



06/2022

#81

SERBIA

AGRICULTURE BULLETIN

Grain Exporters Granted Quarterly Export Quotas

Open Balkans Food Borders Eliminated

IFOAM, Serbia Organica Launch Organic Educational Project

Serbian Wheat Production Sufficient for the Entire
Western Balkans

Agriculture Finance Bulletin

Edition #81, June 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) Grain Exporters Granted Quarterly Export Quotas

June 17th, 2022, <https://www.danas.rs/vesti/ekonomija/djakovic>

Serbian grain exporters have been granted quarterly export quotas. This will allow them to export three times previous monthly quotas (450,000 tons of corn and 660,000 tons of wheat) over a three-month period. This is expected to help exporters better manage stocks and maintain a better presence in export markets. At the outset of the war in Ukraine, the government initially banned the export of wheat and corn; however, this decision was later changed to the imposition of monthly export quotas and, now, quarterly export quotas.

2) New Cooperative Assistance Program to Launch in Autumn 2022

June 9th, 2022, <https://agrosmart.net/2022/06/09/novi-program-pomoci-zadruqama-vredan-pola-milijarde-dinara/>

A new RSD 500 million state program to help cooperatives is set to begin in the autumn. During the current planning stage, the Ministry for Rural Care is discussing existing issues and needs with cooperatives in order to ensure that program funding is directed toward the most appropriate projects.

3) Open Balkans Food Borders Eliminated

June 8th, 2022, <https://agrosmart.net/2022/06/08/otvoreni-balkan-bez-granica-za-poljoprivredne-proizvode/>

Following a meeting with the Agriculture Ministers of Albania and North Macedonia, the Deputy Prime Minister and Agriculture Minister of Serbia have announced the abolition of food borders between Open Balkans countries. Specifically, this relates to food being transported between any two Open Balkans countries, whereby food originating in one country will be treated as if it originated in the destination country. To accomplish this, necessary certificates from one country are now recognized by all countries and there are special, no-stop lanes at border crossings.

4) New Program to Encourage Economic Activities in Villages

June 1st, 2022, <https://beta.rs/ekonomija/ekonomija-srbija/164423>

The Minister for Rural Care has announced a new program is being developed to encourage economic activities in villages. During the announcement, the Minister specifically noted projects aimed at restoring and commissioning old water mills, which have a special historical and socio-social significance, would help increase whole-grain flour production and increase tourism. It should be noted that this program is in addition to another planned program aimed at further assisting cooperative development.

Foreign Aid

5) IFOAM, Serbia Organica Launch Organic Educational Project

June 29th, 2022, <http://www.agronews.rs/ifoam-i-serbia-organika-edukovali-prvu-generaciju-organskih-lidera/>

The International Federation of the Organic Agriculture Movement (IFOAM) has partnered with Serbia Organica to implement an educational project aimed at the further development of organic agriculture. Under the project, producers of organic products, representatives of certification houses, PKS, educational institutions and the media are invited to educational initiatives on organic agriculture,

exchange relevant experiences and further discuss important topics related to organic agriculture. The project is being financially supported by the Swiss State Secretariat for Economic Affairs (SECO).

6) Ninth Session of the IPARD II Monitoring Committee Held

June 22nd, 2022, <http://uap.gov.rs/deveta-sednica-ipard-ii-odbora-za-pracenje/>

During the ninth session of the IPARD II Monitoring Committee, Committee members discussed the results achieved in the implementation of IPARD II incentives as well as a proposed fifth amendment to the IPARD II program. The Committee was also presented with a detailed description of the IPARD III program. The session was also attended by representatives of the European Commission, the Delegation of the European Union to the Republic of Serbia, the Ministry of Finance, the Ministry of European Integration and the Office for the Auditing of the European Union Fund Management System.

7) Organic Production Training Organized in Belgrade

June 15th, 2022, <https://beta.rs/ekonomija/ekonomija-srbija/165049>

Serbia Organica, with support from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Secretariat for Agriculture of the City of Belgrade, has organized a training on organic production at the Faculty of Agriculture. The training, which has been planned for September 10–20, 2022, is targeted at the staff of city municipalities in the territory of Belgrade, other local self-governments and regional development agencies, with the aim of ensuring they can adequately support farmers interested in organic production.

Private Sector

8) Serbian Wheat Production Sufficient for the Entire Western Balkans

June 20th, 2022, <https://intellinews.com/serbia-to-produce-enough-wheat-to-feed-the-western-balkans-248059/>

The wheat harvest in Serbia is set to begin, and a yield of 3 million tons is expected. This is double the amount needed to meet domestic demand. As the war in Ukraine has impacted wheat exports from both Russia and Ukraine (both top grain exporters in normal years), Serbia is positioned to fill many gaps, especially in the Balkans. In fact, Agriculture Minister Branislav Nedimovic has noted that Serbia's excess wheat has the potential to be sufficient for the entire Western Balkan region.

9) Decree Adopted to Support Flour Producers

June 20th, 2022, <http://uap.gov.rs/vanredna-interventna-mera-podrske-proizvodjacima-brasna/>

The government of Serbia has adopted the *Decree on Extraordinary Intervention Measures to Support Flour Producers*. The Decree allocates RSD 160 million to ensure that flour production will be maintained at normal levels and that there will be no shortage of flour in the country. Under the Decree, support will be provided to manufacturers registered for milling activities that produce 'T-400 smooth' and 'T-500 flour'.

10) Milk Production Down 100 Million Liters

June 19th, 2022, <https://www.021.rs/story/Info/Biznis-i-ekonomija/308980/>

Milk production in Serbia has been reduced by approximately 100 million liters within a one-year period. Although this has no impact on the domestic market, the current price of milk has many producers operating at a loss and wondering whether to continue production. An analysis of the milk sector has

shown that, despite the state raising premiums twice in the past nine months, no one in the milk value chain (from producers to retailers) sees much, if any, profits from the sale of milk. Without more systematic measures, experts believe that Serbia's dairy industry will be hit hard in the near future.

11) Serbian Exporters Find Routes to Russian Markets

June 19th, 2022, <https://www.021.rs/story/Info/Biznis-i-ekonomija/309004/>

Agriculture Minister Branislav Nedimovic has stated that Serbian exporters have found a way to export Serbian products to Russia, primarily through Turkey and some Baltic states. The Minister specifically noted that all problems with apple exports have been resolved and that Serbia has exported more strawberries than last year at this time. He also noted that involved parties will need to remain vigilant over the next 6–12 months to ensure that Serbian exports continue as normal as possible.

12) Second Summer Cooperative School Opens

June 14th, 2022, <https://beta.rs/ekonomija/ekonomija-srbija/165004-krkobabic-zadruagarstvo-srbije-na-evropskom-putu>

The *Second Summer Cooperative School* has been opened in Srpski Itebej (Banat municipality). The three-day school, which aims at enhancing the work of agricultural cooperatives in the region, will feature lectures from experts as well as practical tours of several reputable cooperatives operating in Vojvodina. The president of the Cooperative Union of Vojvodina noted that the school is targeted at young people who work in cooperatives. In total, 50 participants from 20 cooperatives across Vojvodina are expected to attend the school.

13) Raspberry Producers Expect Purchase Price of Up to RSD 800

June 10th, 2022, <https://beta.rs/ekonomija/ekonomija-srbija/164856>

The Association of Raspberry Producers of Serbia have announced that they expect the purchase price of raspberries to be between RSD 600 and RSD 800. This is a higher price than initially offered by initial buyers; however, this year's harvest is expected to be 30% smaller than last year's due to drought and a cold spring. Moreover, the cost of production has also increased by more than 10%. In recent years, there has been somewhat of a public battle over the purchase price of raspberries between producers on the one side and cold storage facilities and retailers on the other. Cold storage facilities and retailers claim that raspberry producers make enough money, while producers argue that cold storage facilities and retailers mark up prices by more than 100%.

14) Mills Demand State Pay Outstanding Debt of RSD 240 Million

June 9th, 2022, <https://beta.rs/ekonomija/ekonomija-srbija/164805>

The government of Serbia has yet to pay mills outstanding debts of RSD 240 million for the delivery of flour at preestablished rates. This, coupled with limits on exports that are preventing them from selling surpluses, has resulted in many mills not having enough funds to buy new wheat crops. Under the *Law on Regulated Markets*, the state has the right to cap prices for certain products; however, the state must compensate producers for any damages caused by such caps. Mills argue that recent restrictions on exports have damaged their ability to sell in foreign markets, where prices are much higher than domestically. Moreover, mills have had to purchase wheat from the free market to make flours as they were not provided promised (cheaper) supplies from the commodity reserve.

15) Pig Farms Begin Closing, Leaving Thousands without Jobs

June 8th, 2022, <https://beta.rs/ekonomija/ekonomija-srbija/164775>

As part of an effort to control food price, the government has set the maximum price of a frozen pork leg at RSD 650. At the same time, this along with recent droughts and increased prices for animal feed are forcing many pig farms to close as farmers struggle to break even, let alone make a profit. Pig farmers also struggle finding a market domestically as the import of finished pork products by large retail chains has left them with few sales outlets. As pig farms close, thousands could lose their jobs.

16) Free App for Easier Fruit and Vegetable Harvesting

June 7th, 2022, <https://www.stips.minpolj.gov.rs/srl/vest/besplatna-aplikacija>

The e-harvest app is now available to all agricultural producers completely free of charge. The app allows users to easily manage fruit and vegetable harvests as well as better control yield expectations and costs. The app also allows users to effectively monitor picker performance in real time and provides a number of different reports to support producers throughout the harvest and sales process. The app was developed within the *Academic Village* project, which is being implemented through the Ana and Vlade Divac Foundation.

17) Raspberry Exports Down 30%

June 1st, 2022, <https://agrosmart.net/2022/06/01/izvoz-maline-opao-za-trecinu/>

In the first four months of 2022, raspberry exports were down 30% compared to previous years' average. The main reason for this is that demand in Western Europe (the main outlet for Serbian raspberries) is down 20–30% as retail prices have increased. Serbia's raspberry producers are also bracing themselves for increased competition, especially as Polish producers are expecting a 10% larger harvest than last year.

Prepared by Business & Finance Consulting (BFC)
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