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Global Agricultural Information Network

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Serbia

Grain and Feed Annual

Grain and Feed Annual Report

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Report Highlights:

Wheat area planted in MY11/12 is estimated at 480,000 HA, almost the same at last year. Wheat production is forecast at about 1.8 million MT. Wheat prices in the Serbian market were increased three folds reaching record level of \$430/MT in March 2011. Corn planting intention for MY11/12 is officially estimated at 1.3 million HA, about 6 percent higher than in previous year. Corn production is projected at about 7.1 million MT. For the first six months of MY10/11 Serbia exported 1.4 million MT of corn, about 500,000 MT more than in the same period of the MY09/10. It is estimated that Serbian corn exports in MY10/11 can reach 2 million MT. Costs of spring planting are almost 40 percent higher comparing to the previous year.

Executive Summary:

Total planted area for MY11/12 for all crops in Serbia is estimated at about 3.5 million HA, about the same as in MY10/11. With only 480,000 HA in area planted, the MY11/12 wheat crops are reported to be the lowest in the past ten year. Wheat production for MY11/12 is projected to be about 1.8 million MT. For the first eight months of MY10/11 (July 2010-March 2011) Serbia exported record high quantities of 650,000MT of wheat. This was highly likely resulted from Ukraine's and Russian's ban on wheat exports and high export demand. Wheat exports from Serbia go mainly to Bosnia and Herzegovina, Montenegro, Macedonia, Albania and some African countries. Wheat quality of the MY10/11 was reported to be of baking quality. Wheat prices in the Serbian market were increased for record three times since the harvest in July 2010, due to low production in MY10/11 and high export demand. Price of wheat during the wheat harvest in June 2010 was only 10 dinars/kg (USD143/MT), while at the beginning of March 2011 wheat price reached record level of 30 din/kg (USD430/MT).

Corn harvested area in MY09/10 was reported to be 1.23 million HA and total corn production was estimated at 6.8 million MT, about 400,000 MT higher than the previous year. Despite the high temperatures in spring and intensive rain during the summer, average yield was about 5.5 MT/HA, 10 percent higher than in the previous year. The total Serbian corn exports in MY 09/10 were 1.46 million MT, valued at 160 million EUR (234 million USD). For the first six months of MY10/11 (October 2010-March 2011) Serbia exported 1.4 million MT, about 55 percent more than for the same period in MY09/10. If export trend of Serbian continues upward Serbia will most probably be able to export 2 million MT of corn in MY10/11.

For MY11/12, corn planting intention is projected at 1.3 million HA, with expected total corn production at 7.1 million MT and average yield of 5.5 MT/HA. It is estimated that about 70,000 HA of the increased area planted to corn this season come from areas that were not planted to wheat last fall. Corn prices for the first six months of MY010/11 increased from 16 din/kg (USD228/MT) in October 2010, to 18 din/kg (USD257/MT) in December 2010 and 21 din/kg (USD300/MT) in March 2011. This was the result of the increased demand for corn exports.

For MY11/12 winter barley was planted on 45,000 HA and it is estimated that additional 40,000 HA of barley will be planted in the spring. That will make total area planted with barley for MY11/12 about 85,000 HA. With an average yield of 3.2 MT/HA, total production of barley is estimated at 272,000 MT, 11 percent higher than in MY10/11. Price of barley at Novi Sad Commodity Exchange in March 2011 was 22.5 din/kg (USD321/MT).

Table 1: Estimates of the spring sowing area in 2010 and expectations for spring 2011

Crop	Spring sowing areas in HA	
	2010	2011 projected
Small grains	160,000	160,000
Corn	1,230,000	1,300,000
Sugar beet	67,000	70,000
Sunflower	170,000	180,000
Soya	171,000	180,000

Tobacco	6,000	6,000
Vegetables	290,000	300,000
Forage crop	360,000	380,000
Other crops	60,000	60,000
Total:	2,518,000	2,646,000

Commodities:

Wheat

Production:

Final official estimates of the MY10/11 wheat crop put total wheat area harvested at about 488,000 HA, total wheat production estimated at about 1.65 million MT and estimated an average wheat yield at 3.4 MT/HA, having in mind that the MY 2010/11 wheat area planted was the lowest area with wheat in Serbia for the last ten years. Low production of wheat in MY10/11 was a result of large wheat stocks of low quality from MY09/10, inability to export wheat due to low quality (except as e feed wheat) and extremely low prices during MY09/10.

Wheat area planted last fall in Serbia for MY11/12 is estimated at 480,000 HA, almost at the same level as last year and the lowest area planted to wheat in Serbia since MY08/09. Of this total wheat area, about 240,000 HA were planted in Vojvodina region and 240,000 HA in Central Serbia region.

Due to favorable weather conditions, seeding of the new crops was progressing well last fall. Although the optimal time for seeding the wheat crop in Serbia is between the first week of October and the first week of November, in this period only 60 percent of wheat was planted. Some October rains and wet fields have delayed the completion of wheat seeding in various part of Serbia. Weather conditions, however, were good for wheat development during most of the winter; even with low temperatures but significant snow cover most of the winter months, wheat crop was well protected. It is estimated that 80 percent of planted wheat is in very good condition, 10 percent of wheat is good condition and some 10 percent of wheat is in bad condition due to the problem with underground waters and insufficient application of mineral fertilizers. Planting of spring wheat is almost nonexistent due to low wheat prices and very high prices of inputs needed for planting.

Table 2. Wheat, area and production, Serbia 2007-2011

Wheat	2007	2008	2009	2010	2011
Area (HA)	619,000	488,000	570,000	488,000	480,000
Production (MT)	2,170,000	2,119,000	2,130,000	1,650,000	1,800,000

It is projected that total wheat production in MY11/12 could be around 1.8 million MT, about 150,000 MT or 9 percent higher than the previous year. Those are the quantities that are enough for domestic consumption (1.5 million MT) and maybe some can be exported (up to 300,000 MT). Serbia is entering new marketing year with record low ending stocks of only about 42,000 MT, thus the need of Serbia to

import some wheat or possibility to export wheat will depend only on the weather conditions and average yields, that are projected to be around 4 MT/HA for the Vojvodina region and about 3.5 MT/HA for the rest of Serbia. However, actual yield and total production estimates will eventually depend on growing weather conditions in the coming months.

Serbia's average consumption of planting seeds is estimated at about 250,000 MT annually. The annual production of wheat seeds is estimated to be between 130,000 and 140,000 MT, mostly controlled by two local seed producing institutes. About 65 percent is commercially produced, while 35 percent is non-selected seed varieties, mainly from the previous crops, used by small farmers with limited financial resources who cannot afford to buy certified seeds. Wheat farmers started their applications of mineral fertilizers in February this year and will complete this job by end of April. The price of seed wheat at the Commodity Exchange Novi Sad in September 2010 was between 26.50 din/kg (USD379/MT) and 28 din/kg (USD400/MT).

Almost half of 800,000 MT fertilizers used in Serbia per year is imported from Russia, Croatia, Romania, Ukraine and Hungary.

Table 3: Prices of mineral fertilizers and diesel (in din and USD)

Commodity	Feb-10		Feb-11	
	Din/MT	US\$/MT	Din/MT	US\$/MT
Fertilizer	26,000	351	35,000	500
Urea	25,000	338	36,000	514
Diesel	100 din/lit	1.35 US\$/lit	113 din/lit	1.61US\$/lit

This spring costs of planting are almost 40 percent higher comparing to the previous year, due to significant increase in price of mineral fertilizers, seeds and diesel. As a result of limited financial resources, most probably many Serbian farmers will not be able to use advised quantities of mineral fertilizers and first quality seeds. This will have negative effect and will reduce average yields of most agriculture commodities.

Consumption:

Total domestic wheat consumption in Serbia is estimated at about 1.5 million MT annually. Wheat for human consumption is estimated at 1.4 million MT annually and per capita consumption is estimated at 200 kilos, which is significantly higher than consumption levels in most European countries. At the present time, there are about 300 wheat silos (of various sizes) in Serbia owned by milling companies, grain traders and farmers cooperatives. The total capacity of these silos is estimated at 3.8 million MT. Wheat milling capacity is estimated at about 2.5 million MT, but only 60 percent of this capacity is currently utilized. There are 120 industrial bread production facilities in addition to a large number of registered bakeries (1,700) with annual capacity of about 1.5 million tons. There are six large companies involved in pasta production and over 600 small private pasta producers in Serbia. Feed consumption, mostly for cattle, varies between 100-150,000 MT, depending on the quality of the crop in a given year. In MY10/11 consumption was only 100,000 MT due to the large decrease in number of cattle in Serbia. Planting seed consumption is estimated around 180,000 MT per year.

Quality:

The overall quality (90%) of the MY10/11 wheat crop was reported as according to JUS quality into 1st and 2nd quality class wheat. About 43.6% of the wheat is defined as 1st class, 41.1% as of second class, 12.3% third class and 3% out of class wheat.

According to the Serbian rulebook for grain quality, flour, baked goods and pasta, there are three wheat quality parameters: the hectoliter weight, moisture and the percentage of foreign materials.

Table 4: MY10/11 Wheat Quality Parameters

Parameter	Standard Serbian wheat quality for export	Average values of Serbian MY10/11 wheat crop
Hectoliter Weight	Min. 78 Kg/hl	74.4 kg/hl
Moisture	Max. 14%	13.14%
Proteins	Min. 11.5%	13%
Foreign Materials	Max. 4% (non-organic max. 0.5%)	5% (non-organic 0.05%)
Hagberg Falling Number	Min. 240	240
Alveogram W	Min. 180	Average 152
Wet Gluten Content	Min. 25%	25%

Trade:

Serbian total wheat exports in CY2010 reached record 427,302 MT, valued around USD 122 million mostly to Bosnia and Herzegovina, Montenegro, Macedonia, Croatia, and some African countries. According to the Serbia's Grain Fund, due to the wheat shortage at the world market and continued increase of export prices Serbian traders exported record high quantities of wheat, flour and flour products of 650,000 MT in the first nine months of MY10/11, or 150,000 MT more than previously estimated by the Ministry of Agriculture. From July 2010 to March 2011, Serbia exported to the neighboring countries and some African countries about 370,000 MT of wheat, 100,000 MT of flour and flour products and about 180,000 MT of wheat and flour was sold locally to Kosovo (exported but not registered by official customs).

Most of Serbia's wheat trade is done by trucks to the neighboring countries and some quantities are transported by barges and vessels on the Danube to the Romanian Black Sea port of Consantza and then shipped to some African countries (Somalia and Ethiopia). The largest Serbian wheat imports in the last ten years occurred in MY 03/04 (a drought year) when Serbia imported 127,000 MT of wheat of which 67,000 MT SRW was from the U.S. Trade analysts, however, we do not expect that any of the anticipated Serbian wheat imports in MY11/12 will come from the U.S.

According to Serbian Wheat Association, exports of wheat in the first months of CY2011 Jan-March was high at about 100,000 MT, which is much higher e an average monthly wheat exports from Serbia that usually accounted around 13,000 MT.

Table 5: Official wheat and flour exports in MY 09/10 and MY10/11

Month	Wheat MY10/11 in MT	Flour MY10/11 in MT
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July	27,344	16,675
August	102,059	13,620
September	94,572	11,151
October	42,879	10,611
November	6,445	11,080
December	9,071	10,631
January	28,252	7,331
February	49,225	11,027
March	7,775	6,094
TOTAL:	367,622	98,220

Source: Serbian Grain Fund

In March 2011, the Government of Serbia decided to ban all wheat and flour exports from Serbia for at least three months or until the new wheat harvest. This is the first action taken by the new Minister for Agriculture, Trade, Forestry and Water Management. According to Serbia's Grain Fund, due to the wheat shortage at the world market and continued increase of export prices Serbian traders exported record high quantities of wheat, flour and flour products of 650,000 MT of the last MY10/11 wheat crop to March this year, or 150,000 MT more than planned. Ministry of Agriculture specified that the export ban is aimed at stabilizing the market and keeping bread prices from rising.

Only two weeks after imposing the ban Government of Serbia approved duty-free imports of 100,000 tons of wheat (tariff numbers 1001 10 0090 and 1001 90 99 10), as a measure that will be in force during the three-month ban only (until June 15, 2011). This measure is a part of the Serbian Government activities to help stabilize the wheat and flour market and to keep bread prices from rising. The Government of Serbia also approved exports of 11,000 tons of flour per month over the next three months (in total 33,000 MT) to help exporters honor contracts affected by a three-month ban on flour and wheat exports. Customs tariffs on wheat imports are high, for EU countries 23 percent and for all other countries 30 percent.

Stocks:

Due to very small wheat crop in MY09/10 and significant exports of wheat in MY10/11, wheat stocks are estimated at the low level. Currently it is estimated that Serbia has in stocks about 400,000 MT, which is enough for its domestic use until the new harvest in June. Ending stocks of wheat in MY10/11 will be very low of only about 42,000 MT. According to Serbian wheat experts due to low ending stocks from MY10/11 only good wheat crop in MY11/12 will provide enough wheat for Serbian domestic needs. Otherwise Serbia would be forced to even import some quantities of wheat. Small wheat producers usually sell their crop to traders and milling companies' right after the harvest. The milling companies use to their advantage the fact that they own storage silos and can negotiate better price with farmers. During the past year, grain traders made very good profit of buying wheat immediately after the harvest for only 10-15 din/kg (USD143-214/MT) and then exporting six months later for three times higher price. For the past couple of years Government tried to help farmers through providing storage subsidies in order to support smaller farmers to store their wheat and then to sell in later months when wheat prices are more advantageous, but without much of the success, since majority of Serbian wheat farmers are still selling wheat immediately after the harvest.

Policy:

Due to very low price during the wheat harvest in July 2010 Serbian Government decided to purchase 70,000 MT of wheat from individual farmers for price of 12 dinars/kg (USD 171/MT) through Novi Sad Commodity Exchange. At that time, price of wheat in Serbia was only 10 dinars/kg (USD143/MT). In mid-July price of wheat started to increase, since price of corn at that moment was high (17 dinars/kg or USD243/MT) and farmers increased usage of wheat instead of corn for the cattle feed. Smaller crop and more demand for domestic use and exports pushed the wheat price up. Due to the price increase most of the farmers gave up on selling their wheat crop to the State Commodity Reserves for price of 12 dinars/kg (USD 171/MT) and kept their wheat in storages waiting for price increase. Serbian Commodity Reserves purchased only about 13,000 MT for the price of 12 dinars/kg.

As a part of Serbian Government effort to solve wheat storage problem, Serbian Parliament adopted a new Law on Public Warehouses in May 2009. The Law on Public Warehouses for agricultural products, mostly grains, enacted the implementation of the warehouse receipts system which is the alternative solution for commodity producers, processors and traders to access short-term financing for operations, and take advantage of price fluctuation and secure the storage for the crops. The framework for establishment of a WHR system focuses on registration, licensing and inspection of public warehouses; and development of financial instruments for collateralized loans, insurance of commodities and claims and indemnity funds. With this law Serbian Government wanted to enable the creation of a uniform and well regulated system of storing of commodities, protection of depositors, ensuring of the quality and quantity of deposited commodities, and give the opportunity to agricultural producers to take advantage of higher prices during the off-season periods. According to this law, it was planned that for the first time in Serbia it will be possible to store wheat according to the wheat quality. Unfortunately, practical application of this law is very limited.

A total agriculture budget for CY2011 is about 21 billion dinars (USD300 million). Serbian agriculture budget calculate only 2.6% of the total Serbian budget and it remains one of the lowest in the region. The Ministry of Agriculture will continue to set aside about 85 percent of the total agriculture budget or of 18 billion dinars (USD257 million) for paying subsidies.

This is the second year that Serbian Government is providing to the Serbian farmers planting subsidies of 14,000 din/kg (USD200/HA) comparing to 12,000 din/HA (USD171/HA) in the previous years. Planting subsidies can be used only by registered farmers that are regularly paying costs for pension and health fund to the state. With this measure Serbian Ministry of Agriculture wanted to help farmers during autumn and spring planting season, improving the quality of sowing and increase productivity. Of the total subsidy of 14,000 din/HA (USD200/HA) farmers are able to use 4,000 din/Ha (USD57/HA) for purchasing certified seeds, 4,000 din/HA (USD57/HA) for diesel fuel and 6,000 din/Ha (USD86/HA) for purchasing mineral fertilizers. Government decided to support family farmers with minimum 0.5 HA to maximum 100 HA of land and to exclude large farms above 100 HA mostly owned by the Serbian rich tycoons and to enable them to use state owned money for supporting their businesses.

Marketing:

Wheat prices of the crop MY10/11 at the Serbian market had a record increase from the time of harvest in July 2010 until March 2011, when the export ban was adopted. The lowest prices of the MY10/11 wheat has been between 8 to 11.50 din/kg (USD 114-164/MT), while wheat price in the beginning of March 2011 at the Novi Sad Commodity Exchange was reported to be between 29 dinars/kg (USD414/MT) and 32 dinars/kg (USD457/MT). At the present time, bakers are paying for flower-Type

500, between 38 and 45 din/kg (USD 543-643/MT) while a 500 g loaf of bread in retail stores costs about 55 dinars (USD 0.79).

As of March, the new wheat crop started to be offered so called “on green” (on the field) through the Novi Sad Commodity Exchange. Wheat farmers were demanding 15-16 din/kg (USD214-228/MT). First quantities of couple of thousands MT of the new wheat crop were sold in March probably by farmers that have no other option to get money for the new planting season for corn and other spring crops. Price of the MY11/12 crop will be influenced by a situation with the world wheat crop, Russian wheat export ban and small planted areas in Serbia.

The price of a loaf of bread made of the flour type 500, which was increased in February from 44 dinars (USD 0.59) to 55 dinars (USD 0.74), could remain unchanged even until end of the year if the state meet the demands of the Serbian Baking Firms Association. During March Baking Firms Associations announced that bread prices will go up to 70 dinars per loaf of bread (USD 0.95) in April. Bakers Association put several demands in front of the Ministry of Agriculture and Trade: government should ban wheat and flour exports, it should scraps import duty on wheat and flour, extend a decree on mandatory production of and trade in the cheapest white bread and to lend enough wheat from the commodity reserves to baking companies.

Production, Supply and Demand Data Statistics:

Wheat Serbia	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	570	570	490	488		480
Beginning Stocks	665	615	718	555		42
Production	2,130	2,130	1,700	1,650		1,800
MY Imports	8	10	25	7		10
TY Imports	8	10	25	7		10
TY Imp. from U.S.	0	0	0	0		0
Total Supply	2,803	2,755	2,443	2,212		1,852
MY Exports	485	500	500	650		300
TY Exports	485	500	500	650		300
Feed and Residual	200	200	100	120		120
FSI Consumption	1,400	1,500	1,400	1,400		1,400
Total Consumption	1,600	1,700	1,500	1,520		1,520
Ending Stocks	718	555	443	42		32
Total Distribution	2,803	2,755	2,443	2,212		1,852

1000 HA, 1000 MT

Commodities:

Corn

Production:

According to official data from the Serbian Ministry of Agriculture area planted to corn in MY10/11 was reported to be about 1.23 million HA and total corn production is estimated to be 6.8 million MT, that account 400,000 MT or 6 percent higher than the previous year. Despite rainy season in the corn vegetation period, average yield was about 5.5 MT/HA, with higher percentage of humidity than average. Due to unusual high temperatures during the harvest in October and November, some farmers left their corn crop in the fields longer in order to lower moisture content and thus reduce drying costs.

Corn planting intention for MY11/12 is estimated at 1.3 million HA, about 6 percent higher than in previous years due to excellent export prices during the previous year. Corn production is projected at 7.1 million MT, assuming an average yield of 5.5 MT/HA. It is estimated that corn will account for about 50 percent of total spring planted area of field crops in Serbia.

This year most of the corn planting in Serbia started beginning of April and should be finished in most parts until April 25. There will be some delays in some parts of the country (East Vojvodina) due to wet fields and in these areas can last until mid of May. Corn farmers are advised to plant seeds much deeper in the soil to adjust for the soil moisture and anticipated hot weather during the growing season. It is predicted that corn planted area for MY11/12 will be about 70,000 HA more than in previous year, due to the fact that many farmers are switching from wheat to corn production.

Corn is the major crop in Serbia that producers can easily store on their farms. Farmers harvest the crop in October and November and it can either be stored on farms to be naturally dried or taken to artificially drying facilities. When farmers select to store their grain on farm, they usually sell their crop during what is called “second harvest” in March before the start of the new planting season. The naturally dried corn normally has moisture contents between 14 and 17 percent and is usually offered to the market in small lots.

Serbia’s requirements of commercially certified seed corn are estimated between 24,000 and 26,000 MT annually, depending on seed varieties and the area planted. There are two major players in the corn seed production business in Serbia: 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 currently control 37 and 34 percent, respectively, of the corn seed market in Serbia.

Table 7: Market Share in CY2011 of the Corn Seed Companies

Name of the company	% Serbian market shares of the corn seeds producers
Novi Sad Hibridi	37%
Zemun Polje Hybrids	34%
Pioneer Hi-Bred (U.S.)	23%
KWS (Germany)	5%
Limagrain (France)	1%
Syngenta NK (U.S.)	1%
Monsanto (U.S.)	1%

Consumption:

Total domestic corn consumption for the last five years varied between 4.3 and 5.4 million MT annually. Domestic consumption requirement for MY11/12 is estimated at about 4.9 million MT, feed

consumption of about 4.5 million MT, while human consumption and corn seed is estimated at about 400,000 MT annually.

About 80 percent of total consumption is used for animal feed, while rest is used for human consumption, alcohol and starch production. There are two main starch production factories currently operating in Serbia with annual processing capacity of 140,000 MT of corn. Currently in Serbia there is one bio-ethanol plant built in 2007 by Victoria Group in Sid. Technology used for building this factory is latest technology by German concern called Lurgi. The total value of this investment is 20 million EUR, with maximum capacity of 100,000 MT per year. Factory is able to produce biodiesel of the standard EU quality EN 14214. Due to the lack of government regulation on bio-ethanol production this factory is still not producing bio-ethanol but is working as crushing capacity for sunflower and soya. Once the bio-ethanol starts production corn consumption in Serbia can drastically increase.

Trade:

With relatively good crop in MY10/11, Serbia continued to strengthen its position as a major corn exporting country in this region. Serbian typically produces more corn than it consumes. For the last two years Serbia entered top ten world corn exporters. According to official customs data, exports of yellow corn in MY09/10 was 1.34 million MT and if corn export trend continues in this way Serbia will most probably be able to export even 2 million MT in MY10/11. Only obstacle to this record corn export of MY10/11 can be limited capacities of Serbian Danube Ports and need of investments to further develop transshipping facilities in Serbian Ports on the Danube River.

According to Serbian Grain Fund exports of corn from October 2010 to March 2011 was 1,431,105 MT that is over 500,000 MT more than for the same period in MY09/10. Reason for such a good results in corn exports in Serbia are Russian and Ukrainian ban on export of corn imposed during 2010. Most of the exports are going by trucks to neighboring countries Montenegro, Croatia, Bosnia and Herzegovina and Albania, while export to Cyprus, Italy, Spain and other EU countries is going through Danube river to Port Constanza to the Black Sea.

Table 8. shows export of corn in for the first six months of MY10/11 compared to corn exports in the same period in MY09/10.

Table 8: Corn exports in MY09/10 and MY10/11

Month	MY10/11 in MT	MY09/10 in MT
October	182,624	186,691
November	365,864	229,708
December	334,870	145,842
January	212,815	98,041
February	174,388	127,542
March	160,544	114,353
TOTAL:	1,431,105	901,177

Source: Serbian Grain Fund

Stocks:

Beginning stocks of corn in MY09/10 were much lower than previously estimated. According to the Agriculture Ministry and trade contacts, the beginning stocks in MY09/10 were not previously correctly estimated. Serbian corn beginning stocks in MY09/10 should be estimated at 664,000 MT. Most of the stocks are in the farmers hand and kept in open-air storage facilities to be naturally dried. These stocks are normally offered for sale in local market starting in March in order to collect money for the new planting season. One of the main Serbian problems is very inefficient projection of the area planted to corn every year, as well as estimation of corn ending stocks since most of the stocks are kept by private farmers.

Policy:

The Serbian government will continue to support crop production through subsidies per HA for registered family farms and direct payments for production inputs. See the wheat policy section for more details.

Marketing:

During the first six months of MY10/11 corn prices increased from 15 din/kg (USD214/MT) in October 2010 to 17.5 din/kg (USD250/MT) in December 2010 to 20.5 din/kg in March 2011. This was the result of the increased demand for corn exports. It is estimated that corn export will continue with an average of 100,000 MT per month if price of Serbian corn remains competitive as it is now.

Production, Supply and Demand Data Statistics:

Corn Serbia	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,200	0	1,300	1,230		1,300
Beginning Stocks	664	664	1,021	664		664
Production	6,400	0	6,800	6,800		7,100
MY Imports	0	0	0	0		0
TY Imports	0	0	0	0		0
TY Imp. from U.S.	0	0	0	0		0
Total Supply	7,064	664	7,821	7,464		7,764
MY Exports	1,343	0	1,700	2,000		2,000
TY Exports	1,343	0	1,700	2,000		2,000
Feed and Residual	4,400	0	4,000	4,400		4,500
FSI Consumption	300	0	400	400		400
Total Consumption	4,700	0	4,400	4,800		4,900
Ending Stocks	1,021	664	1,721	664		864
Total Distribution	7,064	664	7,821	7,464		7,764

1000 HA, 1000 MT

Commodities:

Barley

Production:

Barley is a secondary grain crop in Serbia. Barley area planted has been steadily declining since 2002 and ranged between 90,000 and 130,000 HA in the last eight years. Total production varied 190,000 to 350,000 MT annually.

According to Serbian Statistics, barley was planted in MY10/11 on 84,166 HA, where of 60,000 HA of winter barley and 24,166 HA of spring barley. Total production of barley in MY10/11 was estimated at 244,268 MT, 19 percent lower than in MY09/10 and with average yield of only 2.9 MT/HA. Low yields were due to damages effected by high spring temperatures and then extremely high precipitation in June in the time just before of harvest.

For MY11/12 winter barley was planted on 45,000 HA and it is estimated that additional 40,000 HA of barley will be planted in spring, which will make total area planted with barley about 85,000 HA. With an average yield of 3.2 MT/HA, total production of barley is estimated at 272,000 MT, 11 percent higher than in MY10/11.

Table 10: Area planted to barley from MY05/06 to 2011/12

Year	Barley		
	Harvested area HA	Yields	
		Total, MT	Per HA/MT
2005/06	104,917	310,850	2,96
2006/07	93,520	275,640	2,95
2007/08	93,844	258,998	2,76
2008/09	92,417	344,141	3,72
2009/10	95,377	302,527	3,17
2010/11	84,166	244,268	2,90
2011/12 proj.	85,000	272,000	3,20

Consumption:

Total barley consumption in Serbia for the past five years ranged between 330-370,000 MT, of which around 2/3 for animal feed and 1/3 for the brewery industry. Consumption of brewery barley has been rising due to increased demand from newly operational breweries following successful privatization efforts of old Serbian breweries. Local breweries have been sold to several well-known Belgian, German, Austrian and Turkish companies. Barley used for breweries is now planted on almost 34 percent of total area in Serbia and is continuing to expand every year. Barley for feed currently accounts for 66 percent of total barley produced in Serbia and is declining due to its low profitability.

Trade: Feed barley is not significant commodity in Serbia's overall grain trade. In CY2010, exports of barley were only 106 MT and imports of barley were estimated at 483 MT. Most of the exports and imports are to/from neighboring countries such as Bosnia and Herzegovina, Croatia and Montenegro.

Stocks:

Barley beginning stocks in MY11/12 are estimated at only 4,000 MY, below Serbian average of about 19,000 MT.

Policy:The Serbian government will continue to support crop production through subsidies per HA for registered family farms and direct payments for production inputs. See the wheat policy section for more details

Marketing:

Current price of barley at Novi Sad Commodity Exchange in March 2011 was 22.5 din/kg (USD321/MT).

Production, Supply and Demand Data Statistics:

Barley Serbia	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	95	95	93	84		85
Beginning Stocks	20	20	13	20		4
Production	303	345	325	244		272
MY Imports	5	15	15	0		20
TY Imports	5	15	15	0		20
TY Imp. from U.S.	0	0	0	0		0
Total Supply	328	380	353	264		296
MY Exports	15	20	15	0		5
TY Exports	15	20	15	0		5
Feed and Residual	200	220	200	160		180
FSI Consumption	100	120	125	100		100
Total Consumption	300	340	325	260		280
Ending Stocks	13	20	13	4		11
Total Distribution	328	380	353	264		296

1000 HA, 1000 MT