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AGRICULTURE BULLETIN

Ban on Corn and Wheat Exports Lifted

Government Decree Sets New Maximum Prices
for Milk and Sugar

EBRD Extends RSD 1.2 Billion Loan to 3Bank

Serbia to Begin Food Exports to Saudi Arabia
for First Time in 40 Years

Agriculture Finance Bulletin

Edition #82, July 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) Ban on Corn and Wheat Exports Lifted

July 21st, 2022, <https://rs.n1info.com/biznis/ukinuta-zabrana-izvoza-psenice-i-kukuruzga/>

Following an analysis of the current state and stock of wheat in the country, the government has lifted the ban on the export of wheat and corn. The government also approved the export of 4,000 tons of refined sunflower oil. During the same session, the government also extended the ban on the export of Euro diesel for an additional seven days.

2) Call for Organic Production Co-Financing Projects Announced

July 15th, 2022, <http://www.agronews.rs/raspisan-poziv-za-sufinansiranje-u-oblasti-organske-proizvodnje/>

Serbia Organica has announced a call for co-financing projects aimed at strengthening local organizations and producers in organic production under the *Through Trade in Organic Products to Development in Eastern Europe* program, which is funded by the State Secretariat for Economic Affairs (SECO) and being implemented by the International Association for Organic Agriculture (IFOAM) in cooperation with the Swiss consortium Helvetas and the FiBL institute for organic agriculture. The overall goal of the program is to support active organic producers in Serbian markets.

3) Farmers Submit List of Demands to the Ministry of Agriculture

July 12th, 2022, <https://rs.n1info.com/biznis/poljoprivrednici-predali-zahteve-ministarstvu-ocekuju-odgovor-do-kraja-nedelje/>

Representatives of the Initiative for the Survival of Agriculture, which brings together over 2,000 farmers, have submitted demands to the Ministry of Agriculture. Among the demands is that the purchase of wheat produced in Serbia have a minimum purchase price of RSD 45 including VAT and that the prices of sunflowers and soybeans be in line with regional prices. They are also demanding an exemption from excise duty for diesel fuel at all gas stations (up to 100 liters per hectare), an increase in incentives for animal husbandry, the protection of local vegetable and fruit growers from uncontrolled imports and direct benefits of EUR 300 per hectare.

4) Government Decree Sets New Maximum Prices for Milk and Sugar

June 30th, 2022, <https://boom93.rs/info/drustvo/vlada-donela-novu-uredbu-povecanje-cena-secera-i-mleka/>

The government of Serbia has adopted a decree limiting the price of basic foodstuff. The decree sets a maximum retail price for white crystal sugar at RSD 96.99 per kilogram and a maximum retail price of RSD 113.99 per liter of milk with a fat content of 2.8%. The decree also stipulates that prices for type 400 and type 500 flour, edible oil and pork leg meat remain at the same level.

Foreign Aid

5) EBRD Extends RSD 1.2 Billion Loan to 3Bank

July 26th, 2022, <https://www.ebrd.com/news/2022/ebrd-extends-rsd-12bn-million-to-3bank-in-serbia.html>

The European Bank for Reconstruction and Development (EBRD) has extended an RSD 1.2 billion (EUR 10 million) loan to 3Bank for the purpose of improving funding availability for micro-, small- and medium-sized enterprises (MSMEs), especially those active in the agricultural sector. 3Bank's mission is to improve

access to finance for businesses that are making a positive economic, social and environmental impact, with a special focus on clients who have difficulty accessing such services from traditional banks.

6) Serbia Participates at World's Largest Organic Production Fair

July 24th, 2022, <http://www.agronews.rs/srpski-organski-proizvodaci-na-sajmu-biofach-2022-u-nirnbergu/>

The Chamber of Commerce of Serbia and the Development Agency of Serbia, in cooperation with the Swiss Export Promotion Program (SIPPO) and Serbia Organica, organized the Serbian national stand at the international organic food fair *BIOFACH 2022*, which was held July 26–29, 2022 in Nuremberg, Germany. The marks the fourth time Serbia was represented at the fair, this year using the slogan “We Speak Organic”. *BIOFACH 2022* is the world's largest organic production fair, gathering more than 3,000 exhibitors and over 50,000 visitors from more than 130 countries.

7) Serbian Farmers Have Purchased 21,000 New Tractors in Recent Years

July 19th, 2022, <https://www.danas.rs/vesti/ekonomija/poljoprivrednici-kupili-21-000-novih-traktora/>

Serbian farmers have procured 21,000 new tractors in the last four years by utilizing Ministry of Agriculture subsidies and IPARD funding. This has helped Serbia transform into a major importer of mechanized and other agricultural equipment. The country now imports, on average, 2,000 new tractors and 60 new grain harvesters annually. This has lifted the value of Serbia's annual agricultural mechanization market to more than EUR 100 million. While it may seem that the market would slow after such gains, Serbia is dominated by smaller farms and has approximately 450,000 total tractors and 25,000 total harvesters. The average age of this equipment is, according to most estimates, 30 years.

8) Irrigation and Drainage Program Draft Presented

July 15th, 2022, <http://www.agronews.rs/predstavljen-nacrt-programa-navodnjavanja-i-odvodnjavanja-u-srbiji/>

The Ministry of Agriculture, in cooperation with the European Bank for Reconstruction and Development (EBRD) and the Food and Agriculture Organization of the United Nations (FAO), a draft proposal for the *Irrigation and Drainage Program in the Republic of Serbia from 2023 to 2032* was presented along with a corresponding draft action plan. The draft proposal sets out guidelines for public investments in irrigation and drainage as well as the adequate management and financing of publicly-owned systems. The draft also establishes proposed legal and institutional frameworks for the development of individual irrigation systems, aims to promote efficient and profitable irrigation practices on agricultural farms and establishes that public investments, policies and regulations should take into account climate change.

Private Sector

9) Serbia to Begin Food Exports to Saudi Arabia for First Time in 40 Years

July 26th, 2022, <https://aqrosmart.net/2022/07/26/srbija-ce-posle-40-godina-izvoziti-hranu-u-saudijsku-arabiju/>

After more than 40 years, Serbian milk and milk products as well as fruits and vegetables will be able to be exported to Saudi Arabia, with permits allowing for the export of sheep and beef expected in the coming days. This represents an excellent opportunity for Serbian producers as Saudi Arabia is a high-paying market.

10) Egypt to Buy Serbian Wheat

July 21st, 2022, <https://www.egypttoday.com/Article/3/117775/Serbia-agrees-to-sell-wheat-to-Egypt>

Serbian President Aleksandar Vucic announced his country's approval to sell grain and wheat to Egypt. This comes after Serbia recently obtained a certificate for exporting wheat, apples, and beef to the Middle-Eastern nation. During a joint press conference with President Abdel Fattah El-Sisi in Belgrade, President Vucic said the two countries are making efforts to reach a free trade agreement by the end of the year and are also discussing cooperation in the health sector.

11) Corn Condition Is Bad, Likely to Yield Less Than 3 Tons per Hectare

July 20th, 2022, <https://rs.n1info.com/biznis/proizvodjaci-kukuruz-a-stanje-lose-prinos-ce-bit-manji-od-tri-tone-po-hektaru/>

Corn producers in Serbia are warning that, due to drought conditions, the condition of corn is very bad and is likely to result in average yields of less than three tons per hectare. Most are predicting that the most fertile areas will result in yields of approximately two tons per hectare. In other areas, yields could be as low as 300 kilograms per hectare.

12) Drought Conditions Expected to Decimate Potato Crops

July 18th, 2022, <https://rs.n1info.com/biznis/proizvodjac-krompira-susa-ce-desetkovati-rod-uskoro-nova-poskupljenja/>

This year's potato crop is expected to be significantly reduced due to ongoing drought conditions in the country. This, in turn, is expected to result in a 30–40% higher sales price for potatoes in 2023. Potato producers are particularly concerned that a good production year in Europe could result in local being flooded with imported potatoes, driving potato prices down and threatening their survival.

13) Western Serbian Farmers Declare Situation Worse Than Ever Before

July 16th, 2022, <https://beta.rs/ekonomija/ekonomija-srbija/166304>

The Union of Agricultural Producers of Western Serbia has assessed that the current agricultural context in the country has “never been worse”, with raspberry growers, dairy farmers, herders and farmers at a particularly heightened risk. In an open letter addressed to Prime Minister Ana Brnabic, the union requests that the government take more of an interest in honest Serbian peasants instead of the desires of those interested in creating monopolies and dominating agricultural value chains.

14) State Wheat Reserves Two-Thirds Full

July 13th, 2022, https://rtv.rs/sr_lat/ekonomija/aktuelno/dve-trecine-psenice-za-drzavne-rezerve-popunjeno_1357440.html

To date, 90,000 tons of wheat have been registered for sale to the state commodity reserves. This represents two thirds of the state reserve capacity for wheat. The state's purchase price for wheat is RSD 40 per kilogram (including VAT). Commodities sold to the reserve are paid for within 15 days after delivery.

15) Agricultural Producer Prices Up 30.4%

July 13th, 2022, <https://agrosmart.net/2022/07/13/cene-poljoprivrednih-proizvoda-porasle-304-odsto-za-godinu-dana/>

Producer prices of agricultural and fishery products in May 2022, as compared to the same month in 2021, increased 30.4%. The largest increases were seen with grain (up 38.1%) and livestock/poultry (up 35.8%). As compared to April 2022, producer prices of agricultural and fishery products in May 2022 increased 3.3%, with the largest increases seen in cereals (up 4.9%). Over the first five months of 2022, producer prices of agricultural and fishery products have gone up 20.7% when compared to the same period of 2021.

16) Lost Food Security for 7.5 Million People

July 12th, 2022, <http://www.aqronews.rs/izqubljenja-prehrambena-sigurnost-za-75-miliona-stanovnika-godisnje/>

Agroeconomist Dr. Miladin Sevarlic has found that Serbia lost nearly 1.5 million hectares of agricultural land from 1960 to 2012. This represents lost food security for 7.5 million people. In his research, Dr. Sevarlic found that there has been an increasing number of permanent confiscations of agricultural land for non-agricultural purposes, with the common justification being general social needs and priority goals.

17) Cherry Sales Prices RSD 10–15 Less Than Last Year

July 4th, 2022, <https://rs.n1info.com/biznis/berba-visanja-u-srbiji-pri-kraju-kilogram-jeftiniji-desetak-dinara-nego-lane/>

As the cherry harvest in Serbia comes to a close, the price most producers are seeing is RSD 40 per kilogram, which is RSD 10–15 lower than the price received last year. This reduced sales price is hurting cherry producers, especially given that mineral fertilizer, fuel and other equipment have become more expensive. Many producers complain that processing factories and traders are making a hefty profit while destroying producers. Others have even gone so far as to abandon their orchards in protest of the low sales price. For their part, processors claim that energy and processing technology are more expensive, meaning that they cannot afford to pay more than RSD 40 per kilogram this year.

18) Average Wheat Yields 30% Lower Than Expected

July 4th, 2022, <https://www.danas.rs/vesti/ekonomija/strucnjak-za-zito>

The average yield of wheat in Serbia this year is approximately 4.5 tons per hectare. While this is at the level of the country's ten-year average, it is 30% below the figures initially projected for this year. The reason for this drought conditions in many areas and expensive prices for fertilizers. In areas to little rainfall, yields were as low as 2.5 tons per hectare. In areas with normal rainfall, yields were as high as 8.5 tons per hectare. Wheat producers also struggled with high prices for fertilizers this year, which amounted to RSD 75,000 per hectare. Some wheat producers also struggled with an unprecedented infestation of corn borers, which eat wheat roots.

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