

European Commission – Agriculture and Rural development

Serbia - Agriculture and Enlargement

Serbia has approx. 7.5million inhabitants with a territory of 88 361sq. km. It is landlocked with the Danube River providing shipping access to inland Europe and the Black Sea.

Agriculture is one of the most important economic activities in Serbia. The total area of agricultural land is 5,097,000 hectares with around 80% arable land. Primary production from agriculture, hunting, forestry and fisheries accounted for over 10% of GDP in 2009. Agricultural exports continue to expand and contributed about 24% of total Serbian exports in 2009. Approximately 55% of the population live in rural areas with around one third of the active population relying wholly or partly on agriculture for their livelihood.



Main Country Indicators

	Total area (in km ²)	Population (excl Kosovo) (thousands)	Population density (per km ²)	GDP (EUR mio)	GDP growth (% change from previous year)
Serbia	77 474	7335	95.3	29 963	-10.4
<i>All West Balkan countries¹</i>	264 462	23 658	89.2	109 669.30	-3.42
<i>EU 27</i>	4 308 406.6	501 103	116.0	11788711.1	-4.2

Sources: Eurostat for year 2009

¹ Croatia, the former Yugoslav Republic of Macedonia, Albania, Bosnia & Herzegovina, Montenegro, Serbia, Kosovo (UNSCR 1244) -

Towards EU Membership

Stabilisation and Association Process (SAP)

Serbia participates in the SAP and is currently committed to engage in necessary political, economic and social reforms leading to progressively closer relationship with EU. A Stabilisation and Association Agreement was signed on 29 April 2008.

In December 2009 Serbia applied for membership of the EU. In October 2010 the Council requested the Commission to submit its Opinion on Serbia's membership. An Opinion in this regard is expected in autumn 2011

European Partnerships (EP)

The European Partnership is an instrument of the SAP which lays down the principles and the medium and short term priorities the country should address on its way towards EU integration. The Partnerships are revised every 2 years. The recent EP, adopted in February 2008, stipulates the strengthening of the administrative capacity and structures needed to formulate and implement agricultural and rural development policies as the main priorities for the country's agricultural sector.

IPA – The Instrument for Pre-accession Assistance (2009 – 2011)

Serbia will receive €596 million in the period 2009-2011. Some 94% of the envelope will be directed to projects under IPA component I Transition Assistance and Institution Building – which follows the priorities set in the European Partnerships; the remainder will fund Cross Border Cooperation projects. Institutional reforms necessary for implementation of the Stabilisation and Association Agreement will also be funded with IPA.

Agriculture sector

The total surface area of Serbia is 7.7 million ha. Agricultural land covers approx. 5.1 million ha of which about 4.2 million ha is arable land. Farmland comprises 65% of the total surface area of Serbia, while 30% is woodland.

Characterised by rich land resources and favourable climate, agriculture represents a vital sector of the Serbian economy. Two thirds of the population in rural areas are involved in agriculture. The importance of agriculture in the Serbian economy is derived from natural conditions and the traditionally important role of the primary agricultural and food processing industry.

A variety of different favourable natural conditions result in a high diversity of agricultural production. There are three broad agricultural regions that can be distinguished in Serbia on the basis of geography and climate, land quality, farm production systems, socio-economic development and political and administrative boundaries, namely: Vojvodina, Central Serbia and Southern Serbia. Serbian terrain ranges from the flat and rich lowlands of Vojvodina in the north for crop farming and vegetable production, to hilly terrain in central Serbia and high mountains on the eastern, western and southern borders of the country, suitable for sheep and cattle breeding, and fruit and wine production.

Agriculture is one of the most important industries of the Serbian economy. In 2009, primary production from agriculture, hunting, forestry and fisheries accounted for over 10% of GDP¹. Agricultural production is based on privately-owned farms, thus farm structure is dominated by small private households. Private farms cultivate approximately 89% of agricultural land, or 80% of arable land. However, the most important producers are large farms, also representing the bedrock for large processing capacities.

Economic importance of agriculture

	Serbia	EU 27
<i>Utilised agriculture area (UAA)(000 ha)</i>	5 097	178 813*
<i>Proportion of total area</i>	65.8%	41.73%*
<i>Arable land as proportion of UAA</i>	64.8%	59.68%
<i>Perm. grassland as proportion of UAA</i>	28.6%	31.69%
<i>Share of agricultural labour in total labour (avg 1995–2005) (in %)</i>	24	5
<i>Share of GDP in 2005 (in %)</i>	16,6	2

Sources: Eurostat for year 2009

* 2008 data

¹ Source: Republic Bureau of Statistics

EU agricultural trade with Serbia

Pending the ratification of the Stabilisation and Association Agreement (SAA), an Interim Agreement (IA) covering the trade and trade related aspects of the SAA entered into force in February 2010. –The IA gives unlimited duty-free access to the EU market for all basic agricultural products with the exceptions of baby-beef, sugar and wine, for which duty-free quotas are applied. Since January 2009 Serbia has been unilaterally applying the provision of the IA.

The IA takes on board the annual duty-free quota for 180 000 tonnes of sugar and sugar products granted by the EU under the Autonomous Trade Measures. A baby-beef quota is fixed at 8,700 tonnes. As regards the reciprocal concessions for wine, Serbia was given a duty-free TRQ of 63,000hl, of which 53,000hl must be quality wine and 10,000hl bulk wine. The Community obtained an annual duty-free quota of 25,000hl for quality wines.

Serbia joined the Central European Free Trade Agreement on 6 September 2007 and is currently negotiating membership of the World Trade Organisation (WTO).

Agricultural products	2008	2009	2010	Average 2008/2010
EU27 imports (€ 000)	481.9	608.0	624.9	571.6
EU27 exports (€ 000)	301.9	246.8	281.6	276.8
Trade balance (€ 000)	- 180.0	- 361.2	- 343.3	- 294.8

Source: EC

Serbia's agricultural trade performance with EU27 in €m

EU imports from Serbia	2008	2009	2010	Average 2008/2010	EU exports to Serbia	2008	2009	2010	Average 2008/2010
Fruits and nuts	182.4	185.3	189.4	185.7	Fruits and nuts	37.6	39.8	38.3	38.6
Sugar and sugar confectionery	113.0	95.6	104.0	104.2	Residues from food industries	25.2	25.2	28.3	26.2
Cereals	30.8	181.1	112.2	108.1	Oil seeds and oleaginous fruits	25.2	21.3	29.8	25.4
Vegetables	29.4	34.6	35.9	33.3	Prep. veg, fruits, other edible products	16.5	15.6	17.9	16.7
Prep. vegetables, fruits, nuts	19.1	15.8	30.2	21.7	Sugar and sugar confectionery	12.0	9.3	10.6	10.6

Source: EC

Agriculture production statistics

LIVESTOCK (000 heads)	2007	2008	2009	EU 27 in 2008	In % of EU 27 in 2008
Cattle	1 087	1 057	1 002	88 837	1.2%
Dairy Cows	584	542	501	24 000	2.3%
Sheep and goats	1 756	1 760	1 647	91 154	1.9%

Pigs	3 832	3 594	3 631	153 067	2.3%
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(Source: Eurostat)

CROPS (000 tonnes)	2007	2008	2009	EU 27 in 2008	In % of EU 27 in 2008
Cereals	8 268	8 707	8 982	314 919	2.8%
Sugar beet	3206	2299.77	2797.6	n/a	n/a
Oilseeds	628	857	771	n/a	n/a
Fruits and vegetables	2,122	n/a	n/a	n/a	n/a
Tobacco	11.0				

(Source: Eurostat, FAO, Serbian statistical office)

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