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# #84 SERBIA

## AGRICULTURE BULLETIN

Millers Request State Pay RSD 193 Million in Debt

Trainings Organized on Improving Irrigation and Drainage in Serbia

Milk Imports Could Be the End of Domestic Production

Price of Agricultural Land Up

# Agriculture Finance Bulletin

Edition #84, September 2022

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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) Farmers Can Apply for Loan Repayment Relief

September 28th, 2022, <https://www.agromedia.rs/vesti/poljoprivrednici-zahtevi>

Agricultural producers registered in the Register of Agricultural Farms and who have agricultural loans will be able to submit a request for a moratorium on loan payments for a period of up to 12 months. The moratorium will not be implemented automatically; farmers have until April 2023 until submit applications.

### 2) National Institute for Viticulture and Winemaking to Be Established

September 26th, 2022, <https://www.agrosaveti.rs/aktuelnosti/vesti/formira-se->

The National Institute for Viticulture and Winemaking will shortly be established in Serbia and is expected to begin operations on January 1, 2023. To this end, the Institute will facilitate research and development as well as provide funding for laboratory and other equipment that will help winemakers produce higher-quality wines.

### 3) Millers Request State Pay RSD 193 Million in Debt

September 20th, 2022, <https://agrosmart.net/2022/09/20/zitounija-drzava-da>

The Business Association of Millers is requesting that the government of Serbia pay flour producers a debt of RSD 193 million due to price limitations on small flour packages. The Association claims the state owes millers the difference between the natural market price and the decree-limiting price for a period of four months (April, May, June and July). The Association has also given the state an alternative proposal that would allow millers to purchase wheat from the commodity reserves for a better price.

### 4) Open Balkan State Members Sign Food Security Agreement

September 6th, 2022, <https://www.tehnologijahrane.com/iz-novina/potpisan>

Agriculture Minister Branislav Nedimovic and his counterparts from Albania and North Macedonia have signed an agreement related to food security mechanisms in the Western Balkans. The agreement was signed to prevent a lack of basic agricultural and food products in Open Balkan state markets. Under the terms of the agreement, each Open Balkan state member will assist other members in the event of interruptions in food supply chains. The agreement also includes a provision not to ban the circulation of basic agricultural and food products to other Open Balkan state members, another not to abolish all quantitative restrictions and measures on the import of basic agricultural and food products produced in other Open Balkan state members and another not to re-export basic agricultural and food products to third countries. In order to monitor the implementation of the agreement, the countries will establish a joint working group to propose improvements and detect and prevent possible abuses.

## Foreign Aid

### 5) Trainings Organized on Improving Irrigation and Drainage in Serbia

September 25th, 2022, <https://bizlife.rs/treninq-poljoprivredni-savetodavci>

The European Bank for Reconstruction and Development (EBRD) and the Food and Agriculture Organization of the United Nations (FAO) have organized a series of trainings for agricultural expert advisory service providers. The trainings, which are within the *Irrigation and Drainage Program in the Republic of Serbia from 2023 to 2032* project and are being implemented by the Institute for the Application of Science in Agriculture, cover the following topics:

- Assessing the costs and benefits of irrigation
- Selecting, designing and maintaining irrigation systems
- Irrigation record keeping, analysis and performance improvement
- Typical costs and benefits of irrigation for different crops
- Sources of financing investments in irrigation systems
- Gender aspects of access to agricultural resources in Serbia

### 6) Free Video Courses on New Agricultural Technologies Published

September 23rd, 2022, <https://www.politika.rs/scc/clanak/518224/Predstavljen-video>

A series of free video courses under the *Digital Serbia* initiative have been published on the use of advanced technologies in agriculture. The videos, which are available on the [agrokursevi.rs](http://agrokursevi.rs) platform, were produced from cooperation between the Biosens Institute, the United States Agency for International Development (USAID) and the Food and Agriculture Organization of the United Nations (FAO). The video courses cover technologies such as the use of sensors, drones, robots and satellites as well as how to use all such technologies together.

### 7) Training on Strengthening Climate Change Resilience Held

September 17th, 2022, <https://agrosmart.net/2022/09/17/kako-ojacati-otpornost-poljoprivrede-na-klimatske-promene/>

The Ministry of Agriculture and the Food and Agriculture Organization of the United Nations (FAO), with support from the European Union (EU), held a training session in mid-September on adapting to climate change in agriculture. This training, which is part of the *Strengthening the Resilience of the Agricultural Sector to Natural Disasters* project, is the first in a series of six trainings sessions on climate change and risk management in agriculture. The training highlighted the importance for creating a system of measures to mitigate the consequences of climate change such as hail, drought, floods and other weather problems. Further trainings in the series will present ways to: reduce the risk of natural disasters, clarify the role of healthy agricultural land and adapt to the needs of individual sectors.

## Private Sector

### 8) African Swine Flu Continues to Threaten Pork Producers

September 30th, 2022, <https://www.agromedia.rs/agro-teme/stocarstvo/ocekujе->

African swine flu, a viral disease that affects domestic and wild pigs but is not dangerous to human health, is threatening Serbia's pork producing industry and could result in a further increase in meat prices. The disease is particularly dangerous as it can lead to a large number of pigs in affected areas needing to be slaughtered to prevent the further spread of the disease. For producers, this represents a significant loss of investments; for consumers, this represents less meat products available and higher prices. Since the

beginning of 2022, 90 cases of the infectious disease have been confirmed in wild pigs and 48 have been confirmed in domestic pigs across six districts.

## 9) Organic Production Increased in 2021

September 28th, 2022, <https://rtv.rs/sr/ci/ekonomija/aktuelno/povecane>

According to the National Association for Organic Production Serbia Organica, the total area under organic plant production in Serbia last year amounted to 23,527 hectares. This represents a 12.2% increase over 2020. Flax had the largest area under organic production at 36%, followed by cereals (28%), fodder plants (19%) and industrial plants (14%). Organic production was most represented in Vojvodina. There were also increases in the number of organically-raised livestock, especially poultry birds (+120%), sheep (+95%) and cattle (+45%). Overall, the total number of organic producers increase from 6,109 in 2020 to 6,421 in 2021.

## 10) Serbia Exports Fewer Raspberries But Generates More Income

September 26th, 2022, <https://agrosmart.net/2022/09/26/iz-srbije-izvez%0b5no-manje-maline-ali-ostvaren-veci-prihod/>

The export of frozen raspberries from Serbia has decreased by 33% year-on-year over the first eight months of 2022, going from 65,000 tons in 2021 to 43,000 tons in 2022. Despite lower exported quantities however, a higher income from raspberry exports was achieved (EUR 224 million this year as compared to EUR 200 million in 2021).

## 11) Corn Harvest Yields Down as Much as 90%

September 26th, 2022, <https://beta.rs/ekonomija/ekonomija-srbija/169312>

Serbian farmers have begun the corn harvest and are reporting disappointing yields. On average, the yield this year is expected to be down up to 90% in some areas. During a good year, farmers expect an average corn harvest yield of 6–8 tons per hectares. This year, some fields are yielding only 600 kilograms per hectare. The significantly reduced yields are due to high temperatures and drought conditions this summer, which was then followed by frequent rains that prohibited farmers from conducting necessary field work.

## 12) Wheat, Corn Production Down; Raspberry, Cherry Production Up

September 24th, 2022, <http://www.agronews.rs/ove-godine-proizvedeno-manje-psenice-vise-malina-i-visanja/>

Through September, Serbia has produced less soybeans (-26.2%), corn (-25%), sugar beets (-21.4%) and wheat (-9.6%) than at this same time last year. At the same time, Serbia has produced more cherries (+6.0%), sunflowers (+5.9%) and raspberries (+4.0%).

## 13) Platform for Raspberry Sector Development Announced

September 24th, 2022, <http://www.agronews.rs/najavljena-platforma-razvoja-maline-u-srbiji-od-2022-do-2025-godine/>

A platform for the development of Serbia's raspberry sector over the next three years has been announced. The platform is expected to inform producers and processors on growth technologies and techniques, market prices, which seedlings to use and how to market products. The platform is the result of joint efforts from producers across Serbia, agro-economic experts and Ministry of Agriculture representatives. Specific proposals for state interventions will also be delivered to the newly-formed government.

## 14) Milk Imports Could Be the End of Domestic Production

September 13th, 2022, <http://www.agronews.rs/uvoz-mleka-zavrsni-udarac-drzave-domacoj-proizvodnji/>

Serbian milk producers have claimed that the import of milk products from the Czech Republic and Poland, which were made to compensate for shortages in the country, will be the death blow for domestic milk production. They argue that, while milk imports may cover shortages, the purchase price of these products makes it difficult for producers to sell raw milk to dairies at prices that are reasonable for covering production costs and making a living. In the end, they are upset that the state is not helping them but rather encouraging production in other countries.

## 15) Producer Prices for Agricultural and Fishery Products Up 45%

September 12th, 2022, <https://www.danas.rs/vesti/ekonomija/rzs-cene>

According to the Republic Statistical Office, the producer prices of agricultural and fishery products in July 2022 increased by 45.1% year-on-year. The greatest increases were observed in the price of grains (+62.8%), livestock and poultry (+48.5%) and fruit (+28.3%). Producer prices of agricultural and fishery products in July 2022 compared to June 2022 increased by 0.8% on average.

## 16) Agriculture the Key to Stabilizing Inflation

September 8th, 2022, <https://www.danas.rs/vesti/ekonomija/soskic>

Dejan Soskic, professor of economics and former governor of the National Bank of Serbia, has stated that the solution to stabilizing inflation in Serbia is greater agricultural production. He argues that state support for agricultural producers will result in stable production and supplies. This, coupled with smart policies to curb key exports, will keep food prices under control. Professor Soskic was quick to point that no single solution exists to keep inflation under control; however, he firmly believes that increased agricultural production (and state support to the end) is key.

## 17) Price of Agricultural Land Up

September 1st, 2022, <https://www.danas.rs/vesti/ekonomija/nova-ekonomija>

The average price of a hectare of agricultural land in Serbia in the second quarter of 2022 was worth an average of EUR 3,917 more than it was in the previous year. The most expensive agricultural land was in the Belgrade region; however, price increases for agricultural land were observed across the country.

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