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CEVES

CENTAR ZA VISOKE
EKONOMSKE STUDIJE

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ECONOMIC STUDIES

AGRIBUSINESS

SECTORIAL OVERVIEW SEPTEMBER 2016



IN FOCUS

China introduces anti-subsidy tariffs on imports of distiller grains from the U.S.

China will introduce tariffs on imports of dried distiller grains from the United States whose producers are subsidised by the U.S. Government, thus adding a new measure to the anti-dumping measures introduced in September. Distiller grains are a by-product in the production of alcohol and ethanol, used in China as a substitute for animal feed. Anti-subsidy tariffs will be between 10 and 10.7 %, and will apply as of the end of September. The decision was made with the explanation that the subsidised production in the U.S. harmed the domestic industry. China imported the record amount of 6.8 million tons of dried distiller grains in 2015, worth about 2 billion USD. China is the world biggest importer of this commodity, almost entirely imported from the U.S.

Egypt lifts ban on wheat import from Russia

Export prices of wheat from Russia are rising for the first time since mid-August, supported by demand from Egypt, after the ban on import of wheat containing the ergot fungi was lifted. Egypt's state importer GASC bought 240,000 tons of Russian wheat at the end of September in the first successful tender procedure after the ban was lifted. This country is the largest buyer of Russian wheat and the largest importer of wheat in the world market.

Low profits for coffee growers reduce world inventories

Coffee growers around the world face low profits and increasing production costs, reports the International Coffee Organization (ICO). Due to losses, the growers switch to more profitable crops, or leave their farms for other work, jeopardising prospects to have the growing world demand met. About 70 countries in the world grow coffee, but the worsening conditions threaten the survival of small growers. Growers in Brazil, Vietnam and Columbia, the three biggest coffee producers in the world, have the best odds of surviving further losses.

Bayer announced it would not introduce genetically modified seeds in Europe

Chief Executive Baumann told a German newspaper that Bayer's plan was not to take over Monsanto to establish GM plants in the EU, adding that if politics and society in Europe did not want genetically modified seeds, the Company accepted that, even if they disagreed on the matter in general.

In the period January – August this year, Serbia exported 2 billion USD of agricultural products

This export level is by 7.1 % higher than in the same period last year. The key export products were: maize worth 207 million, cigarettes worth 199 million, frozen raspberries worth 172 million, and wheat worth 101 million. When looking at the export by commodity group, the best result is achieved by fruit and vegetables with export worth 547 million USD, accounting for 5.6 % of the total exports of commodities. Wheat and grain-based products were exported for 450 million USD, accounting for 4.6 % of the total exports of commodities.

FAO and EBRD help Serbia in exporting grains and oil crops

Two new projects have been launched: one of them focused on promoting export of grains and oil crops from Serbia, and the other on support to the cooperative sector. The UN Food and Agriculture Organization – FAO and the European Bank for Reconstruction and Development – EBRD have eight active projects in Serbia at this point, which is the largest number in this part of Europe.



GLOBAL AND DOMESTIC MARKET

In September this year, the prices of agricultural products hit the record high since March 2015

After a previous downslide, the prices of agricultural products started to pick up in September. They increased by almost 2.9 % comparing to the previous month, and by almost 10 % comparing to September last year. The key factor in the September price rise is higher dairy products and sugar quotes.

Grain prices were falling steadily from 2013 to 2015, slightly to pick up in the second quarter of 2016, interrupted by a drop in July and August

In September, the prices continued the same trend, and are lower by 1.9 % comparing to August, and by nearly 8.9 % comparing to September last year. This year's record wheat yields, along with the expected rice production recovery and better corn yields, keep putting pressure on the global export prices. The price of corn in the domestic market recorded 20.5 RSD/kg in August, which is the highest price in the past three years. The upward trend was interrupted at the end of August, and the corn price in the domestic market is now falling, reaching 15 RSD/kg in September, which is by 33.6 % lower than at the end of previous month. The wheat price in the domestic market was stable in the past month at 15 RSD/kg.

The price of meat increased by 12.6 % from January 2016, when it hit the five-year low

In September it was almost at the same level as in August this year. This year, the biggest increase has been seen in the prices of pork, mutton and chicken meat, while the beef price has shown just a slight increase. High global demand, particularly in the Asian countries, supported the pork and chicken meat prices. The mutton price increase is caused by a drop in inventories, while the beef production recovery in the U.S. reduced the need for import, thus curbing the beef prices on the global level

Since the beginning of 2016, the prices of milk and dairy products have shown an upward trend globally, which continued through September when the prices were higher by 13.8 % comparing to August this year

The quotes for all dairy products are higher, particularly for butter, its price being supported by lower inventories and higher demand in the EU. The dairy product prices are higher by 38 % comparing to April this year, because of the expected lower production in the EU and a bad start of the season in Oceania.

Sugar prices, on the global level, have shown a steady upward trend since the beginning of 2016

The prices were higher by 6.7 % in September comparing to August, which was the fifth month of continuous growth. The rise in the past few months was caused mostly by poor conditions in the Central South region of Brazil, the world largest producer and exporter. The reports on lower production in India, the world second largest producer, and lower inventories in Thailand and China, also support this global increase in the price of sugar.

