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Factsheet for case SI-2020-11/484

Subsidies for agriculture, forestry, and fishery and mandatory local purchases

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Country	Slovenia, applies nationwide
Time period	Temporary, 13 March 2020 - 31 August 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Direct subsidies (full or partial)
Case created	11 April 2020 (updated 04 May 2020)

Background information

The 'Intervention measures to mitigate the effects of the COVID-19 infectious disease epidemic on citizens and the economy Act (ZIUZEOP)' include a set of subsidies for agricultural, forestry enterprises, and fisheries. Farmers who became sick with COVID-19 can ask for financial help for the time while they are incapable of working. Farmers have also the right to ask for financial compensation for the loss of income during the epidemic, while fishermen may claim for 40% subsidy for berths in the port. Another measure obliges public institutions to buy local food.

Content of measure

Farmers and fishermen who became sick with COVID-19 may apply for financial support if they are enrolled in the register of agricultural businesses. Financial support should be equal to real damage, but cannot exceed 80% of the minimum wage.

Emergency regulation endows agricultural businesses with the right to financial compensation for the loss of income during the epidemic. The loss of income means the inability of selling supply or lower scale of production if it causes a decrease in revenue by 20%. Agricultural businesses may claim for financial support for the time of epidemic as well as for three succeeding months. The calculation of compensation will be based on a flat rate taking into consideration the number of hectares or livestock units or average catch in the last three years. This support is not compatible with another support under emergency regulation, the monthly basic income (see 'Monthly basic income'), as one rules out the other.

The law obliges public institutions to buy at least 50% of agricultural products from local growers if the

purchase value does not exceed a determined sum when the public procurement has to appear in the Official Journal of the European Union. Local food means that it is produced and processed locally. The obligatory purchase of local food will be valid until the end of 2020.

Use of measure

The measure targets agricultural sector, enterprises as well as supplementary farm activities. Agency for Agricultural Markets and Rural Development sets out detailed rules and administers procedures.

Actors, target groups and funding

Actors	Target groups	Funding
National government	All companies	National funds

Social partners

Role of social partners	Consulted
Form of involvement	Other

Trade unions and employer organizations have submitted proposals to the law. The Chamber of Agriculture and Forestry of Slovenia (KGZS) - the umbrella interest organisation of natural and legal persons in the Republic of Slovenia engaged in agriculture, forestry and fishery - was satisfied with the law, saying that its proposals were taken into account to a great extent.

Moreover, the law was adopted under an accelerated procedure with no involvement of the Economic and Social Council. Its functioning is momentarily blocked because the new government, which came to power on 13 March 2020, has not yet appointed its members in the Economic and Social Council.

Sectors and occupations

This case is sector-specific.

Economic area	Sector (NACE level 2)
A - Agriculture, Forestry And Fishing	A1 Crop and animal production, hunting and related service activities
	A2 Forestry and logging

	A3 Fishing and aquaculture
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This case is not occupation-specific.

Sources

- 30 March 2020: Chamber of Agriculture and Forestry of Slovenia (KGZS), Predlog zakona je primeren tudi za kmetijstv (www.kgzs.si)
- 10 April 2020: Intervention measures to mitigate the effects of the SARS-CoV-2 (COVID-19) infectious disease epidemic on citizens and the economy Act (ZIUZEOP)), Official Gazette RS, no. 49, 2020 (Zakon o interventnih ukrepih za zajezitev epidemije COVID-19 in omilitev njenih posledic za državljane in gospodarstvo (ZIUZEOP)) (www.pisrs.si)