

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Serbia bans wheat exports

Report Categories:

Grain and Feed

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Report Highlights:

On March 16, 2011 Serbian Government decided to ban all exports of wheat and flour from Serbia for at least three months or until the new wheat harvest. This measure is taken due to high exports of wheat and flour of 650,000 MT since July 1, 2010 and existing inadequate balance of wheat for domestic consumption that is pushing the bread prices up.

General Information:

On March 16, 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 Dusan Petrovic, who started this position on March 14. 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 6150,000 MT of the last MY10/11 wheat crop to March this year, or 115,000 MT more than planned. The figures are alarming, according to Minister Petrovic, who specified that the export ban is aimed at stabilizing the market and keeping bread prices from rising. According to the Ministry of Agriculture and Trade officials Serbia had consulted with the EU before imposing the wheat ban.

According to the Decree on "Temporary Quantitative Export Limitations for Certain Types of Goods" adopted on March 16 and valid from March 17, 2011 for the following three months (until June 2011) this is the list of goods included in the export ban:

Tariff number	Name of good	Export quotas in MT
1001	Wheat	
1001 10 00	- Hard wheat:	
1001 10 00 90	- - other	0
1001 90	- Other wheat	
1001 90 99 10	- - - regular wheat	0
1001 90 99 20	- - - spelt	0
1001 90 99 90	- - - rye and wheat mixture	0
1101 00	Flour of wheat or rye and wheat mixture:	
	- Wheat flour:	
1101 00 11 00	- - from hard wheat	0
1101 00 15 00	- - from regular wheat and spelt	0
1101 00 90 00	- Rye and wheat mixture flour	0

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. Previously this week, 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.

Export of wheat and flour from July 2010 to February 2011 in MT

Month	2010/11		2009/10	
	Wheat	Flour	Wheat	Flour

July	27,344	16,675	32,937	12,625
August	102,059	13,620	14,741	13,677
September	94,572	11,151	30,067	13,882
October	42,879	10,611	30,937	14,104
November	6,445	11,080	6,364	12,294
December	9,071	10,631	7,473	13,293
January	28,252	7,331	4,815	9,245
February	49,225	11,027	1,849	11,045
TOTAL	359,847	92,126	129,183	100,164

Source: Serbian Grain Fund, Weekly Report March 3, 2011

Final official estimates of the MY2010/11 wheat crop put total wheat area harvested at about 488,000 HA, total wheat production at 1.65 million MT and estimated an average wheat yield at 3.4 MT/HA. MY 2010/11 wheat area planted was the lowest area planted for 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 a cattle feed) and extremely low prices during MY09/10. In the fall of 2010, for MY11/12 Serbian farmers planted even less wheat than previous year at only 480,000 HA.

The lowest prices of the MY2010/11 wheat has been between 8 to 11.50 din/kg (USD 108-155/MT) in June 2010, while current wheat price at the Novi Sad Commodity Exchange during the week of March 7th, 2011 was reported to be between 29 dinars/kg (USD 391/MT) and 32 dinars/kg (USD 432/MT). At the present time, bakers are paying for flower-Type 500, between 38 and 45 din/kg (USD 514-608/MT).