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Prepared By: Tatjana Maslac

Approved By: Charles Rush

Report Highlights:

Serbia's Marketing Year (MY) 2021/22 wheat area is forecast at 600,000 hectares (HA), 5 percent higher than the previous year. If the predicted yield of 5 MT/HA is achieved, a wheat production of 3 Million Metric Tons (MMT) would be reached, allowing for exports of up to 1.4 MMT. MY2020/21 corn production is estimated to be record high of 8 MMT, 10 percent higher than the previous year. By the end of MY2020/21, Serbia will likely export 3.4 MMT of corn worth nearly $520 million and regain its position as one of the leading European corn exporters.

Introduction

This report presents the outlook for grain and feed, and Production, Supply, and Demand (PS&D) forecasts for the Marketing Year (MY) 2021/22.

HA = Hectares

MT = Metric Ton

MMT = Million Metric Ton

MY = Marketing Year. Post and USDA official data both follow the marketing year of July to June for wheat and barley and an October to September calendar for corn.

TY = Trade Year. July to June for wheat and barley and October to September for corn.

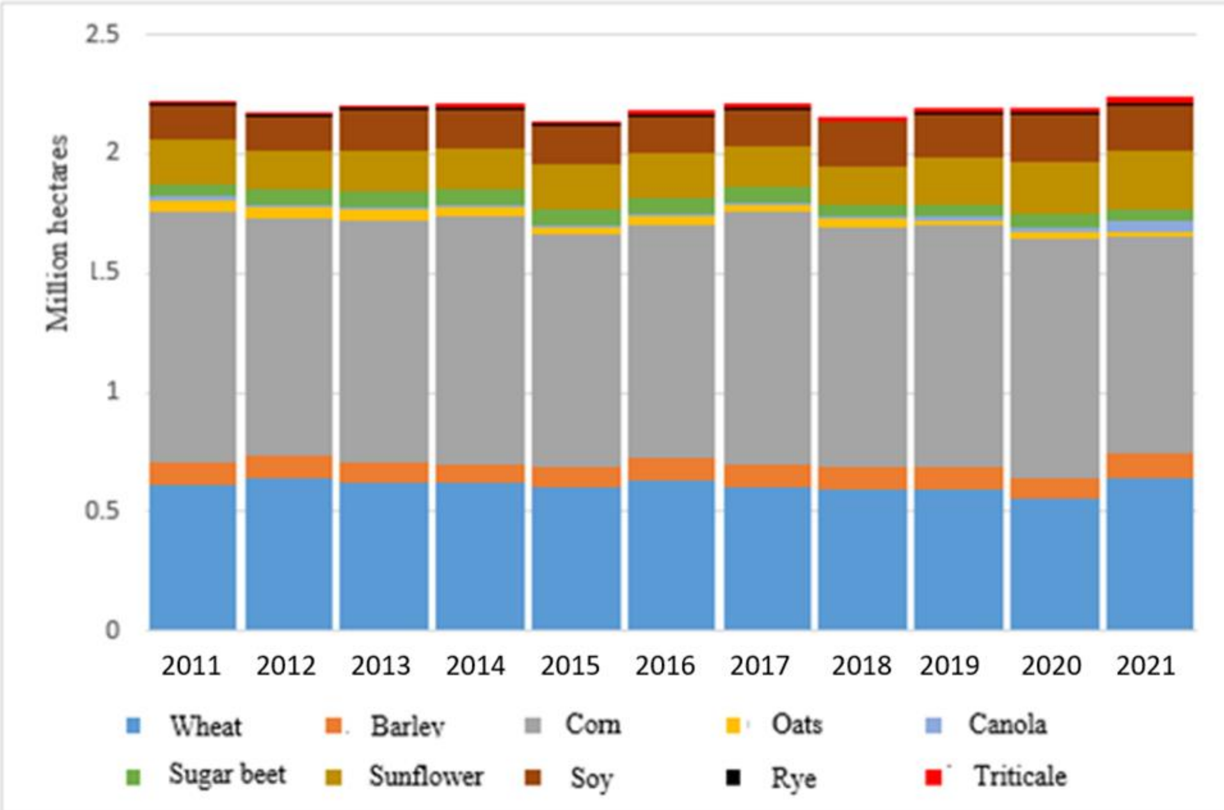
Executive Summary

Serbia's MY2021/22 planted area for all crops is forecast at 3.4 million HA, unchanged from last year. Approximately 750,000 HA were planted last fall (i.e. wheat, rye, oat, and barley), while spring crops (corn, sunflower, soy, sugar beet, tobacco, vegetables, forage crops, etc.) will be planted on nearly 2.7 million HA. This year's crop yields and agricultural production will depend on weather conditions during the vegetation period of the crops, as irrigation accounts for 8-10 percent of arable land.

Serbian farmers will begin planting spring crops at the beginning of April, depending on the crop. Spring planting is expected to be done during good weather conditions. Winter planting was delayed until late October due to high precipitation and wet field conditions. However, winter crops are developing well thanks to warm weather, limited precipitation, and little snow coverage during winter.

Wheat planting is projected at 600,000 HA, while barley planting is projected at 90,000 HA, rye at 13,000 HA, oat at 12,300 HA, triticale at 20,500 HA, and rapeseeds at 21,300 HA. Approximately 80,000 HA are expected to be planted to forage and 100,000 HA to vegetable crops. Planting costs (seeds, chemicals, and artificial fertilizers) for winter crops in MY2021/22 are 10 percent higher than the previous year.

Chart 1: Crop planting in Serbia



Source: SEEDEV

Wheat

Production

Serbia's MY2021/22 wheat planting was delayed until late October due to high precipitation and wet field conditions. Although the optimal time for planting is between the first week of October and the first week of November, planting continued throughout November due to good weather conditions. Approximately 600,000 HA, nearly 5 percent higher than the previous year will be wheat cultivation. If the predicted yield of 5 MT/HA is achieved, a wheat production of 3 MMT would be reached, allowing for exports up to 1.4 MMT.

Since the wheat crop is not irrigated wheat production depends upon winter and spring weather conditions. Thanks to warm weather during November 2020, planted wheat shows signs of strong yield potential. However, due to a mild winter and the start of a wet spring, part of the wheat crop is suffering from yellow rust (Puccinia striiformis) and grey leaf spots (Septoria tritici). According to the Serbian Advisory Service, to prevent the spread of those diseases, it is important for farmers to promptly apply adequate fungicides for a positive impact on wheat yield. Moreover, due to warm weather, a significant number of small rodents could be found in wheat fields and farmers should undertake eradication measures to protect their crop.

It is estimated that in Serbia only 50 percent of the wheat area was planted with certified seeds, while the remaining area was planted with seeds from the previous year. Most small wheat farmers plant old seeds for their new crop.

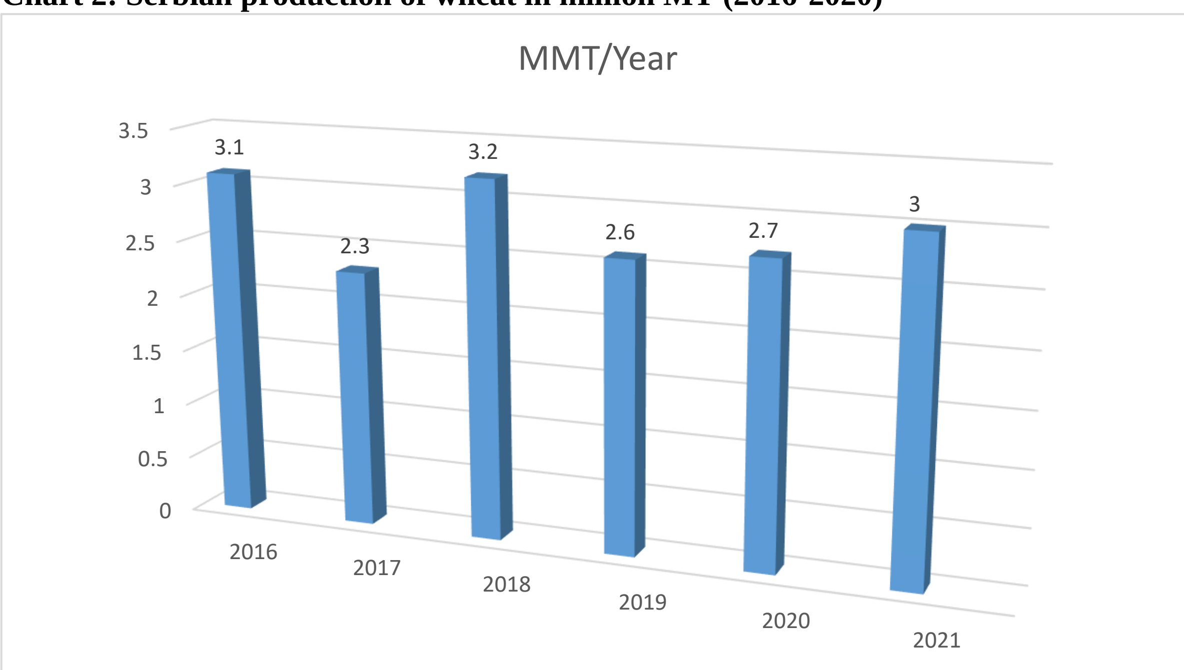
Serbia's MY2020/21 wheat harvest occurred from June to July. Final official estimates of the MY2020/21 wheat crop estimate wheat area harvested at 570,000 HA, wheat production at 2.7 MMT, and an average wheat yield at 4.7 MT/HA. High ending stocks from MY2019/20 of 1 MMT and MY2020/21 production of 2.7 MMT secured enough wheat for domestic consumption and approximately 1.4 million MT for exports.

Wheat is an important crop in Serbia, which not only takes up significant planted areas, but also plays a major role in crop rotation, farmers' cash flow, and contracting with cooperatives (often farmers borrow wheat, fertilizer, and other crops). Wheat production has undergone a transformation from a highly profitable subsidized crop to a more vulnerable commodity not assured for most wheat farmers.

The main factors influencing trends in Serbian wheat production are as follows:

• Competition from other field crops (corn, sunflower, barley, soy), which for the past few years have been more profitable than wheat.
• Wheat is the only winter crop grown in Serbia and, therefore, plays a major role in crop rotation.
• Serbia is still a low wheat quality supplier to the EU, but the increased use of foreign wheat varieties in the last few years has improved quality and yields.
• Growing wheat production (in terms of both area and yields) in Russia, Ukraine, and Kazakhstan.

Chart 2: Serbian production of wheat in million MT (2016-2020)



Source: Serbian Grain Fund

Consumption

Serbia's MY2020/21 wheat domestic consumption is estimated at approximately 2 MMT. Per capita consumption of wheat is estimated at 180 kg, which is significantly higher than consumption levels in most European countries. This is mostly the result of diet trends and low income leading to an increased consumption of bread and pasta, replacing meat.

Currently, there are more than 500 wheat silos (of various sizes) in Serbia owned by milling companies, grain traders, and farmer cooperatives, with a total capacity of 4.2 MMT. Wheat milling capacity is estimated at 2.5 MMT, with 60 percent of it currently utilized. There are 120 industrial bread production facilities, in addition to a large number of registered bakeries (1,700), with an annual capacity of approximately 1.5 MMT. Moreover, there are six large companies involved in pasta production and over 600 small private pasta producers.

Annual consumption of wheat seeds is approximately 200,000 MT from domestic and imported seed sources. Every year, seed companies in Serbia offer more than 70 varieties of wheat planting seeds. Local seed-producing institutes control the majority of the market (more than 50 percent). In the fall of 2020, the price of wheat seeds was approximately 55-67 dinars/kg ($550-670/MT), 10 percent higher than the fall of 2019.

Farmers use less than half the amount of chemical fertilizers that farmers in developed countries mostly due to lack of financing. Because of the limited use of mineral fertilizers and certified seeds, crop yields in Serbia are much lower than in most EU countries. Nearly half of the 800,000 MT of fertilizers used annually in Serbia are imported from Russia, Croatia, Romania, Ukraine, and Hungary.

Feed consumption, mostly for cattle, ranges between 300,000-400,000 MT, depending on the crop quality in a given year. Lower quality wheat goes to cattle feed. Serbian wheat producers are used to mix lower-quality wheat with higher-quality wheat to obtain the quality requested by the milling and confectionery industries.

Serbia's MY2020/21 wheat crop quality was on average. Warm temperatures and humidity during crop development positively impacted weight (hectoliter mass), a measure of the volume of grain per unit. Weight is usually expressed as kilograms per hectoliter and is a good indication of grain-soundness. Millers usually use test weight as an indication of expected flour yield. MY2020/21 average hectoliter weight was above 75 hl/kg. The percentage of moisture was on average (12 percent), while the level of protein ranged from 11.50-12.00 percent (wheat sold for human consumption) to below 11.50 percent (wheat sold as feed).

In 2020, Serbia adopted the Rulebook on Quality of Grains, Milling and Bakery Products, and Pasta. That rulebook sets minimum quality requirements for grains for use in food processing that comply with EU directives on minimum quality. The rulebook also mandates that producers and storage operators separate wheat for human consumption and cattle consumption, which would also assist exporters in fulfilling international trade contracts. However, despite the rulebook, challenges remain for wheat producers regarding mingling different wheat qualities when stored and inconsistency in offering constant quality for wheat exports.

Stocks

As of March 2021, Serbia has approximately 1.1 MMT of wheat available. Domestic consumption until the new harvest in June 2021 is estimated at 300,000 MT, leaving nearly 800,000 MT of wheat for export. Since mid-March, multinational companies have been buying wheat of the new crop for approximately $160/MT.

Approximately 700,000 MT of wheat are expected to be exported in MY2020/21, leading to high ending stocks for consecutive years. Small producers usually sell their crops to traders and milling companies immediately after the harvest. Milling companies take advantage of their large storage capacity to negotiate competitive prices from the farmers. For two years the Serbian government has provided storage subsidies to smaller farmers, allowing them to store their wheat and sell it later when wheat prices are more advantageous. Total storage capacity for grain at Danube ports in Serbia is approximately 300,000 MT.

Wheat	**2019/2020**		**2020/2021**		**2021/2022**	
Market Year Begins	**Jul 2019**		**Jul 2020**		**Jul 2021**	
Serbia	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	570	570	570	570	0	600
Beginning Stocks (1000 MT)	1086	1086	1112	1106	0	1118
Production (1000 MT)	2500	2600	2600	2700	0	3000
MY Imports (1000 MT)	14	10	13	12	0	10
TY Imports (1000 MT)	14	10	13	12	0	10
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	3600	3696	3725	3818	0	4128
MY Exports (1000 MT)	588	590	1000	700	0	1400
TY Exports (1000 MT)	588	590	1000	700	0	1400
Feed and Residual (1000 MT)	600	600	500	600	0	600
FSI Consumption (1000 MT)	1300	1400	1300	1400	0	1400
Total Consumption (1000 MT)	1900	2000	1800	2000	0	2000
Ending Stocks (1000 MT)	1112	1106	925	1118	0	728
Total Distribution (1000	3600	3696	3725	3818	0	4128

MT)						
Yield (MT/HA)	4.386	4.5614	4.5614	4.7368	0	5
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Wheat begins in July for all countries.TY 2021/2022 = July 2021 - June 2022						

Corn

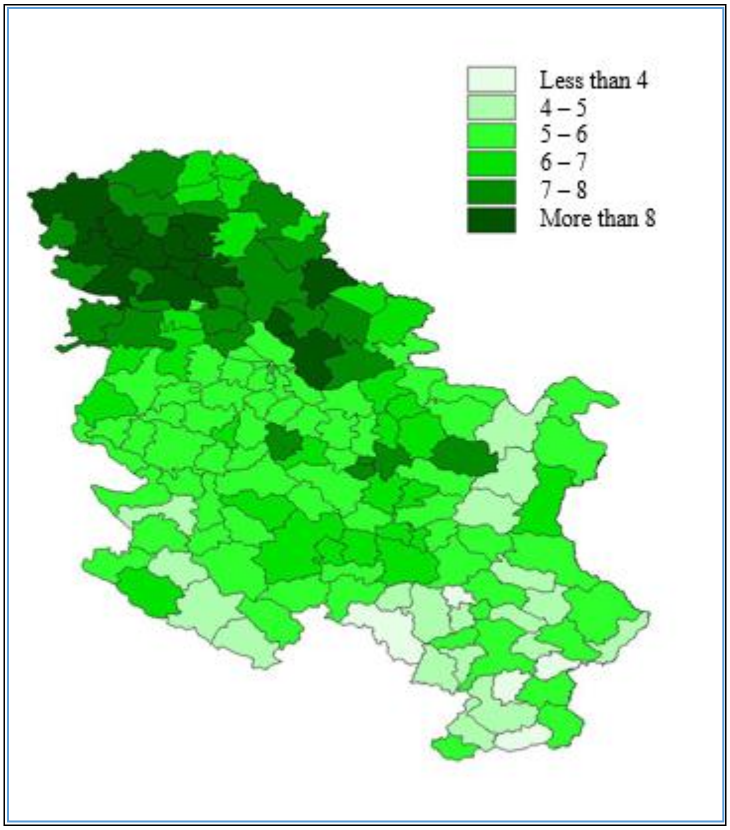
Production

Despite the rain delayed corn harvest in October, Serbia's corn harvest was completed by the end of November. According to official data from the Serbian Ministry of Agriculture, the area planted to corn is approximately 1 million HA, with an average yield of 8 MT/HA. MY 2020/21 corn production is estimated to be a record high of 8 million MT, 10 percent more than the previous year and 30 percent higher than the ten-year average. By the end of MY2020/21, Serbia will likely export 3.4 MMT of corn worth nearly $520 million.

Corn yields in some parts of Vojvodina reached a record high of 8-12 MT/HA, while corn yields in the areas south of the Danube were lower, approximately 4-8 MT/HA. Farmers left corn in the field longer due to warm weather, leading to 14 percent moisture levels from naturally drying. This, in turn, reduced production costs. The record corn crop of MY2019/20 not only occurred in Serbia, but also throughout the region. This large supply generated low prices that put pressure on farmers to sell due to limited storage.

Corn planting will start in early April 2021. Serbia's MY2021/22 planted corn area is forecast at 970,000 HA, almost the same as last year. Total corn production is forecast at 7 MMT, which equates to an average yield of 7.20 MT/HA. Corn accounts for roughly 35 percent of total planted area of field crops. This year's planting is expected to begin early April and last until mid-May. Corn farmers have been advised to plant seeds much deeper to adjust for soil moisture and the anticipated hot weather during the growing season.

Map 1: Average corn yields in Serbia 2013-2019 in MT/HA



Source: SEEDEV

Corn is the main crop in Serbia that producers can easily store on their farms. Farmers harvest the crop in October and November. The crop is either stored on farms to dry naturally or taken to drying facilities. When farmers store their corn on farm, they usually sell their crop during what is called the "second harvest" in March before the start of the new planting season. Dried corn normally has moisture contents between 14 and 17 percent and is usually sold for sale in small lots. Serbian small farmers consider corn a good investment as planting, harvesting, and storage costs are low.

Serbia's requirement of commercially certified corn seed is estimated between 20,000 and 25,000 MT annually, depending on seed varieties and area planted. There are two large domestic players in the corn seed production business in Serbia: the Institute for Field and Vegetable Crops of Novi Sad (NS Hybrids) and the Maize Research Institute of Zemun Polje (ZP Hybrids). They are both semi-state-owned institutes and they currently control 19 and 24 percent of the corn seed market in Serbia, respectively. This represents a huge decline in market share due to competition from foreign corn seed varieties that began entering the Serbian market several years ago. DuPont Pioneer has been the largest player in the corn seed market for the past few years, with a market share of 28 percent. DuPont Pioneer and two domestic institutes account for 71 percent of the corn seed market, while the remaining 29 percent is shared by approximately 15 foreign companies (KWS, Limagrain, Syngenta, Monsanto, Dekalb, Agrimax, Maisdour, etc).

Consumption

Serbia's MY2020/21 corn consumption is estimated at approximately 4.6 MMT, with 4.4 MMT being used for animal feed and 200,000 MT for food, seed, and industrial. Corn consumption for feed has declined due to decreased livestock numbers as in most of the transition countries. In 1990, there were 2.16 million head of cattle. In 2019, there were less than 1 million head of cattle and declining. Food, seed, and industrial (FSI) consumption are expected to be lower in MY2021/22 (a decline from 300,000 MT to 200,000 MT) due to the very good wheat crop production in MY2020/21, which is the main crop used for human consumption in Serbia. Also, corn starch producers in Serbia are having lower demand for the product and are reducing production in MY2020/21 and MY2021/22.

Stocks

Corn ending stocks are estimated at 915,000 MT in MY2019/20 due to high corn yields in MY2018/19 and MY2019/20. Corn ending stocks are expected to keep the upward trend in MY2020/21 (920,000 MT) due to a record corn crop. Most farmers keep their stock in open-air storage facilities to dry naturally. These stocks are normally sold in local markets at the beginning of March to collect money for the new planting season.

Corn	**2019/2020**		**2020/2021**		**2021/2022**	
Market Year Begins	**Oct 2019**		**Oct 2020**		**Oct 2021**	
Serbia	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	970	970	990	1000	0	970
Beginning Stocks (1000 MT)	712	712	892	915	0	920
Production (1000 MT)	7700	7700	8000	8000	0	7000
MY Imports (1000 MT)	3	3	10	5	0	5
TY Imports (1000 MT)	3	3	10	5	0	5
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	8415	8415	8902	8920	0	7925
MY Exports (1000 MT)	3123	3000	3500	3400	0	3000
TY Exports (1000 MT)	3123	3000	3500	3400	0	3000
Feed and Residual (1000 MT)	4100	4200	4200	4400	0	4300
FSI Consumption (1000 MT)	300	300	300	200	0	200
Total Consumption (1000	4400	4500	4500	4600	0	4500

MT)						
Ending Stocks (1000 MT)	892	915	902	920	0	425
Total Distribution (1000 MT)	8415	8415	8902	8920	0	7925
Yield (MT/HA)	7.9381	7.9381	8.0808	8	0	7.2165
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Corn begins in October for all countries.TY 2021/2022 = October 2021 - September 2022						

Barley

Production

Barley is the number two grain crop in Serbia. The area planted with barley has risen steadily over the last 10 years from 80,000 HA MY2011/12 to almost 115,000 HA in MY2021/22. In MY2020/21 barley was planted on 110,000 HA, of which there are 90,000 HA of winter barley and 20,000 HA of spring barley. Total production of barley in MY2020/21 is estimated at a record high of 500,000 MT, 21 percent higher than the previous year, with an average yield of 4.55 MT/HA. About 40 percent of the planted barley is for the brewing industry and 60 percent is for cattle feed.

The area planted with barley in MY2021/22 is expected to be in total 120,000 HA or some 9 percent higher than in the previous year, mostly due to higher demand. In MY2021/22 barley was planted last fall on 90,000 HA as winter barley and an additional 30,000 HA will be planted as spring barley. Total production of barley in MY2021/22 is estimated to be approximately 520,000 MT, nearly the same level as last year due to damage that affected the winter barley crop. At an estimated average barley yield of 4.3 MT/HA, production is estimated at 520,000 MT for MY2021/22.

Consumption

Total barley consumption for the past five years has ranged between 300,000 - 400,000 MT, of which about half is for animal feed and the latter half is for the brewery industry. Consumption of brewery barley has increased due to constant demand from breweries. Local breweries have been successfully sold to several well-known Belgian, U.S., Canadian, German, Austrian, and Turkish companies. Barley planted for brewery use continues to expand year on year.

Stocks

Barley's beginning stocks in MY2019/20 are estimated at 36,000 MT. Post projection for barley ending stocks in MY2020/21 is about 28,000 MT.

Barley	**2019/2020**	**2020/2021**	**2021/2022**

Market Year Begins	Jul 2019		Jul 2020		Jul 2021	
Serbia	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	94	94	110	110	0	120
Beginning Stocks (1000 MT)	41	41	40	36	0	28
Production (1000 MT)	414	414	500	500	0	520
MY Imports (1000 MT)	2	2	4	2	0	2
TY Imports (1000 MT)	4	2	4	2	0	2
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	457	457	544	538	0	550
MY Exports (1000 MT)	52	51	75	80	0	100
TY Exports (1000 MT)	77	51	75	80	0	100
Feed and Residual (1000 MT)	200	200	250	250	0	250
FSI Consumption (1000 MT)	165	170	180	180	0	180
Total Consumption (1000 MT)	365	370	430	430	0	430
Ending Stocks (1000 MT)	40	36	39	28	0	20
Total Distribution (1000 MT)	457	457	544	538	0	550
Yield (MT/HA)	4.4043	4.4043	4.5455	4.5455	0	4.3333

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Barley begins in October for all countries.TY 2021/2022 = October 2021 - September 2022

Grain Trade

Wheat prices in Serbia increased more than 30 percent July 2020 to February 2021. According to the Serbian Grain Fund, the price of wheat also increased due to fear of a new wave of Covid-19 which enticed large wheat consumers such as Egypt and China to buy more than they would normally. Despite a significant increase in wheat prices, Serbian farmers and traders continue to offer limited quantities of wheat for export, anticipating even higher prices in the coming months.

From July 2020 until February 2021 Serbia exported 430,521 MT of wheat and 77,696 MT of wheat flour. This is equivalent to 530,000 MT of wheat. Serbia's MY2020/21 wheat exports are estimated at about 1.2 million MT. Serbia exports wheat and wheat flour to Romania, Italy, Kosovo, Albania, North Macedonia, Bosnia and Herzegovina, and Montenegro.

Table 1: Wheat exports in MY2020/21 (July 2020-February 2021)

Month	Wheat MY20/21 in MT	Flour MY20/21 in MT
July	47,317	6,931
August	103,123	10,257
September	38,109	10,117
October	35,943	14,077
November	34,271	9,977
December	48,184	10,616
January	62,342	6,594
February	59,232	9,127
TOTAL:	**430,521**	**77,696**

Source: Serbian Grain Fund

Table 2: Customs tariffs of grains in Serbia for 2020

Product	Custom tax for other countries (including the U.S.)	Custom tax for EU countries	Custom tax for Russia, Belarus, Kazakhstan	CEFTA countries
Wheat	30%	0%	0%	0%
Corn	30%	0%	0%	0%
Barley	20%	0%	0%	0%

Source: Serbian Customs Office

MY2020/21 wheat prices have risen since the June-July 2020 harvest as farmers stored their crops awaiting higher prices. Wheat quality was very good, demand was high, but Serbian farmers were not satisfied with CY2020 prices as they sold smaller quantities than previously expected.

As of March 2021, wheat from MY2020/21 is on the market at 17 din/kg ($170) to 19 din/kg ($190/MT). The MY2021/22 crop sells for 17 din/kg ($170/MT). Exports of wheat from Serbia in MY2020/21 are estimated at 600,000 MT, much lower than the expected 1.2 MMT. The new harvest season will begin June-July 2021. Due to Serbia 800,000 MT of wheat in stock most prices will likely decrease further before the new harvest.

Serbia exports wheat to Albania, Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, Serbia, and UNMIK (on behalf of Kosovo), the EU, and through the Danube to the port of Constanta where it is further exported to other destinations. Sales of wheat through the Romanian Port of Constanta are the largest. Since 2018, exports to the EU have increased significantly, especially to Italy.

In February 2021, the Serbian Ministry of Agriculture and the Chinese General Customs Administration signed a protocol on phytosanitary requirements for Serbian corn and dried sugar beet pulp to be exported to China. Serbia's Ministry of Agriculture will regulate exporters who produce for China under the agreement.

In MY2019/2020 Serbia exported over 3 MMT of corn, worth approximately $480 million, which is a record. Exports were 11 percent higher than in the previous year. From October 2020 to February 2021, Serbia exported around 1.8 MMT of corn, which is 500,000 MT higher than in the same period last year. Total corn exports in MY2020/21 are expected to reach 3.4 MMT, valued at $520 million. With a relatively good crop this year, Serbia will strengthen its position as a major corn exporting country in the region. At least 83 percent of the exports travel on river barges to the Romanian port of Constanta on the Black Sea with onward destinations including Middle East countries, South Korea and Japan. The remaining 17 percent of corn is exported by trucks or rail mostly to Italy and the neighboring countries Montenegro, Croatia, Bosnia and Herzegovina, and Albania. All Serbian corn that is produced and exported is non- GMO, due to the very strict GMO Law adopted in 2009. The law does not conform to EU regulations or the World Trade Organization Sanitary and Phytosanitary agreement.

Table 3: Corn exports in MY2019/20 and MY2020/21

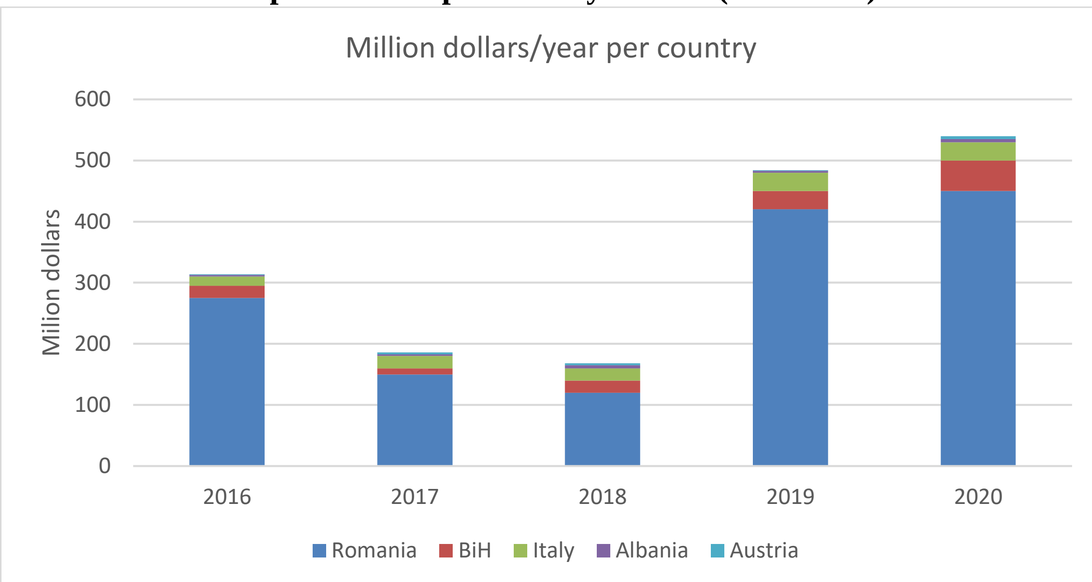
Month	MY19/20 in MT	MY20/21 in MT
October	245,460	458,695
November	261,122	492,793
December	347,537	380,559
January	213,237	243,216
February	217,995	286,578
March	338,512	
April	309,183	
May	335,648	
June	370,038	
July	259,664	
August	109,339	
September	146,795	
TOTAL:	**3,054,530**	**1,861,841**

Source: Serbian Grain Fund

The price of corn increased from 16 din/kg ($160/MT) in July 2020 to 18.50 dins/kg ($185/MT) in October 2020. In mid-November, increased demand for the excellent quality Serbian corn pushed prices even higher to 19.50 din/kg ($195/MT) and as a result of even higher demand increased to 22.50 - 22.80 din/kg ($225 - $228/MT).

The largest exporters of corn in MY2019/20 were Agroglobe, Novi Sad, CHS Serbia, Novi Sad, and Delta Agrar, Belgrade. The largest buyers of corn in MY2019/20 were: COSCO (China), ADM (U.S.), Cargill (U.S.), and Ameropa (Switzerland).

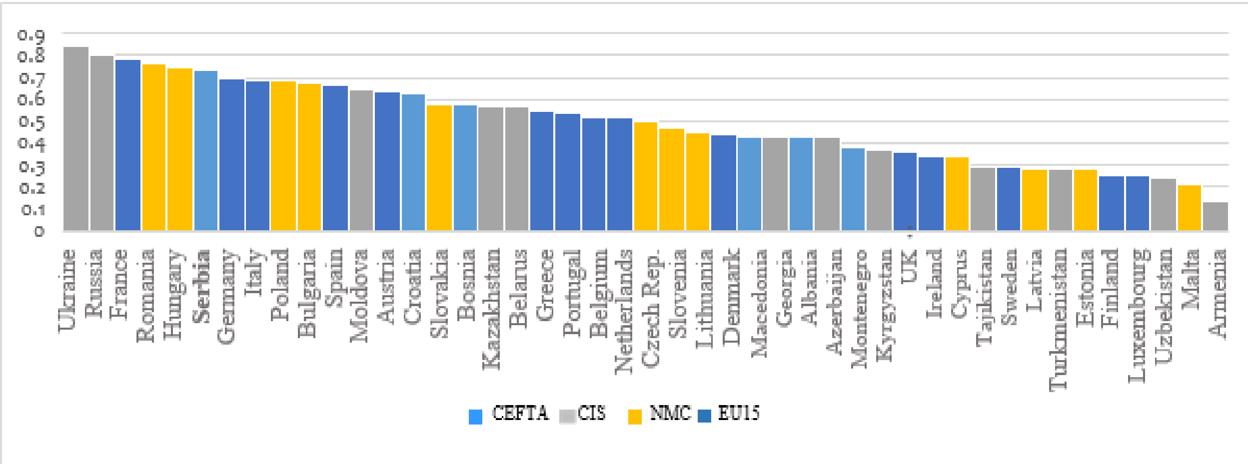
Chart 3: Serbian export of corn per country in USD (2016-2020)



Source: Serbian Ministry of Agriculture

Effective January 1, 2014, the duty rate for corn imports from the EU and CEFTA countries, as well as from Russia, Belarus, and Kazakhstan are: tariff no. 1005 90 corn is 0 percent, tariff no. 1005 10 seed corn is 0 - 9 percent and tariff n. 1102 20 90 corn flour is 19.5 percent. The general duty rate for corn, corn seed, and cornflour imports from other countries including the United States is still 30 percent.

Chart 4: Competitiveness of corn per country



Source: SEEDEV

With increased planted area, exports of barley have increased, while imports declined. In MY2019/20, due to a large crop of 500,000 MT, Serbia exported a record high quantity of 50,707 MT. At least 80 percent is exported to Romania, Croatia, Albania, Montenegro, and Bosnia and Herzegovina. Imports of barley in MY2019/20 were very modest at 2,121 MT. Most of the barley imports are for the brewing industry and are imported from Slovakia, Hungary, France, and Croatia. From July 2020 - February 2021 Serbia exported almost 67,000 MT of barley compared to 39,000 MT in the same period last year, a 71 percent increase. The estimated total barley exports for MY2020/21 is a record 80,000 MT.

Table 4: Barley exports in MY19/20 and MY20/21 (July-February 2021)

Month	Barley MY19/20 in MT	Barley in 2020/21 in MT
July	7,820	22,888
August	4,196	4,590
September	2,075	6,685
October	2,002	4,766
November	3,438	10,546
December	1,482	1,761
January	2,846	5,973
February	2,059	8,826
March	1,482	
April	7,741	
May	1,236	
June	14,315	
TOTAL:	**50,707**	**66,035**

Source: Serbian Grain Fund

Barley is mostly exported by trucks and rail. The price of barley usually follows the price of wheat. The current market price for barley ranges from $200/MT to $210/MT.

Logistical bottlenecks for grains trade in Serbia:

Railways in a bad state of repair (low maximum weight load and speed with only about half of the railway tracks allowing for speeds over 60 km/h);

- Significant problems with river fleet (limited number of old and inefficient vessels) and the infrastructure of internal waterways downstream;
- Limited number of intermodal grain terminals;

Grain Policy

In August 2020 the Serbian Government adopted a measure to provide for the Republic Directorate for Commodity Reserves an additional 13,992 MT of wheat from MY2020/21 from individual farmers through the exchange of wheat seeds for mercantile wheat. The ratio in the exchange of seeds for mercantile wheat of the MY2020/21 is 1 kg of seed wheat for 1.8 kg of mercantile wheat. The exchange can be done with an active family farm which was established no later than December 31, 2019.

The State Directorate for Commodity Reserves announced in November 2020 the public invitation for collecting requests for the exchange of mineral fertilizer for wheat for MY2020/21. Approximately 4,000 MT of mineral fertilizer NPK was exchanged for wheat for MY2020/21. The deadline for submitting requests was by December 31, 2020.

As per the Government decision in October 2020, the Republic Directorate for Commodity Reserves purchased up to 26,153 MT for its mercantile corn need for MY2019/20 of domestic origin. The price of the corn was 19.50 dinars/kg ($195/MT), stored in silos authorized by the Directorate. Mercantile corn was purchased from agricultural holdings registered in the Register of Agricultural Holdings with active status.

In December 2020, the government adopted a new Rulebook on Allocation of Subsidies for Agriculture Production and Rural Development (“Official Gazette RS” no. 159/20) and the budget for agricultural subsidies worth around 53 billion dinars ($530 million) that are to be offered in CY2021.

The Serbian government continues to provide grain and oilseed producers subsidies for seeds and fertilizers at 4,000 dinars ($40/HA) per hectare of arable land to registered farmers who pay into the pension and retirement fund. This is 1,200 dinars ($21) per hectare less compared to the previous year since the Government decided not to subsidize the price of fuel to farmers. In previous years, the Serbian government also provided subsidized diesel fuel at 20 dinars per hectare ($0.20/lit) for a maximum of 60 liters per hectare. State support for milk production in 2021 will remain the same as in previous years (7 dinars [$0.07] per liter). Livestock production subsidies will range from 100 dinars ($1) for laying hens to 40,000 dinars ($400) per breeding bull. Incentives for beehives will be 720 dinars ($7) per hive. The Serbian government is also offering to cover 40 percent of storage costs for farmers. For support to organic production, the Serbian government set aside 200 million dinars ($2 million), and for the preservation of plant and animal genetic resources approximately 154 million dinars ($1.5 million).

The EU granted $206.5 million in 2016 for the period 2014 - 2020, but Serbia was not able to make use of the funds until the beginning of 2019, because the national payment agency was not accredited by the EU. The funds will be available until 2023. The grants will finance refunds up to 75 percent from EU funds, and the State will cover 25 percent of the purchase. All payments must be made in advance (after obtaining approval from the Agrarian Agency for the project/purchase) after which farmers and processors may request refunds. Disbursement of refunds can take up to a year.

This year the Serbian Ministry of Agriculture drafted a Law on the Regulation of the Market of Agricultural Products. This law will define measures of state intervention in the event of market disruption. In addition, the law proposes that in such situations, the Government, at the proposal of the Ministry of Agriculture, can use three measures: public intervention, support for a private warehouse, and emergency intervention measures. According to the text of the draft, public intervention will be activated when market prices for grain, meat, milk, and dairy products fall below reference prices.

Attachments:

No Attachments