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SERBIA

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Agriculture Minister Discusses Fertilizer Imports with Iran

Serbia the First Country to Submit an IPARD III Program Proposal

Flour Export Ban Cost Serbian Millers EUR 17 Million

Fruit Exports Up 24%

Agriculture Finance Bulletin

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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) Data to Be Gathered for Developing Machine Learning in Agriculture

May 11th, 2022, <https://www.ekapija.com/en/news/3689917/project>

The Faculty of Civil Engineering in Belgrade has opened public bidding for services to collect land data in Serbia under the *EO-Based Information for Smarter Agriculture and Carbon Farming* (CERES) project. The winning bidder will provide data necessary to develop machine learning models, particularly as related to crop yields per parcel and soil-working activities on at least 3,000 parcels. Data is expected to be collected going back to 2016.

2) Agriculture Minister Discusses Fertilizer Imports with Iran

May 11th, 2022, https://rtv.rs/sr_ci/ekonomija/nedimovic-sa-irancima-dogovara-djubrivo-za-zitarice_1339617.html

Agriculture Minister Branislav Nedimovic has met with Iran's Deputy Agriculture Minister Alirez Mohajer to discuss the import of mineral fertilizers (especially urea) from Iran as well as the export of Serbian cereals to Iran. This is part of a greater effort to open new markets to Serbian agricultural exports while also securing the stability of Serbia's agricultural sector for the future.

3) Government Proposal to Liberalize Flour Exports

May 11th, 2022, http://www.tanjug.rs/full-view_en.aspx?izb=732709

The government has proposed to liberalize flour exports, which are currently subject to temporary monthly restrictions. This is due to the level of flour and wheat supplies in the Serbian market being strong and the need to free up storage space for new wheat. Liberalizing flour exports will also result in an increase in domestic processing capacity and allow Serbia to explore new flour export markets.

Foreign Aid

4) Serbia to Receive the Most EU Agricultural Funding of All Balkan Countries

May 26th, 2022, <https://agrosmart.net/2022/05/26/od-zemalja-zapadnog-balkana-srbiji-najvise-eu-novca-za-poljoprivredu/>

During a meeting between Agriculture Minister and the European Union (EU) Ambassador Emanuel Ziofre, the two side discussed Serbian usage of IPARD funding as well as future funding initiatives from the EU aimed at helping Serbia continue to develop. The Ambassador noted that Serbia will receive the most EU funds (EUR 288 million) for assisting agricultural development of all countries in the Western Balkans. He also noted that such funding is important as Serbia exports 55% of agricultural products to EU markets and that the EU hopes to further improve this important relationship.

5) Serbia the First Country to Submit an IPARD III Program Proposal

May 26th, 2022, <http://www.agronews.rs/srbija-prva-podnela-predlog-programa-za-ipard-3/>

Serbia is the first country in the region to submit a proposal for the IPARD III program. In total, Serbia will receive EUR 288 million in IPARD III funds for the development of the country's agricultural sector. This funding is expected to help unlock a further EUR 600 million in local investments.

6) EUR 500,000 Allocated for the Preservation of Negotin Wine Villages

May 19th, 2022, <https://beta.rs/ekonomija/ekonomija-srbija/163796>

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Republic Institute for the Protection of Cultural Monuments have signed a memorandum of understanding regarding the preservation of the Negotin wine villages of Rajac, Rogljevo and Smedovac, all of which are known for their breweries and stone wine cellars. In total, EUR 500,000 in non-refundable funds will be allocated for the preservation of traditional architecture and historical buildings. Funding will be provided through the *EU for Cultural Heritage and Tourism* project.

7) IPARD Received More Than 5,000 Applications for the Procurement of Tractors

May 2nd, 2022, <https://www.novosti.rs/ekonomija/preduzetnik/1110916/>

Nearly 5,000 applications for the procurement of new tractors have been received under the IPARD program. The great interest of Serbian farmers in this part of the program has resulted in more funds being allocated for it. So far, there have been three public calls for applications to participate in the program, which offers farmers the chance to purchase a tractor or make other investments through the use of own funds, preferential loans and grants.

Private Sector

8) Raspberry Exports Down 30%

May 31st, 2022, <http://www.agronews.rs/smanjen-izvoz-maline/>

Over the first four months of 2022, raspberry exports have decline almost 30% as compared to previous years. This is largely due to higher retail prices resulting in raspberry sales in supermarket chains across Europe falling by 20–30%. Such losses coupled with rising production prices (e.g. electricity, transport, labor) and increased competition from Poland will likely mean Serbian berry exporters will face great challenges in the coming years.

9) Serbia's Food Market Is Stable

May 23rd, 2022, <https://agrosmart.net/2022/05/23/trziste-hrane-u-srbiji-stabilno/>

Speaking on Radio Television of Serbia, Tatjana Matic, the Minister of Trade, Tourism and Telecommunications, noted that the food market in Serbia is stable with good supplies and commodity reserves well under control. The Minister also noted that the fight against inflation remains a priority for the government and the world and that inflation rates are expected to being falling in the second half of 2022. The Minister reminded viewers that the government has limited prices on basic foodstuff through June 28 and is keeping a close eye on foreign exchange inflows.

10) Domestically-Produced Tractor to Hit the Market Soon

May 19th, 2022, <http://www.agronews.rs/srpskim-poljoprivrednicima-stize-novi-domaci-tractor/>

The first tractor to be produced in Serbia from Serbian parts has been unveiled. The new Patriot 90 tractor is being manufactured in Serbia with 80% of its parts also manufactured in Serbia. Manufacturer Majejica plans on making a wide range of tractors available to meet the demands of different agricultural producers. To make the tractors and their attachments affordable, the company is developing a financing

model that will allow farmers to repay loans in both currency funds and cereals. The first Patriot 90 tractors are expected to go on sale soon.

11) Flour Exports Resume

May 16th, 2022, <https://www.021.rs/story/Info/Biznis-i-ekonomija/305811/>

The free export of flour from Serbia is recommencing as the domestic flour market is stable. As exports resume, flour producers and exporters look to regain their position in former markets and also explore new opportunities to fill markets left by the global crisis. To help make gains in market positions, Serbian producers/exporters will likely have to sell a little cheaper at first but are confident that the quality of their products will eventually lead to stable export markets.

12) Serbia Will Not Face a Food Shortage

May 16th, 2022, <https://www.021.rs/story/Info/Biznis-i-ekonomija/305820/>

Agroeconomic analyst Zarko Galetin has estimated that Serbia has enough food to avoid any shortages. On the other hand, he also notes that prices for foodstuff are another question, especially as Serbia is also a major exporter of agricultural products to other European markets. In short, he believes that Serbians are likely to feel the impact of the current crisis, but not in any way that endangers shelves being empty.

13) Serbian Wheat Offered to African and Asian Markets

May 11th, 2022, <https://agrosmart.net/2022/05/11/srbija-nudi-svoju-psenicu-aziji-i-africi/>

With a serious global wheat shortage due to Russia's war in Ukraine and the ending of Serbia's wheat export ban, Serbian wheat producers/exporters are looking to fill voids left by wheat trapped in the two warring nations as well as help with food security worldwide. As such, Serbian officials have intensified their diplomatic activities to offer Serbian wheat products to African and Asian markets, both of which are traditionally reliant on Russian and/or Ukrainian wheat.

14) Flour Export Ban Cost Serbian Millers EUR 17 Million

May 11th, 2022, <https://beta.rs/ekonomija/ekonomija-srbija/163448-zitounija-zbog>

According to the director of the Miller's Association of Serbia, the near two-month ban on the export of wheat flour has cost Serbian millers nearly EUR 17 million in revenue. Since the abolishment of the ban, millers are looking to recapture markets filled by Bulgarian producers as well as find new markets to restore their short-, medium- and long-term business viability.

15) Lack of Moisture Threatening Crop Development

May 10th, 2022, <https://rs.n1info.com/biznis/poljoprivrednici-susa-pocinje-da-ugrozava-psenicu-i-ostale-useve/>

The lack of moisture across parts of Serbia is starting to endanger many crops. Although not yet at the level of alarm, crop development is noticeably slowing. If this continues, large-scale yields will be significantly impacted. This is especially concerning given the impact of the ongoing war in Ukraine on global agricultural product supplies.

16) Fruit Exports Up 24%

May 7th, 2022, <https://www.021.rs/story/Info/Biznis-i-ekonomija/304983/>

Serbia exported a record EUR 824 million of fruit in 2021. Moreover, Serbia has also exported 24% more fruit year-on-year in the first quarter of this year. This is due to Serbian producers finding new markets such as Egypt, India and Indonesia as well as working to solidify traditional markets such as Russia. It should be noted that Serbian fruit exports to Russia continue via Belarus.

17) Areas Sown with Sunflowers Increased

May 5th, 2022, <https://rs.n1info.com/biznis/zbog-skupog>

Serbian farmers have increased the total area sown with sunflowers as compared to last year. This is due to sunflowers needing less expensive mineral fertilizers than corn as well as the expectations of a strong purchase price of sunflower oil, in some cases double the purchase price of last year.

18) 20,000 Hectares of Agricultural Land Lost to Construction Annually

May 4th, 2022, <https://agrosmart.net/2022/05/04/qubimo>

It is estimated that Serbia currently loses 20,000 hectares of agricultural land each year to the construction of industrial zones and residential complexes. This is an alarming rate as agricultural land is of the utmost importance in a world where food is becoming more expensive and the population is growing significantly. Experts warn that the government, private organizations and local institutions need to work together to reasonably determine which land should be marked and maintained as exclusively for agricultural purposes.

19) Farmbot to Help Ease Agricultural Production and Reduce Costs

May 2nd, 2022, <https://www.novosti.rs/ekonomija/preduzetnik/1110915/spasoje>

Startup Farmbot has developed a special robotic vehicle called Spasoje that is capable of taking care of orchards, vineyards and green areas. This system uses remote controls and GPS to simplify and reduce costs associated with agricultural production, especially in areas with steep slopes. The system is capable of assisting with mowing, spraying, plowing and clearing snow and is also able to tow up to 800 kilograms of cargo with it.

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