this is less than 2 % of total EU number of farms and less than 1 % of EU land area. Of the 1 mil. hectares of arable land about two thirds (65.0 %) was given over to cereals, of which a majority was land under grain maize production. The average

Croatian farm had 5,3 livestock units and European Union average was 20 LSU. When compared to third countries, European farm sizes remain relatively small. In the EU, in economic terms, smaller farms practice various activities with mixed cropping, mixed livestock, or mixed crop and livestock farming simultaneously (Eurostat, 2022).

By joining the EU, Croatia became part of the common European market, which it entered unprepared and became dependent on imports, especially from countries less developed under the socialist system, such as Poland and Hungary, due to the decline in domestic production. The data on the level of self-sufficiency in the production of milk of only 44.2 %, pork of 55 % and beef of 75 % is devastating (World Bank Group, 2022).

The aim of this article is to present a brief history of the Croatian livestock sector (cattle, pigs, sheep, goats) prior to EU accession in 2013 and the trends in the livestock sector in the first decade of Croatian membership of the EU (2013 – 2022), as well as the challenges and opportunities for the future.

Cattle sector

The Republic of Croatia accounts for 0.5 % of the total number of cattle in the European Union (Ministry of Agriculture, n.d.). The total number of cattle in my country started to decline during and after homeland war that ended in 1995. Currently, the total number of cattle is relatively stable, due to a large number of calves being imported for fattening. Most imported calves come from Romania (66.6 %), but large proportions are sourced in Slovakia (8.64 %), Czech Republic (7.98 %) and Hungary (5.73 %). The last big decline of number of cows occurred between 2021 and 2022 with 15 % less in only one year (Graph 1). There is also downward trend in the number of dairy cows, with 30 % less than 10 years ago and this is of the biggest concern for Croatian livestock sector and economy in general.

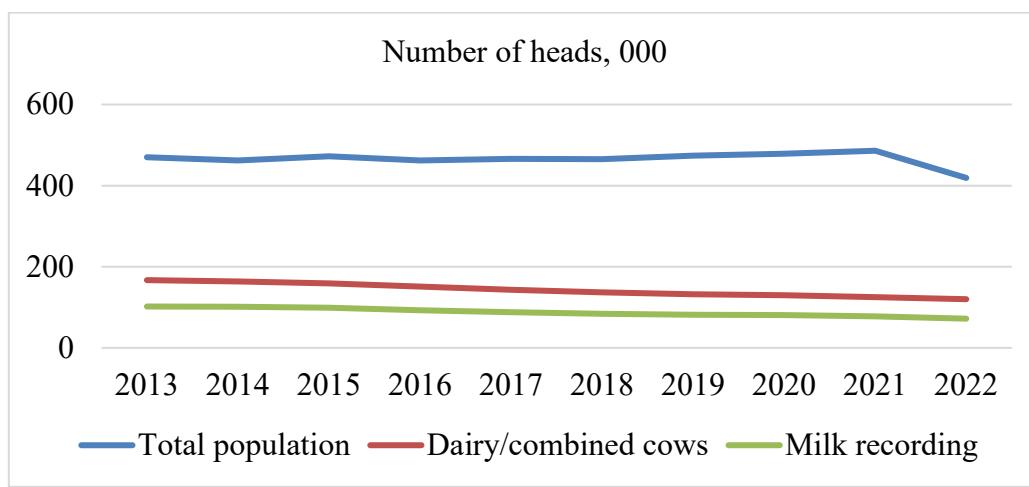


Figure 1: Trends in the number of cattle in Croatia from 2013 to 2022

The dairy subsector is one of the most complex agricultural subsectors and suffers from a number of challenges, not only in Croatia. Compared to the other milk-producing countries in the EU, Croatia suffers from a relatively low level of milk self-sufficiency which has further decreased over the last decade. On the

Croatian market, almost every other litre of milk comes from imports; according to the Italian consultancy firm CLAL, the degree of self-sufficiency in milk has fallen from 83.5 % to only 52.2 % (Clal.it, n.d.).

Pig sector

Pig production is one of the most important branches of the Croatian livestock industry, especially as it is present in almost all parts of the country. It has an impact on many other sectors of the economy: the processing industry, the animal feed industry, the processing and refinement of agricultural products, and the processing of by-products of the food industry. In the period 2013-2022 the total number of pigs fell by 16 % and both piglets and sows (a decrease of as much as 34 %) contributed to this overall trend (Graph 2). Compared to beef prices, pork prices in Croatia are low and domestic production is very sensitive to changes in the market and economic environment (Ministry of Agriculture, n.d.).

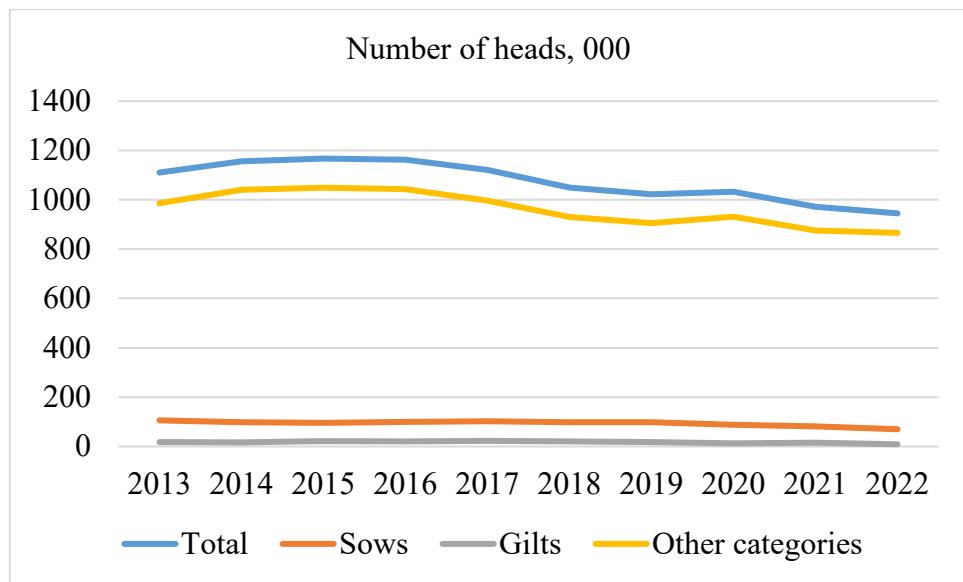


Figure 2: Trends in the number of pigs in Croatia from 2013 to 2022

Although there are good conditions for pig production, especially due to the significant production of corn in the country, Croatian pork production does not meet domestic demand, which leads to considerable imports of animals, from piglets to slaughter pigs. The self-sufficiency rate for pork is between 50 % and 70 %, and this low level has remained fairly constant in the ten years since 2013.

Sheep and goat sector

The sheep sector is showing positive trend considering total population size (Graph 3). Within some variations and negative values between 2013 and 2016 when population was rather stagnating, the number of sheep has increased from 620,000 to 643,000 during total observed period of time. It is interesting to see that between 2002 and 2022, the number of head of each livestock population decreased in Europe: the sharpest declines in percentage terms were recorded for the number of sheep and goats (both about 20 %), while the smallest rate of decline was in bovine animal numbers (about 9 %). For that reason, European union highlighted the sector as very sensitive, which requires careful planning and adoption of agricultural policy measures, which will enable it to survive and prosper (CAAF, 2023).

Together with sheep, the goat sector is also showing positive trend in population size. The number of goats has increased for 26 % during observed period of time; from 65,000 to 82,000.

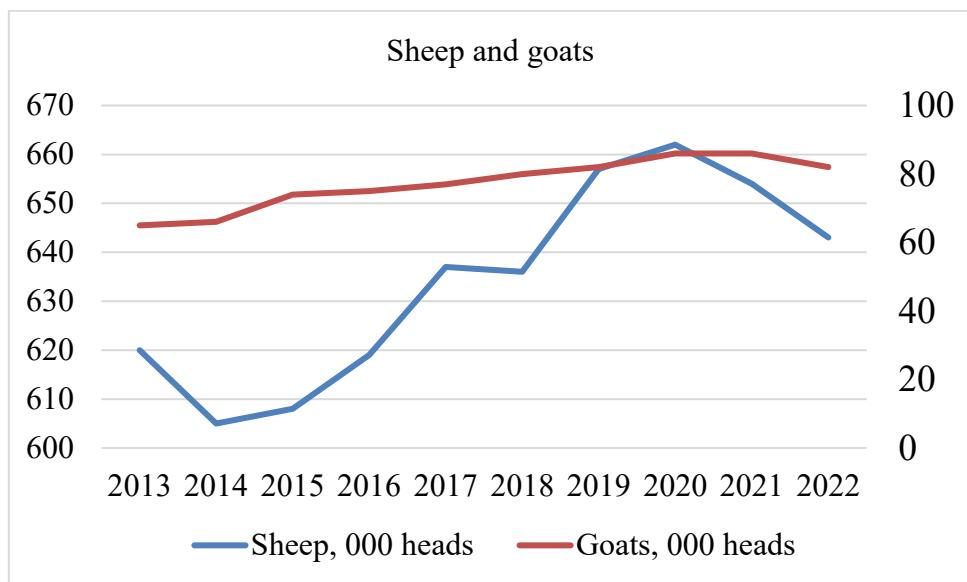


Figure 3: Trends in the number of sheep and goats in Croatia from 2013 to 2022

CONCLUSIONS

Despite EU membership that typically provides easier access to the EU's single market and facilitating trade of livestock products, it is obvious that for some reasons Croatian livestock producers did not use these opportunities. The largest decline in livestock was recorded in cattle and pig production, with the number of sows decreasing year on year, while the import of piglets is increasing. In conclusion, the current situation in Croatian livestock farming is very unfavourable compared to the starting position and there is still no indication that the situation will improve soon. In order to make a positive change, Croatia should secure full access to technical support and expert knowledge from EU institutions and agencies. This could include support for improving livestock management practices and veterinary services, strengthen producer organizations, modernize farm infrastructure, implement precision agriculture, and implement support for young farmers. EU funds should contribute to the development of rural infrastructure, including facilities related to livestock farming as well as including improvements in transportation, storage, and processing facilities. Croatian policies as well as farmers should embrace EU intentions that emphasize environmental sustainability, and this could help the livestock sector in Croatia to adopt more sustainable practices, considering factors like waste management and resource efficiency.

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