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# SERBIA

## AGRICULTURE BULLETIN

State Offers Bread Producers Flour from Commodity Reserves

Farmers Right to Be Frustrated, State Coffers Not Unlimited

Prognosfruit 2022 Held in Belgrade

Falstaff Declares Serbia a Wine-Growing Country on the Rise

# Agriculture Finance Bulletin

*Edition #83, August 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) State Offers Bread Producers Flour from Commodity Reserves

August 27th, 2022, <https://www.021.rs/story/Info/Biznis-i-ekonomija/315346/>

The Ministry of Trade has offered bread producers T-500 flour from the country's commodity reserves at a price of RSD 33 per kilogram (including VAT). The maximum quantities allowed to be purchased under this offer are determined proportionally based on each applicant producer's bread production using this type of flour.

### 2) State Financial Support for Sunflower Producers

August 26th, 2022, <http://uap.gov.rs/usvojena-uredba-o-utvrdivaniju-programa>

The government has adopted a decree to establish a financial support program for sunflower producers in 2022. The aim of the program is to preserve the income stability of oilseed producers as well as maintain food security in the country. Eligible beneficiaries under the program include legal entities, entrepreneurs and natural persons that are registered in the *Register of Agricultural Farms*, are in an active status and hold produced sunflowers this year. Financial support is available up to RSD 7.80 per kilogram of delivered/sold quantity of sunflowers this year, up to 200 tons.

### 3) Government Reaches Agreement to End Sunflower Producer Protests

August 17th, 2022, <https://www.danas.rs/vesti/ekonomija/osam-dana>

Following an eight-day protest across Serbia, protesting farmers reached an agreement with the government to end protester blockades. For its part, the government also reached an understanding that would facilitate a purchase price of RSD 73 per kilogram for sunflower producers, with payment due to them by October 15. Under this same agreement, middleman profit margins are limited to a maximum of RSD 2.6 per kilogram, and the cost of transporting sunflowers will be covered by oil mills.

### 4) Farmers Right to Be Frustrated, State Coffers Not Unlimited

August 11th, 2022, <https://rs.n1info.com/biznis/vucic-poljoprivrednici-u-pravu-za-odredjene-stvari-ali-nije-drzava-cup-bez-dna/>

President Aleksandar Vucic has noted the state is working to try to help dissatisfied farmers but that the state coffers are not unlimited. He further stated that farmers are right to be upset about a number of issues but also that the state is struggling to solve many of them. At the same time, the President reminded farmers that the state budget for agricultural subsidies is 380% more than what it was just ten years ago. Farmers, who have been protesting by blocking traffic in several places across Serbia, are demanding fuel subsidies, the free export of agricultural products, a moratorium and freezing of agricultural loans, milk premiums of RSD 15 per liter, a 30% fertilizer subsidy and a natural disaster declaration due to severe droughts.

## Foreign Aid

### 5) Prognosfruit 2022 Held in Belgrade

August 4th, 2022, <https://rs.n1info.com/biznis/srbija-domacin-svetskoq-skupa-industrije-proizvodjaca-jabuka-i-krusaka/>

*Prognosfruit 2022*, a gathering of apple and pear producers from across the globe, was held in Belgrade and saw more than 200 representatives from 23 countries attend the conference. The conference featured the latest information on apple and pear forecasts as well as the general state of apple and pear industries in different areas of the world. The conference also allowed Serbian apple and pear producers to promote themselves and establish contracts with various international representatives.

## Private Sector

### 6) Falstaff Declares Serbia a Wine-Growing Country on the Rise

August 31st, 2022, <http://www.agronews.rs/falstaf-srbija-vinogradarska-zemlja-u-usponu/>

Famous Austrian magazine Falstaff, which is dedicated to wine, food and travel, has declared Serbia as a wine-growing country on the rise. The magazine notes the rich and deep wine culture in Serbia as well as the existence of modern wineries in all wine-producing regions of the country. In particular, the magazine points out that “[Serbia] has very different terroirs and climate zones, which means that wines of incredible quality can be made from a large number of varieties and styles”. The current area under vines in Serbia is 20,113 hectares, divided into 77 wine-growing regions and subzones. In 2021, there were 430 registered wine producers.

### 7) Fewer Dairy Cows and Less Milk in Serbia

August 26th, 2022, <https://www.danas.rs/vesti/ekonomija/proizvodjaci>

Milk producers are warning that the low purchase price of milk from dairies and the lack of state support helping milk producers will result in fewer dairy cows in Serbia and, ultimately, less milk being available in the country. The decline, they warn, started decades ago and is evidenced by the near 500,000 heads of dairy cows in the country six or seven years ago now just at 180,000. They argue that, if steps are not taken to remedy this situation soon, Serbia could be left with only a few large producers and a general collapse of the milk producing industry.

### 8) Wheat and Corn Prices Not Expected to Fluctuate

August 24th, 2022, <https://rs.n1info.com/biznis/direktor-produktne-berze-cena-psenice-i-kukuruza-nece-oscilirati-zbog-suse/>

Producers of wheat and corn in Serbia should not expect major fluctuations in the current price of wheat and corn despite drought conditions destroying significant portions of the cultivated areas. This is due to increased production in other countries such as Australia, Canada, China and Russia. In fact, total wheat crops in the world are estimated at 779.6 million tons this year, with an additional 267 million tons in stocks. This is 30% more than the estimated worldwide consumption of 788.6 million tons. The total corn crop in the world is estimated at 1.179 billion tons this year, slightly less than last year’s 1.218 billion tons. Serbia is projected to produce approximately 1 million tons more than it needs for domestic consumption, even with the impact of the drought.

## 9) Mineral Fertilizer Prices 177% Higher Than One Year Ago

August 15th, 2022, <https://www.ekapija.com/en/news/3807218/mineral>

Input prices for agriculture in the second quarter of 2022 were 34.3% higher year-on-year (and 9.7% higher quarter-on-quarter). The biggest impact on such a rise was the 177% year-on-year increase of mineral fertilizers. Seeds (31.9%), pesticides (26.2%) and animal feed (22.0%) also saw year-on-year price increases.

## 10) 15% Increase in Food Exports

August 15th, 2022, <https://beta.rs/ekonomija/ekonomija-srbija/167561-srbija-povecala-izvoz-hrane-fotovideo>

In the first six months of this year, Serbia exported agricultural and food products worth EUR 2.3 billion, a 15% year-on-year increase. The most-exported agricultural and food products during this period were corn, raspberries and wheat. Most agricultural and food product exports went to the European Union (EU) and other regional markets, with some fresh fruits also exported to Russia. At the same time, Serbia has been working to open new markets this year, including Egypt, Great Britain, India and the United Arab Emirates. Serbia has also been actively working to open the Chinese market; however, this has been made more difficult by COVID-19.

## 11) Producer Prices for Agricultural and Fishery Products Up 37%

August 13th, 2022, <https://agrosmart.net/2022/08/13/cene-poljoprivrednih-proizvoda-za-godinu-dana-porastle-37-odsto/>

Producer prices of agricultural and fishery products in June 2022 have increased 37.0% year-on-year. The main increases were seen in producer prices of grains (+45.9%) and livestock/poultry (+38.0%). Compared to prices in May 2022, producer prices of agricultural and fishery products in June 2022 only rose by 0.2%.

## 12) Potato Prices Surge 2.5 Times in One Year

August 12th, 2022, <https://rs.n1info.com/biznis/krompir-poskupeo-dva-i-po-puta-u-odnosu-na-proslu-godinu/>

As of June 2022, the price of potatoes in Serbia was 152.6% higher than in June 2021. Wheat (+61.9%) and eggs (+48.9%) were also more expensive, as were fishery products (+74.4%), milk (+33.2%) and fruit (+31.8%).

## 13) Serbian Meat Exports to Saudi Arabia to Begin in September

August 11th, 2022, [http://www.tanjug.rs/full-view\\_en.aspx?izb=745575](http://www.tanjug.rs/full-view_en.aspx?izb=745575)

Serbia's Ambassador to Saudi Arabia expects that an agreement on Serbian meat exports to Saudi Arabia will produce its first results in September when the first batch of Serbian meat is expected to enter the largest Middle Eastern country. The Ambassador further noted that small and large livestock meat are just the beginning of what is expected to be fruitful cooperation in agriculture and animal husbandry between the two countries.

## 14) Logistical Issues Inhibiting Agricultural Exports

August 8th, 2022, <https://rs.n1info.com/biznis/nedimovic>

Agriculture Minister Branislav Nedimovic has stated that logistical issues, especially the lack of transport ships and the low water level on the Danube, are the biggest limitations for exporting Serbian grains. The Minister also noted that Serbia has sufficient quantities of agricultural products to facilitate exports to its regional neighbors and beyond.

## 15) Fruit Growers Concerned About Future

August 4th, 2022, <https://rs.n1info.com/biznis/vocari-izvoznici-nam-cesto-duquju-novac-i-diktiraju-cenu/>

Serbian fruit growers are becoming increasingly concerned over their future. Although the Russian market is still open for export, this market's future is uncertain given Russia's ongoing war in Ukraine. While new markets are opening up (including Egypt and India, Saudi Arabia and the United Arab Emirates), fruit producers are also struggling with exporters, with many exporters owing fruit producers money and dictating low purchase prices. To help resolve these issues, fruit producers are calling for a long-term strategy that includes youth, cooperative formation and land procurement.

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