



04/2022

#79

SERBIA

AGRICULTURE BULLETIN

Increase in Budgetary Support for Organic Vegetable Production

Call for Greater Budgetary Support for Small Agricultural Producers

First 'Digital Village' to Be Founded in Mokrin

Agricultural Producer Prices Up 17.9%

Agriculture Finance Bulletin

Edition #79, April 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) Increase in Budgetary Support for Organic Vegetable Production

April 24th, 2022, <https://biznis.rs/novac/investicije/pocetna-ulaganja-za-gajenje-organskog-povrca-veca-od-100-000-evrg/>

The Ministry of Agriculture is increasing its investments in organic vegetable production to RSD 380 million, a 62% increase year-on-year. In particular, the Ministry is looking to boost state financing for establishing organic vegetable production, a process that requires huge initial and ongoing investments. In fact, initial investments for organic vegetable production are estimated to be a minimum of EUR 100,000. To assist in this, state incentives of up to RSD 520,000 are available for organic vegetable producers. There are also credit lines available to organic vegetable producers for the purchase of necessary machinery. Additionally, some local governments are also encouraging producers to go organic by reimbursing them some of the costs associated with organic control and certification.

In total, the value of Serbia's organic production is currently estimated at EUR 45–50 million.

2) Limited Corn, Flour, Sunflower Oil and Wheat Exports Permitted

April 24th, 2022, <https://www.b92.net/biz/vesti/srbija/posto-su-usevi-u-dobrom-stanju-pustili-smo-izvoz-video-2144613>

The government has allowed the export of 8,000,000 liters of refined sunflower oil, 150,000 tons of wheat, 150,000 tons of corn and 20,000 tons of flour per month. The decision comes as crops in the country are in a good condition and the country has more than enough to ensure its food security needs.

3) State Incentives for Beekeepers

April 15th, 2022, <https://www.danas.rs/vesti/ekonomija/ministarstvo-poljoprivrede-od>

The Ministry of Agriculture has announced that beekeepers can, until May 31, submit requests to receive incentives of RSD 800 per beehive for a total number of between 20 and 1,000 marked and registered beehives. Entities eligible to for the incentives include companies, entrepreneurs and natural persons that meet the legal conditions governing incentives in agricultural and rural development.

4) Organic Food Products Exempted from Temporary Ban on Food Exports

April 14th, 2022, <https://rs.n1info.com/biznis/vlada-srbije-dozvoljen-izvoz-organskih-prehrambenih-proizvoda/>

The government has amended its decision related to the temporary ban on the export of basic agricultural and food products that are important to the population. The amendment exempts all organic food products from the ban. The decision comes given that most organic production in the country is intended for export markets and, as such, is not seen as endangering food security in the country.

5) State to Support Producers, Processors and Exporters Amid Temporary Export Ban

April 13th, 2022, <https://www.danas.rs/vesti/ekonomija/brnabic-drzava>

The government remains open to working with and providing assistance to producers, processors and exporters of food products that are temporarily banned from export. This includes carefully watching the context of the domestic market to determine what measures are appropriate for both ensuring food security in the country and ensuring an adequate business environment for producers, processors and exporters.

6) Increase in Total Subsidy Amounts for Improving Livestock Competitiveness

April 2nd, 2022, <https://www.novosti.rs/ekonomija/vesti/1102886/stocare>

The Ministry of Agriculture has increased its subsidy budget for livestock production from RSD 360 million to RSD 1.2 billion. The increase, which is part of the *50:40:10 Program*, aims to further support the competitiveness of livestock producers, especially those active in milk and meat production, beekeeping and aquaculture. Under the *50:40:10 Program*, eligible beneficiaries receive a grant worth 50% of the value of an investment project, take credit worth 40% of the value of an investment project and provide 10% of the value of an investment project from their own funds.

Foreign Aid

7) Call for Greater Budgetary Support for Small Agricultural Producers

April 14th, 2022, <https://www.stips.minpolj.gov.rs/srl/vest/potrebna-veca-podrska-malim-poljoprivrednim-proizvodacima>

During a meeting with the Working Group of the National Convention on the EU, the Ministry of Agriculture requested that more funds be allocated from the national budget for Serbia's agricultural sector. In particular, the Ministry has requested larger allocations to assist small agricultural producers as well as for large investments in agriculture. This is a repeated request from the Ministry, which reiterated its position given the Ukrainian crisis and its expected impact on Serbia's agricultural sector.

Private Sector

8) First 'Digital Village' to Be Founded in Mokrin

April 26th, 2022, <https://www.poljosfera.rs/agrosfera/agro-teme/ostalo/digitalno-selo/>

BioSense is founding Serbia's first 'digital village', which will enable residents from Mokrin to obtain reliable information related to their daily activities. The 'digital village' will go live on May 24, 2022 and include information related to agriculture, banking, insurance and advisory services. In particular, the 'digital village' will enable more efficient agricultural production, joint marketing efforts (via virtual cooperatives) and the easier procurement of raw materials. If successful, the concept will be applied to more Serbian villages.

9) Poor Weather Conditions Expected to Impact Berry Yields

April 21st, 2022, <https://www.danas.rs/vesti/ekonomija/proizvodjaci-malina>

The president of the Association of Raspberry and Blackberry Producers in Serbia has announced that temperature shocks, drought and snow have resulted in a weakened state of berry plants. As a result, yields are expected to be lower and have a price of between RSD 600 and RSD 800 per kilogram. He added that producers should not be concerned about export bans to Russia as the Russian market does not traditionally represent a significant share of Serbian berry exports.

10) Serbian Agricultural and Food Product Exports to Russia Continue

April 20th, 2022, <https://www.danas.rs/vesti/ekonomija/srpske-firme-od-ruskih-traze-novac-unapred/>

Although the war in Ukraine has reduced the placement of Serbian agricultural and food products on the Russian market, there are some cases in which such good have been paid for in advance. Moreover, this

is expected to continue, provided that everything is paid for in advance. At the same time, the quantities of most such deliveries to Russia have been halved. Additionally, experts are predicting that exports to Russia will continue to decline as the country faces tougher international sanctions and the transport routes into Russia continue to decrease.

11) Sowing in Serbia 45% More Expensive

April 18th, 2022, <https://rs.n1info.com/biznis/setva-u-srbiji-skuplja-45-odsto>

The cost of sowing corn, soybeans and sunflowers has risen 45% as compared to last year. In particular, fuel and seed costs are 20% more, while mineral fertilizer costs have risen by 300%. Producers are also hampered by inadequate planting conditions, with some areas lacking necessary moisture and others being inundated with heavy rains. Producers are hoping for an increase in purchase prices that is proportional to the increased cost of investments and risks.

12) Al Dahra to Invest EUR 25 Million to Develop Operations in Serbia

April 14th, 2022, <https://agrosmart.net/2022/04/14/al-dahra-ulaze-jos-25-miliona-u-razvoj-proizvodnje/>

Al Dahra, an international corporation specialized in agribusiness and innovative food solutions, has announced that it will invest EUR 25 million to develop its operations in Serbia in 2022. Of this amount, EUR 9 million will be invested in modernizing farming mechanisms, and EUR 16 million will be invested in improving production in other business segments as well as the development of an irrigation and drainage system. Al Dahra also plans to make additional investments in modernization efforts in the coming years as well as to align its business with local and global trends in agriculture.

13) Agricultural Producer Prices Up 17.9%

April 13th, 2022, <https://agrosmart.net/2022/04/13/cene-poljoprivrednih>

Producer prices of agricultural and fishery products in February 2022 increased 17.9% compared to February 2021 and a 2.1% compared to January 2022. The greatest price increases were observed for industrial plants (up 24.0%), cereals (up 22.1%) and livestock and poultry (up 20.3%).

14) Flour Production Grinding to a Halt

April 13th, 2022, <https://www.danas.rs/vesti/ekonomija/udruzenje-mlinara>

Serbian millers have ceased the production of flour as huge stockpiles amass due to a temporary ban on the export of basic foods and agricultural products. The decision has resulted in 20,000 tons of flour sitting in reserve. Flour producers are also concerned that the ban could result in lost foreign markets once exports are allowed to resume. In a meeting with officials, millers have urged the government to reconsider the ban as it is stifling their production and could result in massive spoilages.

15) Proposed Measures to Boost Livestock Production

April 12th, 2022, <http://www.agronews.rs/privrednici-pripremaju-resenje-za-stocarsku-proizvodnju/>

The prices of energy, animal feed, mineral fertilizers, protective equipment and transport have risen drastically in the past two and a half years due to the COVID-19 pandemic and the war in Ukraine. This, in turn, has resulted in the reduced production of livestock products. To solve this, businessmen are proposing new measures to support a sector that they see has great potential. Among other measures, businessmen are proposing to work more intensively on calming prices, to reduce VAT rates on all products used in animal production, to reduce excise duties on energy sources used in primary agricultural production and to establish a system of priority access to commodity reserves.

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