

SUCCESS STORY

Cooperation for Mutual Success

AgBiz is supporting its customers to identify, prioritize and to the extent possible resolve competitiveness constraining policies, almost always via trade associations and /or private sector dialogue with the Government of Macedonia.

“Shumski Plod “was established in 2009 by ten wild gathered products (WGP) companies representing over 50% of Macedonian exports of WGP. Now, only a year after of its foundation, there are five more members which in total represent 70% of Macedonian WGP exports.



Mushroom Processing Staff at Extra Fungi, a Member of “Shumski Plod”

“This is a victory for us! We have succeeded to take the industry’s future in our hands. Our association is now relevant and an acknowledged representative the WGP business.” - said Sashko Antovski, owner of Extra Fungi.

Photo: AgBiz Program Staff

Only one year after its formation the wild gathered products (WGP) trade association Shumski Plod, established with the support of USAID’s AgBiz Program, has successfully positioned itself as an efficient resource for WGP participants to negotiate with Government of Macedonia (GoM) officials in support of this important industry. Over the past year Shumski Plod successfully worked with the GoM to address major challenges that influence the entire industry, but especially the member companies that represent over 70% of Macedonian’s estimated US\$17 million in WGP exports.

Since 90% of the land that serves as the natural resource for wild product gathering is owned and managed by the GoM, the Ministry of Agriculture Forestry and Water Economy (MAFWE), as the responsible authority, developed a new Law on Forests which was adopted by the GoM. The new law makes the public enterprise Makedonski Shumi the sole manager of Macedonian forests, and gives it the right to charge fees for the natural resources collected from publicly owned land. Subsequently Makedonski Shumi asked WGP companies to sign a contract to pay 15% of the value of their annual WGP purchases to Makedonski Shumi.

WGP companies considered this an illegal act that would have a very serious negative impact the competitiveness of Macedonian WGP exporters. Shumski Plod therefore took the lead in organizing meetings with MAFWE and Makedonski Shumi representatives to discuss the issue. Shumski Plod became recognized as an important stakeholder by MAFWE, and was invited to participate in the working groups drafting the WGP-related bylaws to the new Law on Forests. Shumski Plod then initiated an internal procedure for proposing modifications to the Law, and formation of the new by-laws. The capacity of Shumski Plod Board members to do such advocacy work was enhanced by their participation in an AgBiz-supported tour where they studied similar situations faced by other trade associations in new EU member states. The lessons learned from this study tour motivated Shumski Plod to develop their process for stimulating policy reform. To effectively do so AgBiz and Shumski Plod hired a local service provider to assist the association to develop a specific proposal to MAFWE to overcome the WGP regulatory issues, especially taxation. These modifications were presented to MAFWE and were accepted as viable and consistent with their plans for regulating WGP collection and exports.

Shortly thereafter, the GoM accepted the modifications and instructed the responsible authorities to amend Law on Forests WGP-related legislation with the provisions proposed by Shumski Plod. The modifications were then made, and the amended Law was adopted by Parliament. Shumski Plod members are now able to participate in the MAFWE working group responsible for developing WGP-related bylaws, with the objective of supporting the comprehensive implementation of the entire Shumski Plod proposal. Therefore, Shumski Plod has managed in only one year to be recognized by MAFWE and the GoM as a key stakeholder and partner in the WGP subsector.

The new association has demonstrated unity in addressing competitiveness constraints to their value chain, and developing proposals to resolve issues impacting members’ businesses. It has also demonstrated the capacity to identify a best case scenario taking into consideration all potential impacts, and then develop complicated proposals to the GoM for changing national legislation that clearly present and describe the benefits from the GoM accepting the proposal.

AgBiz will continue to provide support to the association to resolve policy issues, and thus create a favorable competitive environment for value chain participants, and also be able to provide other types of support to members to enhance their business success.