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AGRIBUSINESS

SECTOR OVERVIEW DECEMBER 2016



IN FOCUS

Abolished levies on milk and pork from the EU

it has been published in the Official Gazette at the end of December. Import taxes on milk and dairy products, pork and pork fat were introduced in 2015 for the sake of preventing disturbances in the domestic market due to the abolition of quotas for the production of milk in the EU and the Russian sanctions on imports from the EU. Since they were introduced, the European Union has repeatedly urged Serbia to revoke the protective measures because they are not in accordance with the Stabilisation and Association Agreement. Serbia has a surplus in trade in agricultural products with the EU, while, in the total trade, has a deficit, which has been declining in recent years.

A list of organizations authorized for certification of organic production was published

Ministry of Agriculture established the list of authorized certification bodies for inspection and certification of organic production in 2017. These activities shall be performed by a total of seven organizations. A full list can be found on the website of the Ministry of Agriculture, as well as in the Official Gazette 96/16.

Two decades of GMOs without significant impact on yields

Comparison of yield and pesticide use between the US, Canada, on the one hand and the EU on the other side in the last 20 years shows no significant advantage of using GMO seeds. Canada and the United States have adopted the use of GMO seeds in agriculture, two decades ago, with the desire to create better yields and reduce the use of chemicals. However, states that have not introduced the use of GMO seeds record similar yields with less and less application of chemicals.

US re-launch action against the prohibition of imports of beef in the EU

Ban on imports of beef has been in force since 1989 due to the use of semi-synthetic and synthetic growth hormones in order to improve beef production. Over the past years, there have been several attempts to abolish the ban, as well as several complaints to the WTO. However, for the first time possibility has been announced that the United States introduce tariffs on European products in response to continuation of the ban.

An innovative application to help identify plant diseases

Startup from Germany has developed an application called Plantix that is able to identify the disease by using photos. The idea is that the application becomes a kind of pocket encyclopedia that will assist in identifying the disease immediately. Photo of a diseased plant is reviewed by an algorithm that compares it with the base knowledge of more than 60 diseases. In addition, all images that enter the system are used for the improvement of the algorithm. To date, over 100,000 photos were analyzed, and the application is available in Germany, Austria, Switzerland, India and Brazil. The accuracy of the algorithm was confirmed by research experts from the Institute of Soil Science of Leibniz University in Hanover.

43rd Symposium "Agricultural Engineering" will be held on Zlatibor earlier this year

the topics refer to the field of agricultural technology, seed production, cooperatives, water management and other areas related to agriculture in general. A large number of experts, manufacturers, and financial institutions is going to attend.



GLOBAL AND DOMESTIC MARKETS

The level of prices of agricultural products on world markets remains almost unchanged in December

Compared to November, consumer price index remained unchanged. Strong increase in the price of vegetable oils and dairy products offset the decline in price of sugar and meat. During 2016, the average price level was 1.5% lower than in 2015, representing the fifth consecutive year of decline. Although the prices of sugar and vegetable oil increased significantly during 2016, declining prices of cereals, meat and dairy products resulted in the lowering of the average below the level of 2015.

Prices of cereals increased by 0.5% in December compared to November

While the international quotations of corn were stable in December, mainly due to concerns about weather conditions and dynamic demand, the value of wheat is weakened as a result of higher than expected estimates of yield in Australia, Canada and Russia, as well as a good indication in Argentina. The average prices of cereals during the 2016 are lower by 9.6% than the average price during 2015, and even 39% lower than the prices achieved in 2011.

Prices of meat at the global level decrease by 1.1% compared to November

Specifically, the price of beef and mutton were significantly decreased, while the price of pork and chicken are mildly lower. Despite the moderate growth during 2016, the average value of the price of meat is lower by 7% compared to the average of 2015 and the biggest drop was recorded by the prices of beef and chicken.

Prices of milk and dairy products increased by 3.3% compared to November

Moderate price increase was recorded for butter, cheese, and whole milk powder, while the prices of skimmed milk powder remained stable. Abstained milk production in the European Union, Australia, and New Zealand held together with the level of international and domestic demand continued to support prices. Average prices of dairy products in 2016 were 4% lower than in the previous year. International prices for dairy products have significantly recovered since mid-2016, the largest growth was recorded in the prices of butter and skimmed milk powder.

Sugar prices are lower by 8.6% in December

The sharp decline in the international price of sugar in December, as the main reason has continuous decline of the value of the Brazilian Real against the US dollar, thus giving support to exports of sugar from Brazil. Expectations point to higher production in the central southern region of Brazil during the next year, which leaves extra pressure on prices. However, the average sugar price in 2016 rose by 34.2% from the average price in 2015, the first annual increase in the price from the peak reached in 2011.

