

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Bosnia and Herzegovina

Post: Sarajevo

Farmers Reach Agreement with Government and Unblock Borders

Report Categories:

Agricultural Situation

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Report Highlights:

Federation of Bosnia and Herzegovina farmers lifted their blockades of border crossings and finished protests in front of the Federation Government building after the Government agreed to meet their requests.

General Information:

Federation of Bosnia and Herzegovina (BiH) farmers lifted their blockades of border crossings and finished protests in front of the Federation Government building after the Government agreed to meet their requests. The Government agreed to pay \$8 million in subsidies outstanding from the 4th quarter of 2010 immediately and to redesign the 2011 agricultural subsidy program to better meet farmers' needs. The government also agreed to begin paying subsidies overdue from the 1st quarter of 2011 in September 2011.

The Federation government also agreed to set the guaranteed wheat price at 430 KM (Bosnian Mark)/ton, or \$330/ton. Farmers, dairies, and government representatives will discuss fixing a guaranteed price for milk during the next two weeks. Setting a guaranteed milk price for the entire Federation is complex because there is a large difference in the price dairies pay for milk.

Background

Farmers began protesting yesterday in front of the Federation Government building in Sarajevo, and blocking three border crossings with Croatia: Izacici, Kamensko, and Doljani, and partially blocking the fourth one near Orasje. The farmers were demanding that Federation Agriculture Minister Jerko Ivankovic-Lijanovic resign due to the government's failure to pay farm subsidies for the last quarter of 2010 and the first two quarters of 2011.

In addition to unpaid subsidies, farmers were not happy with 2011 agricultural support program, and requested changes regarding some specific productions, and capital investment projects. Farmers also wanted the Federation Government to introduce a minimum price for milk and wheat, so they can sell their products to registered dairies and mills for a guaranteed price.