



РЕПУБЛИКА СРБИЈА  
МИНИСТАРСТВО ПОЉОПРИВРЕДЕ  
И ЗАШТИТЕ ЖИВОТНЕ СРЕДИНЕ



Food and Agriculture Organization  
of the United Nations

ОРГАНИЗАЦИЈА  
ЗА ХРАНУ И ПОЉОПРИВРЕДУ  
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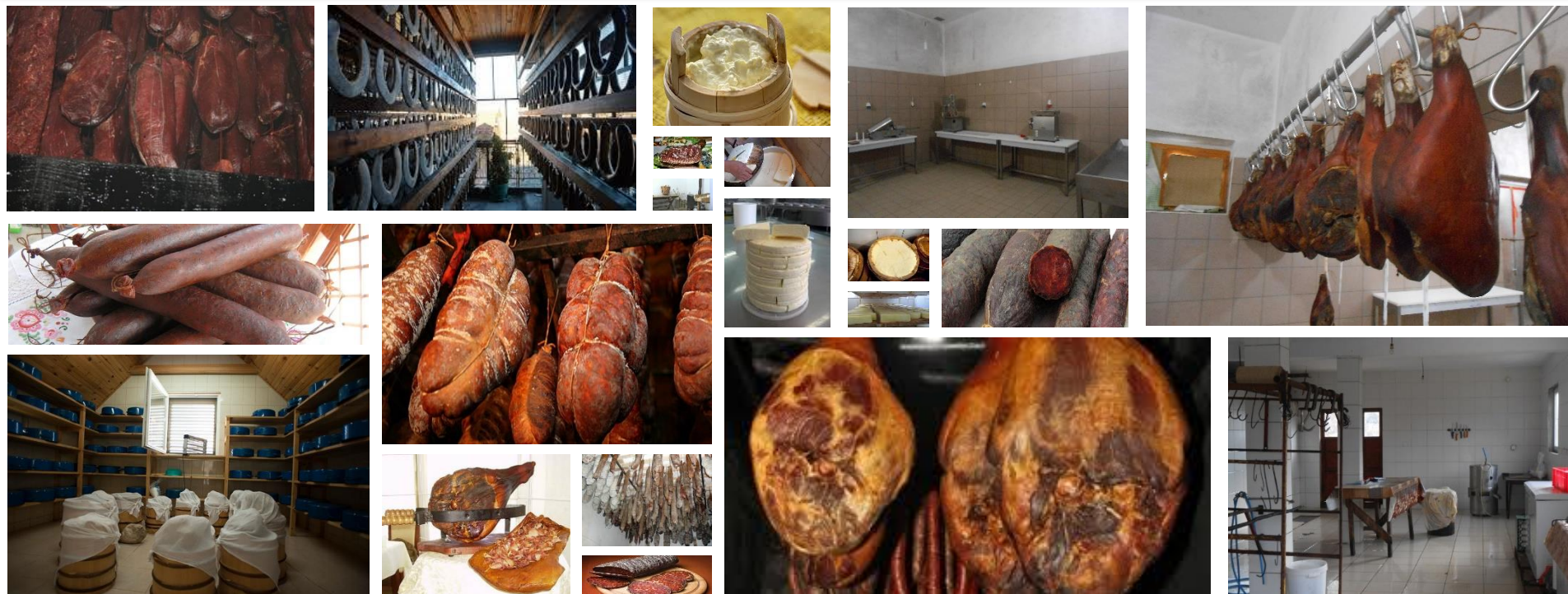


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## NATIONAL FORUM

# ON FLEXIBLE APPLICATION OF FOOD HYGIENE RULES IN THE PRODUCTION OF ANIMAL FOOD PRODUCTS





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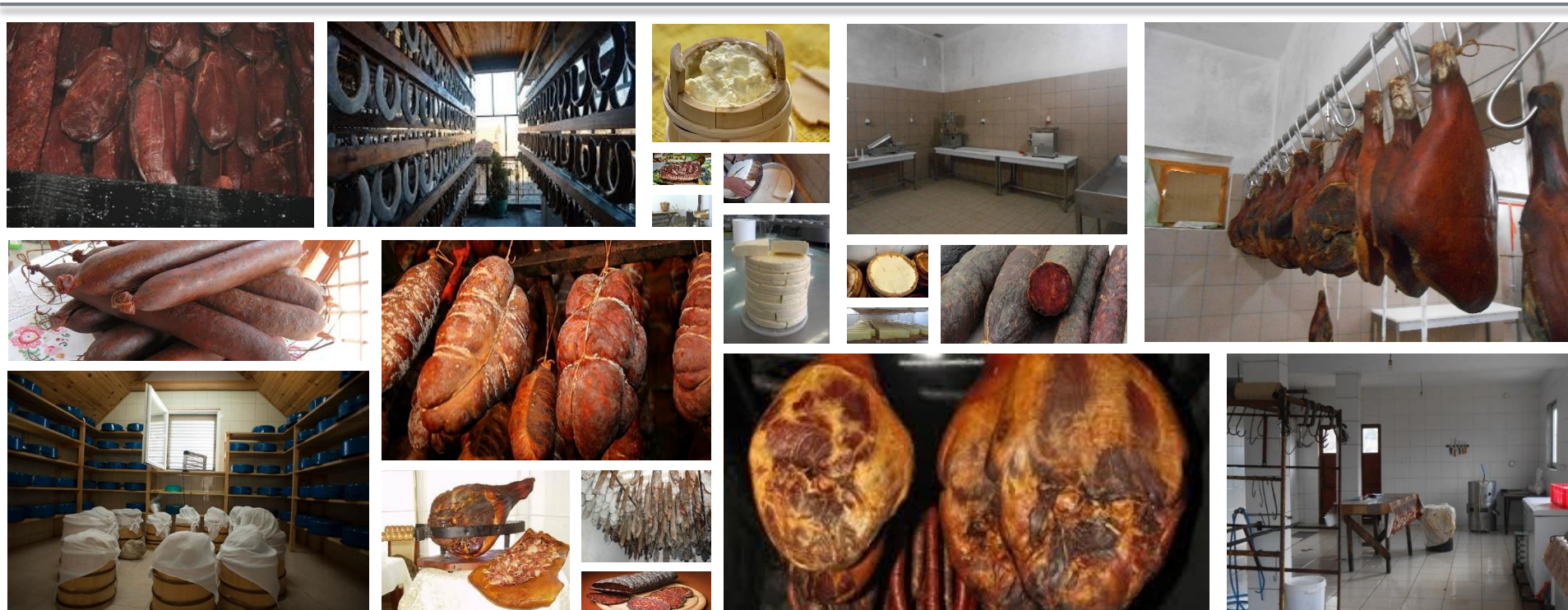
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# FLEXIBILITY– application frame and national measures



# FLEXIBILITY !?

FLEXIBILITY - flexible/adapted interpretation and application of (some) food hygiene regulations:

- In certain areas – activities
- In special circumstances – small volume of production
- In establishment structure (construction, layout, equipment)

AIM: (What is achieved by adopting flexibility measures?)

- To maintain diversity and special features of valuable national heritage
- To reduce financial burdens and administrative obstacles – to facilitate operating!

SUBJECT:

- food safety
- consumer protection

CONSCIENCE:

- There is no compromise with the aims of food hygiene regulations!

# FLEXIBILITY !?

## Flexibility DOES NOT mean:

- Limit health protection and consumers' interests – for **FBO interests!**
- That any of the **(practical) solutions for FBOs will be approved** - if the final result **jeopardizes** food safety
- That the good practice **will be disregarded**

Flexibility must not jeopardize the food safety aims!













# Food Safety Law (Official Gazette of the Republic of Serbia No. 41/09)

- Does not apply to:

*(excluded from field of application of food hygiene requirements)*

- Primary production of food in private households,
- preparation, operating or storage of food aimed for consumption in private households

Food Safety Law (Official Gazette of the Republic of Serbia No. 41/09)



**DRAFT**

of the Rulebook on **small quantities of primary products** used for consumer **supply**, of operations and derogations related to **small food business operators** to facilitate their operations.



## DRAFT OF THE RULEBOOK (NATIONAL MEASURES)

- ❖ Exemptions-exclusions-adaptations-derogations from the hygiene requests refer to:
  - Producers **directly supplying final consumers with primary products with small quantities** (raw milk, eggs, honey, fish, game, snails)
  - Producers directly **directly supplying final consumers with small quantities of chilled poultry meat or lagomorphs** slaughtered at the household
  - **Raw milk processing at the household**
  - Establishments where the **traditional methods are being used** in certain stages of food production/processing and distribution
  - Establishments located **in areas with special geographical limitations – construction, layout, equipment**
  - Establishments of **small capacity – construction, layout, equipment**
  - Production, processing and marketing of products with traditional characteristics (**traditional products**)

❖ **Guide(s) for application of national measures**



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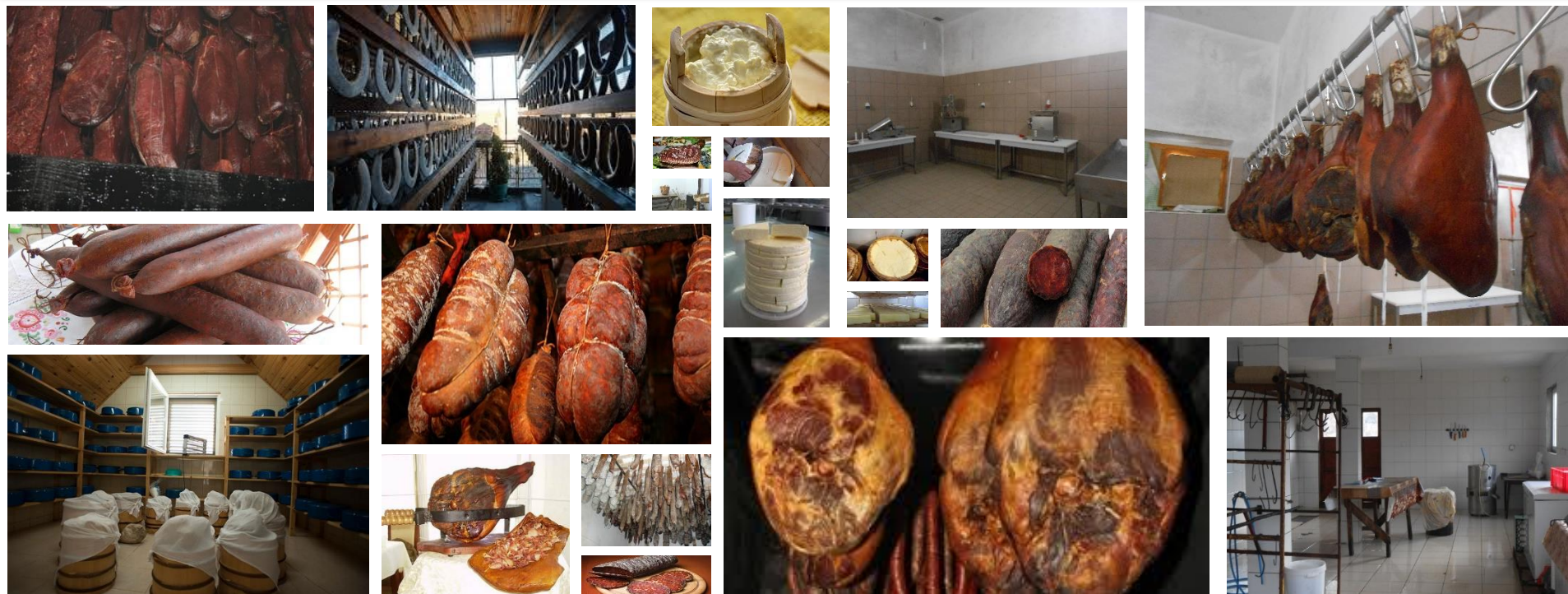
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# Establishments for traditional production





# “Traditional products” = “Traditional methods”

- If the food is produced using **traditional methods** and there is a need of **additional requirements to be adapted** in relation to traditional products – it is permitted to adopt:

## **National measures for derogation and adaptation** of hygiene requirements

- When **“tradition”** is related to **facilities** (walls, doors, ceilings, floors) or **material** for fittings/equipment – it is a matter of **derogations from structural requirements**
- When **“tradition”** is related to other requirements – especially for **process** (production, processing, distribution) – it is a matter of **derogations** related to **“traditional method”**

## ❖ *Dried meat production*

# Food with traditional characteristics – Traditional products–

- ❖ Recognised **historically** as **traditional product** or
- ❖ Produced according to codified or registered **technical references** to the **traditional process**, or according to **traditional production methods**, or
- ❖ **Protected as traditional food** product in line with the national law

## ❖ **Protected traditional food** – QUALITY SCHEMES

- ❖ The goal is to help agricultural and food producers to present to consumers the characteristics of product's quality and the method of production
- ❖ To protect the **name** and the **quality** of the product
- ❖ **“Traditional”** means proven use on the domestic market in period covering at least two generations – 30 years at least



# Food with traditional characteristics

## – Traditional products–

### ❖ Protected geographical indication/designation of origin

- Originates from certain region, i.e. place or (rarely) state
  - Quality or characteristics are exclusively or dominantly determined by nature and human factor of the named geographical area
  - Production, processing and preparation take place at the named geographical area
- **This means: produced, processed or prepared in certain geographical area by using familiar technology and knowledge**

### ❖ Protected geographical indication

- **product/food closely connected to geographical area**
- at least **one phase** of production, processing or preparation takes place **at that geographical area**

### ❖ Traditional speciality guaranteed

- ❖ **The traditional characteristic of the product is highlighted – ingredients или production method**

## DRAFT OF THE RULEBOOK

### Derogations from hygiene requirements **in production and distribution of food with traditional characteristics (traditional products)**

- 1) be constructed from natural materials **necessary for the development of specific characteristics of that traditional product;**
- 2) **have walls, ceilings and doors that ARE NOT** of smooth, impervious, non-absorbent or of corrosion-resistant materials or may have a natural geological walls, ceilings and floors
- 3) **adapt** the cleaning and disinfection procedures to keep the natural production conditions (specific ambient flora);
- 4) at all stages of production and packaging use equipment, **tools and instruments that are made of materials that are not smooth, corrosion-resistant and non-absorbent**, including wood, stone and other materials that are **traditionally used** in the production, maturation and storage of the product and that are maintained in a **satisfactory hygiene state and regularly cleaned, washed and, if necessary, disinfected.**




## DRAFT OF THE RULEBOOK

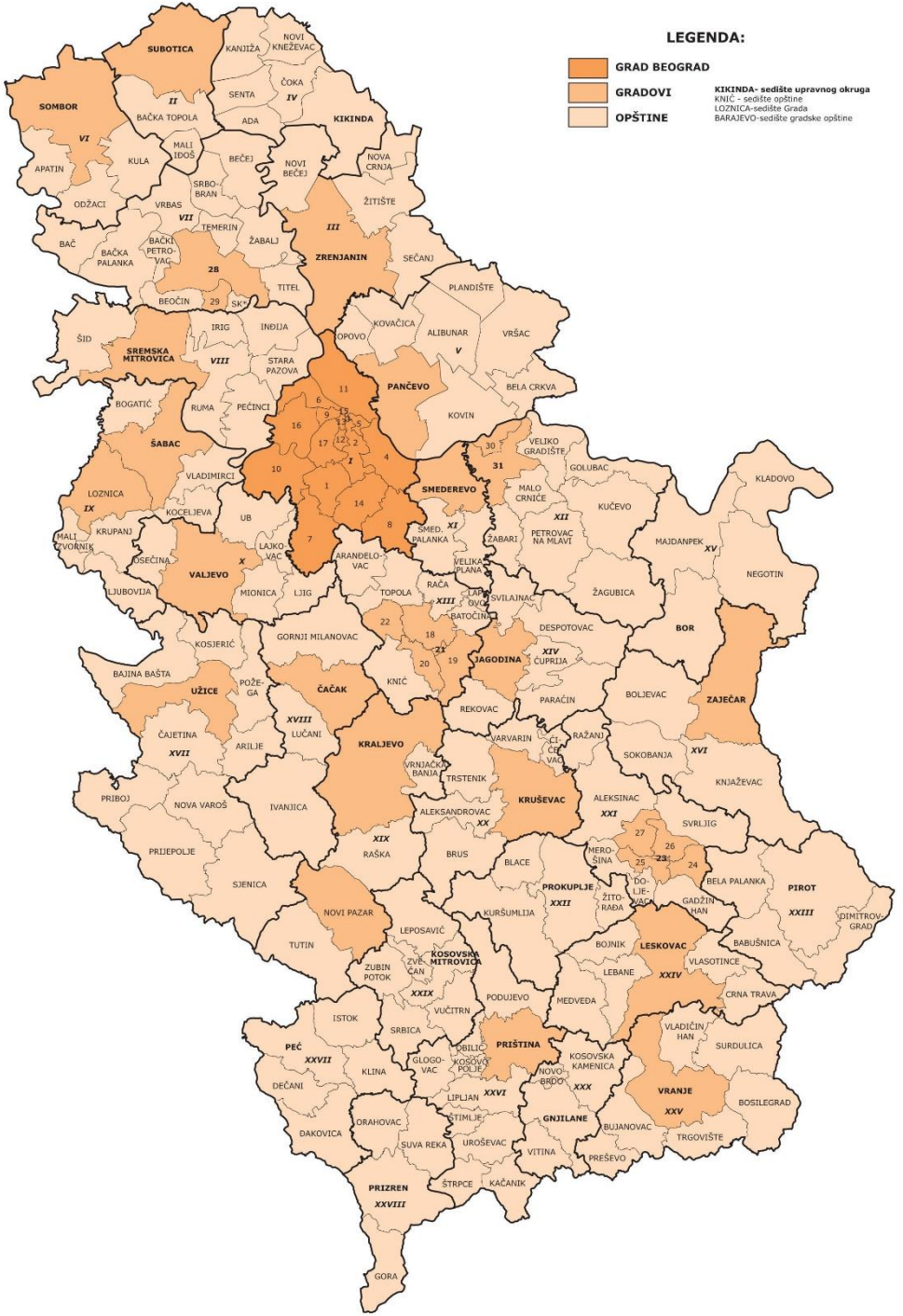
### Conditions of food hygiene for producers **directly supplying final consumers or** **retails that directly supply final consumers**

ACTIVITY	ESTABLISHMENT LOCATION	REGISTRATION STATUS	DISTRIBUTION TERRITORY	EMPLOYEES STATUS	RAW MATERIAL ORIGIN	QUANTITY (max)	
						PER WEEK	PER YEAR
<b>Small quantities</b> <b>Raw milk</b>	Farm location	Registered establishment	Municipality and neighbouring municipalities	Household members	Own primary production	200 l	
<b>Small quantities</b> <b>Eggs</b>	Farm location	Registered establishment	Municipality and neighbouring municipalities	Household members	Own primary production	500 pcs	10.000 pcs
<b>Small quantities</b> <b>Honey</b>	Farm location	Registered establishment	Municipality and neighbouring municipalities	Household members	Own primary production	-	1.000 kg
<b>Small quantities</b> <b>Fish</b>	Fishing area	Registered establishment	Municipality and neighbouring municipalities	Household members	Own primary production	-	1.000 kg
<b>Small quantities</b> <b>Big/Small game</b> <b>Whole carcase only (not meat)</b>	Hunting area	Registered establishment	Municipality and neighbouring municipalities	Household members	Own primary production	-	10 pcs 500 pcs
<b>Small quantities</b> <b>Poultry and Lagomorphs</b> <b>slaughtered at the farm</b>	Farm location	Registered/ approved establishment	Municipality and neighbouring municipalities	Household members	Own primary production	(б) 50 pcs (r/n) 20 pcs (з) 20 pcs	2.500 pcs 1.000 pcs 1.000 pcs



**LEGENDA:**

-  **GRAD BEOGRAD**
  -  **GRADOVI**
  -  **OPŠTINE**
- KIKINDA - sedište upravnog okruga  
KNJIC - sedište opštine  
LOZNICA - sedište Grada  
BARAJEVO - sedište gradske opštine





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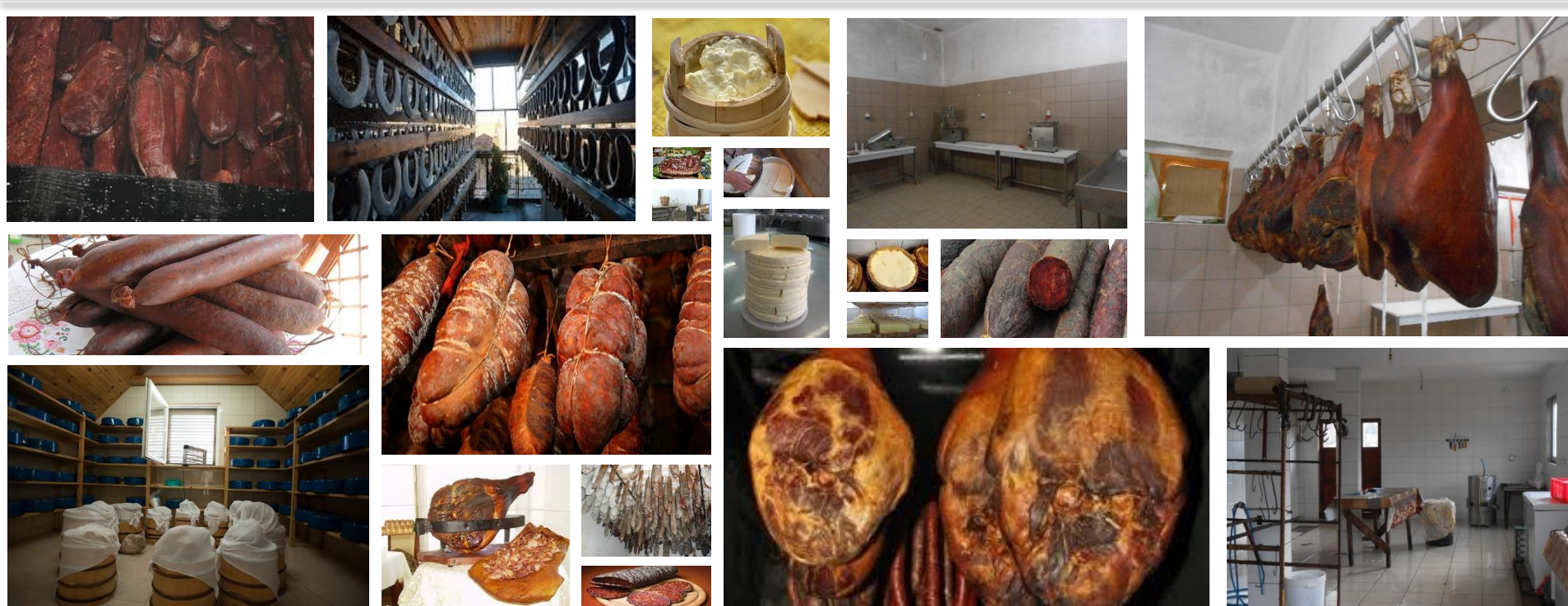
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# Meat and milk processing establishments of small capacity



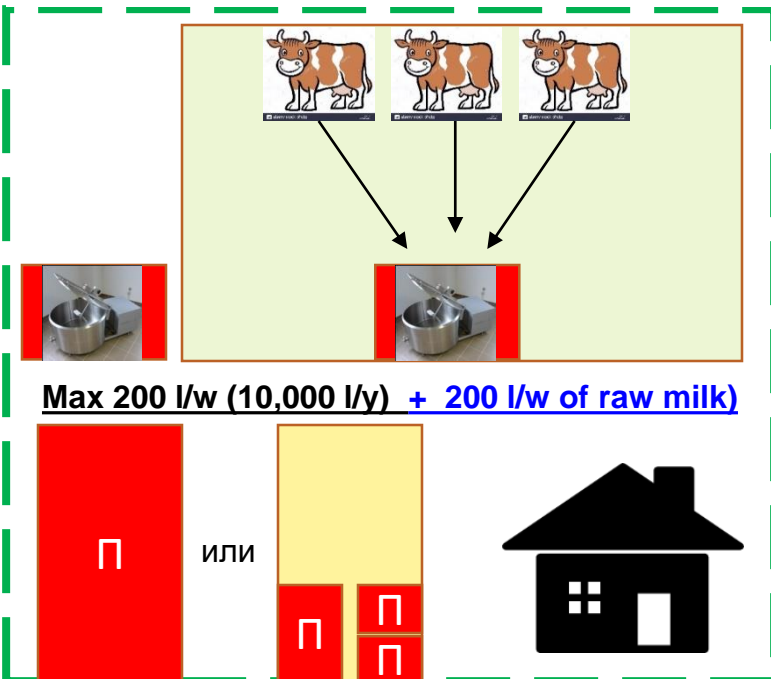


## DRAFT OF THE RULEBOOK

### Milk production and processing establishments

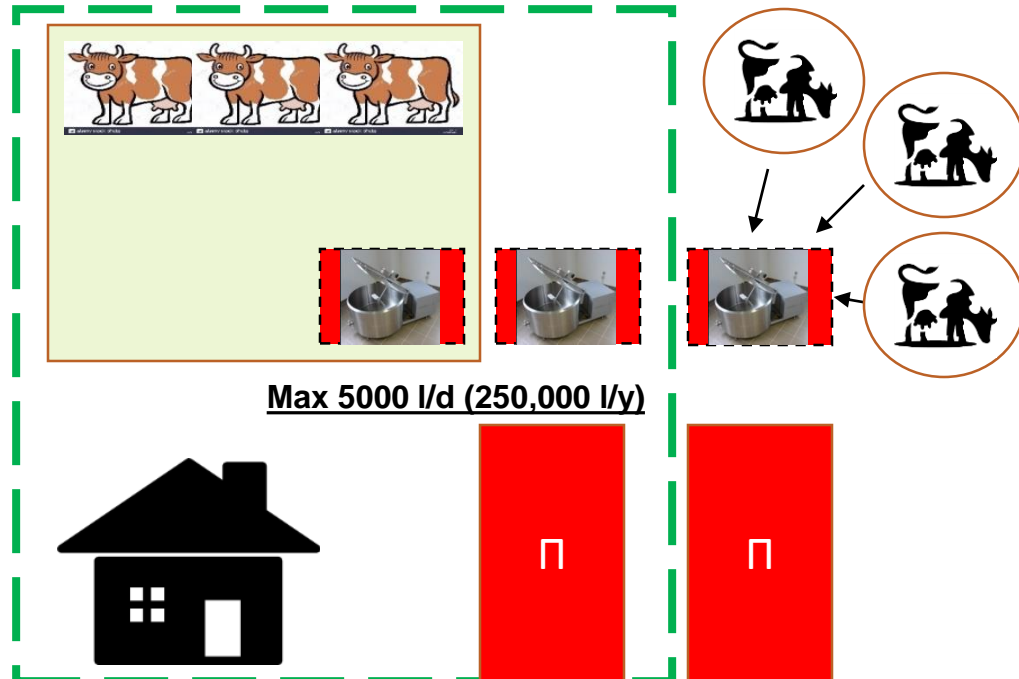
ESTABLISHMENT TYPE/ACTIVITY	ESTABLISHMENT LOCATION	REGISTRATION STATUS	DISTRIBUTION TERRITORY	EMPLOYEES STATUS	ORIGIN OF THE RAW MATERIAL	QUANTITY (max)	
						PER WEEK	PER YEAR
<b>Raw milk processing at household</b>	Farm location	Approved establishment	National market	Household members	Own primary production	<b>200 l</b>	<b>10.000 l</b>
<b>Milk processing establishments of small capacity</b>	By operator's choice	Approved establishment	National market Export	By operator's choice	By operator's choice	<b>5.000 l</b>	
<b>Milk processing establishments in areas of special geographical restrictions</b>	Above 500 masl	Approved establishment	National market Export	By operator's choice	Own primary production (or CoP.)	W/o limitations	
<b>Production establishments for traditional milk products</b>	By operator's choice	Approved establishment	National market Export	By operator's choice	By operator's choice (or CoP.)	W/o limitations	

# MILK PROCESSING AT HOUSEHOLD



- Raw milk – from farm only!
- **premises/processing equipment**– not for household needs
- Activities in residential part of the household – do not jeopardize hygiene and product safety

# MILK PROCESSING ESTABLISHMENT OF SMALL CAPACITY



- Raw milk – farm and/or purchase!
- Approved establishment: on farm/outside the farm

- Farm location ←
- Home meals ←
- MUNICIPALITY AND NEIGHBOURING MUNICIPALITY ←



- Local open market
- Home address
- Local retail

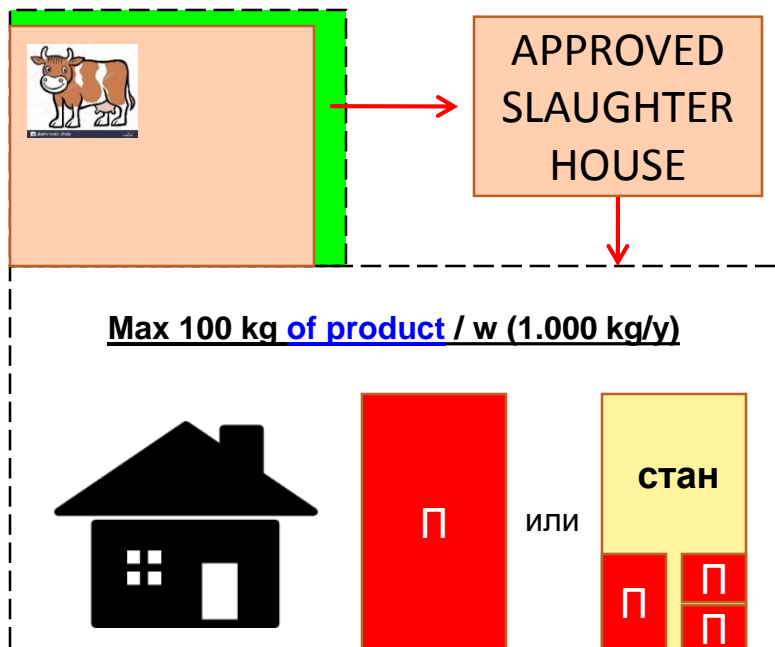
SUPPLY

- Territory of Serbia
- export





## MEAT PROCESSING AT HOUSEHOLD



- **animals – from farm only!**
- Meat from approved slaughterhouse
- premises/processing equipment– not for household needs
- Activities in residential part of the household – do not jeopardize hygiene and product safety

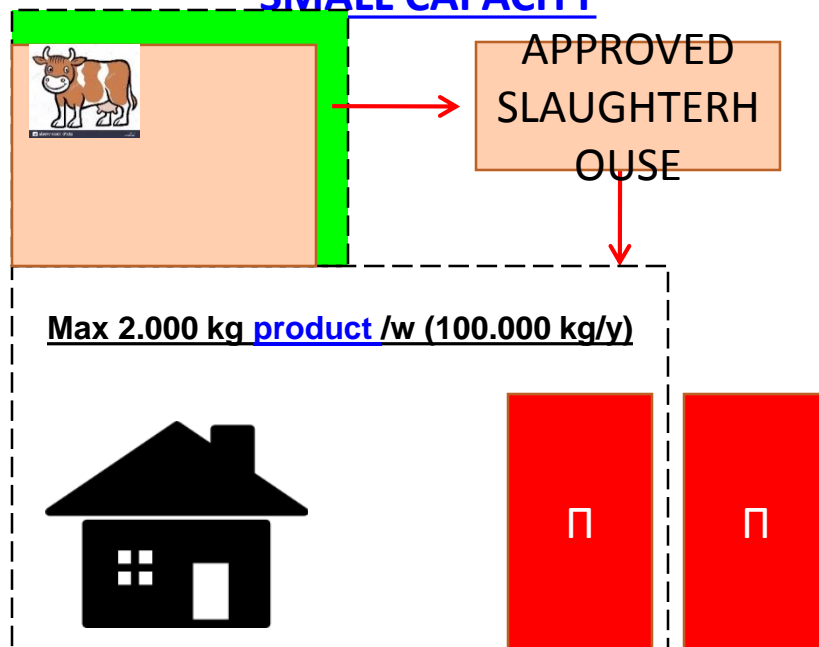
- Farm location
- Home meals

ОПШТИНА И СУСЕДНЕ ОПШТИНЕ



- Local open market
- Home address
- Local retail

## MEAT PROCESSING ESTABLISHMENT OF SMALL CAPACITY



- Meat from approved slaughterhouse
- Approved establishment: on farm/ outside the farm

SUPPLY



## DRAFT OF THE RULEBOOK

### Meat production and processing establishments

ESTABLISHMENT TYPE	ESTABLISHMENT LOCATION	REGISTRATION STATUS	DISTRIBUTION TERRITORY	EMPLOYEES STATUS	RAW MATERIAL ORIGIN	QUANTITY (max)	
						PER WEEK	PER YEAR
<b>Establishments of small capacity for slaughtering and cutting of ungulates, game and poultry</b>	By operator's choice	Approved establishment	National market Export	By operator's choice	By operator's choice	(r) 10/20 (c/o)50/70	500/1.000 2.500/3.500
<b>Meat processing establishments at household</b>	Farm location	Approved establishment	National market	Чланови домаћинства	Own primary production	100 kg	
<b>Establishments of small capacity for meat processing</b>	By operator's choice	Approved establishment	National market Export	By operator's choice	By operator's choice	5.000 l	
<b>Production establishments for traditional meat products</b>	By operator's choice	Approved establishment	National market Export	By operator's choice	By operator's choice (or CoP.)	W/O limitations	

## DRAFT OF THE RULEBOOK

Establishment slaughtering small volume (ungulates and farmed game, poultry and lagomorphs)  
DO NOT need to have:

❖ **A separate room for the reception and temporary accommodation of animals to be slaughtered**

➤ **If the slaughter of animals is performed immediately upon arrival at the facility**

❖ Small slaughterhouse **is obliged to have** premises and equipment for reception and temporary accommodation of animals to be slaughtered- only if the animals are kept at the slaughterhouse overnight

✓ adaptation of conditions of construction, layout and equipment

➤ **Operator's obligations – written procedures**

➤ **If there is no lairage** – there have to be conditions for AM examination and for animal watering

## DRAFT OF THE RULEBOOK

**Small volume slaughtering establishment** (ungulates and farmed game, poultry and lagomorphs)

**DO NOT need to have:**

❖ **Separate room for sick and disease suspect animals**

➤ **Small slaughterhouse** does not need to have separate room – (the separated space/pen is sufficient)

✓ **adaptation of construction, layout and equipment conditions**

➤ **Written slaughtering procedure** – the actions that do not question hygiene and food safety:

- **Animals slaughtered at the end of the normal slaughter period (except emergency slaughter)**
- **Bringing in only healthy animals**
- **organized slaughter of disease suspect/sick animals in specially adopted establishment**
- **pens or fixing an animal for detailed examination – welfare!**



## DRAFT OF THE RULEBOOK

### Small volume slaughtering establishment (ungulates and farmed game, poultry and lagomorphs)

#### DO NOT need to have:

❖ Separate place with appropriate facilities for the cleaning, washing and disinfection of means of transport for livestock

✓ **adaptation of construction, layout and equipment conditions**

➤ Small slaughterhouse **does not have to have a special room:**

▪ **If** the animals to be slaughtered are delivered by owner directly to the establishment from his/her own farm using his/her means of transport and when the named means of transport is returned to the same farm immediately after the unloading of animals.

▪ If there is, in the immediate vicinity, a place for washing, cleaning and disinfecting means of transport,

▪ Or other appropriate conditions approved by the competent authority

## DRAFT OF THE RULEBOOK

### Small volume slaughtering establishment (ungulates and farmed game, poultry and lagomorphs)

#### DO NOT need to have:

❖ **A separate room for emptying and cleaning of stomachs and intestines**, where emptying and cleaning of stomachs and intestines may be performed in slaughter area after the completion of slaughter operations, provided that area is free of carcasses of slaughtered animals and that prior to use thoroughly cleaned and disinfected.

✓ **adaptation of construction, layout and equipment conditions**

➤ **emptying and cleaning of stomachs and intestines can be carried out:**

➤ After the approval of competent authority - on "case-by-case" basis (every establishment separately)

- **In the slaughter room – after the completed slaughtering –there are no carcasses in a room**
- **If the slaughter room is cleaned, washed and disinfected prior to every single**
- **If there is a written procedure – all the actions described in detail**

## DRAFT OF THE RULEBOOK

In establishments slaughtering small volume of poultry and lagomorphs:

❖ **Evisceration and further dressing of carcasses of poultry and lagomorphs may be carried out in the same room where scalding and plucking of feathers is performed**

➤ If there is sufficient spatial and adequate physical separation of evisceration and plucking, in order to prevent food contamination.

## DRAFT OF THE RULEBOOK

### **In small volume slaughtering establishment (ungulates and farmed game, poultry and lagomorphs)**

❖ In a room i.e. one cooling chamber retained carcasses and carcasses fit for human consumption may be stored

➤ **Provided that:**

- space reserved for detained carcasses is marked and that can be locked;
- the reason for retaining carcasses is not a contagious disease;
- contamination of other meat is prevented.

➤ the measures are taken in order to prevent incorrect use and cross-contamination

✓ **adaptation of construction, layout and equipment conditions/instead of a room  
– cage or line inside the chiller room**



## DRAFT OF THE RULEBOOK

### Small volume slaughtering establishment (ungulates and farmed game, poultry and lagomorphs)

#### DO NOT need to have:

❖ A separate room for meat cutting

❖ **Small slaughterhouse** – separate slaughter and cutting operations / „**stationary slaughter** “

➤ **Allowed meat cutting in slaughter room, provided:**

- **only animals slaughtered in particular establishment**
- operations of slaughter and meat cutting – **separated in time**
- after slaughtering, and before cutting – **a detailed** cleaning and disinfection is carried out
  - ✓ **adaptation of the conditins of construction, equipping and layout**

## DRAFT OF THE RULEBOOK

### Small volume slaughtering establishment (ungulates and farmed game, poultry and lagomorphs)

#### CAN have:

❖ one changing facility for employees working in clean and dirty part of the establishment, if up to ... persons are employed in the production part of the facility

✓ **adaptation of construction, layout and equipment conditions**

➤ Decreased number of rooms and infrastructural investments

➤ **Small number of people** – stationary work (decreased movement)

▪ **Work in smaller batches** – *slaughtering and dressing – cleaning/desinfection – cutting – (cleaning/desinfection) – processing – (cleaning/desinfection)*

▪ **Written procedure**

## DRAFT OF THE RULEBOOK

### Small volume slaughtering establishment (ungulates and farmed game, poultry and lagomorphs) CAN have:

❖ **An adequate cupboard that can be locked for use of the official veterinarian instead of a separate room for the official veterinarianj**

✓ **adaptation of construction, layout and equipment conditions**

- In small establishments where a single official veterinarian is normally working for only a few hours a week, a separate room may not need to be provided

**In small volume processing establishments for milk, meat, fishery products and eggs packaging, the following CAN be used:**

**❖ The same entrance and exit for raw materials, finished products and by-products, with appropriate separation in time**

**✓ adaptation of construction, layout and equipment conditions**

➤ There must not be a separate entrance for raw material and exit for final products, packaging or stuff

➤ **Written procedure** – time separation and procedures in order to avoid cross-contamination

▪ **Technical solution** (canopy / covering / ) and procedures of protection of meat when loading/unloading



**In small volume processing establishments for milk, meat, fishery products and eggs packaging, the following CAN be used:**

❖ **Different technological phases and/or production of different products in the same room, provided that time separation between production phases is assured**

✓ **adaptation of construction, layout and equipment conditions**

- **Different activities** (deboning и meat cutting, preparation, wrapping/vacuuming and product packaging) and can be time-separated and
- There has to be application of **preventive measures** between certain production phases in order to prevent cross-contamination
- **Written procedures – for work and cleaning and washing procedures, and disinfection when needed**

## DRAFT OF THE RULEBOOK

**In small volume processing establishments for milk, meat, fishery products and eggs packaging, the following CAN be carried out:**

**❖ Storage of raw materials, finished products and detained products in the same room with adequate spatial separation, so as to prevent possible contamination and that detained products are packaged, sealed and clearly marked**

**✓ adaptation of construction, layout and equipment conditions**

- Raw material and processed products – keeping in the same cooling chamber :
  - **all the necessary measures are carried out in order to prevent possible contamination**
- Storage of packaged and unpackaged products – **allowed in the same room** :
  - **adequate space separation** in order to prevent possible contamination
- **By-products** – wrapped, sealed and clearly marked
- **Written procedure** – **application of storage procedures so the contamination is prevented**

## DRAFT OF THE RULEBOOK

### In small volume processing establishments for milk, meat, fishery products and eggs packaging :

❖ Storage area for packaging materials CAN be located outside the working space within establishment/farm ground

➤ Package material (**wrapping** – artificial wrappers, foils, bags/vacuuming, package/cardboard, labels...)

❖ Storage area for cleaning and disinfecting chemicals CAN be located outside the working space within establishment ground

▪ Cleaning and disinfecting chemicals– **in separate room**

▪ In small scale establishment – a cabinet is appropriate, but locked and used for this purpose only

❖ Storage area for spices and additives **CAN be located outside the production space, if that place is located within establishment/farm ground**

▪ In small scale establishment – a cabinet is appropriate, but locked and used for this purpose only

✓ **adaptation of construction, layout and equipment conditions**

## DRAFT OF THE RULEBOOK

### In small volume processing establishments for milk, meat, fishery products and eggs packaging :

❖ Changing area for employees CAN be located outside the working space, but within establishment ground and in immediate vicinity

❖ If the small-scale meat processing facilities are located in the same ground as residential house, changing and sanitary facilities of residential house may be used for employees needs

- **Small number of employees** (sometimes, even a shelf in a corridor can be acceptable)
- Space within residential house right next to production and available during working hours
- May be used by everyone – **family members and employees** (**number?**)
- The usage **cannot** influence the hygiene and product safety
- ❖ **Toilet** – **immediate vicinity** of production establishment
- Attached to effective drainage system
- Cannot be directly open/attached to production rooms





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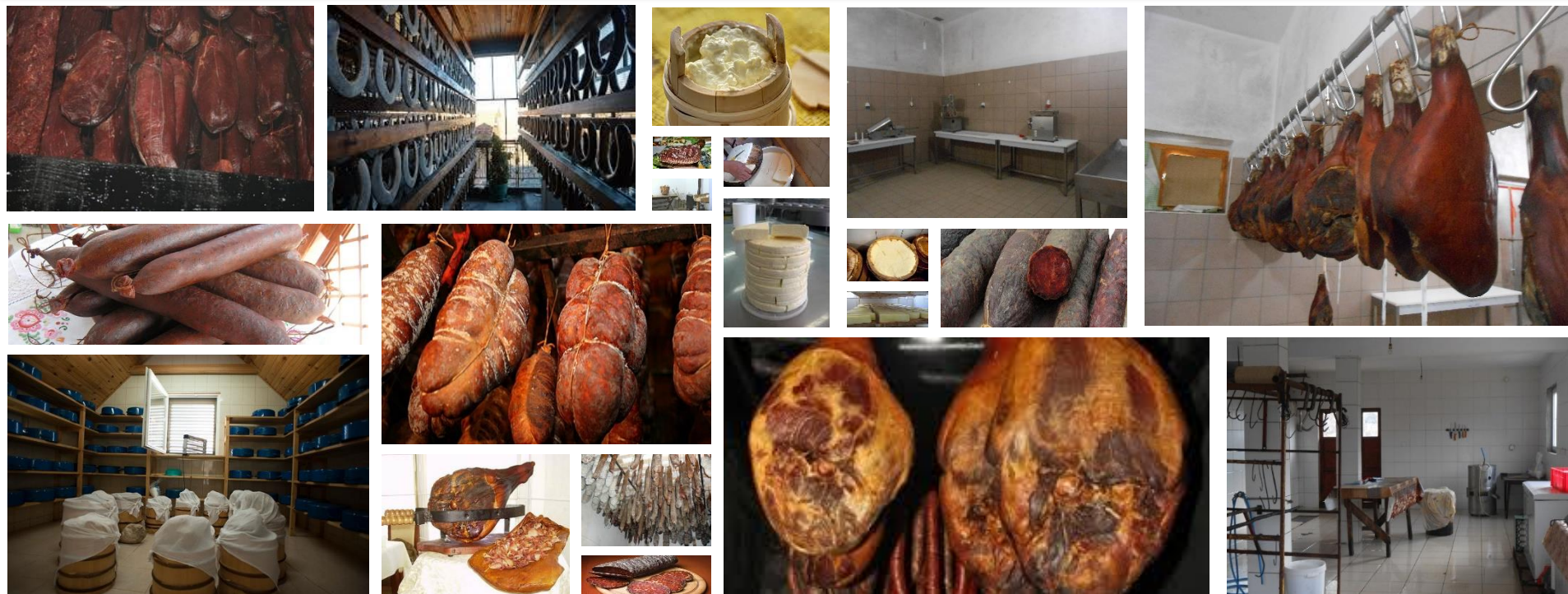
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# Self-control and official control



# HACCP AND FLEXIBILITY

## Methodology of HACCP is flexible in its essence!

- ❖ Based on limited number of principles that support the aim – food safety!
- ❖ Adequate procedures or ones adapted to specific conditions of production activities!
- ❖ There is a need for Guides for good hygiene/production practice and Guides for HACCP principles application, developed by production sectors/associations in accordance with production characteristics!
- ❖ **Self-control plan** – hygiene conditions, temperature, production process, safety and quality criteria, decisions and corrective measures carried out in case of non-compliance
  - **Enough data for official controls!**

## OFFICIAL CONTROL

- ❖ **Frequency** – in accordance with risk assesment related to operating
- ❖ Slaughtering/irregular dznamics – to be announced 5 days prior to slaughtering
- ❖ Constant presence of VI/OV during the slaughtering is not required:
  - **AM** examination – no derogation
  - **PM** examination – **3/6 h** after slaughtering the last/the first animal
  - **Traceability** of all carcass and organ parts of every animal





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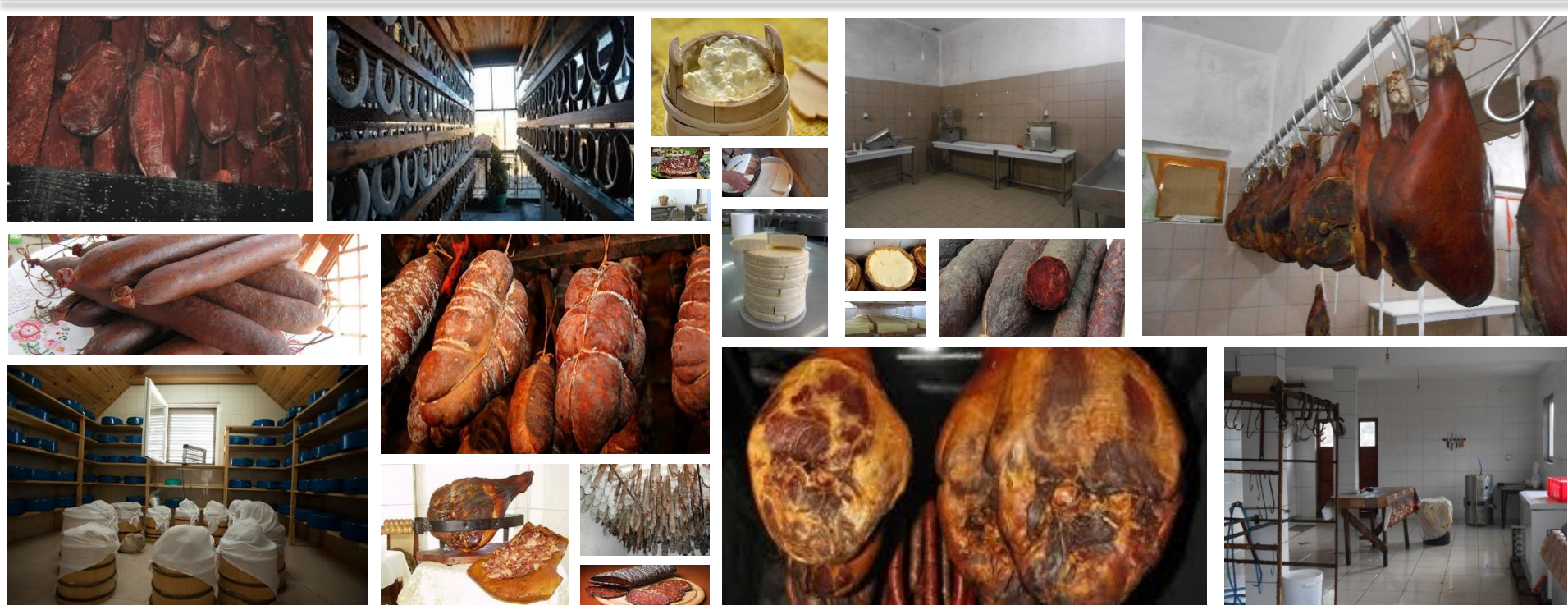
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# Legal and tax status of FBOs



# The Rulebook aims very different types of operators

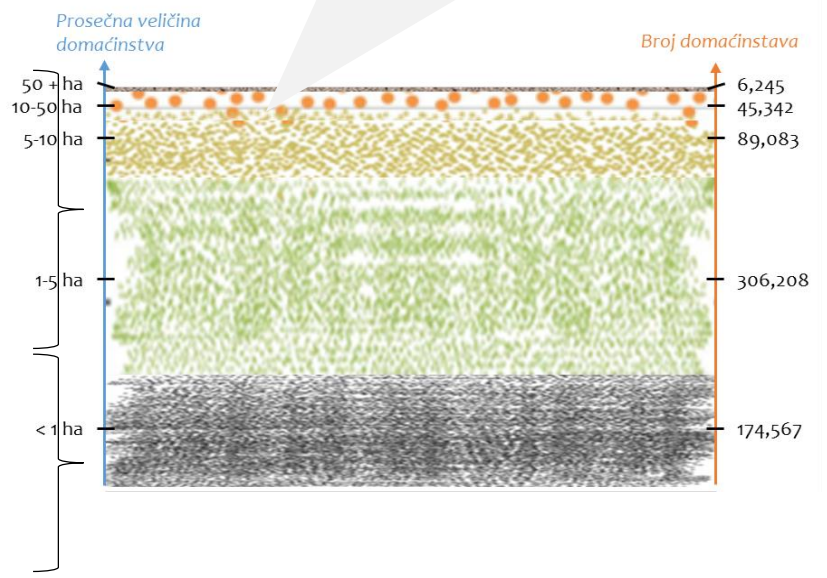
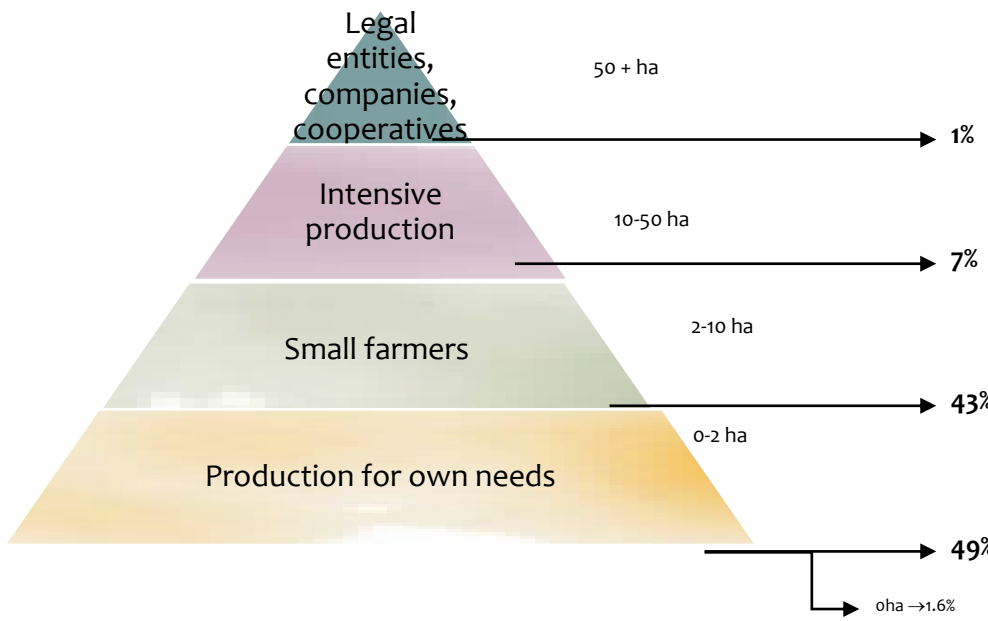
**Small quantities of primary products for direct supply**

**Small capacity of processing unit**  
**Mini dairies**  
**Mini slaughterhouses**

**Traditional products producers**

Milk processing at household  
 Meat processing at household

From approximately 650 thousand of farms in official statistics, around 350 thousand is in RS Registry, 150 thousand is commercial. They produce around 80% of total production and 90% of all products from the market



**AH is economical and social category, but not legal/tax category**



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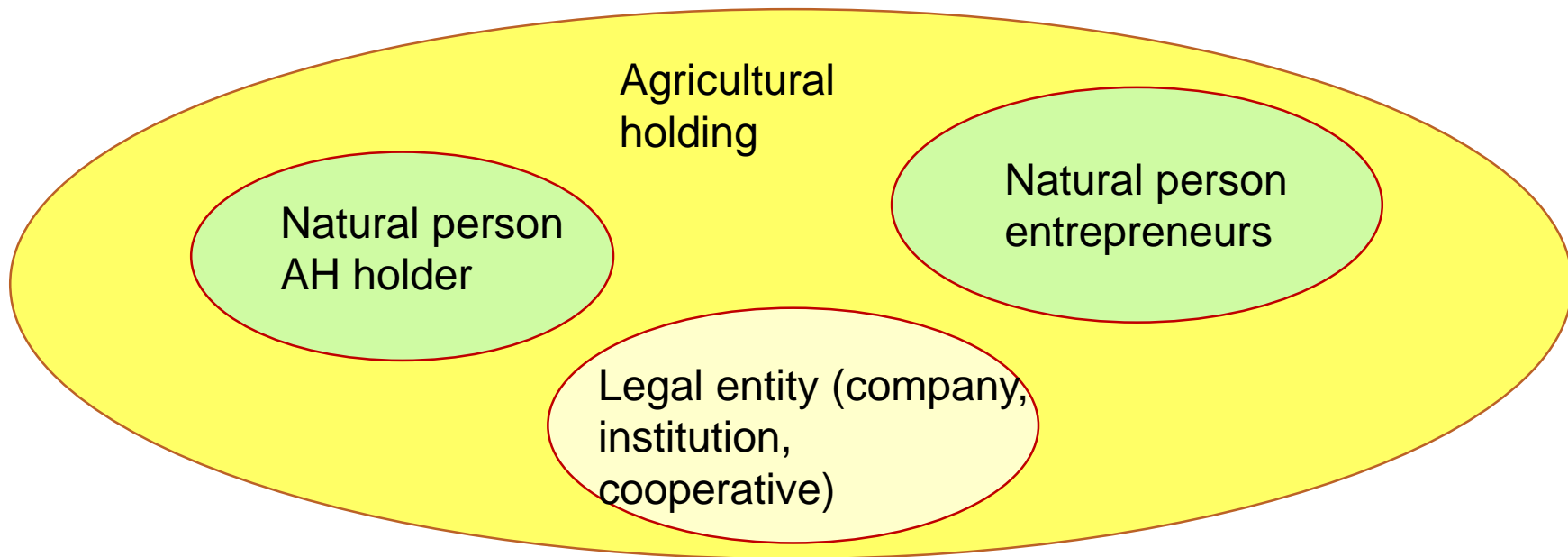
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Milk processing at household  
Meat processing at household

Processing establishments of small capacity



*Agricultural holding is production unit*

# Who can be considered FBO?

*FBO operating small quantities of primary products of animal origin (hereinafter: producer) is a legal entity or entrepreneur that breeds animals, produces food in quantities according to this Rulebook, supplies directly the final consumer or retail, i.e. hospitality service facility.*

**EXEMPTION:** Natural person producing and processing milk at the household can be considered producer in this regard, according to Law on Veterinary Matters.

Production and Circulation of Milk or Milk Products

Article 108, Law on Veterinary Matters

Entrepreneur respectively private person producing milk or milk products in household, that is for public consumption, to be sold on the green market, must fulfil veterinary-sanitary requirements (Registry of approved establishments).

# Entrepreneur status is the most common legal form of FBOs of small quantities

**Who can be considered entrepreneur ?**

**ENTREPRENEUR - SOLE TRADER (hereinafter: ENTREPRENEUR )** is a person who operates own activity in order to obtain certain profit. (convenient form of business operating: shop, artisan workshop)

**How can one obtain entrepreneur status?**

**Activities**

**Manner of taxation and financial burdens**

# Natural person could have entrepreneur status without registration in SBRA

"The natural person who earns income by performing activities of agriculture and forestry, i.e. revenues from the sale of agricultural and forest products (hereinafter: agricultural income), acquires the status of entrepreneur:

- **legally** - if becomes a VAT taxpayer in line with the law regulating VAT,
- **as per his own declaration** – if he is a holder of a family agricultural holding registered in the Register of agricultural holdings, in accordance with regulations concerning the registration of agricultural holdings, who had decided to have an entrepreneurial status. The declaration can be done by submitting a tax return to the appropriate tax authorities (PPDG-1 form).

# Value added tax

Law on VAT , Official Gazette. 84/2004, 86/2004, 61/2005, 61/2007 and 93/2012

**The obligation of entering into VAT system is determined by the type of goods and services / activity, but above all by volume of turnover**

VAT taxpayers are those agricultural holdings whose turnover made by selling agricultural goods and services, exceeds **8.000.000 dinars in the last 12 months (no VAT included)**

Agricultural holdings could voluntarily join and be registered in VAT system if they find it suitable, no matter if their turnover exceeds 8 mil rsd or not

**How and when one can stop being in the VAT system?**

After two years, if the turnover of previous year was below 8 mil rsd limit



# What happens when you are in VAT system?

## VAT taxpayer:

- Submits tax returns within the statutory deadline
- Automatically becomes a taxpayer of income tax on self-employed activities that amount to 10% on taxable profit / profit = income
- The agricultural holding must operate exclusively through a bank account
- The money received in cash needs to be put on the bank account within 7 days
- Any withdrawal of cash without valid documentation is considered as personal consumption and all taxes and contributions are calculated on this amount as income + tax on self-employed income (about 47.8%)
- After settling a tax liability based on a tax of sole-occupation income, an entrepreneur who keeps the business books and after completing balance sheet for previous year, may withdraw the net profit (income). The tax paid in this occasion takes into consideration the amount which represents the difference between the net profit and the amount of possible payments of monthly advance payments.

# What are the financial expenses and obligations?

	Entrepreneur	Flat tax	Entrepreneur pays the income	doesn't pay the income
revenue		1,000,000.00	1,000,000.00	1,000,000.00
expense		450,000.00	750,000.00	550,000.00
Tax certificate				
lowest monthly base pension contribution			21,906.00	
income tax		26%		
health insurance		10%		
non/employment tax		10.30%		
		1.50%		
Yearly tax for sole-occupation income 10%			approx 9,000.00	
yearly/based expenses				140-150.000

# What are the financial expenses and obligations?

		kg	price	weekly turnover	yearly turnover
milk processing					
ripen cheese	10,000	40	400	16,000	720,000
cream	100	4	700	2,800	126,000
white cheese		10	300	3,000	135,000
				-	
raw milk		50	60	3,000	150,000
meat processing	1,000		700		700,000
eggs	50		10	500	22,500

100 l milk processing	700/300	1,133,500
50 eggs per week	10	
50 l raw milk sale	50	
1000 processed meat	700	



Concept	Analysis unit	Definition
Diversification	Agricultural and other rural activities	Using of business resources for agricultural and non-agricultural production
Multifunctioning	Agricultural sector/ Farms	Using of farmresources for agricultural and in non-agricultural purposes
Plural activities	Household	Using of family resources in and out of a farm



# Introduction of fiscal cash registers depends on the type of activities and entity

- **Law on Fiscal Cash Registers** ("Official Gazette RS", no. 135/04 i 93/12)
- This law regulates the recording of each individual realized turnover of goods to retail customers through an electronic register of cash registers with fiscal memory or fiscal printer?

This obligation does not apply to an agricultural producer who sells agricultural products on beverage stocks and similar objects, including the entrepreneur who pays Income tax from self-activity to the lump-sum fixed income which is engaged in production activity, and within the production activity sells its own products.



# How does law regulate employment of the family members?

According to the Law on Business Entities, Point 8, Article 89, entrepreneur is obliged to formally employ persons working for him, or if they have been engaged in a different capacity, such engagement has to be in accordance with the law regulating employment procedures..

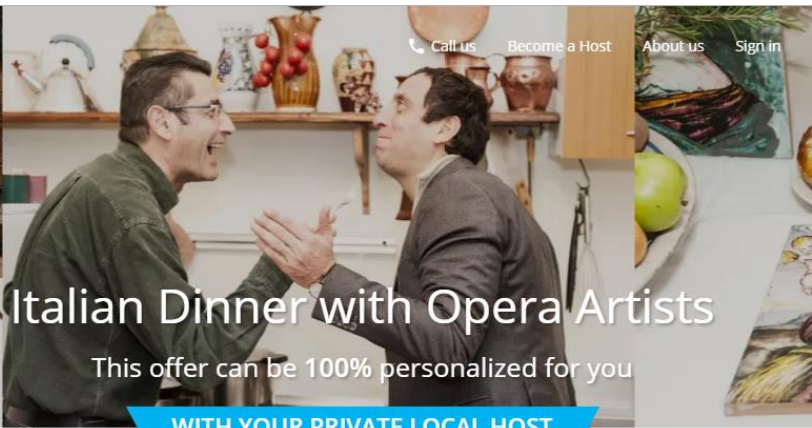
Entrepreneur family member can work for the entrepreneur without being formally employed if:

- 1) works occasionally during the day, only in the head office, if their presence is necessary because of the nature of the entrepreneur's business (eg. so that the shop wouldn't have to close during the day, so that the goods could be loaded, so that the office could be cleaned, etc.)
- 2) temporarily, during the training in old crafts skills, ie in the home crafts, if that is the entrepreneur's line of business
- 3) the entrepreneur is on annual leave, in accordance with the law

**Family members regarding the Law on business companies are a spouse, children, adopted children or parents.**

# Conclusions and recommendations

- To link all the relevant legislative requirements regarding small scale FBOs
- Tax authorities should as soon as possible recognize and respond to all the specificities of economic and tax status of small scale FBOs, and above all - agricultural holdings having production within the household
- Small scale FBO status limits growth possibilities provides arguments for simplified presence on the market (even though it hardly refers to small scale capacities)
- If there aren't economic or food safety arguments, the imitative should be raised for equalization of household processing (meat and milk) through natural person in entrepreneur status.
- It is necessary to systematically issue guidelines or handouts in the form of a guides for small agri-businesses, similar to the guide for compliance to flexibility rules – that would address the legal and fiscal status, to registration in the APR or to the tax administration, employment of family members, payment of taxes and contributions etc... Additionally, more attention should be payed to farm management
- Mentoring support programs can be initiated by local governments and regions while investment support measures can accelerate the application of flexibility



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"The cooking of a society is a language into which it translates its structure" (C. Lévi-Strauss) + More



Production and market placing of the food are fast-developing process, when it comes to placement channels and sale locations, as well as when it comes to communication with consumers. Dynamic relationship between food and tourism brings new forms of risks related to food safety, but also the need for flexibility measures applications.