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AGRICULTURE BULLETIN

Open Balkans Initiative to Eliminate Food Borders

400,000 Tons of Artificial Fertilizer to Be Imported into Serbia

More Than RSD 34 Million in Local Funding to Encourage Agricultural Production

Call for Agricultural Producers to Better Plan Production Cycles

Agriculture Finance Bulletin

Edition #76, January 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) **Open Balkans Initiative to Eliminate Food Borders**

January 28th, 2022, <http://www.agronews.rs/za-hranu-na-balkanu-vise-nema-granica/>

The Ministers of Agriculture of Albania, Northern Macedonia and Serbia met to discuss the benefits of the *Open Balkans* initiative, in particular how the initiative is eliminating borders for the movement of food products within the Balkans. This means that food products processed and packaged within one country can be on the shelves in another country within a short period of time. This is expected to result an improved business climate within all countries participating in the initiative.

2) **400,000 Tons of Artificial Fertilizer to Be Imported into Serbia**

January 25th, 2022, <https://rs.n1info.com/biznis/nedimovic-obezbedjeno-400-000-tona-vestackog-djubriva/>

Agriculture Minister Branislav Nedimovic has stated that a total of 400,000 tons of artificial fertilizer will be imported into Serbia over the next three weeks. According to the Minister, this is enough to cover the needs of Serbia. The Minister also announced two support measures for agricultural producers in light of the growth of input prices: (1) up to three-year interest-free loans from commercial financial institutions (including a grace period of up to one year) and (2) the elimination of 10% customs duties for fertilizers.

3) **1,300 IPARD Requests Received Within One Week**

January 24th, 2022, <https://www.danas.rs/vesti/ekonomija/za-nedelju-dana-1-300-zahteva-za-nabavku-mehanizacije/>

According to the Ministry of Agriculture website, more than 1,300 requests for IPARD funding to purchase agricultural machinery were received within a one-week period. In total, there are six planned public calls for Measure 1 funding with the IPARD program this year as well as five public calls for Measure 3 funding and two public calls for Measure 5 funding.

4) **Possible Extension to the Decree Limiting the Price of Basic Foods**

January 24th, 2022, <https://rtv.rs/sr/ci/ekonomija/aktuelno/produzava-se-uredba>

Agriculture Minister Branislav Nedimovic announced that the government is considering the extension of the *Decree on Limiting the Prices of Basic Foods*. The Minister noted that the validity of the Decree is currently through February 10, 2022, and the government wants to ensure there will be no price increases for basic foods.

5) **International Tender for the Development of the eAgrar Platform**

January 13th, 2022, <https://www.ekapija.com/en/news/3547820/international-tender>

The Ministry of Agriculture has opened an international tender for the development of the eAgrar platform, which will enable more than 400,000 agricultural properties to be registered online as well as allow for the more efficient management of agricultural and rural development incentive payments. According to the tender, eAgrar is the first big step toward creating an integrated administrative and control system for state incentives in agriculture. eAgrar will consist of several software subsystems, including a register of subsidies, a register of farms, a documentation management subsystem, a web portal for applications and a subsystem for the exchange of data between various registers. The platform is being developed within the *Competitive Agriculture Project*, which is financed by the World Bank.

Foreign Aid

6) More Than RSD 34 Million in Local Funding to Encourage Agricultural Production

January 29th, 2022, <http://www.agronews.rs/devet-lokalnih-fondova-i-vise-od-34-miliona>

Cooperation between the Ana and Vlade Divac Foundation and the United States Agency for International Development (USAID)'s *Competitive Economy Project* have secured more than RSD 34 million from nine different local funds to stimulate agricultural production in Serbia. Specifically, the funds will be used to accelerate agricultural production in Uzice as well as support young and women farmers become more competitive in the market, including through initiatives designed to improve their businesses, develop new products and increase the standard of living in rural areas.

7) Grant Funding for Farmers Interested in Investment Projects

January 24th, 2022, <https://www.novosti.rs/vesti/ekonomija/1079164/pomoc-razvoj>

Farmers interested in applying for grant funding from the *Competitive Agriculture Project* have until February 23, 2022 to submit their applications. Grant funding can be used as a reimbursement for costs related to improving the competitiveness of primary livestock production in the dairy, meat, beekeeping and aquacultural sectors. A total of RSD 360 million have been allocated for grant funding, with individuals eligible for grant funding for project between EUR 20,000 and EUR 50,000 (with non-refundable grant funds of between EUR 10,000 and EUR 25,000). Beneficiaries can receive a grant in the amount of up to 50% of the total value of the investment, with the rest covered by loans (up to 40%) and self-funding.

8) Green Agenda in Serbia Program to Receive EUR 8 Million in Funding

January 19th, 2022, <https://www.ekapija.com/en/news/3552352/serbia-to-get-aid-of-eur-8-million-for-green-agenda-within>

Emanuele Giaufret, head of the European Union (EU) Delegation to Serbia, has announced that EUR 8 million will be set aside for the *Green Agenda in Serbia* program. The program, which is part of IPA 2020 and the EU's investment plans in the Balkans, will be implemented in three phases over the course of this year and focus on concluding a green agreement with the EU, decarbonization, reducing pollution and upgrading agricultural production.

9) Public Call for IPARD Funding for the Procurement of Tractors Expected Soon

January 14th, 2022, <https://rtv.rs/sr/ci/ekonomija/aktuelno/uskoro-javni-poziv>

The Directorate for Agrarian Payments is expected to announce a public call for applications related to grant funding within the IPARD program in the near future. This call, which will be open for the period of February 7, 2022 through March 31, 2022, is for the procurement of new tractors. The total budget for this call is RSD 1.3 billion, with the value of grant incentives eligible to cover up to 70% of the total investment cost. To be an eligible recipient of IPARD funds, an applicant must be registered as active in the *Register of Agricultural Holdings* and represent a natural person, entrepreneur, company or agricultural cooperative.

10) Final Ranking List for Fourth Public Call for IPARD Funds Published

December 30th, 2021, <http://uap.gov.rs/objavljena-konacna-rang-lista-za-cetvrti-javni-poziv-ipard-mera-3/>

The Directorate for Agrarian Payments has published its *Final Ranking List of Approved Requests for IPARD Incentives Under the Fourth Public Call for Proposals for IPARD Incentives for Investments in Physical Assets Concerning Processing and Marketing of Agricultural Products and Fishery Products*. Proposals will be financed according to this list and available financial resources, once all relevant administrative and field control conditions have been fulfilled. A total of RSD 3 billion has been allocated for this call, which covers up to 50% of investment costs (or up to 60% for proposals in the fields of waste and wastewater management). The minimum incentive amount under this call is EUR 10,000, while the maximum incentive amount is EUR 1 million (or EUR 2 million for those engaged in the dairy sector).

Private Sector

11) Agro Belgrade Fair Held

January 28th, 2022, <https://agrosmart.net/2022/01/28/otvoren-sajam>

The Agro Belgrade Fair took place this past month, bringing together more than 500 agricultural companies from across the country to present their products and services. In addition to Serbian producers and service providers, exhibitors from Albania, Italy, the Netherlands, North Macedonia, Spain and Switzerland also participated in the event. The three-day fair provided exhibitors a chance to exchange experiences, form new business partnerships and discuss important innovations with industry experts. The main partners of the fair were the Ministry of Agriculture, the Secretariat for Agriculture of the City of Belgrade and the United States Agency for International Development (USAID)'s *Competitive Economy Project*.

12) Pork Imports Far Exceeded Pork Exports in 2021

January 27th, 2022, <http://www.agronews.rs/srbija-uvezla-25-000-tona-a-izvezla-svega-1-100-tona-mesa/>

In 2021, Serbia imported 25,000 tons of pork (worth EUR 54 million) as well as 200,000 piglets and only exported 1,100 tons of pork (worth EUR 2.5 million). Such data corroborates unofficial estimates that approximately 30% of pig farms in Serbia have closed operations in the last year. This is largely due to the purchase price of pigs in the country being down 15% (at approximately RSD 150 per kilogram). Serbian producers explain that they are routinely pressured to fatten pigs as fast as possible for slaughter. This, however, reduces the quality of the meat, resulting in lower purchasing prices.

13) Call for Agricultural Producers to Better Plan Production Cycles

January 26th, 2022, <https://rtv.rs/sr/ci/vojvodina/novi-sad/poljoprivredni>

Goran Bekavac, an agricultural expert from the Institute of Field and Vegetable Crops, recently spoke about the importance of carefully and precisely planning agricultural production. In particular, he noted the increasing urgency for agricultural producers to adopt such practices as droughts and other weather-related events are continuing to have a greater impact on the success of agricultural production cycles. He added that proper planning will allow producers to more accurately ensure that production meets demand and demand is adequate to justify production expenses.

14) Farmers Claim High Fertilizer Prices Threaten Food Security

January 18th, 2022, <https://www.danas.rs/vesti/ekonomija/poskupljenje-djubriva-ugrozava-prehrambenu-sigurnost/>

Farmers across Serbia are becoming increasingly frustrated with the high prices for fertilizers, warning that they pose a threat to the country's food security. In particular, they note that crop yields could fall as much as 70% if they are not able to access an adequate amount of fertilizers. Farmers place the blame on irresponsible suppliers and are increasingly irritated with what they perceive as a lack of interest and actionable solutions on the part of the government.

15) Producer Prices for Agricultural Products Up 30.5%

January 12th, 2022, <https://agrosmart.net/2022/01/12/cene-poljoprivredih-proizvoda-porasle-305-u-odnosu-na-2020-godinu/>

Producer prices for agricultural and fishery products in November 2021 increased by 30.5% year-on-year. The greatest price increases were recorded for vegetable (55.4%), cereal (39.7%) and industrial plant (37.5%) production. For the January 2021–November 2021 period, there was a year-on-year increase of 20.3%. Compared to October 2021, producer prices increased 1.2%.

16) Only 1.5% of Agricultural Land Was Irrigated in 2021

January 11th, 2022, <https://www.danas.rs/vesti/ekonomija/u-srbiji-svega-15-odsto-zemljista-se-navodnjava/>

Out of the total area of 3.4 million hectares of agricultural land in Serbia, only 1.5% (52,236 hectares) were irrigated last year. This represents 0.4% less land being irrigated than in 2020 despite 33.9% more irrigation water being used. According to official information, most irrigation water used in 2021 (84.3%) was drawn from watercourses, while the rest was drawn from groundwater, lakes, reservoirs and the water supply network. Most irrigation systems in use in 2021 (91.8%) were sprinkling methods, with drip irrigation methods only representing 8.0%.

17) 2021 a Mixed Year for Serbian Agriculture

January 10th, 2022, <http://www.agronews.rs/susa-i-dobra-zarada-obelezile-poljoprivredu-u-2021-godini/>

2021 was an odd year for agriculture in Serbia. On one hand, droughts greatly impacted yields and food prices rose. But on the other hand, the sale of agricultural products on foreign markets exceed USD 5 billion, a feat not accomplished in 20 years. Serbian agricultural producers know that they have work to do, however. In particular, most Serbian farmers are acutely aware that they have a quality issue. Moreover, they need to start implementing smart production processes that are more resistant to changing climate conditions.

18) Organic Production Gaining Traction in Serbia

January 4th, 2022, http://www.tanjug.rs/full-view_en.aspx?izb=709004

Organic agricultural production is gaining in popularity in Serbia, attracting more and more interest among farmers. There are several factors encouraging this trend to keep developing, most notably subsidies for organic production provided by the Ministry of Agriculture as well as global consumer trends toward healthier eating and living. The increased popularity of organic production has also been a major factor in preserving rural areas and providing increased standards of living for those living and working on small farms.

19) Special Duties Imposed on Certain Agricultural Food Imports

January 2nd, 2022, <https://agrosmart.net/2022/01/02/uvedene-posebne>

The government of Serbia has adopted a decision to place special duties on the import of certain agricultural and food products, which is payable upon import. The special duty regime began on January 1, 2022, and a list of specific products can be found on the government's website. It should be noted that such products originating from countries with which Serbia has concluded free trade agreements are exempt from this decision and are subject to the duties specified in those agreements.

20) More Than USD 5 Billion in Agricultural Products Exported in 2021

December 31st, 2021, <https://agrosmart.net/2021/12/31/srbija-izvezla-hrane-za-vise-od-pet-milijardi-dolara/>

Agriculture Minister Branislav Nedimovic announced that Serbia exported more than USD 5 billion worth of food in 2021, a record year. Moreover, the Minister expects that 2022 will be an even better year for agricultural exports. He also noted that, to encourage agricultural production and development in the country, the state is working to bring as many young people as possible into the sector, offering startup subsidies for agriculture and auctioning off the right to rent abandoned land. It should be noted that the *Open Balkans* initiative is also expected to increase the ability for Serbian producers to reach more end consumers in the region.

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