

A photograph of two horses standing in a snowy field. The horse on the left is dark-colored, and the horse on the right is brown with a white blaze on its face. In the background, there is a barn and trees under a grey sky.

12/2021

#75

SERBIA

## AGRICULTURE BULLETIN

Record Budgetary Support for Organic Production in 2022

State to Provide up to RSD 800,000 in Livestock Investment Incentives

JTI Donates Four Drones to the Ministry of Agriculture

Value of Agricultural Imports and Exports Up

# Agriculture Finance Bulletin

*Edition #75, December 2021*

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### **Note:**

*The Agriculture Bulletin presents a monthly roundup of headlines and news stories related to Serbia's agricultural sector.*

*This bulletin is prepared by Business & Finance Consulting—a Swiss-based development finance consulting company. Currently, BFC is implementing “Development of Financial System in Rural Areas in Serbia” programme for KfW. [Read more »](#)*

## State Initiatives

### 1) Record Budgetary Support for Organic Production in 2022

December 18th, 2021, <http://www.agronews.rs/budzet-za-podsticaje-za-organsku-proizvodnju-najveci-do-sada/>

According to the *Decree on the Distribution of Incentives in Agricultural and Rural Development*, the total amount of funds available for incentives to support organic production in 2022 is RSD 380 million. This includes RSD 80 million for organic crop production and RSD 300 million for organic livestock production. This represents a 62% increase from 2021 (and a 245.5% increase from five years ago) and is the largest budget amount ever allocated to organic production in Serbia.

### 2) Pesticide Use Training Mandatory Starting in January

December 17th, 2021, <https://www.rts.rs/page/stories/sr/story/125/drustvo/4630921/pesticidi-upotreba-obuka-sertifikat.html>

Starting in January, pesticide users will have to undergo mandatory training on pesticide usage and the control of plant protection devices. Once successfully completing the training, agricultural producers will receive a certificate that is valid for five years. Once that period expires, the certificate will have to be renewed. This is part of a concerted effort to ensure food safety and animal health by teaching agricultural producers which pesticides to use and how to properly use them. In addition to trainings, devices used for the application of pesticides will also start being monitored.

### 3) Centers of Excellence in Modern Agricultural Technology to Be Established

December 16th, 2021, <https://rtv.rs/sr/ci/ekonomija/aktuelno/obuka>

Agriculture Minister Branislav Nedimovic recently met with Israeli Ambassador Jahel Villain to discuss the promotion of modern agricultural technologies in Serbia. During the meeting, both sides agreed that Israel will help set up several centers of excellence throughout the country, where Serbian farmers will be able to have direct contact with the most modern agricultural technologies as well as train on their use. This includes robots and drones. The centers are planned to operate over the next ten years.

### 4) State to Provide up to RSD 800,000 in Livestock Investment Incentives

December 16th, 2021, <http://www.agronews.rs/drzava-daje-do-800-000-dinara-za-investicije-u-stocarstvu/>

The Ministry of Agriculture has published a rulebook for incentives related to investments in new machinery and equipment for livestock production. Incentives will be given for machinery and equipment used in the preparation, distribution and storage of concentrated and bulk feed, for the manipulation and distribution of solid, semi-liquid and liquid manure, for weighing, directing and restraining animals, for the production of chicken eggs, for beekeeping, for milking and for keeping, raising and fattening poultry. Those registered in the Register of Agricultural Holdings and are in active status have the right to incentives. The value of investments submitted as part of this program should be equal to or greater than RSD 80,000 (or RSD 50,000 for beekeeping). The amount of an individual bill should be equal to or greater than RSD 25,000 dinars (RSD 20,000 for beekeeping). Incentives will be given for investments that have been fully realized in the year in which the request is submitted. The highest total amount of incentives possible in one calendar year is RSD 800,000.

## 5) State Budget for Agriculture in 2022 18% Higher

December 11th, 2021, <https://rtv.rs/sr/ci/vojvodina/novi-sad/agrarni-budzet-za-18>

The state budget for agriculture in 2022 has been set at RSD 62 billion, 18% more than was allocated for 2021. Of this amount, RSD 32.2 billion is planned to be used for direct payments within which the state's subsidy and premium programs. Farmers are pleased that the government is increasing incentives for investments and subsidies in agriculture, and scientists and other sector experts also point out the importance of subsidizing inputs in production.

## 6) RSD 16 Million in Contracts Signed for Strengthening Agricultural Tourism

December 9th, 2021, <https://agrosmart.net/2021/12/09/za-jacanje-turistickih>

Provincial Secretary for Agriculture, Water Management and Forestry, Cedomir Bozic, signed an RSD 16 million contract with representatives of 12 cities and municipalities in Vojvodina for the improvement and development of rural infrastructure as a way of strengthening the tourist capacities of agricultural farms. Bozic noted that a total of RSD 28 million was made available for this purpose this year, but not all funds were used. He also noted that the same budget is planned for next year when accommodation capacities will also be included in addition to rural infrastructure improvements. He further added that the Provincial Secretariat remains committed to providing support to agricultural farms to expand their activities in the field of tourism.

## 7) Three New Competitions for Subsidies in Agriculture

December 8th, 2021, [https://rtv.rs/sr/ci/ekonomija/nedimovic-tri-nova-konkursa-za-subvencije-u-poljoprivredi\\_1295491.html](https://rtv.rs/sr/ci/ekonomija/nedimovic-tri-nova-konkursa-za-subvencije-u-poljoprivredi_1295491.html)

Agriculture Minister Branislav Nedimovic announced that three competitions for subsidies in agriculture will be announced shortly. The first competition is related to the purchase of mechanization equipment, under which the state will provide up to half the cost of the equipment. The second is related to the purchase of tractors through the IPARD program, which will provide up to a 60% refund to farmers. The third is a competition related to livestock production, under which farmers will be able to build or buy livestock machines.

## 8) AI Platform to Boost Agricultural Production and Environmental Protection

December 6th, 2021, [http://www.tanjug.rs/full-view\\_en.aspx?izb=702636](http://www.tanjug.rs/full-view_en.aspx?izb=702636)

President Aleksandar Vucic announced that Serbia's first national artificial intelligence (AI) platform, which has been launched at the State Data Center in Kragujevac, will be important for responsible agricultural production and the protection of the environment. The platform is a latest-generation, high-performance supercomputer capable of processing an enormous amount of data in a very short period of time. President Vucic noted that the supercomputer will make it possible to better monitor environmental changes over time, better assess the quality of soil (including its pH value) and provide insights on what and when to sow as well as how to best irrigate crops. President Vucic believes this an important step in boosting the national GDP over the long term.

## Foreign Aid

### 9) JTI Donates Four Drones to the Ministry of Agriculture

December 17th, 2021, <https://www.danas.rs/vesti/drustvo/potpisan>

Japan Tobacco International (JTI) has donated four drones and accompanying equipment worth a total of RSD 1.2 million to the Phytosanitary Inspection Unit of the Ministry of Agriculture. The drones will be used, among other things, to suppress illegal tobacco production. In particular, the drones will make it significantly more efficient for the Phytosanitary Inspection Unit to monitor tobacco plantations in Serbia, especially in locations where monitoring is difficult due to land plot sizes and terrain particularities. The illegal production of tobacco represents massive losses to the state budget, and it is hoped that the drones will bring more tobacco production in the country into a legal framework.

### 10) Ranking List for Fourth Public IPARD Call Published

December 3rd, 2021, <http://uap.gov.rs/objavljena-rang-lista-za-cetvrti-javni-poziv-ipard-mera-3/>

The Directorate for Agrarian Payments has published its *Ranking List of Approved Requests for the IPARD Incentive Project's Fourth Public Call for Proposals*, which concerns physical assets in the processing and marketing of fisheries. The minimum amount of incentives that a user can receive within all sectors under IPARD is EUR 10,000, while the maximum incentive within the fruit and vegetable sector, meat, eggs and grapes sector is EUR 1 million euros and the maximum incentive in the dairy sector is EUR two million.

## Private Sector

### 11) Agri-Food Sector Survives Another Pandemic Year but Still Uncertain

December 23rd, 2021, <http://www.agronews.rs/pks-stocarska-proizvodnja-ocuvana-2022-neizvesna/>

Producers and processors of meat, milk, fish, poultry, eggs, veterinary drugs, honey and other agri-food products have managed to withstand the challenges of another year marked by the COVID-19 pandemic but enter 2022 with uncertainty as to whether their businesses can persevere another year. As such, Nenad Budimovic of the Association for Livestock and Processing of Livestock Products noted that it will be important in 2022 that numerous initiatives be launched (and accepted by farmers) that will boost both crop and livestock production in Serbia. He also noted that serious challenges related to the placement of Serbian agri-food products in European Union (EU) and other strategic markets also need to be addressed.

### 12) Value of Agricultural Imports and Exports Up

December 21st, 2021, <https://www.stips.minpolj.gov.rs/srl/vest/izvoz>

In the balance of trade of the agriculture and food industry in the period January–October 2021, the value of exports amounted to USD 4.1 billion, which is a year-on-year increase of 22.4%. At the same time, the value of imports amounted to USD 2.2 billion, 12.1% higher year-on-year. The most important products of agricultural origin in exports during this period were mercantile corn (worth USD 473 million), frozen raspberries (worth USD 336 million) and striking wheat (worth USD 219 million).



### 13) Beef Producers Hopeful for New Agreement with Turkey

December 16th, 2021, <https://www.politika.rs/scc/clanak/494693/Proizvodaci>

Agriculture Minister Branislav Nedimovic met with Turkish Ambassador Hami Akso about further improvements in cooperation and new arrangements in trade for 2022. Of particular interest for many was the hope of making new arrangements with Turkey regarding beef exports. In previous years, beef exports to Turkey were important; however, they have slowed in recent years due to delayed sales and the COVID-19 pandemic. Beef producers are pushing for a new agreement as Turkey has traditionally paid higher prices for beef than other markets.

### 14) Raspberry Production Slowing in Serbia

December 14th, 2021, <https://rtv.rs/sr/ci/ekonomija/pks-potrebno-je>

This year's yield of raspberries in Serbia is estimated to be between 80,000 and 90,000 tons, with exports expected to show an increase. But despite these positive indicators, raspberries are still facing a decline in production and lower business volumes compared to their real capacity. This decline is a consequence of unfavorable weather conditions, the general condition of raspberry plantations, the lack of quality planting material, shortages of professional staff and a lack of seasonal labor force. It is also representative of an industry that has yet to learn the appropriate application of agro-technical measures and plant protection products. To turn this situation around, industry experts are calling for special attention to be given to production planning. This, they argue, will help offset rising costs of production as well as facilitate a stronger overall industry in terms of its practices.

### 15) Agricultural Producer Prices up 38.1%

December 14th, 2021, <https://agrosmart.net/2021/12/14/cene-poljoprivrenih-proizvoda-porasle-381-za-godinu-dana/>

Producer prices of agricultural and fishery products in October 2021, as compared to the same month in 2020, increased by 38.1%. The greatest impact on price growth was recorded for industrial plants (54.8%), cereals (42.8%) and livestock and poultry (14.6%). Producer prices of agricultural and fishery products in October 2021, compared to September 2021, increased by 2.9% on average, with the greatest impact on price growth being recorded for cereals (6.1%) and industrial plants (4.3%). Producer prices of agricultural and fishery products in the period January-October 2021, compared to the same period in 2020, increased by an average of 19.9%.

### 16) Organic Exports to Exceed EUR 40 Million This Year

December 7th, 2021, <https://www.danas.rs/vesti/ekonomija/nedimovic-prvi>

The export of organic products from Serbia is expected to exceed EUR 40 million for the first time this year. This represents a near nine-fold increase in just ten years. Organic production is one of the brightest spots within Serbia's agricultural sector and has seen a growth in popularity within the country in recent years. It is worth noting that the export of organic food products from Serbia to Scandinavian countries was suspended due to the COVID-19 pandemic. It is expected that this market could also be revisited in the near future, providing even more outlets for organic exports of Serbian origin.

### 17) Milk Producers Request Imlek to Raise Their Purchasing Price

December 1st, 2021, <https://beta.rs/ekonomija/ekonomija-srbija/155763>

Milk producers in Serbia have sent an invitation to the director of Imlek to ask the dairy processor to increase its purchase price for raw milk. If the request is rejected, the letter threatens a protest blockade. Milk producers are frustrated by prices in the range of RSD 36–38 per liter, especially when the cost for a

liter in 2015 was RSD 43. Milk producers also note that some smaller producers have already raised their purchase and now pay more than Imlek.

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