

# CrossMarkets

Enhance cross-border  
selling at local  
farmers' markets at  
the Croatian-  
Hungarian Border



Lenti, 30 April 2023



An aerial photograph showing a wide river with a brownish, turbid flow. The river is flanked by dense, lush green forests. The right side of the image is faded, serving as a background for the text.

# PANNON EGTC

- **Slovenian-Croatian-Hungarian EGTC**
- **Headquarters: Pécs, Hungary**
- **49 members** (6 counties, 41 local governments, 1 university, 1 national park)

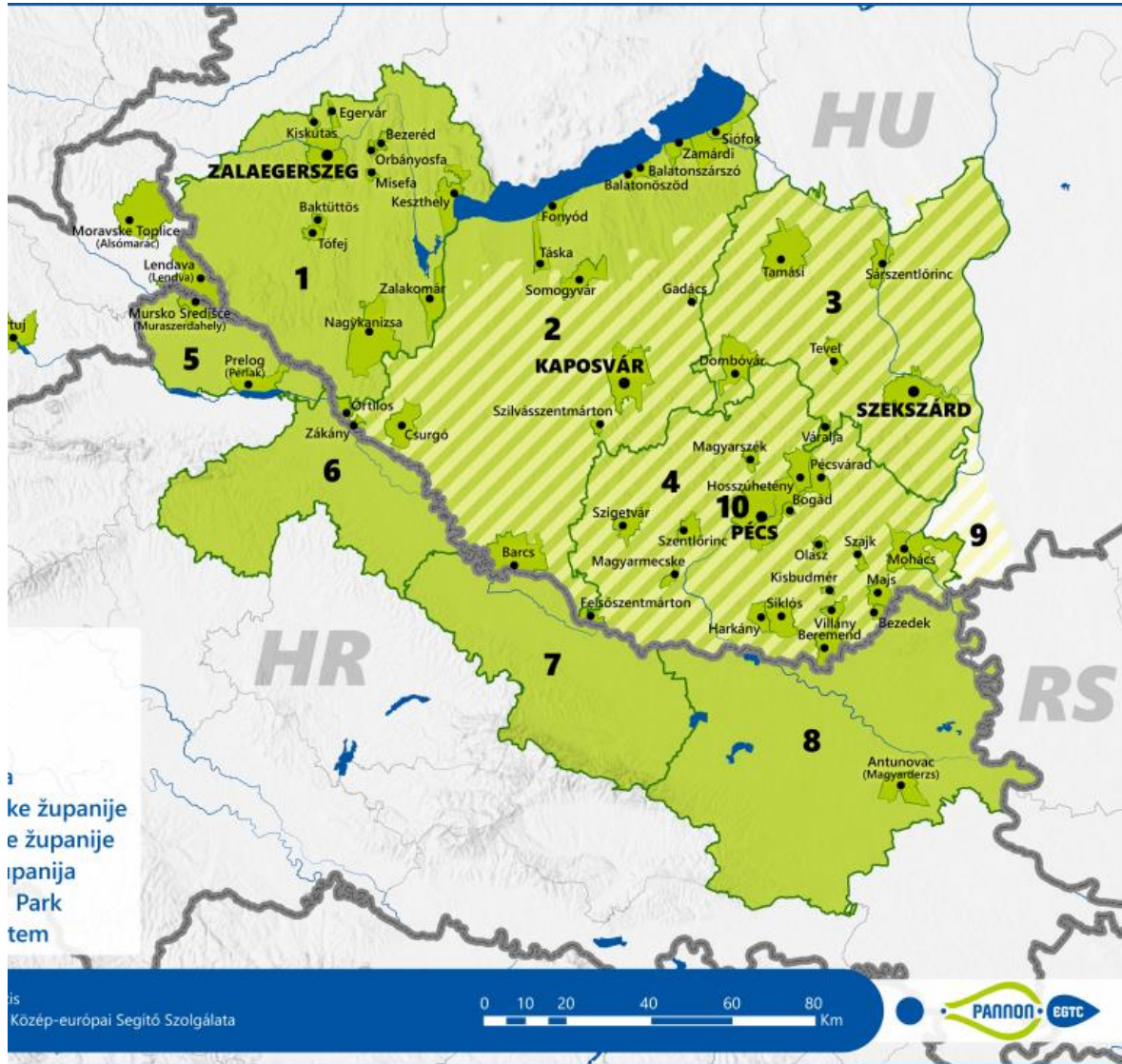
# About CrossMarkets

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- Project title: CrossMarkets - Institutional cooperation to enhance cross-border selling at local farmers' markets
- Funding construction: b-solutions
- Project duration: September 1, 2018 - September 31, 2019.
- Eligible total cost: EUR 19,795.00 Grant: EUR 19,795.00
- Objectives: improve the access of local farmers on the Croatian-Hungarian border to the market of a neighboring country.



# Analysis of Croatian-Hungarian border region



- Workshops
  - Questionnaires
  - Documents
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- 1. Need analysis
  - 2. Gap analysis
  - 3. Matrix of possible interventions
  - 4. Bilingual information package
  - 5. Policy recommendations

# OBSTACLES - INFORMATION

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- **Lack of information on legal regulations and requirements** (taxation issues, VAT rules, administrative requirements, producer ID and permits, customs procedures, food safety regulations)
- **Lack of market information** (range and price of goods)
- **Lack of new innovative sales solutions** (high costs of transport, logistics and relocation)
- **Lack of knowledge of the local language**





## OBSTACLES - LEGAL

- Different regulations in the two countries (permits, tax rules)
- Hungarian local farmers can sell within a 40 km radius from the place of production
- Quantity limits for local farmers' sales (HU)
- Local farmers can only sell to the final consumers
- Mandatory personal participation in the sale of products (HU)
- Over-regulation of the markets for market operators
- Lack of harmonized food safety rules, licenses and controls
- High administrative burden for cross-border sales

# OBSTACLES – COOPERATION AND PHYSICAL

- Lack of cooperation between regional actors
- Buyers are not familiar with the local product range on the other side of the border
- Lack of cooperation between local farmers in HU and HR
- Few local farmers' market days, events, farmers' markets at the border region



# Recommended interventions

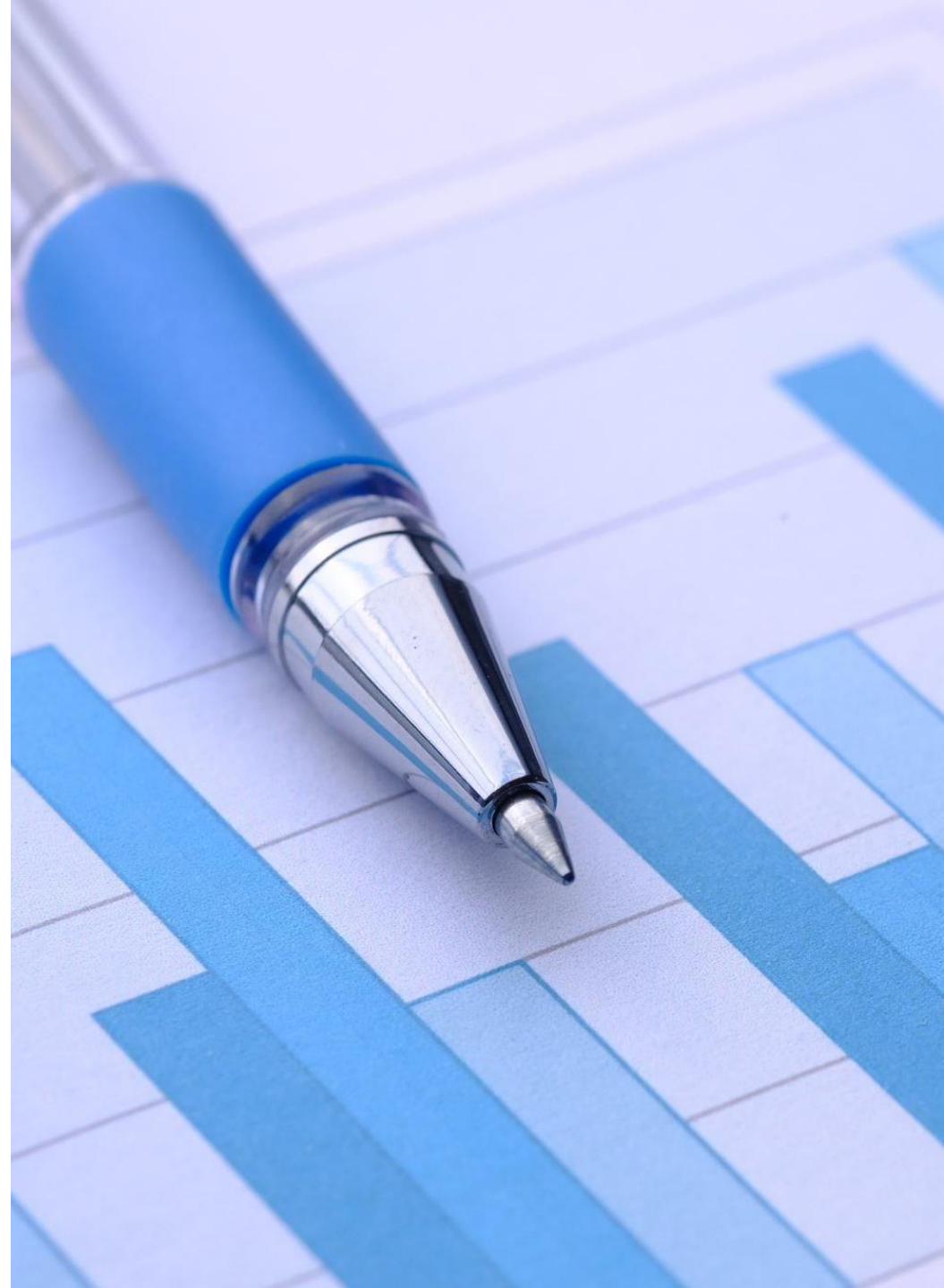
- Development of local farmers' markets
- Development of local product range
- Creation of legal and administrative conditions for cross-border sales
- Information transfer, language skills
- Attitude formation, marketing (in general)



# Policy recommendations

## 1. Easing or removing of administrative obstacles

- Standardisation of the operational conditions of markets, bilingual administration
- Providing the possibility to sell Croatian products on Hungarian farmers' markets
- Providing the interoperability of local farmers' registers
- Mutual acceptance of official certificates, supporting documents
- Applying standardized (simplified) food hygiene requirements, other safety regulations and minimum requirements
- Facilitation of VAT administration
- Standardisation of records maintained by farmers
- Modification of the legislation upon single primary agricultural producer's license
- Simplified administration
- Cooperation between authorities
- Easing the rules on the operation of markets



# Policy recommendations

## 2. Creation of joint legislation on the special conditions of cross-border food sales

- in accordance with existing regulations, but as additional legislation, it would formulate special rules for cross-border sales
- Special possibility of selling through an intermediary
- Local farmers cooperation in sales
- Online sales, mobile markets
- Shared processing opportunity
- Modification of public procurement practice



# Policy recommendations

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## 3. Financial aid for cross-border sales

- Direct subsidies
- Tax allowances
- Indirect subsidies

## 4. Related measures

- Consumer attitude formation
- Shaping the attitude of producers, encouraging cooperation
- Providing information
- Creation of a regional trademark
- Strengthening the role of local products in tourism
- Joint branding, marketing





# Achievements

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- **Information package** for Hungarian farmers for sales on Croatian markets (in Hungarian)/Croatian farmers for sales on Hungarian markets (in Croatian) brossure and online
- **Changes is legislation in Hungary**
  - Elimination of 40 km restriction
  - Elimination of mandatory personsal presence of local farmer at sales of products
- **Crossmarkets 2.0** by CESC



**Thank you for your attention!**



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