

### Abstract:

Due to the limited domestic market and a loss of traditional markets, Croatian economic development today is based on export orientation with an important role of agriculture. The transition from central planned economy to the market caused many difficulties in the agricultural sector. The sources used in studying this problem was available literature related to vegetable market in Croatia, EU and some transition countries, foreign trade, integration process and customs tariffs. Vegetable is grown on 136.875 ha (2002) and 98% of it is in private property. Share of vegetable in land-sown structure in 2002 was only 12% of the total area and the most frequent vegetable was potato (47%), cabbage and Savoy cabbage (7%), tomato (5%) and bean (5%). Vegetable production in Croatia is less than consumer's needs. This results in negative export-import vegetables balance since 1992. Structural analysis showed that all groups of vegetables had negative values in average. The Croatian access to trade integration started with WTO membership in 2000, followed by free trade agreements with European countries and by Stabilisation and Association Agreement. WTO membership is combined with obligation for decrease in custom tariffs approximately 50% during 2-7 years, depending on product. Croatia secured better trade terms with European Union based on free trade, MFN customs and prescribed quotas for some products with prerogative customs. The strongest Croatian protection is proscribed for tomato, pepper, lettuce and potato (the most competitive vegetables in Croatia). Problem in Croatian agriculture can be solved only by structural changes, which will increase competitiveness of agricultural producers. From the Croatian farmers point of view there is a space for increasing vegetable production areas, yields and quality as well as for decrease in export-import deficit and a decrease in domestic market demand deficit.