

Chapter 11: Agriculture and rural development

The agricultural chapter covers a large number of binding rules, many of which are directly applicable regulations. The proper application of these rules and their effective enforcement by an efficient public administration are essential for the functioning of the Common Agricultural Policy. This includes the setting up of management systems such as a paying agency and the Integrated Administration and Control System (IACS), and also the capacity to implement rural development actions.

EU membership requires integration into the Common Market Organisation of a range of agricultural products, including arable crops, sugar, animal products and specialised crops.

The required administrative structures are not always specified in the *acquis*. In many cases the *acquis* simply uses terms such as the “competent authority” to refer to the administrative structure that is needed. This means that it is left to each Member State to decide which institution is responsible for effective implementation of the *acquis*. However, the functions that EU Member States must have the capacity to carry out - through the administrative structures they establish - are clearly specified in the *acquis*.

I HORIZONTAL

1. Please provide, with an indication of recent and expected future developments, a general description of:

- the national and regional farm income policy, production and structural policy (in particular rural development policy)

INTRODUCTION

Favourable natural conditions and available resources determine the multiple significance of agriculture in the socio-economic development of the Republic of Serbia.

Total¹ area of agricultural land is 5,097,000 (0.7 ha/pc), and total area of arable land is 4,224,000 ha (0.58 ha/pc).

According to the 2002 Census of Population, Households and Dwellings, in the Republic of Serbia there are 778,891 registered agricultural households, while according to the data of Treasury Administration there are 444,806 agricultural households registered in 2010. Average size of the total utilised land per an agricultural household is 3.7 ha.

According to the ownership structure, in the Republic of Serbia private ownership over arable agricultural land (89%) is dominant.

Agriculture accounts for a significant share in the foreign trade of the country. Since 2001, when a negative balance of USD 136 million was recorded, the exports have been growing at a rate faster than imports, so that in 2005 a surplus of USD 150 million was achieved along with a growing trend. In 2009, the surplus was USD 640 million, with the share of exports of agricultural and food products accounting for 23.2% of the total exports.

In the structure of the value of agricultural production in 2009, crop production accounted for 69.5% and livestock production for 30.5%.

The significance of agriculture is reflected, among other things, in its contribution to the creation of gross domestic product of the Republic Serbia (GDP). In the period 2001-2009, the share of agriculture in national GDP ranged from 14.30 to 10.6% (a downward trend).

Official middle RSD exchange rate per EUR per year:

2000: 58.6750; 2001: 59.4951; 2002: 60.7517; 2003: 65.2575; 2004: 73.0028;
2005: 83.1940; 2006: 84.0579; 2007: 80.0858; 2008: 81.5938; 2009: 94.1559;
2010: 103.4874

Source: National Bank of Serbia (NBS)

Compiled in the Ministry of Agriculture, Forestry and Water Management

¹Source: Statistical Yearbook of Serbia 2010

Table 1 Share of agriculture in Serbian GDP in the period 2001-2009

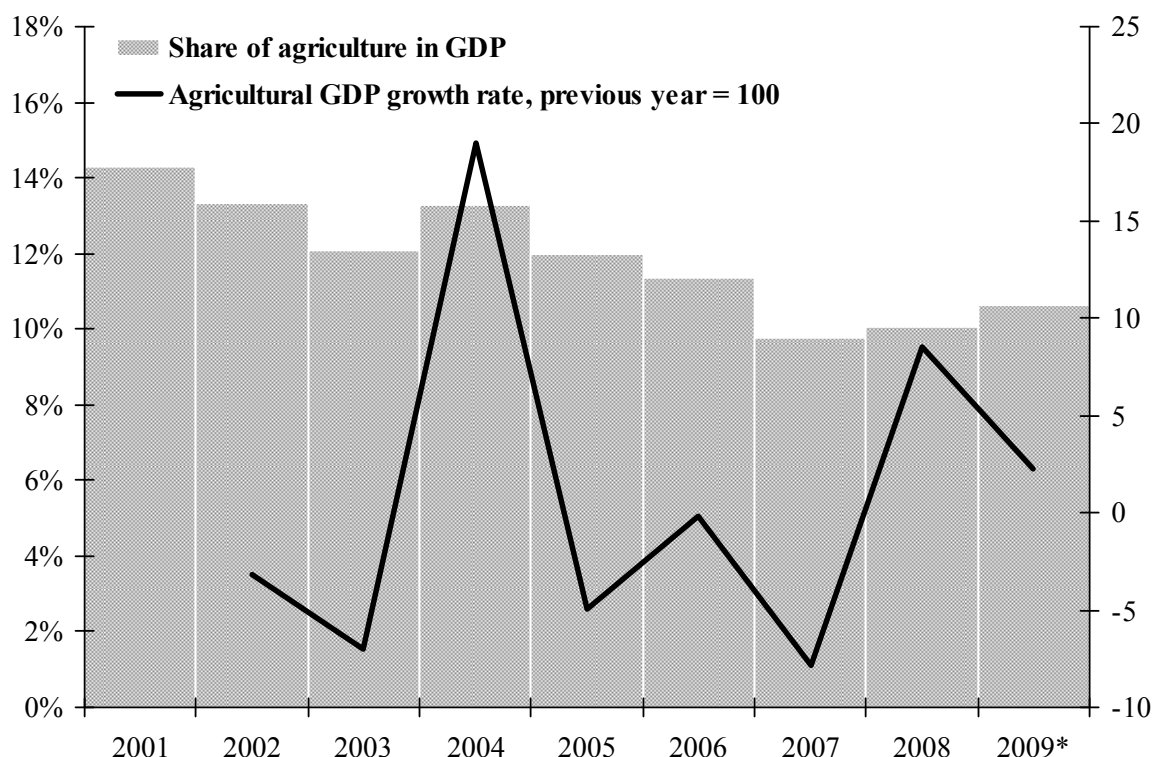
The Republic of Serbia			
Year	Agriculture, hunting, forestry and fisheries	Gross domestic product at constant prices in 2002	Share of agriculture in GDP
	RSD	RSD	
2001	133,927,300,000	936,543,700,000	14.30%
2002	129,629,500,000	972,900,700,000	13.32%
2003	120,603,800,000	996,714,000,000	12.10%
2004	143,545,800,000	1,079,389,700,000	13.30%
2005	136,500,200,000	1,139,986,200,000	11.97%
2006	136,205,300,000	1,199,417,900,000	11.36%
2007	125,576,600,000	1,282,236,400,000	9.79%
2008	136,316,200,000	1,353,218,700,000	10.07%
2009*	139,340,500,000	1,311,864,800,000	10.62%

** assessment of the Republic Bureau of Statistics*

Source: Republic Bureau of Statistics

Compiled in the Ministry of Agriculture, Forestry and Water Management

Graph 1 Share of agriculture in GDP



Reforms in agriculture so far

Systemic and structural reform of the agrarian sector in the Republic of Serbia began after the political changes in 2000. Since then, agricultural and rural policy in Serbia has gone through several phases.

In the period 2001–2003, the system solutions related to the responsibilities of the institutions were being altered, while modest budget allocations for agriculture did not leave enough space for a radical reform. As a support measure, significant support was given to prices of the selected "strategic" products (premiums for oilseeds, sugar beet, wheat, etc.). The average share of the agricultural budget in the national budget over this period was 3.13%.

The period 2004–2006 represents a significant shift in commitments and mechanisms for implementing the measures of the agricultural and rural policy. The system of direct payment is being established, the support system for investments intended for rural development, providing credits with more favourable conditions than market credits, renting of agricultural land is encouraged and the registration of agricultural holdings. The average share of the agricultural budget in the national budget over this period was 4.57%.

Since 2007–2009, the system of direct payments per hectare of sown area/head of livestock has been more significantly represented, and is continued with support to investments intended for rural development and modernization of agriculture through granting credits under subsidized conditions. The average share of the agricultural budget in the national budget over this period was 3.26%.

The year 2010 is dominated by the model of direct payments, and in comparison to the previous period, the scope of incentives intended for the implementation of the rural development policy has been increased. In the current year the share of the agrarian budget in the national budget has been 2.26%.

In general, the most important elements of the reform process are:

- market liberalization;
- privatization of the processing industry;
- turnaround in support to agriculture development towards family holdings and improvement of living conditions in rural areas;
- adjustment of foreign trade protection policy to the developmental needs of agriculture and the processing industry with its gradual harmonisation with the WTO rules and principles;
- introduction of technological innovations into production;
- strengthening the capacities of producers and professional services in agriculture;
- strengthening the institutional support to the sector through modernization of the existing laboratories and establishment of the new ones, reform of the inspection and veterinary services.

General agricultural policy framework

The first Agriculture and Rural Development Strategy of the Republic of Serbia, adopted in 2005, defined the following general strategic goals:

- Build up a sustainable and efficient agricultural sector which can compete in the global market and thereby improve the GDP,
- Provide food products which satisfy the consumers' needs in terms of product quality and safety,
- Ensure the living standard support for people who are dependant on the agricultural industry but are incapable to follow the economic reforms,
- Ensure the support for the sustainable rural development,
- Protect the environment from the negative effects of agricultural production,
- Prepare the agricultural industry of Serbia for the EU integration,
- Adapt the domestic support and trade policy in agriculture to the WTO standards.

Meanwhile, the changed economic conditions required the development of the new Agriculture and Rural Development Strategy for 2011–2020 and redefinition of agricultural policy measures, taking into account the specificities of agriculture and macroeconomic indicators of the country.

The current basic framework of agricultural policy is contained in the following documents:

- Agriculture and Rural Development Strategy of the Republic of Serbia (Official Gazette of RS, No. 78/05)
- Agriculture and Rural Development Strategy of the Republic of Serbia for 2011 to 2020 (in the public hearing procedure);
- National Programme for Agriculture of the Republic of Serbia from 2010 to 2013 ("RS Official Gazette of RS" No. 83/10);
- National Programme for Rural Development of the Republic of Serbia for 2011 – 2013 (in the public hearing procedure);
- Law on Agriculture and Rural Development (Official Gazette of RS, No. 41/09);
- Law on Agricultural Land (Official Gazette of RS, No. 62/06 and 41/09);
- Law on Organic Production (Official Gazette of RS, No. 30/10);
- Law on Food Safety (Official Gazette of RS, No. 41/09);
- Law on Livestock (Official Gazette of RS, No. 41/09);
- Law on Wine (Official Gazette of RS, No. 41/09);
- Law on Public Warehouses (Official Gazette of RS, No. 41/09);

Provisions of the Law on Agriculture and Rural development regulate, among other things, the following: objectives of agricultural policy and manner of achieving thereof, types of

incentives, conditions for exercising rights to incentives, incentive beneficiaries, establishment of Directorate for Agrarian Payments, Register of Agricultural Holdings, record keeping and reporting in agriculture, integrated agricultural information system, Agrarian Council (composed of the representatives of agricultural holdings and family farms, farmers' associations and other participants in the chain of agricultural production), supervision and other issues of importance to agriculture and rural environment.

The Law stipulates that the agricultural policy and rural development policy shall be pursued through the implementation of the Agriculture and Rural Development Strategy of the Republic of Serbia, the National Agricultural Programme of the Republic of Serbia and National Rural Development Programme of the Republic of Serbia.

The Strategy defines long-term courses of the development of agriculture and rural areas for the next 10 years, and orientation to develop the sustainable economy concept in the Republic of Serbia promoting environmental protection and sustainable management of natural resources.

The strategy is implemented through two development documents, which specify the determinations provided for in the Strategy, and these are the following: National Agricultural Programme of the Republic of Serbia for 2010–2013 and National Rural Development Programme of the Republic of Serbia for 2011–2013.

The Agriculture Law provides legal framework for the implementation of agricultural policy and the achievement of goals taken from the Strategy. The Law, in Chapter II – Incentives, elaborates the types and forms of incentives in agriculture. The incentives are divided into three groups: direct incentives, market incentives, and structural incentives. **Direct incentives** are intended to directly influence the market by reducing the cost of agricultural products, while providing the conditions to increase their offers. These measures represent a form of direct payments per unit/ha/head of cattle and price support for certain agricultural products (payment per liter of produced milk – premium). **Through market incentives** budgetary funds are allocated to activities aimed at improving the placement of domestic products in international markets, stabilization of the national market for agricultural products and creating conditions for balanced and sustained development of agricultural production. **Structural incentives** assume support for activities that contribute to sustainable modernization of agriculture and food sector. They are implemented through targeted investments aimed at strengthening the competitiveness of primary agricultural and food sector, fostering the development of overall rural economy and rural areas.

In the past period, **rural development policy** was not defined in a specific programme, but it was a part of the overall agricultural policy of the country. The agricultural policy is implemented through an annual Programme of allocation and use of the agricultural budget, which is adopted by the Government on the proposal by the Ministry of Agriculture, Forestry and Water Management.

Classification of support measures, with minor modifications, follows very much the classification system according to the EU Common Agricultural Policy. The implemented measures that may be classified as measures of rural development (RD), are the measures aimed at: improving competitiveness (axis 1), sustainable development and environment protection (axis 2), diversification of economic activities (axis 3), building local capacities (LEADER).

In the Republic of Serbia the LEADER approach still doesn't exist. However a Support Network for Rural Development has been established that leads to improving the quality of life in rural areas through engaging, building and enhancing capacities of local communities and building a partnership between the civil and public sector, that represents an introduction into the

LEADER approach.

Rural development measures implemented in 2010 are specified under Title IV – RURAL DEVELOPMENT POLICY, Question 17, while the measures that were implemented before 2010, and are related to rural development, are classified according to the model of EU Common Agricultural Policy:

Axis 1 - Improving competitiveness

- encouraging establishment of new orchards and vineyards
- encouraging establishment of perennial plantations (fruit, vine and hops)
- support for procurement of machinery and irrigation systems
- encouraging establishment of mother blocks with basic planting material
- encouraging production of seeding material of pre-basic and basic categories
- measures to improve milk quality
- support to procurement of breeding herd in livestock production and fattening stock in cattle breeding
- support to pooling of interests – cooperatives
- support to rural development through increasing the competitiveness of agriculture (machinery and equipment)
- stimulation of investments in establishment of new plum plantations
- measures to improve marketing of agricultural products
- subsidies to promote marketing and quality of products
- support for the introduction and certification of food safety and quality

Axis 2 - Sustainable development and environmental protection

- support to development and promotion of organic production;
- support to conservation and sustainable use of genetic resources of domestic animals (indigenous breeds)
- support to conservation and sustainable use of plant genetic resources for food and agriculture
- support for rural development;

Axis 3 - Diversification of economic activities

- measures to improve rural areas
- support to scientific and professional activities; support to scientific and professional activities, agricultural and rural events and informing farmers; support to scientific and professional activities, exhibitions, agricultural and rural events and informing farmers
- rural development through specific support programs for the Roma population
- rural development through specific social support programs for vulnerable groups, displaced persons and refugees
- improvement of production of agricultural products with geographical indications; wine, brandy and agri-food products
- support to rural development through diversification of the rural economy (expansion of economic activities – rural tourism, preservation of old and traditional crafts and folk art)

Network to support rural development

- the budget earmarked and used for this general agricultural policy framework

Table 2 Agrarian to national budget ratio in the period 2001-2010

The Republic of Serbia				
Year	Budget of the Republic of Serbia	Agrarian budget		
		Appropriations from the budget of the Republic of Serbia	% share of the agricultural budget in the budget of the RS	Total appropriations
	RSD	RSD	%	RSD
2001	129.369.200.000	5.256.000.000	4.06%	
2002	217.379.629.540	5.406.925.000	2.49%	5,626,925,000
2003	318.691.919.000	9.058.777.000	2.84%	10,990,102,000
2004	362.045.252.000	18.059.553.000	4.99%	20,144,553,000
2005	400.767.778.000	16.269.962.000	4.06%	18,983,562,000
2006	505.820.602.000	23.593.481.000	4.66%	27,543,882,020
2007	595.517.786.100	21.410.029.000	3.60%	26,095,751,714
2008	695.959.075.793	27.634.337.342	3.97%	32,895,369,077
2009	719.854.143.000	15.964.071.000	2.22%	26,690,456,000
2010*	762.971.000.000	19.907.945.000	2.61%	25,621,810,000

**current budget*

Source: Ministry of Finance of the Republic of Serbia, Law on Budget of the Republic of Serbia (Official Gazette no.21/01, 27/01, 74/01, 35/02, 87/02, 35/03, 33/04, 115/04, 127/04, 66/05, 106/05, 85/06, 58/07, 123/07, 128/08, 120/08, 31/09, 111/09, 107/09)

Compiled in the Ministry of Agriculture, Forestry and Water Management.

Table 3 Allocation of resources of the agricultural budget in the period 2002- 2010

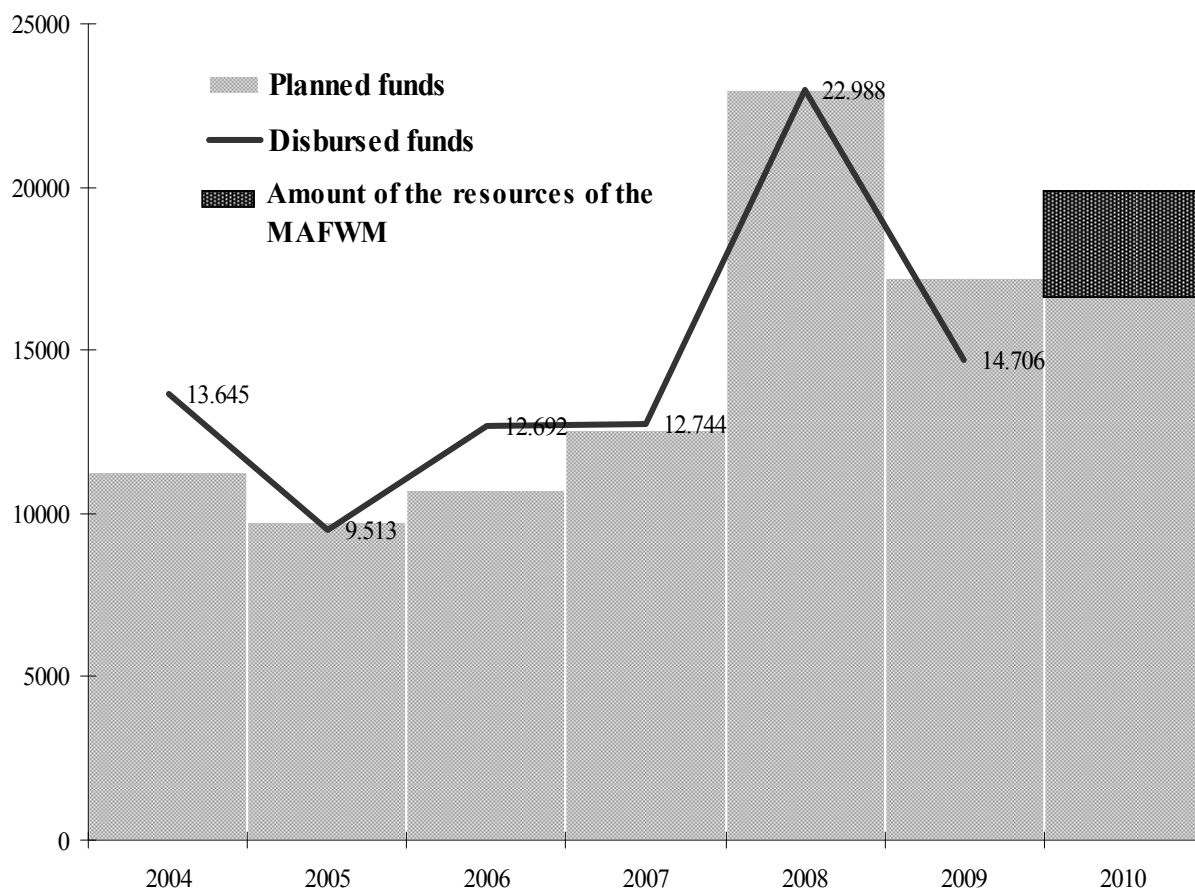
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Budget allocations MAFW	Total funds in thousand RSD								
MAFW	5,626,925	10,990,102	20,144,553	18,983,562	27,543,882	26,095,752	32,895,369	26,690,456	25,621,810
MAFW - Agriculture, forestry, hunting and fishing	4,793,925	9,083,935	15,812,638	14,204,211	17,299,205	18,489,329	24,931,015	20,234,042	2,370,062
451 Subsidies to non-financial companies and organizations	4,524,000	8,656,427	11,282,875	9,733,875	10,716,685	12,555,325	22,959,021	17,212,360	1,253,644
VETERINARY DIRECTORATE			1,380,000	968,000	2,063,029	2,508,988	2,961,516	1,883,327	2,598,954
PHYTOSANITARY DIRECTORATE			120,000	120,000	182,910	216,779	226,235	122,877	125,748
WATER MANAGEMENT DIRECTORATE	833,000	1,906,167	2,469,090	3,207,300	6,065,155	3,866,731	3,944,263	3,769,661	3,760,260
FORESTRY DIRECTORATE			362,825	484,051	518,131	616,7488	832,331	557,391	517,603
DIRECTORATE FOR AGRARIAN PAYMENTS									15,477,700
DIRECTORATE OF NATIONAL REFERENCE LABORATORIES									81,240
AGRICULTURAL LAND DIRECTORATE						397,178			571,400
INSPECTORATE GENERAL							9	123,158	118,843
NATIONAL INVESTMENT PLAN					1,415,452				

*current budget

Source: Ministry of Finance of the Republic of Serbia;

Compiled at the Ministry of Agriculture, Forestry and Water Management

Graph 3 Planned and disbursed funds for subsidies in agriculture and food production, in million RSD*



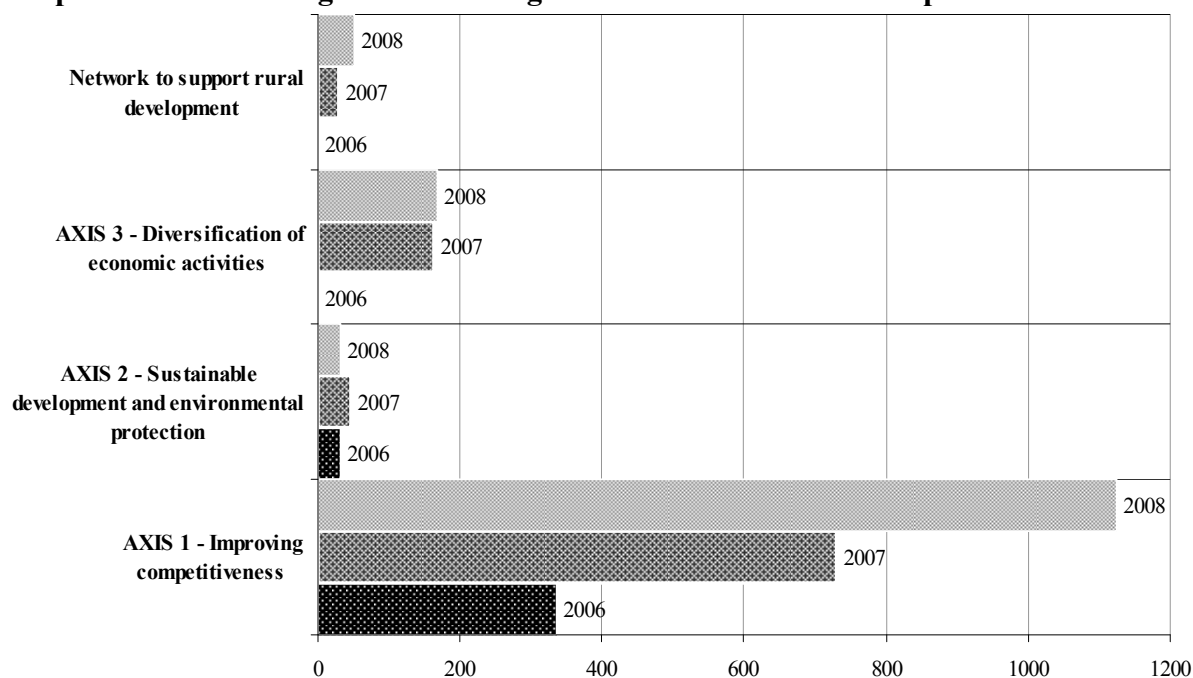
*Economic Classification 451 - Subsidies to public non-financial companies and organizations
Source: Ministry of Agriculture, Forestry and Water Management

Table 4 Funding scheme of disbursed budget funds earmarked for rural development

DISBURSED BUDGET FUNDS (RSD)				
MEASURES FOR RURAL DEVELOPMENT	2006	2007	2008	TOTAL
AXIS 1 - Improving competitiveness	335,391,655	729,214,049	1,125,308,115	2,189,913,819
AXIS 2 - Sustainable development and environmental protection	32,715,238	46,627,098	30,906,650	110,248,986
AXIS 3 - Diversification of economic activities	0	163,485,320	167,356,012	330,841,332
Network to support rural development	0	30,000,000	50,000,000	80,000,000
TOTAL	368,106,893	969,326,467	1,373,570,777	2,711,004,137

Source: Ministry of Agriculture, Forestry and Water Management

Graph 3 Funds of the agricultural budget invested into rural development measures



National Rural Development Program 2011-2013 (NRDP 2011-2013) stipulates support to the rural development measures for all the three axes.

Table 5 Indicative financial allocation by individual rural development measures as stipulated in NRDP 2011-2013

Axis	No.	Measures	Allocation of funds by axis and measure, %
Axis 1	1.1	Investments to farms	60
	1.3	Investments to processing and marketing	20
Axis 2	2.1	Activities with the aim of improving the environment and the countryside	3
Axis 3	3.2	Diversification and development of rural economic activities	17

Table 6 Allocation of funds from the current agricultural budget by measures of agricultural policy in 2010

1.	DIRECT INCENTIVES	AMOUNT, RSD
1.1.	Subsidizing agricultural production	11,670,357,000
1.2.	Subsidizing inputs in agricultural production	3,125,000,000
1.3.	Genetic improvement of livestock	700,000,000
1.4.	Support to insurance in agriculture	80,000,000
1.5.	Premium for milk	460,000,000
1.6.	Support to improvement of beekeeping production	20,000,000
	TOTAL DIRECT INCENTIVES:	16,055,357,000
2.	MARKET INCENTIVES	
2.1.	Export incentives	700,000,000
2.2.	Support to storing agricultural products in public warehouses	50,000,000
	TOTAL MARKET INCENTIVES:	750,000,000

3.	STRUCTURAL INCENTIVES	
3.1.	<i>Rural development measures</i>	1,955,000,000
3.1.1.	<i>Increase of competitiveness through investments in agricultural holdings</i>	
3.1.1.1.	Investments in farms for milk production	200,000,000
3.1.1.2.	Investments in farms for meat production	100,000,000
3.1.1.3.	Investments in farms producing fruits	370,000,000
3.1.1.4.	Investments in farms producing vegetables	300,000,000
3.1.1.5.	Investments in farms producing grain and industrial crops and investments for the purchase of foundation stock	650,000,000
3.1.1.6.	Encouraging of establishment of mother plantations of fruit trees, vines and hops	20,000,000
3.1.1.7.	Encouraging clearing of infected vineyards (eradication)	15,000,000
3.1.2.	<i>Investments in processing facilities for meat and milk production</i>	300,000,000
3.2.	<i>Support to prevention of harmful effects of intensive agriculture on biodiversity and conservation of animal genetic resources</i>	25,000,000
3.2.1.	<i>Support to development of organic production</i>	10,000,000
3.2.2.	<i>Support to conservation of genetic resources of farm animals</i>	15,000,000
3.3.	<i>Support to investments to diversification activities in rural areas</i>	180,000,000
3.3.1.	<i>Support to activities to develop non-agricultural activities in rural areas</i>	80,000,000
3.3.2.	<i>Support to activities aimed at creating high value added products</i>	100,000,000
	TOTAL STRUCTURAL INCENTIVES:	2,160,000,000
4.	INSTITUTIONAL MEASURES	
4.1.	Training for cooperative managers	10,000,000
4.2.	Indemnity Fund	50,000,000
4.3.	International cooperation and obligations	40,000,000
4.4.	Extension services	170,000,000
4.5.	Measures and actions in agriculture and scientific and research activities	45,000,000
4.6.	Measures for livestock breeding improvement (selection)	130,000,000
4.7.	Support to creation of local partnerships at the local level between private, public and NGO sectors in the field of development of rural development strategy (organizing and strengthening of rural development network capacity)	45,000,000
4.8.	Subsidizing interests on loans granted	300,000,000
4.9.	Vineyard Register	30,000,000
4.10.	Procedures for geographical origin	10,000,000
	TOTAL INSTITUTIONAL MEASURES:	830,000,000
	I. TOTAL (1+2+3+4) :	19,795,357,000*

* Total amount of funds intended for incentives includes the amount of the resources of the Ministry of Agriculture, Forestry and Water Management, in accordance with Article 33 of the Law on Budget of 2010
Source: Ministry of Agriculture, Forestry and Water Management

- **the administrative structure in place at the national and/or regional level (e.g. Ministry of Agriculture, Intervention/Paying Agencies, Advisory Boards, etc.) involved in agricultural policy formulation, execution, monitoring, and control.**

Ministry of Agriculture, Forestry and Water Management

Ministry of Agriculture, Forestry and Water Management is, among other things, responsible for proposing system solutions in the areas of agriculture, creation of agricultural policy and its implementation. The Ministry proposes to the Government the Program of agricultural budget allocations according to the measures under the national budget, as well as other acts necessary for the functioning of the agricultural sector. It also proposes adoption of laws and other regulations in the agriculture, monitors and analyses agricultural policy measures and their impact on the economy and efficiency of agriculture, and supervises the enforcement of laws in this area, performs inspection, etc.

To conduct the activities within the purview of the Ministry, the following basic internal units have been established:

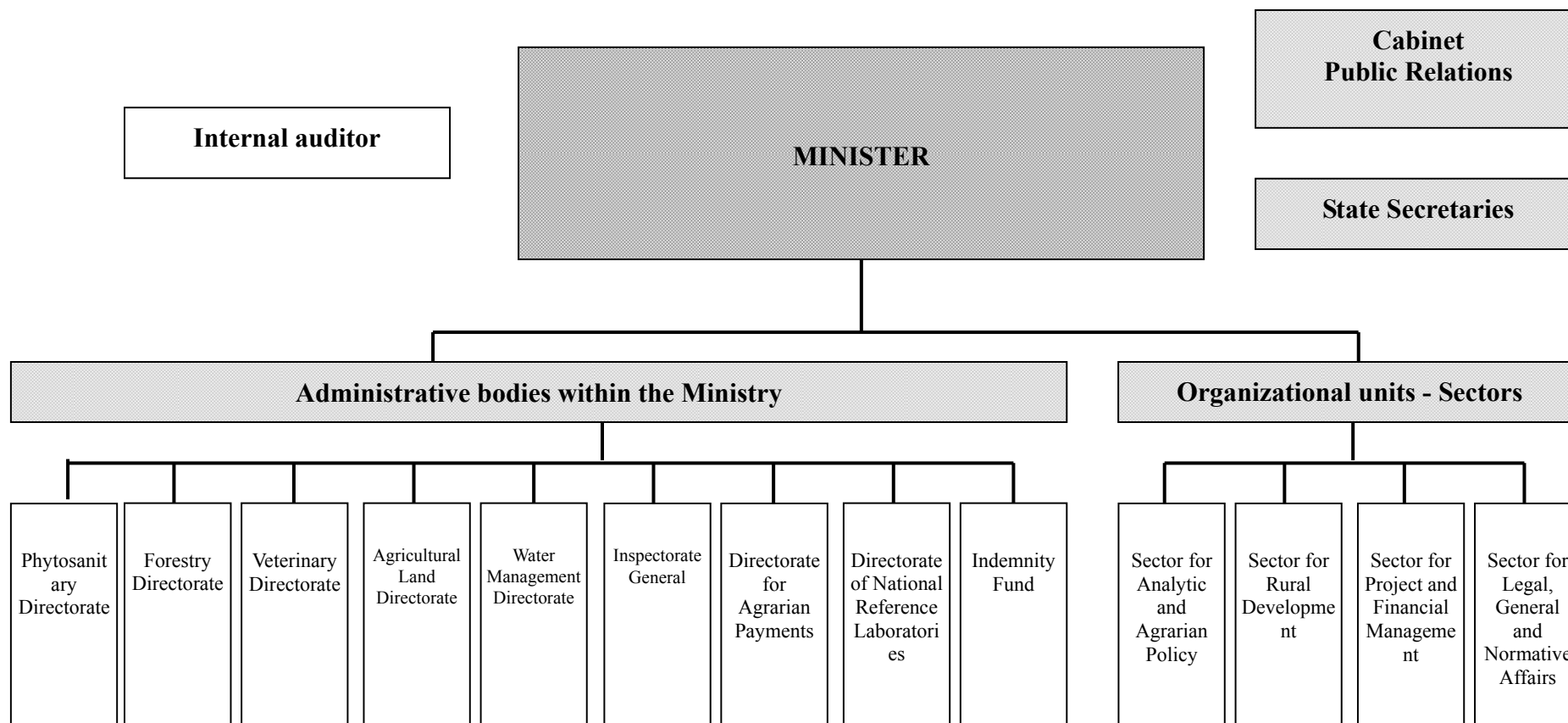
1. Sector for Analytic and Agrarian Policy
2. Sector for Rural Development
3. Sector for Project and Financial Management
4. Sector for Legal, General and Normative Affairs

Administrative bodies within the Ministry are:

1. Phytosanitary Directorate
2. Forestry Directorate
3. Veterinary Directorate
4. Agricultural Land Directorate
5. Water Management Directorate
6. Inspectorate General
7. Directorate for Agrarian Payments
8. Directorate of National Reference Laboratories
9. Indemnity Fund

Chart 1 Organigramme of the Ministry of Agriculture, Forestry and Water management of the Republic of Serbia

Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia



Sector for Analytic and Agrarian Policy performs tasks related to: monitoring of domestic and world production, consumption, processing, prices and trade of primary agricultural products, fishery products and processing of these products; analysis of the state and projection of food industry development; following and analysis of EU legislation, rules, principles and agreements of WTO and other international organizations and agreements concluded, with the national legislation in the field of primary agricultural production; adaptation of technical and technological standards and norms of quality in primary production and processing to the requirements of international standards and global markets; development of annual medium-term programmes for works in the field of planning; monitoring laws and other regulations of EU and WTO in the fields of agriculture and fisheries, food processing, animal health and phytosanitary veterinary sanitary protection; monitoring of changes in agricultural policy and animal health in the EU countries and proposing measures for adjustment of agricultural policy in the Republic of Serbia; planning of international cooperation in the field of agriculture, rural development, food industry and veterinary medicine; analysis of agricultural policy in the field of crop farming, livestock production, fisheries and domestic support in the Republic of Serbia; harmonization of regulations on agricultural and food products with designation of origin, geographical indication, and on agricultural and food products with special characteristics; proposing measures to support the development of agricultural and food products with quality signs; evaluation and proposal of measures for the directions for long-term strategy of agricultural development; carries out other activities in this area.

The Sector for Analytic and Agrarian Policy comprises the following internal units:

1. Section for Plant Production and Processing of Plant Products
2. Group for Animal Husbandry and Processing of Animal Products
3. Group for European Union and World Trade Organization Integration and International Cooperation
4. Section for Analysis and Statistics

Sector for Rural Development performs tasks relating to: provision of support to rural development in the implementation of donor, development and investment programmes, activities and projects; execution of international and national development programmes, activities and projects related to rural development and extension; defining projects, programmes and activities related to rural development; support to the work of Rural Development Support Network; proposing of measures for the creation and implementation of the programmes for rural development and development of action plans in order to execute rural development programmes; improving the effects of measures of rural development and socio-economic aspects of life in rural areas by increasing the competitiveness of primary agricultural production and encouraging the diversification of rural economy; organization of the work of agricultural services; developing a uniform methodology for performing the tasks of extension services; increasing the environmental sustainability of rural development; conservation and enhancement of agricultural resources in the territory of the Republic of Serbia; analysing and proposing elements for drafting the strategy of development of rural areas and preserving the rural heritage of improving the system of organic and integrated production and promotion of agricultural/genetic resources and agricultural biodiversity; Development of action plans for implementation of rural development programmes in the area of environmental sustainability, conservation and enhancement of agricultural resources and the use of clean energy sources; carries out other activities in this area.

The Sector for Rural Development comprises the following units:

1. Section for Planning and Monitoring of Rural Development
2. Group for Institutional Support for Rural Development

Sector for Project and Financial Management performs the tasks related to: granting short- and long-term loans; preparation of semi-annual and annual execution of the financial plan of the Ministry; balancing of revenues and expenditures of the Ministry and supervising the implementation thereof by items approved according to the law; identification of project ideas (based on sector strategies, the document Needs of the Republic of Serbia for International Assistance and the Multi-annual Indicative Planning Document EC – MIPD); preparation of the proposal for the Annual Procurement Plan for the Ministry in accordance with the Financial Plan of the Ministry and the procurement plan according to the organizational units of the Ministry in accordance with its internal financial plan; carries out other activities in this area.

The Sector for Project and Financial Management comprises the following units:

1. Group for Financial Management
2. Section for Management of EU Funded Projects

Sector for Legal, General and Normative Affairs performs the tasks related to: drawing up draft laws and other regulations and their harmonization with the EU regulations to ensure and improve the legislative framework within the purview of the Ministry;

the establishment and improvement of human resource management to ensure and develop professional and motivated civil servants and establish the legal framework relating to the organization and operation of the Ministry and administrative bodies within the Ministry;

resolving the administrative matters in the second instance concerning appeals against administrative decisions within the purview of the Ministry; resolving administrative matters in the field of agriculture, veterinary medicine and water management in the first instance; providing conditions for more efficient functioning of the internal units of the Ministry; integrating the records and supervision over the use and disposal of material resources; carries out other activities in this area.

The Sector for Legal, General and Normative Affairs comprises the following units:

1. Section for Regulatory Affairs
2. Group for Human Resources
3. Group for General Affairs
4. Group for Administrative Affairs

Phytosanitary Directorate, as a body within the Ministry, carries out the tasks related to: protection of plants against contagious diseases and pests; control of plant protection products and fertilizers in the production, internal and external trade;

control of application of plant protection products; manufacturing and registration of plant protection and plant nutrition products; carries out other activities in this area. carries out other activities in this area.

The Directorate comprises the following units:

1. Section for Plant Health and Plant Quarantine
2. Division for Plant Protection and Plant Nutrition Products
3. Section for Variety Recognition
4. Group for Plant Variety Protection and Biosafety
5. Group for Seeds and Seeding Material

Forestry Directorate as an administrative body within the Ministry, performs the tasks of state administration and professional activities related to: forestry policy; forest preservation; forestry policy; forest preservation; promotion and utilization of forests and wildlife; enforcement of measures to protect forests and wildlife; carries out other activities in this

area.

The Directorate comprises the following units:

1. Division for Strategic Planning and Sustainable Development in Forestry and Hunting;
2. Section for Forestry Improvement

Veterinary Directorate, as a body within the Ministry, carries out the tasks related to: health care and animal welfare and veterinary public health; Provision of systems for managing risks in the production and distribution of food and products of animal origin and animal feed; veterinary and sanitary control in the production and sale of animals, products, raw materials and animal waste, reproductive materials and other organisms and objects that can transmit infectious diseases, animal feed and components for the production of animal feed; registration and control of facilities for the production of food of animal origin; control of facilities for the production of animal feed and safe disposal of carcasses and animal waste, as well as facilities for their processing; control of production and trade of veterinary pharmaceuticals and medical devices for use in veterinary medicine; veterinary protection of the environment; integration of database systems, registers and veterinary information systems; monitoring and harmonization of national legislation in the veterinary field; carries out other activities in this area.

The Directorate comprises the following units:

1. Division for Animal Health, Welfare and Traceability
2. Section for Registration of Veterinary Organizations and Veterinary Services
3. Section for Veterinary Public Health
4. Division for International Trade and Certification
5. Section for Legal, General and Financial Affairs
6. Division for Veterinary Inspection
7. Division for Border Veterinary Inspection
8. Group for Internal Testing and Quality Management System

Agricultural Land Directorate, as a body within the Ministry, carries out the tasks related to:

creation of agricultural policy in the area of agricultural land; participation in drafting laws and by-laws in the area of agricultural land; development of agricultural land market; management of state-owned agricultural land; establishment and management of geographic information system on agricultural land; allocation of funds for carrying out works and monitoring of the implementation of the annual program of protection, organisation and use of agricultural land; cooperation in the protection, development and use of agricultural land; monitoring of development of Agricultural Base of the Republic and its realization; carries out other activities in this area.

The Directorate comprises the following units:

1. Section for Management of State-Owned Agricultural Land
2. Section for the Protection, Organisation and Use of Agricultural Land
3. Section for Financial Affairs and Geographic Information Systems and Technologies
4. Group for the Replacement of Agricultural Land

Water Management Directorate (hereinafter: the Directorate), as an administrative body within the Ministry of Agriculture, Forestry and Water Management, performs the tasks related to:

water management policy; multipurpose utilisation of waters; water supply, except for water distribution; protection of waters; implementation of measures for water protection and planned rationalization of water consumption; water regime regulation, monitoring and

maintenance of water regimes that make up or cross the border of the Republic of Serbia; carries out other activities in this area.

The Directorate comprises the following units:

1. Section for administrative and analytical tasks and standards in the field of water management
2. Division for Legal, Financial and Administrative Affairs
3. Group for strategic planning and management and international cooperation in the field of water management
4. Group for the Use and Protection of Waters
5. Group for Protection of Waters.

Inspectorate General as a body within the Ministry, carries out inspection activities relating to: inspection of agricultural land; phytosanitary control and inspection in the inner and outer movement of plants, seeds and seeding material, and other inspection tasks in agriculture, forestry and water management, in accordance with the law.

Inspectorate General comprises the following internal units:

1. Division of Phytosanitary Inspection
2. Division of Border Phytosanitary Inspection
3. Division of phytosanitary inspection for food safety and animal feed of plant and mixed origin
4. Division of Agricultural Inspection for agricultural land
5. Division of Agricultural Inspection for the control of financial incentives in agriculture, organic farming and animal husbandry
6. Division of Agricultural Inspection for safety of food of plant and mixed origin, control of organic production and control of tobacco processors and manufacturers of tobacco products
7. Division of Agricultural Inspection for wine, brandy, spirits and soft drinks and organic production
8. Division of Forestry and Hunting Inspection
9. Division of Water Inspection
10. Section for Legal, General and Financial Affairs

Directorate for Agrarian Payments, as a body within the Ministry of Agriculture, carries out the tasks related to: Selecting and checking operations in accordance with the criteria, mechanisms and rules applicable to the national rules regulating assistance; Calls a public concurs for allocation of assistance; Making calls for applications and publicising terms and conditions for eligibility; Checking of applications for approval of projects against terms and eligibility conditions, and compliance with the, where appropriate, public procurement provisions; Laying down contractual obligations between the Directorate and the final beneficiaries; Decides upon the right to assistance; Making payments to, and recovery from, the final beneficiary in case beneficiary fails to meet the contractual obligation; Execution of administrative and on-the-spot checks of contractual obligations fulfillment, ensuring that the products or services have been delivered in accordance with the contract concluded; Establishes and keeps accounting records of contractual obligations and payments; Implements international assistance to agricultural policy in the Republic of Serbia; Manages the Farm Register; Conducts an independent internal audit; Submits reports and analyses to the Minister; Performs other activities in compliance with the Law..

The Department comprises the following units:

1. Sector for the Direct and Market support;
2. Sector for structural support;
3. Sector for on the spot check;

4. Sector for economic and financial affairs;
 5. Sector for Information Technology;
 6. Sector for legal affairs, human and material resources;
 7. Group for Internal Audit.
- Head office of Directorate for Agrarian Payments is in Šabac.

Directorate of National Reference Laboratories as an administrative body within the Ministry, performs the tasks in the fields of food safety, animal health, plant health, health of planting material, agricultural and horticultural crops, residues, milk and plant gene bank; carries out other activities in this area.

The Directorate comprises the following units:

1. Department for Legal and Financial Affairs
2. Reference phytosanitary laboratory
3. Official station for testing seed of planting material
4. Reference laboratory for safety of food and feed and milk
5. Reference Laboratory for residues
6. Bank of plant genes
7. Section for organic production

Indemnity Fund as an administrative body within the Ministry, carries out business processes in accordance with the Law on the Public Warehouses. The said law stipulates that the activity of the fund is to establish the existence and pay for the damages arising in connection with storing of agricultural products according to the commodity record which is the responsibility of the public warehouse.

The statutory activity determines the primary duties in performance of this activity that basically consists of the following tasks:

- establishing the legal and factual situation upon the claims of creditors for payment of damages incurred in stored agricultural products, for which the commodity records were issued by public warehouses entered in the register of the Ministry responsible for agriculture;
- preparation of the documentary base and making recommendation for the Management Board for making decision at the claims of creditors for payment of damages in accordance with the law and acts of the Indemnity Fund;
- assessing the admissibility and formal legal validity of guarantees of commercial banks which are given on the basis of provision of claims by Indemnity Fund to the public warehouses, pursuant to Article 40 of the law;
- representation of the Indemnity Fund before the courts and other authorities, in proceedings conducted on the basis of exercising the rights of recourse of the Indemnity Fund to public warehouses, after the payment of damages in accordance with the law and acts of the Indemnity Fund, as well as in other proceedings conducted by the Indemnity Fund;
- drafting contracts and annexes to the contracts governing relations between the Indemnity Fund, commercial banks, public warehouses and other entities within the operation of the Indemnity Fund.

Executives in the Indemnity Fund are:

1. Director of the Indemnity Fund
2. Deputy Director
3. Legal Advisor
4. Jobs of analysts and communication technologies
5. Accountant
6. Business Secretary

Scientific and educational institutions

Serbia has the appropriate **scientific and educational institutions** (institutes, authorities, universities) directing their research at improving the profitability of agricultural production, food industry, **and promoting rural development, and the most important are:**

- Faculty of Agriculture in Zemun, Belgrade University
- Faculty of Agriculture, University of Novi Sad
- Faculty of Veterinary Medicine, University of Belgrade
- Secondary Vocational Schools
- Institute of Field and Vegetable Crops, Novi Sad
- Institute of Food Technology, Novi Sad
- Institute of Animal Husbandry, Zemun
- Maize Research Institute, Zemun
- Institute for Science Application in Agriculture, Belgrade
- Institute of Agricultural Economics, Belgrade, etc.

Serbian Chamber of Commerce, Belgrade Chamber of Commerce and regional chambers of commerce are professional institutions which are in direct contact with market structures, and therefore are the source of information on the state of the market. In this way they have the opportunity to become more familiar with the effects of government measures, the results of application of scientific research, new trends, market demands, on the one hand, and the needs of agricultural companies and farms, on the other hand.

At the level of AP Vojvodina, apart from the **provincial secretariates** that perform important tasks within their competence, there have also been established certain funds:

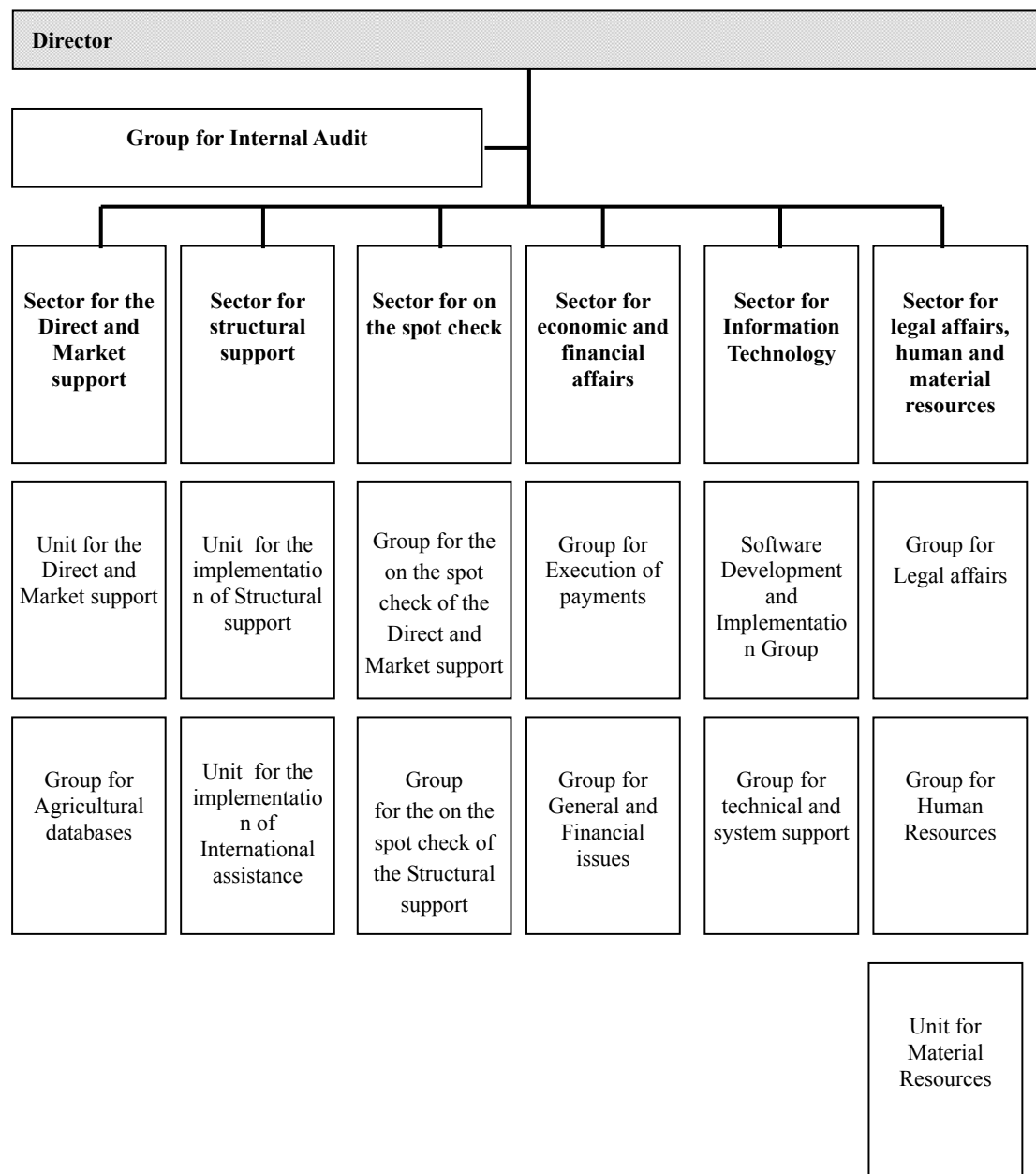
- **Fund for Development of AP Vojvodina** was established in order to create conditions to encourage the development of infrastructure, economy and balanced development.
- **Provincial Fund for Agricultural Development** was established with a mission to contribute to the development of agriculture in the province, which is reflected in the preparation of plans and programmes to improve and develop certain areas of agriculture and participation in financing of their implementation.

a) If there is a paying agency in charge of the management of agricultural policy please submit information on the way it operates. If no, please provide information on the institution in charge of the management of your agricultural policy (Ministry of Agriculture, regional offices, marketing boards, etc.) In both cases, information on the structures of the organisation(s) involved should also be provided.

Directorate for Agrarian Payments (DAP), as a body within the Ministry of Agriculture, Forestry and Water Management (based in Šabac) performs implementation of national subsidies, and after the EU accreditation for the use of funds from the fifth component of *IPA* fund it will be responsible for the implementation of *IPARD* programme. In addition to implementing the national subsidies scheme, the Directorate also implements two pilot *IPARD* measures fully financed by national funds, and this is done within the preparations for the use of funds from the fifth component of *IPA* funds.

Direct payments per hectare, and support to agricultural insurance premiums are made through the Treasury of the Republic of Serbia (within the Ministry of Finance), while support through granting credits for agricultural production is conducted through the competent services of the Ministry.

Chart 2 Organizational Chart of the Directorate for Agrarian Payments



b) Please provide flowcharts describing how applications for aids are processed, controlled, authorised and paid, underlining the main processes and procedures with regard to the management and internal control system (if existing).

The work process within the Directorate depends upon the fact whether the procedure is conducted upon application for the use of resources or through public competition. Measures of direct and market support are implemented according to application, while the measures of the structural support are implemented according to competition. The chart below shows the working process in the Administration according to application and according to competition.

Chart 3 Conducting the procedure according to application by the beneficiary

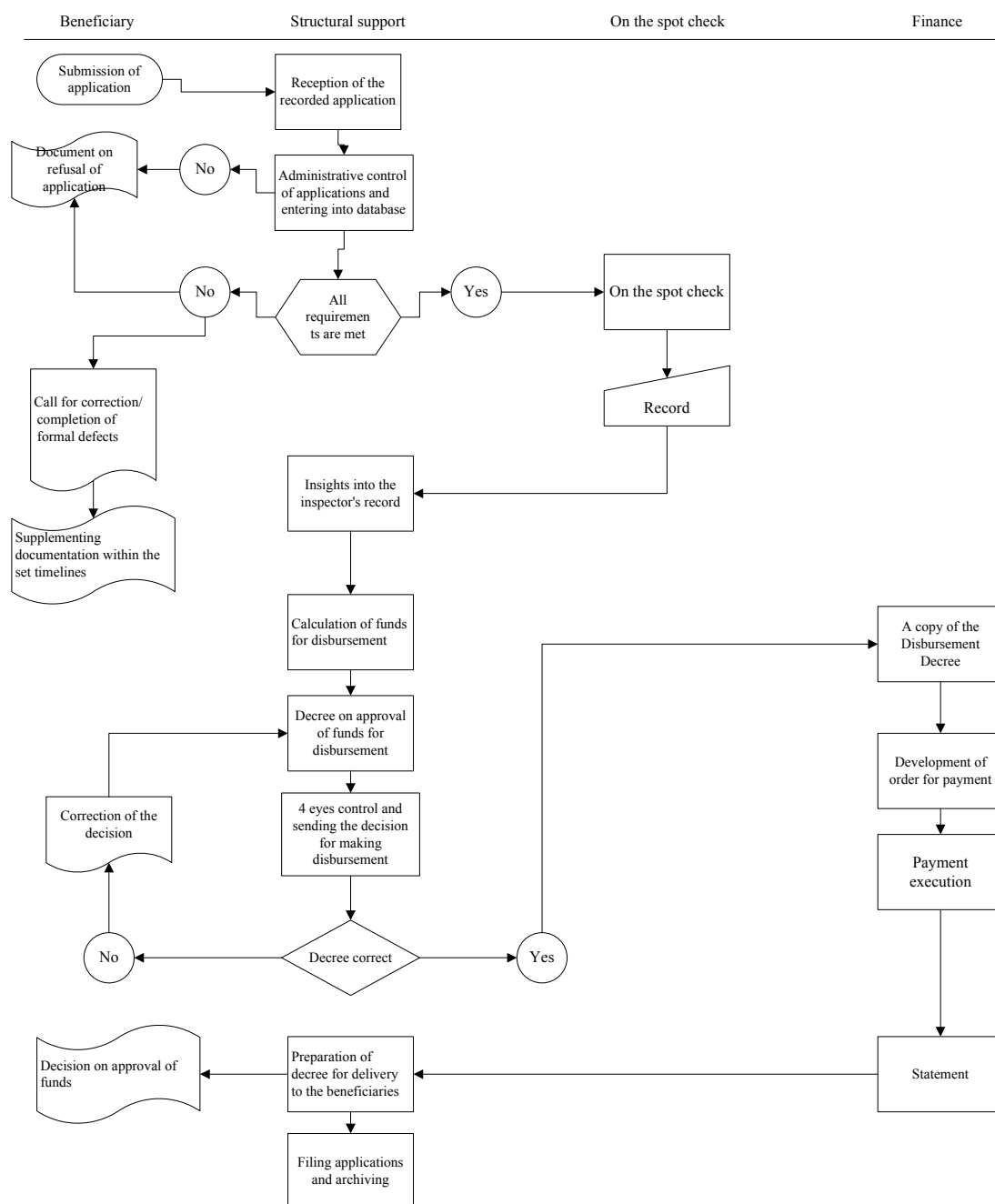
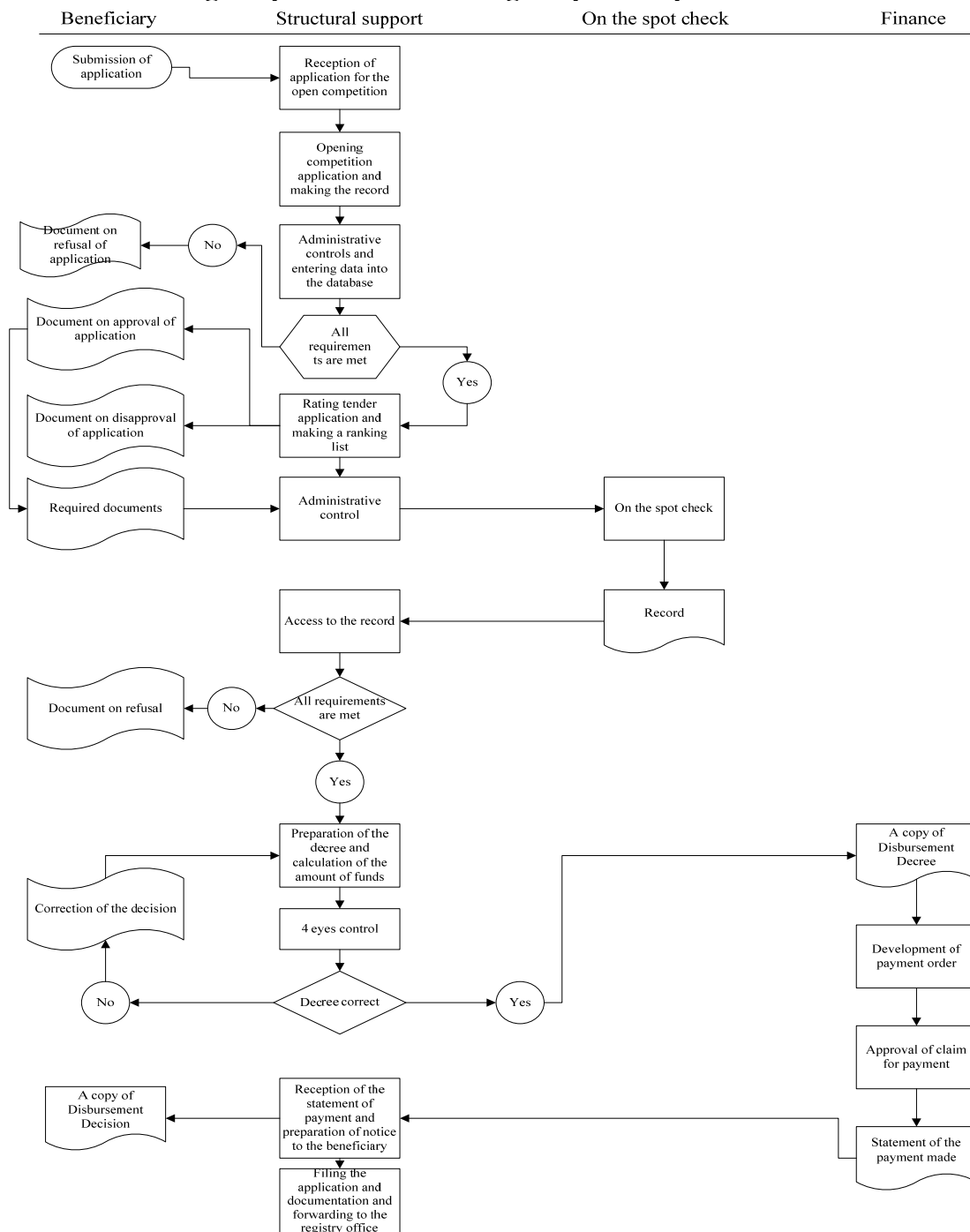


Chart 4 Conducting the procedure according to open competition



- **farmers' organisations and their role in the agricultural and rural development policy formulation, implementation and monitoring as well as regarding their advisory role for farmers;**

Cooperatives

In the Republic of Serbia, according to the Statistical Yearbook of 2008, there were registered

812 companies and cooperatives. The main role of cooperatives is advisory support to farmers (concerning the organization of production respecting the standards relating to health safety of products, finding the most appropriate solutions to increase the competitiveness of production and income of farmers, and at adoption of certain normative acts). Also, through their representatives (that take part in the regular meetings of the Cooperative Federation of Serbia), they may have proper influence on the proposal during the procedure of adopting measures of agrarian and rural policy.

Voluntary association of cooperatives is **Cooperative Union of Serbia**, which operates as an independent non-profit organization, whose activities are focused on providing technical assistance to the members concerning the legal status of cooperatives, establishment, reviewing the situation on the market, organising competitions (agricultural record-breakers), cooperation with other institutions and state bodies in designing and proposing measures of agricultural policy, developing business plans, making connections with financial institutions, and other issues of interest to the work and operation of agricultural cooperatives.

Apart from the national association (CUS), there are **provincial associations** (Cooperative Union of Vojvodina and Cooperative Union of Kosovo and Metohija), **Cooperative Union of Belgrade**, and **11 district cooperative unions**.

Association for Agriculture, Food and Tobacco Industry and Water Management of the Chamber of Commerce

The main activity of the association, as a special organizational unit within the Chamber of Commerce is: to follow and analyse the trends in the fields of agriculture and food industry, to propose measures for improving the work of members of the associations, to initiate measures of economic and agricultural policies through responsible competent institutions, to take part in preparation and definition of mechanisms for protection of domestic production, to propose measures in order to eliminate the monopoly position at the domestic market, to organise international fairs and promotion of local agriculture at the fairs.

Within this association, there have been established the groups of producers of basic agri-food products and fishing products (19 in total). The regular meetings held within the groups are attended by the representatives of producers of primary agricultural products and manufacturing industry, and the representatives of the Ministry. On that occasion they present the current situation in a particular area of agriculture, suggest possible solutions, initiate proposals for agricultural policy measures for the next year and so on.

Business associations and farmers' associations

In our country there are a number of associations at the national, regional and local levels involved in the development of agriculture and rural development. As part of their activities, among other things, these associations organise conferences and thematic lectures where the participants are experts and extension agents for the specific area from the country or abroad. On that occasion, the beneficiaries learn about new developments in the field of production, processing, marketing, crop management and the like. They suggest measures to improve agricultural production, agricultural policy measures, etc.

- **farm advisory services and farmer's register;**

Agricultural extension service (AES)

Since 2010, the Agricultural Extension Service has been operating in compliance with the Law on Advisory and Extension Services in Agriculture (Official Gazette No. 30/10), in two levels:

1. **Republic** – MAFWM in collaboration with the Institute for Science Application in Agriculture is responsible for creating a multi-annual and annual work plans for those services that are distributed on the whole territory of Serbia, except for those located on the territory of the Autonomous Province of Vojvodina, monitoring of these services, as well as their evaluation. Number of services that cover this territory is 22 (135 extension agents in total). The work of these services is financed from the MAFWM budget.

2. **Provincial** – Provincial Secretariat of Agriculture, Water Management and Forestry is responsible for creating multi-annual and annual work plans of those services that are located on the territory of the Autonomous Province of Vojvodina, monitoring of these services, as well as their evaluation. Number of services that cover this territory is 12 (84 extension agents in total). The operation of these services is financed by the Provincial Secretariat of Agriculture, Water Management and Forestry.

AES plays an important role in:

- raising the level of knowledge of farmers,
- improving the competitiveness and profitability of agricultural production,
- production of safe food
- improving product quality,
- encouraging interest-based association of farmers,
- conservation of natural resources,
- environmental protection, and
- rural development in general.

A special form of extension services is to monitor production in selected farms where extension agents record the costs of inputs, yields and marketing of products, which is the basis for the use of farm management on the farm.

Extension service, in addition to being conducted on these farms, is rendered to farmers in other households, in the form of expert advice and recommendations, information and other forms of knowledge and skills to introduce new technologies and new methods of farm management. Advice, assistance and other activities that producers receive from extension agents are free to all beneficiaries.

In addition to state AES there are also private extension services dealing with this activity. For some of them it is a core business, while others operate in private firms that sell inputs for agricultural production, providing their clients with the advisory assistance.

Register of Agricultural Holdings

Register of agricultural holdings was established within the reform of agricultural policy, and commitment that only registered agricultural holdings are eligible to use the incentive funds of the Ministry of Agriculture. The goal of keeping the register is to monitor the implementation of incentive measures in agriculture and achieve the appropriate European standards in terms of keeping the analytical data in the field of agricultural policy.

Since 2004, the entry into registry is conducted by the Ministry of Agriculture, Forestry and Water Management in cooperation with the Ministry of Finance of the Republic of Serbia – Treasury Administration, which has the necessary infrastructure throughout the Republic of Serbia for the daily updates.

Establishing the Directorate for Agrarian Payments (Directorate), as an independent unit within the Ministry, provided a legal basis for the Register of Agricultural Holdings to be kept in the Directorate. However, due to lack of financial resources the decision was made for the

register to remain in the Treasury Administration of the Ministry of Finance, while the owner and user of information is the Directorate for Agrarian Payments.

The current Rulebook on the manner and conditions of making entries and maintaining the register of agricultural holdings (Official Gazette of RS, No. 111/09 and 21/10) defines an agricultural holding to mean a holding with at least 0,5 hectares of agricultural land in the territory of the Republic of Serbia where farmers, companies, cooperatives, other legal entities such as institutions, schools, monasteries, churches and other organizations and entrepreneurs are engaged in agricultural production. A holding with less than 0,5 hectares may be entered into the Register if the holder is engaged in livestock, vineyard or vegetable production (glasshouses and greenhouses) or other forms of agricultural production (fish farming, cultivation of mushrooms, snails, bees) on it.

The agricultural holder is to be entered into the Register and when a farmer is subject to registration, which is a natural person, members of the family farm may also be entered.

The plots are entered in the Register on the basis of written statements from the single real estate records of the Republic Geodetic Authority (cadastre and land registry). The user of the specified agricultural land may be determined based on property rights, on the basis of a decision – certificate of consolidated title and on the basis of the lease or granting of agricultural land for use free of charge (usually between family members).

Registration of an agricultural holding in the Register is voluntary and on the registration the agricultural holding is assigned an agricultural holding number (AHN) to form the administrative file of the holding which is permanently stored. The data from the Register may be provided to third parties only in aggregate form.

Every year the renewal of registration is done at the request of the holder.

Agricultural holding in the registry may be in active or passive status. This is important from the aspect of the beneficiary of budget funds, as only an active holding is eligible for using of the incentives.

The status of active holding is lost, among other things, in the case of non-compliance with the regulations relating to: discharges and disposal of hazardous and harmful substances on agricultural land and in drainage canals, failure to exercise control of fertility of arable land and not keeping records of the quantity of mineral fertilizers and pesticides introduced in the arable agricultural land from cadastre class one to five, and on animal identification. Respecting these rules provides for setting up the control of implementation of legal standards that apply to agro-environmental measures, which will form the basis for future implementation of cross compliance system as a condition for the use of incentives. Returning to the status of an active agricultural holding lasts from one to three years depending on the type of regulation that was not met.

- the method and frequency of information transmission to beneficiaries/general public (on applications and on other general agricultural and rural development issues).

In the Ministry of Agriculture, Forestry and Water Management there has been active the public relations service, through which communication with customers and the media (daily newspaper, TV stations, scientific journals ...) is performed, and all the activities of the service that contribute to the dissemination of information are available on the website of the Ministry. Through the info centre (call centre), in the Ministry, the users have daily access to all the latest information.

During the preparation of the Programme for allocation of funds intended for structural incentives in agriculture, a public hearing is conducted on the territory of the Republic, organized by the Network for Rural Development Support within community forums (in 16

regional and 146 district offices evenly distributed in the territory of the Republic). The participants are individual farmers, representatives of farmers' associations, processing industry, regional chambers, institutions and employees of the Ministry.

After the adoption of specific regulations (which are available on the website of the Ministry), the detailed information on the procedures of applying for the incentives and other current issues related to agriculture is given through the network of rural development offices and agricultural extension services in the territory of the Republic.

The Ministry publishes an annual Bulletin, which provides all the necessary information to the beneficiaries relating to exercising the rights to incentives. It also contains the conditions of the open competition for allocation of the incentives, and an example of the completed form which should be attached to the application for the competition, which facilitates for the beneficiaries the process of application for the incentives. The Bulletin is delivered to the home address to all the registered agricultural holdings or is available in the head offices of agricultural extension services.

The Ministry also publishes an annual brochure presenting the most significant data and current information concerning the field of agri-food production in Serbia.

Informing of the beneficiaries is done through TV stations in the regular weekly news programmes devoted to agriculture, in which the representatives of the Ministry participate as guests.

Since 2010, the Sector for Rural Development has been informing the beneficiaries and the general public on the preparation of NRDP and anticipated measures through an information campaign organized at the national, regional and local levels. For this purpose, a Communication and Visibility Plan has been developed providing promotional activities of NRDP through organizing presentations, distribution of brochures, advertising promotional materials and appearances in radio and TV broadcasts.

2. Please provide general information on the trade policy and mechanism applied in Serbia regarding agricultural products including bi-lateral and multi-lateral agreements, import/export schemes, tariff quotas, systems of licenses, safeguard clauses etc, as well as operational structure in place; please also specify whether the EU Combined Nomenclature is applied. (Product specific measures should be described under section II).

Within the substantial trade liberalization, aimed at accelerating integration into the international community and approaching global capital markets, the Republic of Serbia, in 2001, significantly reduced the then applicable tariffs for all commodities including agriculture as a whole.²⁾ In this process of liberalization and deregulation, other significant changes have also been made. The import and export quotas,³⁾ licenses and other forms of restriction of exports and imports of agricultural products were abolished.

The process of Serbia's accession to the WTO, and within that process the consolidation of forms and levels of tariff protection for agriculture, has been initiated. Trade liberalization within the region has been continued through bilateral free trade agreements in which significant agricultural concessions have been approved, later integrated into Agreement on Free Trade in Central Europe - CEFTA 2006 (in further text CEFTA 2006).

²Customs Tariff Law ("OG of FRY", No. 23/01 and 40/01)

³Except for the import quotas according to the agreements on free trade and for the execution of the quota for the export of sugar to the European Union.

In the process of Serbia's accession to the World Trade Organisation, tariff protection is being consolidated in its entirety, the highest bound rate level (*Bound rate at date of accession and Final Bound Rate*) is being determined, expressing the specific duties in EUR/u.m. Thus the tariff protection of agriculture of the Republic of Serbia will become predictable and transparent without possibility to increase the tariff levels by national legislation.

General information on commercial policy and mechanisms applied in Serbia concerning agricultural products

Tariff protection, trade measures, export incentives: Agriculture of the Republic of Serbia is protected with three forms of customs duties, i.e. import protection for agricultural and food products in the Republic of Serbia is regulated by three laws. These are:

- Law on Customs Tariff, with the Customs Tariff constituting its integral part (Official Gazette of RS, No. 62/05, 61/07 and 5/09), provides *ad valorem* customs duties of duty for all commodities, including agricultural products, fish and fishery products and food products;
- Customs Law (Official Gazette of RS, No. 73/03, 61/05, 85/05, 18/10) according to which the seasonal duties are prescribed – for a number of products in the field of flowers, vegetables and fruits. These are *ad valorem* customs duties at a uniform rate of 20%;
- Law on special charges on import of agricultural and food products (Official Gazette of FRY, No. 90/94) pursuant to which special charges (specific custom duties) on imports of certain agricultural and food products are prescribed.

All the three forms of tariff protection are applied according to the principle of MFN (Most Favoured Nation), on the basis of the Law on Customs Tariff, which is in accordance with the Harmonized Commodity Description and Coding System, fourth edition (2007) and Amendments to the Harmonized System Nomenclature effective from 1 January 2007.

Seasonal customs duties amounting to 20% are applicable for precisely defined season (determined period during the year), which is characterized by the yield of these products, and are intended to ensure the stability of domestic production and market of these products.

They cover 51 tariff lines on the *erga omnes* basis, and for imports from the European Union 9 tariff lines because in the first year of the implementation of Interim Agreement on Trade and Trade-Related Issues, these duties were completely eliminated for 42 tariff lines (Annex 1 – Trade Policy, Table 1 Overview of seasonal tariffs for agriculture).

Specific customs duty in the national legislation is referred to as special charge on imports of certain agricultural and food products.⁴ The level of specific customs duty is prescribed by the Government's Decision. The amounts are determined in absolute amount in dinars per unit of measure. Significant adjustment of the levels of these customs duties was made in 2003, and they have not been increased since then, while for imports from the European Union they were corrected downwards, for some groups of products, starting from 2005. (Annex 1 – Trade Policy, Table 2 Review of tariff for the specific duties).

Review other trade measures applied to foreign trade in agricultural products: Pursuant to Article 14 (1) and (3) of the Law on Foreign Trade (Official Gazette RS, No. 36/09), the Government adopted the **Decision on Determining Goods Subject to Issuance of Specific Documents on Importation, Exportation and Transit** ("Official Gazette", No. 7/10), which

⁴Decision on the level of special charges on imports of agricultural and food products (OG RS, No. 45/03, 56/03, 115/03, 16/04, 48/04, 23/05, 56/05, 72/05, 38/06, 53/06, 118/07, 126/07, 21/08, 61/08, 50/09, 59/09 и 109/09)

includes six tariff lines for agricultural products falling into opiates, that require licenses for export, import or transit issued by the ministry responsible for public health, as well as one tariff line representing the waste material (poppy straw). (Annex 1 – Trade Policy, Table 3 Product for which the export, import, or transit the basis of permits).

The same decision stipulates that the import or transit of consignments of animals, products of animal origin, food of animal origin, feedstuffs and accompanying objects is performed upon license issued by the Ministry of Agriculture, Forestry and Water Management in accordance with the Veterinary Medicine Law ("Official Gazette" No. 91/05, 30/2010).

Export and import or transit of protected wild plant and animal species, their parts and derivatives are also mentioned in the said Decision – these are carried out in accordance with the Law on Ratification of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Official Gazette of the FRY - International Treaties , No. 11/01), Law on Nature Protection (Official Gazette of RS, no. 36/09), Regulation on Putting Under Control the Use and Trade of Wild Flora and Fauna (Official Gazette of RS, no. 31.5, 45/05, 22/07 and 38/08), Regulation of Protection of Natural Rarities (Official Gazette of RS, no. 50/93 and 93/93) and Rulebook on the Transboundary Movement and Trade in Protected Species (Official Gazette, No. 99/2009).

Reduction of customs duties and exemption from customs duties on imports: The Customs Law provides a basis that allows the existence of the institute (adoption of measure) to reduce the customs duties on imports of certain goods (for 2010, the Decision to Reduce the Customs Duties on Imports of Certain Goods "Official Gazette" No. 27/10). Of agricultural commodities, this Decision relates to *Mixtures or preparations of fats or vegetable oils or of fractions of different fats or oils*, the tariff line 1517 90 99 00, where the MFN tariff is reduced to 15%. According to the same Decision, the imports of the processed tobacco in the value that correspond to the total value of processed tobacco produced or purchased in the Republic of Serbia in the current year shall be exempt from customs duty.

Export duties: The Republic of Serbia does not apply customs duties on exports of agricultural products.

Export subsidies: Annual Government regulations on the use of funds for subsidies to producers of agricultural and food products that are adopted on the basis of the Law on budget of the Republic of Serbia for the current year, provide export subsidies in agriculture .

The amount of financial incentives by groups of products ranges between 5% and 20%, depending on the product (Annex 1 – Trade Policy, Table 4 Overview of the amount of export subsidies by product groups), and the basis for calculation of funds for subsidies is the dinar equivalent of foreign exchange collected for the exported goods after the deduction of foreign costs (bank charges, fees, commissions and transportation, insurance, the amount of customs levies paid for goods imported for the production of export commodities, etc.). The base is determined using the official middle exchange rate applicable on the day of submitting calculation to the National Bank of Serbia.

At the request of WTO members, the Republic of Serbia, in the process of its accession to WTO, has committed to abolish export subsidies in agriculture upon the date of accession.

Other measures influencing on foreign trade: Law on Foreign Trade (Official Gazette RS, No. 36/09) stipulates that measures having influence on foreign trade are carried out in accordance with WTO rules, EU regulations and obligations under international agreements. This provision applies to all goods including agriculture. The law also provides for the possibility of introduction of quantitative restrictions in the event of critical shortages of basic

products, or to mitigate the effects of critical shortages. Such measure was applied only in 2007 – Regulation on the Temporary Restrictions on Exports of Certain Types of Goods (Official Gazette No. 73/07) which banned exports of wheat, corn, soybean and sunflower in a certain period.

Bilateral free trade agreements – agricultural concessions (Free Trade Agreement - FTA)

Albania: Agricultural concessions were arranged so that they were made two in two lists of sensitive products each, the concessions for their exchange being given in the form of annual duty-free quotas, after the exploitation of which MFN tariffs are applied. Coverage of these lists is asymmetric in favour of the Serbian side both according to the number of products and the volume of quotas (quotas cover about 15% of tariff lines). As for the imports of agricultural products outside the lists, MFN tariffs are applied (full liberalization covers 22% of total tariff lines of agriculture, including fish and fish products). This Agreement entered into force on 1 August 2004, and concessions were transferred as such to CEFTA 2006.

Bosnia and Herzegovina: Free Trade Agreement with Bosnia and Herzegovina came into force on 1 June 2003 and was in preparation until the conclusion of the CEFTA 2006.

Croatia: Agricultural concessions covered all agricultural products, including fish and fish products. This Agreement was valid from 1 July 2004 until the entry into force of CEFTA 2006.

Macedonia: With the Republic of Macedonia, FR Yugoslavia concluded an agreement on trade on 4 September 1996, which has characteristics of a free trade agreement. It had been applied in the period since 4 October 1996. Although that FTA contained basic principles of WTO, the review procedure was launched in order to fully comply with WTO requirements, European Union standards and guidelines of the Memorandum of the Stability Pact. New FTA (Free Trade Agreement) came into force on 1 May 2006 and brought full liberalization of trade in agricultural products.

The Republic of Moldova: The Agreement entered into force on 1 September 2004. Agricultural concessions, including fish and fish products were approved for the list: for 97% tariff codes, full liberalization was agreed, and for 3,1% tariff lines, quotas with preferential duties were established. The quotas are symmetrical with preferential duty within quota at levels from 0% - 15% (wine, spirits and tobacco).

Bulgaria: The Agreement with Bulgaria was in force from 1 September 2004 until the accession of Bulgaria to the EU membership (1 January 2007). While the liberalization included only about a third of total tariff lines for agricultural products, including fish and fish products, with full liberalization of only 12%, mutual trade in these products has considerably improved.

Romania: The Agreement with Romania was in force from 1 September 2004 until the accession of Bulgaria to the EU membership (1 January 2007). The volume of mutual liberalization included one third of tariff lines, 22% tariff lines out of that third being covered with full liberalization.

Central European Free Trade Agreement – CEFTA 2006: Central European Free Trade Agreement - CEFTA 2006 was signed in Bucharest on 19 December 2006, between Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Serbia and Montenegro, and UNMIK/Kosovo. The network of bilateral agreements was thus replaced by a multilateral regional free trade agreement that also included Montenegro, which became an independent country in the meantime, and UNMIK/Kosovo as a separate customs territory within the Republic of Serbia.

For agricultural products, the mutually approved tariff concessions were transferred from

bilateral agreements (FTAs) . Annex III to the Agreement contains agricultural concessions given in eight-digit tariff codes. At the same time, the provisions of Article 10 of the Agreement stipulate that until 1 May 2009 the CEFTA members consider the possibility of granting further concessions in agriculture in order to establish a free trade zone between all the parties signatories to this Agreement not later than 31 December 2010.

In accordance with the provisions of Article 10 (3) of the CEFTA Agreement, in 2009, further liberalisation of the exchange of agricultural products within CEFTA partnership was being harmonised. Obligation of the Republic of Serbia for approval of further agricultural concessions related to the exchange with Albania, Croatia and Moldova, since with other states parties there has already been established full liberalization of trade in agricultural products.

Serbia agreed with Moldova and Albania on full liberalization of mutual trade in agricultural products, and with Croatia, a significant improvement of the existing concessions for agricultural products. In accordance with the conclusions of the meeting of the Joint Committee held in Podgorica, on 29 October 2009, the signing and ratification of the Additional Protocol and implementation of the results of negotiations on liberalization of agricultural trade are expected to start no later than 1 July 2010.

Russian Federation: The free trade agreement with Russia was signed on 28 August 2000, and it was ratified on 9 May 2001. The agreement entered into force on the date of signing.

Agricultural concessions are asymmetric in favor of the Russian side. The list of agricultural products imported from the Russian Federation exempted from the regime of free trade does not contain any agricultural products on the Serbian side, while the list of agricultural products imported to the Russian Federation from the Republic of Serbia exempted from the regime of free trade includes seven groups of products.

The arrangement on further liberalization has been achieved only at the beginning of 2009 and it has been in force since 3 April 2009. By that liberalization, the following products or product groups were eliminated from the list of exemptions from free trade regime (or agreed upon for duty-free exchange): 1601.00 – sausages; 17.04 – sugar confectionery (including white chocolate); 18.06 - chocolate and other food products containing cocoa; 2009.70 – apple juice; 2203.00 – beer; 2204.21 – other wine of fresh grapes. The list of exemptions from free trade of agricultural products imported to the Russian Federation from the Republic of Serbia still contains seven product groups.

Currently, harmonization of the new Protocol on exemptions from free trade regime to harmonise the trade of the Republic Serbia with the Customs Union of the Russian Federation, the Republic of Belarus and the Republic of Kazakhstan is underway. This change will further increase the asymmetry in agricultural concessions to the detriment of the Serbian side.

The Republic of Belarus: Serbia and Belarus signed the Free Trade Agreement on 30 March 2009. It entered into force on the date of signature, and it was ratified by the National Assembly of the Republic of Serbia in December 2009 (Official Gazette of RS, No. 105/09). By this Agreement, full trade liberalization has been agreed (mutually), except for three groups of products that are mutually excluded from the free trade regime, such as: white sugar, alcohol and cigarettes (1701.99 10 00, 22.07, 22.08 and 24.02). According to the current Customs Tariff of the Republic of Serbia, it accounts for about 7% of the total number of tariff codes related to agriculture.

In 2010, harmonisation of the amendments to the list of products exempted from the free trade regime was started, with the aim of adjusting the trade of the Republic of Serbia to the Customs Union of the Russian Federation, the Republic of Belarus and the Republic of Kazakhstan. This change will further increase the asymmetry in agricultural concessions to the detriment of the Serbian side.

The Republic of Kazakhstan: In order to adjust the trade of the Republic of Serbia with the

Customs Union of the Russian Federation, the Republic of Belarus and the Republic of Kazakhstan, the Republic of Serbia has concluded a free trade agreement with the Republic of Kazakhstan. The implementation will commence on 1 January 2011. Agricultural products to be exempt from the regime of free trade on both sides are white sugar, alcohol and cigarettes (1701.99 10 00, 22.07, 22.08 and 24.02) and certain tariff lines covering some types of cheese.

The Republic of Turkey: The initiative to conclude a bilateral Free Trade Agreement launched by the Turkish side in 2002 was accepted by the Republic of Serbia only after the initiating of the Stabilization and Association Agreement with European Union, considering that in Chapter III, Articles 17 and 18 of SAA, Serbia undertook to conclude the Free Trade Agreement with the Republic of Turkey.

Free Trade Agreement between Serbia and Turkey was signed on 1 June 2009, and both sides have started its implementation since 1 September 2010.

The liberalization of the trade in agricultural products as opposed to industrial products ⁵⁾ is not exhaustive. A narrowed scope of liberalization in the framework of preferential quotas was agreed. All the products, i.e. product groups for which the trade liberalization was agreed, are related to the products of plant origin, as well as for fish. Products of animal origin are fully exempted from liberalization.

Agricultural concessions were granted in the framework of preferential quotas with preferential duties. These quotas were agreed for a total of 68 product groups.

Free Trade Agreement between the Republic of Serbia and the countries of the European Free Trade Association (EFTA): Signed on 17 December 2009.

As EFTA countries do not have a common agricultural policy, concessions **for primary agricultural products** were negotiated bilaterally with each member individually. Each agreement has two lists that contain mutually approved concessions for agricultural products in accordance with the interests of signatories.

EFTA states provide the most favorable market access **for processed agricultural products** to the European Union. Concessions for the processed agricultural products are approved to the Serbian side by each Contracting Party individually. The level of concessions provided by the Republic of Serbia to EFTA countries is approximate to the level of liberalization that has been approved to the EU under the SAA for the second or the third year of implementation, depending on the product and the level of interest of both parties.

In terms of access to market of **fish and fish products**, EFTA countries have almost entirely given free access (asymmetrically) to their market since the day of the entry into force of the agreement, and the Republic of Serbia approved the same treatment which was approved by the EU for fish and fish products under the SAA.

In accordance with Article 44 of the Free Trade Agreement between the Republic of Serbia and the countries of the European Free Trade Association (EFTA), the Republic of Serbia and the Swiss Confederation and the Principality of Liechtenstein began the implementation as of 1 October 2010. Norway and Iceland have not yet implemented procedures for the ratification of this Agreement.

Tariff quotas according to free trade agreements

The Republic of Serbia applies only one model of quota allocations, on a first come, first

⁵⁾Liberalisation of the trade in industrial products was solved identically as in Stabilisation and Association Agreement with EU. That means that the Turkish side completely abolishes duties on industrial products from Serbia, and Serbia does it gradually, according to the agreed dynamics.

served basis – a method that is transparent and does not require any paperwork. Utilization of quotas is recorded, written off, at customs clearance of imported goods with reference to appropriate agreement on free trade and is automatically updated. Review of utilization of quotas is available on the website of the Customs Administration of the Republic of Serbia (www.upravacarina.rs)

This model of quota allocation is applied to the realisation of preferential quotas according to all free trade agreements and at the implementation of preferential quota for the import of wine from the European Union agreed within the Interim Agreement on trade and trade-related matters between the Republic of Serbia and the European Union.

Implementation of the Interim Agreement on trade and trade-related matters between the Republic of Serbia and the European Union (Unilateral implementation of the Interim Agreement)

Implementation of the Interim Agreement on trade and trade-related matters concluded between the European Union and the Republic of Serbia began on 30 January 2009,⁶ but both sides confirmed 01 January 2009 as the date on which all the transition periods shall commence.

The first year of implementation of the Interim Agreement (reduction of *ad valorem* duties): According to the Law on Amendments to Customs Tariff Law, the Government passed a Regulation on the harmonization of the Customs Tariff for 2009 (Official Gazette of RS No. 10/2009). Customs duties on imports from the European Union, have been reduced to the level established by the provisions of the Interim Agreement on trade and trade-related matters, for the first year of implementation. At the same time, *ad valorem* duties on both industrial and agricultural products were reduced. This was the beginning of the process of trade liberalization on imports of goods from the EU. However, the liberalization of agricultural trade under the provisions of the Interim Agreement provided for the first year of liberalization, was fully implemented from 18 July 2009. (Annex 1 – Trade Policy, Table 5 - Overview reduction of tariffs, specific tariffs and seasonal tariffs, agricultural products for the first year of the Interim Agreement on trade)

The second year of implementation of the Interim Agreement: Unlike 2009, when the reduction of agricultural tariffs applied to imports from the European Union was gradual and delayed, for 2010, all the necessary regulations were issued timely. The implementation was ensured from 1 January 2010. (Annex 1 – Trade Policy, Table 6 - Overview reduction of tariffs, specific tariffs and seasonal tariffs to 2010)

The third year of implementation of the Interim Agreement: On the basis of the agreements from the first meeting of the Sub-committee on Trade, Customs and Taxation concerning the implementation of ITA held in Belgrade, on 22 June 2010, in 2010, the corrections of customs duty rates were made for products contained in Annex II to Protocol 1 (processed agricultural products) and Annex V (fish and fishery products) of the Interim Trade Agreement with the EU, by reducing the *ad valorem* duties to a level that results from the agreed liberalization listed in column (5), named "2010" - Regulation on the harmonization of the nomenclature of the Customs Tariff for 2010 (Official Gazette of RS No. 66/2010). This Regulation entered into force on 1 October 2010.

For primary agricultural products, the third year of trade liberalization with the EU according

⁶At the first session of the Board for implementation of the Interim Trade Agreement, held in Belgrade on 2 March 2010, both sides confirmed that the date on which all the transition periods from the ITA shall commence as of 1 January 2009.

to the ITA is 2011. In that regard the Government of the Republic of Serbia on 18 November 2010 adopted Regulation on Harmonization of Customs Tariff Nomenclature for 2011⁷ (Official Gazette of RS No. 90/2010.) effective from 1 January 2011. The Regulation contains reduced levels of *ad valorem* duties on imports from the European Union in accordance with the provisions of the Interim Agreement on trade and trade-related matters for the third year of implementation of this Agreement for primary agricultural products, and for processed agricultural products, *ad valorem* duties are reduced to a level that results from the agreed liberalization specified in column (5), named "2010" Annex II to Protocol I (Serbian concessions for processed agricultural products PAP's) and Annex V (Serbian concessions for fishery products).

At the same time the Decision on determining agricultural and food products subject to special charges at importation and on the amount of special charges (specific duty) has been prepared. This decision will come into force on 1 January 2011. It contains reduced levels of specific duties on imports from the European Union in accordance with the provisions of the Interim Agreement on trade and trade-related matters for the third year of implementation of this Agreement for primary agricultural products, and for processed agricultural products, specific duties have been reduced to a level that results from the agreed liberalization specified in column (5), named "2011" Annex II of Protocol I (Serbian concessions for processed agricultural products PAP's) and Annex V (Serbian concessions for fishery products – one tariff code, live carp). (Annex 1 – Trade Policy, Table 7- Overview reduction of tariffs, specific tariffs and seasonal tariffs in 2011).

The level of liberalization of agricultural trade with the European Union by the end of the application of the transitional period: During the five-year transitional period, agricultural trade with the EU will be liberalized in a very high percentage. For primary agricultural products (AGRI) the last year of transitional period is 2014, and for processed agricultural products (PAP's) and concessions for fishery products, the year 2013.

The average import protection of agriculture, for imports from the European Union with about 23,2% for agriculture as a whole, at the end of the transitional period will amount to only 3% (approximately). Measured by the average volume of imports, 75% of trade will be fully liberalized. For about 15% of trade, the customs duties will be reduced to 10% up to 20% of applicable MFN duty, and for 12% of trade, MFN customs duties will be kept also after the transitional period.

View of the current status of negotiations for the Customs in agriculture in the process of Serbia's accession the WTO (WTO)

The Republic of Serbia negotiates on a bilateral level on the access to agricultural markets with the WTO members concerned, on the basis of offer on agriculture tariffs, and with the aim to consolidate tariff protection for agriculture.⁸ The Republic of Serbia has submitted an Initial Offer for tariffs in agriculture in June 2006, which was revised in September 2007 in accordance with the conducted bilateral negotiations with WTO members seeking reduction contained in the initial offer and in accordance with the consultations conducted with the European Commission. Now the negotiations on market access are conducted on the basis of

⁷This Regulation brings national Customs Tariff in line with the 2011 EU Combined Nomenclature (Commission Regulation (EC) No 861/2010 of 5 October 2010 amending Annex to Council Regulation (EEC) No. 2658/87 on the tariff and statistical nomenclature on the Common Customs Tariff – Official Journal of the European Union, No. L 284 of 29 October 2010.), which will be effective as of 1 January 2011.

⁸Ministry of Agriculture negotiates also tariffs on fish and fish products, although they are contained in the Offer on the industry tariffs.

the revised offer.

The Republic of Serbia has concluded bilateral protocols on goods, within which also for agriculture, with the European Union, Switzerland, Norway⁹, Honduras, Korea and Canada, while still negotiating with the USA, Brazil, Ecuador, El Salvador, Panama and Ukraine (Ukrainian requirement is the most comprehensive of all claims that the Republic of Serbia has received throughout the process of WTO accession).

There is almost no tariff line for which some of WTO members did not ask a lower level. If all so far submitted requests to lower the level of the offered tariffs for agriculture were accepted, the average binding level of tariffs on agriculture, on the date of Serbia's accession to the WTO, would be only 8,4%.

3. Please provide a description, including financial details, of measures (State aid) or any other policies specifically applied in the sector of primary agricultural production, processing and marketing of agricultural products, as well as in the forestry sector (but not covered elsewhere in replying to this questionnaire). This should include direct and indirect input subsidies; social policy measures primarily directed to the agriculture sector; tax policy measures primarily directed to the agriculture sector; policies directed to privatisation of land and other factors of production (including the agro-food processing sector); measures which are aimed at developing a land market; credit subsidies; risk management tools and others.

Direct and indirect input subsidies

Incentive measures – subsidies for inputs, that are applied in the sector of primary agricultural products are described in the answer to question No. 14 – Direct payments according to hectare and Direct payments by head of cattle.

Social policy measures primarily directed to the agriculture sector

Measure: SUPPORT TO NON-COMMERCIAL FARMS

Legal basis:

- Budget Law of the Republic of Serbia
- Regulation on the use of incentives for non-commercial farms (Official Gazette of RS, no. 8/06, 17/08)

Objective and description of scheme: The objective of the measure is to ensure support to the living standard of people dependent on agriculture, and who are unable to follow economic reforms with their development.

Criteria: Natural person, owner of a non-commercial farm registered in Register of Agricultural Holdings with the capacity of the Insured to the Republic Fund (PIO) and with at least 10 years of work experience with pension insurance in PIO, and member of the household older than 55 with the same condition of the insured. It is realized through an annual payment of the scheduled amount of support.

Payment and regional difference: In 2006, payment was made in the annual grant amount of 40,000 dinars (per holder and a member of the household), in 2008, in the annual grant of 40,000 dinars per farm, unique in the entire territory of the Republic of Serbia.

Table 7 Disbursed funds for this measure

⁹The requirements were related only to fish and fish products

Year	2006	2008
The amount of support, RSD	40,000	40,000
Total amount paid, in thousands of RSD	3,450,680	1,187,460

Administrative scheme: Application for use is submitted to the Ministry of Finance – Treasury Administration, with confirmation of the status of beneficiary of the Republic Fund for Pension and Disability Insurance of Farmers.

Supervision: Ministry of Agriculture, Forestry and Water Management.

Tax policy measures primarily directed to the agriculture sector

Measure: REDUCTION OF GENERAL VALUE ADDED TAX RATE

Legislative basis:

- Law on Value Added Tax ("Official Gazette of RS, No. 84/04, 86/04, 61/05 and 61/07).

Objective and description of scheme: In order to reduce the expenditure of population for food and secure more favorable conditions for purchasing basic inputs for agriculture, the general value added tax rate of 18% was reduced to 8% for the following products: bread, milk and dairy products, flour, sugar, edible sunflower oil, maize, frozen fruits, vegetables, fish, eggs, cereals, industrial crops, fertilizers, plant protection products, planting material, complete feed mixtures.

Supervision: Ministry of Finance - Tax Administration.

Measure: REIMBURSEMENT OF EXCISE DUTY ON PURCHASED FUEL

Legislative basis:

- Law on Excise Duties ("Official Gazette of RS, no.: 22/01,....31/09).

Objective and description of scheme: Reimbursement of excise duty on purchased diesel fuel that was paid during the purchase of fuel to the quantity needed for processing of land by farms that are entered in RAH. **The reimbursement is made in the amount of the excise tax paid, reduced by net of 1 dinar per liter of diesel fuel for handling costs.**

Criteria: An agricultural holding can purchase diesel fuel for tractors with the right to reimbursement of excise tax paid, for the calendar year, in the highest amount of 60 liters per hectare of land entered into the RAH, with the attached fiscal receipt.

Administrative scheme: A written request is submitted not before the tenth day of the month after the month in which the diesel fuel was procured to the competent organizational unit of the Treasury Administration according to the place of entry of the holding into the Registrar. The Treasury Administration, after comparing data from the request with data from the fiscal receipt, or invoice, within five days after the receipt of the request, produces an order for making reimbursement.

Supervision: Ministry of Finance

Policy directed to privatisation of land and other factors of production (including agro-food processing sector); measures aimed at the development of land markets

Process of privatization of companies in the Republic of Serbia, which started in early nineties, covered different periods and methods. Adoption of Privatization Law, Law on the Agency for Privatisation and Law on the Share Fund (2001) provided the legal framework for the work of ministries and all other entities (institutions) authorised to execute the process of privatization in all sectors of the economy. The main responsible entities for the implementation of this law are the Agency for Privatisation and Share Fund.

A new concept of privatization included the field of agriculture and agro-industry, and is based on the model of selling that provides for the establishment of two markets: **company**

market (sales at auctions and tenders) and **capital market** (sale of shares on the stock exchange).

In the period from 2001 to 2010, eleven (11) companies in the area of primary agriculture were sold using **tender method**. Tender method was planned to be used for selling the strategically important companies (former agricultural complexes), which possess 5-6 thousand hectares agricultural land on average, and with an average of about 300 employees. A number of 148 small and mid-sized companies were sold at **auctions**, while 37 companies completed the privatization process in the **capital market**. On the capital market, the shares of companies that began their ownership transformation under the Law on Ownership Transformation of 1997 were sold.

In the period before 2000, in the field of agrarian economy, most public companies from the food industry were involved in the ownership transformation. The current concept of privatization in this area meant the continuation of privatization through the sale of state shares in the capital market and through the market for selling companies at auctions and tenders.

In the field of **agro-industry** twenty-one (21) enterprises were sold by **public tender** and most important means were provided by the sale of tobacco manufacturers, from foreign buyers. On the **capital market**, by selling the state-owned stakes in the stock exchange, the most significant selling of food companies was carried out, which began the privatization process under the old law. The tender method was planned for selling strategically important companies, while 100 small and mid-sized companies were sold at the auction and 134 of those were sold in the capital market.

The results of privatization in the area of the entire agrarian economy in the period from 2001 to 2010 are as follows:

- 32 tenders – 11 companies of primary agriculture industry and 21 companies of food industry (4 of them involved in manufacturing of grain mill products, 5 in sugar production, 1 in production of dairy products, 1 in fruit and vegetable processing, 1 in production of fats and oils, 2 in confectionary products, 4 in production of beverages, 2 in production and processing of tobacco, and 1 in production of animal feed);
- 226 auctions – 126 companies of primary agriculture industry and 100 companies of food industry;
- 171 privatizations on the capital market – 37 companies of primary agriculture industry and 134 of food industry.

The privatization process in agriculture took place in parallel with other industries under the current concept, but that process in the field of agriculture shows certain specificities relating to the ownership and the use of agricultural land.

In the Republic of Serbia, before the start of privatization, there were four forms of ownership of agricultural land, such as: private, cooperative, social and state ownership. Private ownership included around 81% of agricultural land, while the remaining 19% were in cooperative, social and state ownership. Agricultural land as an asset of common interest, which was used by agricultural enterprises, could be in the state and social ownership.

In the total agricultural land, also before the process of ownership transformation, the dominant form of ownership was private ownership, which currently accounts for 89%.

According to the 1992 Law on the Manner and Conditions for Acknowledgment of Rights and Returning of Land, about 200 thousand ha were returned to private ownership. This process was carried out under difficult circumstances due to the unstable registry, because the establishment of real estate cadastre required a lot of time and considerable financial resources. Submission of applications for the return of land (reprivatisation) under this law ended in 2003. After the structural changes in our country, private, cooperative and public ownership are guaranteed for agricultural land (Article 86). Public property is state-owned

property of the Republic of Serbia, the property owned by the Autonomous Province, and property of the units of local government. All forms of ownership have equal legal protection, while public property is turned into private or state-owned property under the conditions, in a manner and within time limits prescribed by the law on privatization. (Official Journal RS No. 38/01, 18/03, 135/04, 45/05 and 123/07).

Privatization Law of 2001 covers also companies in the field of agriculture that used agricultural land, for which procedures of tender and auction sales are carried out. Agricultural land in state ownership defined as an asset of common interest was not subject to sale during the privatization process until the ownership was completely defined and the restitution process completed.

Law on Agricultural Land (Official Journal RS No. 62/06 and Amendments to the Law on Agricultural Land, Official Journal RS No. 41/2009.) regulates planning, protection and use of agricultural land. This law, for the first time, stipulates that the state agricultural land can be leased on the basis of market principles, or provides equal right to lease to all natural and legal persons. This approach in the area of land policy is aimed at a comprehensive reform and development of transparent land market.

The Law on Agricultural Land (Official Gazette of RS, no. 62/06, 65/08 – the second law and 41/09) defines that the agricultural land in state ownership cannot be alienated and that the owner of agricultural land cannot be a foreign natural or legal person, unless registered in the Republic of Serbia. Agricultural land in state ownership is disposed of and managed by the state through the Ministry of Agriculture, Forestry and Water Management. Use and management of agricultural land in state ownership is regulated by clear rights and procedures.

According to this law, Agricultural Land Administration has been established as a body within the Ministry of Agriculture, Forestry and Water Management, with the following responsibilities: manages the state-owned agricultural land, establishes and runs information system on agricultural land of the Republic of Serbia, allocates funds for the performance of works and monitors implementing of the annual program of protection, organisation and use of agricultural land, realises international cooperation in the fields of protection, organisation and use of agricultural land, monitors the development of basis of the Republic and its implementation, and performs other tasks related to planning, protection, organisation and use of agricultural land.

The procedure of leasing state-owned agricultural land means that local government units develop and adopt the Programme for use of agricultural land, which defines plan for the lease of state-owned agricultural land. The programme is adopted by the competent body of the unit of local government that defines the type and volume of work to be performed during the period for which the programme is adopted, the dynamics of the works and investing in agricultural land.

The annual programme of local government units contains data and plans relating to the use of agricultural land owned by the Republic of Serbia, i.e. the Plan for the use of state-owned agricultural land (land leasing). At the level of the local government units commissions are formed to participate in the development of programmes that are passed at the Municipal Assembly of the local unit. Following the adoption of the Programme, the Commission is formed, which invites bids (auction or written offer) and makes a proposal for the decision on the highest bidder. By adopting the decision on the highest bidder, the Ministry signs a contract for the lease of the state-owned agricultural land. The leasing period is defined by law and may not be shorter than one year or longer than 20 years, and for fish farms and vineyards 30 years. Funds generated from leasing the land, amounting to 60% is the revenue of the budget of the Republic of Serbia, and 40% is the revenue of the budget of the local government authority in which territory is the state-owned agricultural land. If the revenue is

generated on the territory of the Autonomous Province, 30 % of the lease is the income of the budget of the AP, and 30% of the Republic budget. Funds generated from leasing the state-owned land are intended for organisation and protection of agricultural land at the territory where the land is.

Restitution of the confiscated property, which applies also to agricultural land, began in 2001, by reporting and recording of the confiscated property. An institution was established to be in charge of the whole process which is the first level of implementation of the Law on Restitution to make full restitution of property to former owners.

Land reform and the privatization process in the past has caused the creation of a new ownership structure in agriculture. General characteristic of these processes is the decrease in size and number of state collective farms. The privatization process led to the creation of new private and corporate associations (joint stock companies) in agriculture

Prior to the year 2000 Serbia had an obstacle for the development of land market that resulted from the lack of clear ownership rights and land registration system that was not up to date.

In the past period, Serbia has taken certain measures and activities to improve land market and provide an important prerequisite for the development of agriculture in a market economy, which implies certain ownership rights and lease of agricultural land. Certain right of ownership is a precondition for the development of a market that works, both in terms of sale and in terms of land tenure. Serbia currently has an active market of lease and sale of agricultural land. With the adoption of the Law on Agricultural Land and establishment of the Administration for Agricultural Land, the market for lease of state-owned agricultural land was established. Measures to improve land market:

- Partial restitution (1991-2003) and privatization of legal entities in the field of agriculture (2001-2009) were made;
- Improved and accelerated land registration system (from 1 January 2005, the project for development of real estate cadastre in the entire territory of the Republic of Serbia was started);
- Reduced tax on transfer of absolute rights for the purchase of agricultural land (2.5%);
- Abolition of tax on lease of agricultural land;
- Adoption of Law on Agricultural Land which regulates the planning, protection, organisation and use of agricultural land;
- Establishing the lease of state-owned agricultural land on market principles;
- Incentives for the lease of arable land (which is supported by the agricultural budget).

Measure: SUPPORT FOR RENTING OF ARABLE AGRICULTURE LAND

Legal framework:

- Law on Budget of the Republic of Serbia
- Law on Agricultural Land
- Regulation on the use of funds for the arable agricultural land leased in 2005, 2006, 2007, 2008 and 2009 (Official Gazette of RS, No. 21/2005, 15/2006, 80/2007, 31/2008, 26/2009 and 50/2009)

Objective and description of scheme: The objective of the measure is to ensure that younger farmers taking land on lease consolidate their holdings and thus strengthen the economy of their farms. At the same time, the income support for older-people households is ensured. The tenant submits a request with the required documentation to the Ministry of Agriculture, Forestry and Water Management, and after processing the documents concludes the contract with the Ministry.

Criteria: Registered agricultural holdings – a natural person older than 65, who let on lease the arable agricultural land for at least five years (an area of 0.5 to 10 hectares).

Payment: The corresponding amount of subsidies is paid once a year during the period of

five years from the date of contract signing.

Table 8 Disbursed funds for this measure

Year:	2005	2006	2007	2008	2009	2010
Total assets, RSD	21,750,000	27,250,000	31,918,000	73,306,000	48,402,000	129,750,000*

**planned in the current budget*

Supervision: Ministry of Agriculture, Forestry and Water Management – Agricultural Inspection

Credit subsidies

Since 2004, in order to support the development of credit market, the Ministry of Agriculture has been establishing a model of short-and long-term loans for agriculture, under conditions more favorable than the market ones.

According to the Regulation on establishing the Programme of measures for stimulating the development of agricultural production for 2004, the budget funds were distributed through the Development Fund of the Republic of Serbia, partly through commercial banks for short-term and long-term loans, and partly directly through the Development Fund to agricultural processing facilities. Credit beneficiaries are only registered agricultural holdings (natural and legal persons). Short-term loans were granted 100% from the budget, and loan amount depended on the area of land that they reported in the register of agricultural holdings, and this was exclusively to natural persons. For the beneficiaries of short-term loans, the interest rate was 5% with the repayment period of 12 months. This model of short-term loan was applied every year until 2007, inclusive.

Long-term loans were granted to RAH by commercial banks for specific purposes: building and purchasing of irrigation systems and equipment, purchasing of agricultural machinery, establishing plantations of perennial plants, establishing glass houses and greenhouses, as well as investing in livestock production. Banks contributed with 10-30% of their means, and the Ministry of Agriculture with 70% - 90% of means (in 2004, bank contributed with 30% of means, and in other years with 10% of bank means). Guarantee Fund issued guarantee for 80% of bank funds. Minimum amount for granting long-term loans was EUR 5,000 and a maximum amount was EUR 200,000.

Repayment period for these loans is 5 years with a grace period that is included in the loan repayment period and depends on the purpose (one to three years) and with the effective interest rate of 3% per annum.

In the late 2005, the Fund for stimulation of the development of agricultural production in Serbia was established as an evidence account in the Treasury general ledger. The Fund was established to encourage the development of agricultural production by providing short- and long-term loans to registered agricultural holdings via commercial banks. The Fund is financed from the following sources: funds provided in the budget of the Republic of Serbia for the current year, funds generated from the repayment of loans and other means.

Banks made repayments on short- and long-term loans into the sub-account of the Fund for stimulation of the development of agricultural production in the Republic controlled and administered by the Ministry of Agriculture, Forestry and Water Management and the Ministry of Finance – Treasury Administration.

In 2008, the system of long-term loans changed, so that banks contribute with about 80-90% of funds for credit, and the Ministry with 10 - 20% grants (depending on the purpose).

Short-term loans in 2008 were granted to natural persons – registered agricultural holdings from the resources of the banks. Ministry of Agriculture contributed to subsidizing the interest so that the end user paid the interest at 5% per annum. Credits were granted for

financing of working capital invested in agricultural production in the current year. This model of short-term loans was applied in both 2009 and 2010. The Ministry participated in subsidizing the interest with 300,000,000 dinars from the budget resources for each fiscal year.

In 2009, a new model of long-term loans was established so that banks participated with 60% of their means, and the Ministry with 40%. Interest on the bank's funds that are repaid in the first three years of the repayment period is calculated according to the bank's business policy, and on 40% of the means of the Ministry that are to be repaid, the interest is not charged for the two subsequent years. So the interest on the total amount of long-term loan is 5% per annum.

The same model of long-term loans applies also in 2010 and will continue in 2011.

In 2010, two new models of credit support by the Ministry were introduced: through local government and the Development Fund of Vojvodina. Model of lending in cooperation with local governments is also executed through commercial banks, with the Ministry and local governments contributing with 25% of means, on which no interest is calculated, and 50% of bank resources on which the bank calculates interest according to its business policy. Loans to the end users – RAH are approved by the bank in cooperation with the local government. The Ministry in collaboration with the of Development Fund of Vojvodina participates in credit lending with 100 million dinars, while the Fund contributes with 300 million dinars. Credits are approved by the Development Fund of Vojvodina.

Table 9 Disbursed funds for this measure

Year	Amount of money earmarked for credits			
	MAFW		Provincial Secretariat for Agriculture, Forestry and Water Management	Total amount of money earmarked for credits
	Short-term loans	Long term loans		
	RSD	RSD	RSD	RSD
2004	2,170,973,000	1,528,730,445	0	3,699,703,445
2005	1,700,000,000	2,000,000,000	0	3,700,000,000
2006	3,315,335,000	902,262,649	20,000,000	4,237,597,649
2007	1,500,000,000	400,000,000	11,750,000	1,911,750,000
2008	1,683,607,925	1,453,470,619	114,845,062	3,251,923,606
2009	2,116,721,630	2,299,966,906		

Risk management tools and others

Measure: SUPPORT TO AGRICULTURAL INSURANCE

Legislative basis:

- Law on Budget of the Republic of Serbia
- Regulation on conditions and manner of using funds for subsidising the insurance of animals, crops and fruits ("Official Gazette of RS, No. 27/06, 71/07, 99/07, 23/08, 14/09).

Objective and description of scheme: The objective is to stimulate the development of insurance market in agriculture, thus reducing the risk in agricultural production and increasing certainty of achieving positive financial result. It is realized in the form of grants in terms of co-financing of the paid insurance premium.

Criteria: a natural person, the holder of a commercial agricultural holding entered into the RAH, is entitled to the use of incentives.

Payment and regional difference:

The support is calculated in the amount of 30 - 40% of the insurance premium for animals,

crops and fruits insured against the risk/yield decrease. The amount of the incentive is unique in the whole territory of the Republic of Serbia.

Table 10 Disbursed funds for this measure

Year	2006	2007	2008	2009	2010
The amount of reimbursement (%)	30	30	40	40	40
Total funds, in thousands of RSD	12,000	35,000	120,000	62,000	80,000*

**planned in the current budget*

Administrative scheme: The application is submitted to the Ministry of Finance – Treasury Administration on the format that is an integral part of the Regulation. The following should be attached: a copy of the insurance premium issued by an insurance company and confirmation of payment of the total insurance premium.

Supervision: Ministry of Agriculture, Forestry and Water Management

Forestry sector

Legislative basis:

- Law on Forests („Official Journal RS“, No.. 46/91, 83/92, 54/93, 60/93, 54/96 and 30/10)

During 2008, the scope of direct subsidies in the forestry sector in the protection and enhancement of forests was 356 million dinars in total, and it was achieved through the following measures of direct subsidies: protection of forests from fires, planting forest trees, afforestation of callows, forest care, production of forest seeds and forest seeding material, building hard forest roads, scientific-research work, introducing certification of sustainable forest husbandry, education and propaganda, procurement lines in for container production of forest seedlings. Also, for private forests, 170 mil dinars was allocated, as a direct subsidy, whilst the indirect subsidy for final users (private forest owners) would be in ensuring support for forest planting material and expert-technical in forest husbandry.

For the same purpose, in 2009, the scope of direct subsidies for the protection and enhancement of forests, was 228 million dinars, whilst 100 million dinars was allocated for private forests.

In 2010 the scope of direct subsidies for the protection and enhancement of forests, was 320 million dinars. For indirect subsidies for ensuring seedlings and afforestation of private forests, 27 million dinars was allocated.

4. Please provide information on publicly funded services to agriculture. The description should be provided only if public resources are involved. It should indicate the amount of public contribution and financing originating from any other resources for the period starting from year 2000. Examples are research; guidance/advisory service, training; marketing support; inspection; farm land surveying; advisory service, other.

Measures of agricultural policy, based on services, financed from the agricultural budget and oriented to farmers as end users, are classified in this document according to the principles of the World Trade Organization and contained in the Agreement on Agriculture. According to this classification of measures, general services in agriculture are classified as "green box" and apply to the permitted measures of agricultural policy within the domestic support.

The following table General services include: 1) research, 2) disease and pest control, 3) technical and advisory services, 4) inspection oversight, 5) marketing and promotional activities and 6) infrastructure services.

The research includes a measure of implementation of VCU tests on fruit, wine, and hops in order to develop the List of recommended varieties and facilitate protection of new varieties.

Disease and pest control includes the following measures: services for conducting health care protection, activities of monitoring the programs for prevention, control and eradication of animal diseases, including contagious diseases, provision of diagnostic materials for animal health protection and marking of animals;

Damages caused by the killing and forced the slaughter and destruction animals for combating infectious diseases in animals;

safe disposal of animal carcasses and confiscated goods; financing activities related to long-term monitoring of pests and plant diseases; implementation of special projects aimed at protecting plant health and specific programs oriented to eradication of harmful organisms and pests; eradication and rehabilitation of infected orchards and vineyards; purchase of diagnostic materials for animal health care, marking of animals and materials related to avian influenza; prevention, control and suppression of certain pests, and eradication of infected plants; the implementation of the Programme of measures to protect animal health (control and eradication of certain endemic diseases);rabies eradication of domestic and wild animals and vaccination of animals; eradication of contagious animal diseases; Services of reporting and forecasting of the presence of pests and plant diseases; testing and registration of plant protection products; analysis and registration of veterinary drugs. Measures relating to

extension services include: improvement of livestock production through selection measures that include control of productivity of cows, bull performance test in centres for artificial insemination, control of productivity of sheep, goats, horses and pigs, as well as selection measures in poultry and beekeeping;

financing activities of the competent agricultural services which include monitoring of agricultural production, collection and dissemination of relevant information for producers, establishing eligibility of farmers for subsidies in agriculture, advisory services through seminars, workshops, visits to farms; support to the establishment of a Register of Agricultural Holdings and the Vineyard Register; improving production of certified planting material, standard and certified; Financing of consolidation in selected municipalities; financing agricultural land management activities that include land consolidation activities, programmes related to the conversion of non-arable to arable land, determining soil fertility, preparation of other relevant studies and projects; financing of activities of expert services for performing activities of soil analysis and giving recommendations on the use of appropriate fertilizers; financing of expert commissions and expert advice; preparation of long-term development programmes for agriculture; financing of studies and projects for water management.

Inspection oversight includes testing of residues and harmful substances in animals and foodstuffs of animal origin, analysis of samples of products of animal origin, feed and drugs used in veterinary medicine; analysis of samples of agricultural products in domestic market; financing of activities with the aim to strengthen regional laboratories to conduct analyses and inspection of plants, including wine laboratory; analysis of samples of plants, soil and irrigation water, in order to determine the presence of pesticides.

Marketing and promotional activities include the following measures: Financing of the activities that relate to the organization of local agricultural fairs and exhibitions, preparation of brochures and catalogues aimed at informing farmers; promotion of activities, printing of publications, television advertising and other activities related to preventing the spread of ragweed.

Infrastructure services include: implementation of the National Investment Plan – building regional infrastructure for the purpose of rural development (e.g. roads, electricity networks, water systems, flood protection systems).

Table 11 Funds disbursed based on general services to agriculture, in thousands of RSD

Measures	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Services	1,470,000	1,561,683	1,476,536	1,784,499	2,233,829	2,490,463	3,934,981	2,914,649	2,436,115
Research	0	37,097	0	0	0	0	8,017	10,880	6,450
Control of diseases and pests	800,000	676,790	715,113	1,223,529	952,060	1,918,138	2,328,442	2,473,936	1,886,393
Expert and advisory services	265,000	224,843	269,328	216,794	440,800	261,803	363,759	252,775	462,781
Inspection oversight	0	9,953	16,153	23,279	10,450	310,523	69,141	75,795	35,003
Marketing and promotional activities	0	0	0	19,656	78,120	0	53,973	101,264	45,487
Infrastructure services	405,000	613,000	475,942	301,242	752,400	0	1,111,649	0	0

Spending for services in agriculture in 2001 amounts to a total of 1.47 billion dinars, with the amount allocated to the services and activities for the control of pests and diseases, expert and advisory services and infrastructure services. Most of the funds, about 54% are related to control of pests and diseases.

In 2002, total amount of funds for this purpose has been increased to 1,561,682,800 dinars, because they included additional services, which were not available in 2001, and these are research and inspection oversight.

In 2003, the amount of funds earmarked for services was reduced to 1,476,535,825 dinars, because the research services were missing.

In 2004, a sum of 1,784,499,251 dinars was earmarked for services in agriculture. The total amount was increased by about 20%, given that the services in agriculture are involved in marketing and promotional activities.

In 2005, the total assets earmarked for services were increased to 2,233,829,443 dinars, with the largest portion (about 43%) earmarked for the control of pests and diseases.

In 2006, the total amount earmarked for services in agriculture was 2,490,463,450 dinars – even though the budget for this purpose increased, the number of covered services was reduced, i.e. activities related to services connected with the control of pests and disease, technical and advisory services and inspection oversight. This increase is the result of increasing the amount of funds earmarked for the control of pests and diseases, which have doubled in 2006, compared to 2005.

In 2007, the amount of 3,934,980,830 dinars in the budget was earmarked according to the purposes for the services in agriculture, what was a significant increase in funding by 58% compared to 2006. All of these service groups are included in the policy measures related to general services in agriculture.

In 2008, total funding for services in agriculture amounted to 2,914,649,152 dinars, with infrastructure services excluded from the financing.

In 2009, disbursed funds amounted to 2,436,114,581 dinars, with the lack of infrastructure

services also this year.

Marketing support – Agriculture Market Information System of Serbia

Agriculture Market Information System of Serbia (STIPS) was established in 2004, in order to provide information to beneficiaries about the prices of agricultural products and raw materials. Agricultural extension services for crop production (fruit, vegetables, grains) and for livestock production (for livestock and prices in the meat industry) collect prices for these products and perform data processing weekly, except for inputs whose prices are published twice a year (before the spring planting and autumn planting). The reports that are part of the weekly newsletter provide data on prices and their trends, on the current state of supply and demand, also in comparison to the previous week.

Coordinators analyse the situation for agricultural products, continually informing the beneficiaries via television and radio broadcasts of the national service.

Data on wholesale prices are used to form the most important purchase prices of agricultural products. The database consists of more than 130 products that are monitored in vegetable production, about 30 products in the field of livestock production, about 15 grain products, and basic inputs (fertilizers, pesticides and seed material). Collecting information on prices and market situation are the basis for drafting reports and analyses that are available to the beneficiaries via the website (<http://www.stips.minpolj.gov.rs>), radio and television broadcasts, as well as daily newspapers.

Along with the reports, on the website, there is also available expert advice in the field of plant production and animal husbandry, and the data of the countries in the region (the Republic of Croatia and the Republic of Montenegro) with an overview of prices of major agricultural products.

Market Information System is supported by the agricultural budget funds within the funds earmarked for institutional measures.

Inspection

Inspectorate General of Agriculture, Forestry and Water Management as an administrative body within the Ministry of Agriculture, Forestry and Water Management, carries out inspection activities relating to: inspection oversight of agricultural land; phytosanitary control and inspection in the inner and outer movement of plants, seeds and seeding material, and other inspection tasks in agriculture, forestry and water management, in accordance with the law.

Through the inspection oversight, public administration bodies control the implementation of laws and other regulations via direct insight into the operations and conduct of natural and legal persons and, depending on the results of supervision, pronounce measures for which they have been authorized.

The Inspectorate General performs the tasks of inspection oversight related to securing the enforcement of laws and by-laws, takes decisions in administrative proceedings, lodges requests for initiating legal proceedings, applications for economic violations and crime, gives initiative for amendments to legislation, monitoring their implementation, prepares information and reports on the situation in this area as well as other relevant activities.

Powers of Inspectorate General are based on the application of the following:

- Law on General Administrative Procedure (Official Gazette of FRY, No. 33/97, 31/2001).

The Inspectorate General employs 280 inspectors.

Inspectorate General conducts supervision of the implementation of the following laws:

- Law on Plant Health (Official Gazette of RS, No. 41/09)
- Law on Food Safety (Official Gazette of RS, No. 41/09)
- Law on Plant Protection Products (Official Gazette of RS, No. 41/09)
- Law on Plant Nutrition Products and Soil Enhancers (Official Gazette of RS, No. 41/09)
- Law on Genetically Modified Organisms (Official Gazette of RS, No. 41/09)
- Law on Wine (Official Gazette of RS, No. 41/09)
- Law on Agriculture and Rural Development (Official Gazette of RS, No. 41/09) and regulations adopted under these laws.

The Inspectorate General has the following departments:

Phytosanitary Inspection Division performs tasks related to: control of the health condition of soil and plants for the presence of harmful organisms; monitoring as the official process of verification of phytosanitary situation in the country; systematic monitoring of plants for the presence of harmful organisms that are considered particularly dangerous to plants; control of the health condition of imported plants for which a post quarantine inspection has been prescribed; official sampling for laboratory testing for the presence of harmful organisms and residues of plant protection products; control of genetically modified organisms at all stages of production, processing and circulation; control of food safety in the primary stage of production of food of plant origin, import and transit of food of plant origin and of mixed food, in the stage of export of food of plant origin; area of food safety for animal feed; control in the phase of primary production, import, transit and export of animal feed of plant origin; control of production, trade and use of products for plant protection and plant nutrition; control of production, finishing, circulation and use of seeds of agricultural plants; control of production, processing, transport and use of seeds of agricultural plants of organic origin for the establishment of organic production, production, control, processing, circulation and use of planting material of agricultural plants; control of the work of public services; performs other activities in this area.

Phytosanitary Border Inspection Division performs tasks related to: control the health condition and quality of plants at import, export and transit with transshipment; issuance of phytocertificates; food safety control at import; control of import of products for plant protection and plant nutrition; control of the presence of GMOs; ordering phytosanitary measures; preparation of the notification for interception of harmful organisms at import; providing expert solutions for making the draft legislation on plant protection; carries out other activities in this area.

Division for agriculture inspection for safety of food of plant and mixed origin, control of organic production and control of tobacco processors and manufacturers of tobacco products carries out tasks related to: control in the field of safety of food of plant and mixed origin in the phase of production, processing and wholesale distribution; control of the quality of tobacco and tobacco products; inspection of office space, facilities, installations, devices, objects and goods in production, processing and wholesale for food of plant and mixed origin; inspection of office space, facilities, installations, devices, objects and goods in the production of tobacco products and processing of tobacco; control of the fulfilment of conditions for the establishment of organic production of vegetable origin; control of involvement in organic production of vegetable origin; control of methods, technological operations in processing, storage, packaging and transportation of organic products of plant origin; control of meeting the requirements for accreditation of certification organizations for organic production; carries out other activities in this area.

Division for phytosanitary inspection for food safety and animal feed of vegetable and mixed origin performs tasks related to: control in the field of food safety and animal feed of

plant and mixed origin in imports and exports; reception of requests for control of food safety and animal feed of plant and of mixed origin; inspection of documentation accompanying consignment and physical examination of the consignment; making record on the completed examination of the consignment; performance of sampling; issuing certificates of clearance; issuing orders for laboratory testing of food and feed of plant and mixed origin; passing first-instance decisions and taking other statutory measures concerning the performance of inspection oversight; preparation of guidelines and instructions on conducting inspection oversight; keeping records and preparing reports on completed controls and supervision; analyzing the results of completed controls and supervision; carries out other activities in this area.

Division of Agricultural Inspection for wine, “rakija”, spirits and soft drinks performs inspection oversight of the implementation of laws and regulations relating to: meeting conditions for the production of wine, “rakija” and other alcoholic drinks, ethanol, beer and soft drinks; examining and determining the quality of these products and raw materials used for their production; control of the production of grapes, fruits, wine and “rakija” with geographic indications; control of compliance with the requirements for the establishment of organic production of wine, “rakija” and other alcoholic drinks, beer and soft drinks; control of involvement in organic production of wine, “rakija” and other alcoholic beverages, beer and soft drinks; control of methods of technological operations in processing, storage, packaging and transport of organic products of wine, “rakija” and other alcoholic drinks, beer and soft drinks; control of trade and quality of wine, “rakija” and other alcoholic drinks, ethanol, beer and soft drinks in domestic trade; control of the work of control organizations, accredited authorized laboratories; control of security of consignments of grapes for industrial processing, wine, “rakija” and other alcoholic beverages, ethanol and beer after the import and export other than grapes for industrial processing; control of keeping records of production and trade of these products; carries out other activities in this area.

Division of Agricultural Inspection for agricultural land performs the inspection oversight of the implementation of laws and regulations relating to protection, organisation and use of agricultural land; control of passing the annual program of protection, organisation and use of agricultural land of the units of local government; control of the possession of powers of the Ministry responsible for agriculture for work in the field of protection and organisation of agricultural land; control of the fertility of arable agricultural land and the amount of mineral fertilizers and pesticides taken in arable agricultural land; control of the release of hazardous and harmful substances and determination of the permitted quantities of these substances in agricultural land and irrigation water; control of the agricultural land conversion; control of works on the protection and organisation of agricultural land in accordance with the project; control of the use of agricultural land; control of the lease of state-owned agricultural land; carries out other activities in this area.

Division of Agricultural Inspection for control of financial incentives in agriculture, organic production and animal production and performs inspection oversight of the implementation of laws and regulations relating to: implementation of schemes for improvement of agricultural production and livestock production; control of payment of premiums, reimbursement and other subsidies and incentives intended for improvement of agricultural production and livestock production and export incentives for agricultural and food products; implementation of selection schemes for improvement of livestock production; control of keeping general ledger according to species of livestock; control of compliance with the requirements for establishing organic livestock production; control of involvement in organic livestock production; control of methods of technological procedures in processing, storing, packaging and transport of organic livestock production; control of animal feed quality; carries out other activities in this area.

Division of Forestry and Hunting Inspection performs tasks related to: supervision of the execution of delegated tasks; supervision of the implementation and enforcement of laws and regulations related to forestry, forest seed and planting material, protection of forests and hunting; control of implementation and enforcement of standards; supervision of implementation of laws, regulations and acts related to forests included in national parks; supervision over the exercise of public authority by the companies and other organizations entrusted with public authority; coordinating the work of inspectors in the field; participation in providing professional solutions for making the draft legislation and other general acts within the purview of the Forest Administration; participation in preparation of reports, answers to parliamentary questions and petitions related to the action of the Division; giving opinions, instructions and guidelines for implementation of regulations; providing technical assistance to inspectors in the supervision and implementation of laws and other regulations in the field of forestry and hunting; drafting applications to initiate criminal proceedings, appeals and complaints against the decisions issued by judicial authorities according to the submitted applications; carries out other activities in this area.

Water Inspection Division performs tasks related to: direct supervision and taking measures to ensure the enforcement of laws, other regulations and general acts relating to construction of new facilities and reconstruction of the existing ones and other works that may influence on changes in water regime; protection of water against pollution; control of surface and ground waters; monitoring the legality of acts of public water management companies that are deciding on the rights and duties of citizens, companies and other legal entities; supervision of enterprises and other entities entrusted with public powers; supervision of the companies and other legal entities responsible for flood control; monitoring and analyzing the implementation of laws, other regulations and general acts passed under the law; processing the appeals; preparation of opinions on the application of regulations within the purview of the work of the Division; participation in drafting reports, answers to parliamentary questions and petitions within the scope of the Division; carries out other activities in this area.

Section for Legal, General and Financial Affairs carries out tasks related to: preparation of contracts concluded by the Inspectorate General; organization of official foreign travels for civil servants and officials; participation in preparing the plan for public procurement of the Inspectorate General; the records and manner of using the assets of the Inspectorate General; Provision of transport, care of the technical condition, maintenance and registration of official vehicles of the Inspectorate General; acting on complaints of citizens and legal persons, cooperation with judicial authorities, providing technical assistance to inspectors in the supervision and implementation of laws and regulations in these areas; dispatch of materials to the internal units of the Inspectorate General and outside the head office; preparation of the draft budget of the Ministry in part related to the Inspectorate General; balancing of revenues and expenditures of the Inspectorate General and monitoring of their execution according to the positions approved by the law, signed contracts, agreements, and on other grounds; Preparation of semi-annual and annual execution of the financial plan of the Inspectorate General; carries out other activities in this area.

Other – Rural Development Support Network

Establishing the Rural Development Support Network provided conditions for the process of creating partnerships between private, public and NGO sectors, as well as the creation of local strategies and programmes of rural development (as a precondition for future development of LAG and introduction of LEADER approach to rural development). It also provides the dissemination of information about programme of measures of the Ministry of Agriculture, Forestry and Water Management, assistance to farms in the process of exercising

their right to the use of financial incentives, promotion of measures, actions and programmes of the Ministry of Agriculture, Forestry and Water Management, technical assistance in the process of monitoring and evaluation of the effects of measures for rural development, as well as promotion and dissemination of very important information on pre-accession EU funds intended for rural development (IPARD).

Table 12 Funds disbursed to Rural Development Support Network

Year	2007	2008	2009	2010*
Amount, RSD	30,000,000	50,000,000	70,000,000	45,000,000

**planned in the current budget*

5. Please describe the current land cadastre system and mechanism, and if existing, any system used for the identification of agricultural parcels.

The records of cadastral parcels are kept in the real estate cadastre which is under the responsibility of the Republic Geodetic Authority. On the parts of the Republic of Serbia where is central record of immovable assets in place, besides the records on land, the records are kept as well on the owner, user or lessee, and whether there is a mortgage or a note on the land. In the territory of Serbia, a single record of immovable assets was established on an area of about 87% of the territory. In the remaining part of Serbia the ownership right is kept in the cadastral registers, books of title deeds or encumbrance books.

Registered agricultural holdings provide an excerpt from the real estate cadastre or an excerpt from the cadastre register as proof of ownership of agricultural land.

There is no record of agricultural plots (special), but only record of cadastral parcels. At the moment, survey of the whole territory and production of orthophoto images is in the final stage (for agricultural land the resolution is 40 cm, and for some areas 20 cm).

6. Please inform on the existence of any type of cross-compliance systems (e.g. reduction in agricultural support paid to farmers if environmental, animal welfare, public, animal or plant health standards are not complied with).

Cross-compliance with conditions does not exist in support of agricultural production in the Republic of Serbia. In other words, the amount of support that farmer will receive does not depend on how and to what extent he meets the various standards but we note that the basis for entitlement to use the incentive funds of the Ministry of Agriculture, Forestry and Water Management, as well as for leasing arable agricultural land, is the compliance with the legal norms relating to agro-environmental measures, which will form the basis for future implementation of cross-compliance system. Even though the Law on Agriculture and Rural Development introduces the duty of respecting standards within the scope of environment protection, animal welfare, plant, animal and public health, up to now this legal provision has not been applied due to the fact that the legal scope of this area was not complete and because of the lack of a sole document that would sublime in one place all the rules, which is of significant importance for farmers and the inspection authorities of the Ministry. From 2011, within the scope of preparation for IPARD the duty of respecting the so called minimum national standards shall be introduced (according to the IPA implementation regulation 718/07, article 174). Currently wideranging preparations are being carried out for the implementation of these provisions of the Law on Agriculture and Rural Development.

7. Please explain the preparations for pre-accession assistance under IPA Component V (IPARD), including institutional set up, rural development strategy and programme, law on agriculture and rural development indicating whether there is any strategy and action plan. Please describe the main structures (if they already exist) as referred to in the IPA Implementation regulation.

Under the preparations for the use of component V of IPA fund (*IPARD*) the management and control system were established, as well as the operational structure. Agricultural Payments Directorate (hereinafter the Directorate) was founded as a body within the Ministry of Agriculture, Forestry and Water Management responsible for payments in agriculture. In the Department for Rural Development a separate organizational unit has been established to be the Managing Authority, while in the Ministry of Finance, the National Authorising Officer (NAO) and the Director of the National Fund have been previously appointed.

Under the preparations for *IPARD*, the implementation of two pilot *IPARD* measures were started, which follow the logic of *IPARD* measures, and were funded from the national budget. The first is the Support to investments in agricultural holdings in meat and milk sectors (equivalent to *IPARD* measure 1.1), while the second is Support to investments in processing capacities of meat and milk sectors (equivalent to *IPARD* measure 1.3).

Internal documentation of the Administration covering the whole working process, which is a necessary prerequisite for *IPARD* accreditation, was prepared and sent to the competent services of the European Commission (DG Agriculture) for consideration. There is currently the EU Twinning Project underway - "Strengthening the capacities of Serbia to receive the resources from the EU funds intended for rural development in the pre-accession period", 2 million euro worth. Implementation of the project started in August 2010, and will last for the next two years. It includes the establishment of the capacities in the payment agency and the managing authority.

The backbone of the entire system of the Administration is an integrated software system that is the basis for the implementation of two pilot *IPARD* measures, and will be the basis for implementation of all *IPARD* measures after the accreditation. In the forthcoming period this system will be the basis for the development of *IACS* (*Integrated Administration Control System*). The whole process from the receiving of applications, checking, approval of applications and requests for payment, to control of irregularities in accounting, is based on an integrated software solution.

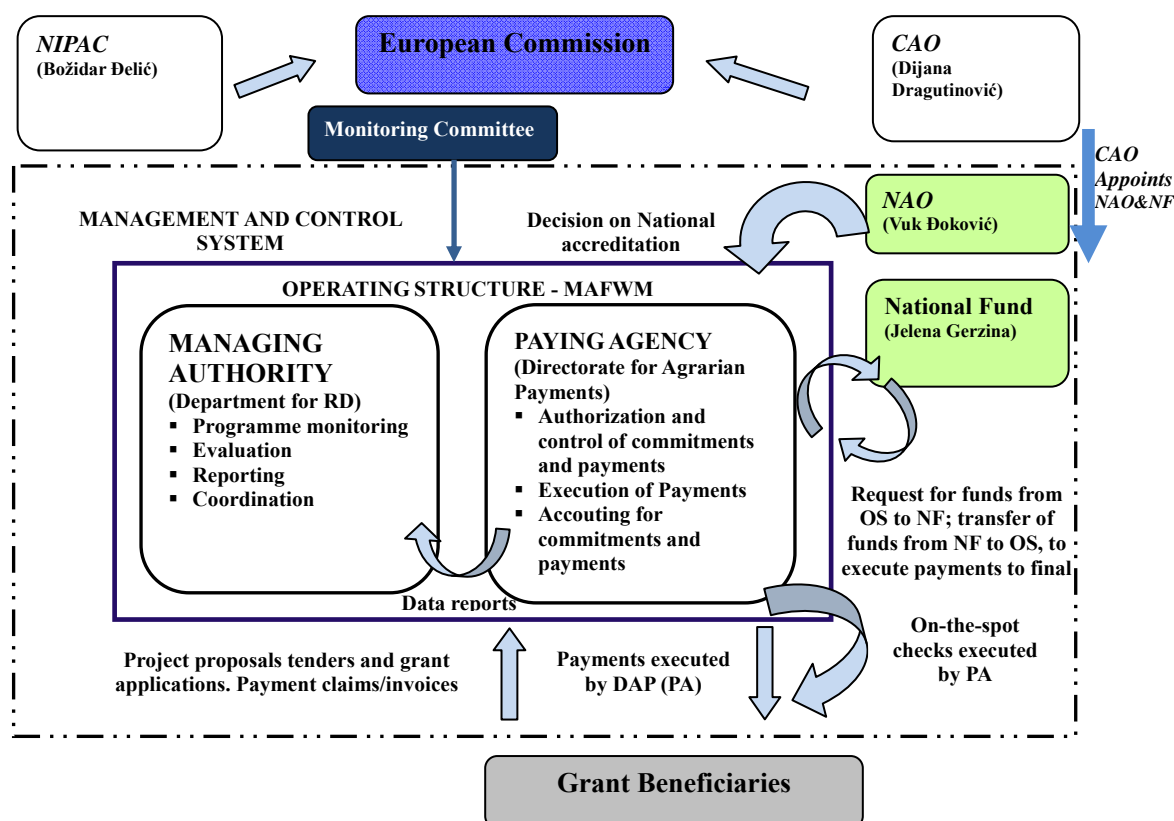
After passing the decision to establish a working body for managing the European Union rural development programmes (Managing Authority) of 21 October 2010, a part of the Department for Rural Development is currently operating as the Managing Authority. The Department has completed the development of the National Programme for Rural Development for the period 2011-2013, which is currently in the process of adoption. The first framework of *IPARD* programme has been developed, and development of the final draft of *IPARD* programme is planned for the first quarter of 2011. Under the preparation for the development of *IPARD* programme, in September 2010, the sector analyses were completed in four selected areas of agricultural production (milk, meat, fruits and vegetables) that will be covered by *IPARD* funds. Summaries of these analyses will represent a part of *IPARD* programme.

Accreditation Action Plan for IPA Component V (*IPARD*) was developed and forwarded to the competent departments of DG Agriculture (G4 and J5) in Brussels.

Regarding the adoption of a strategic framework in the area of agriculture and rural development, the Law on Agriculture and Rural Development lays down the duty to adopt a Strategy for Agriculture, as well as two national programs – for agriculture and for rural development. The development of the Strategy for Agriculture (shall include strategic issues

regarding rural development) is currently underway, whilst the National Program for Rural Development shall be adopted very soon (currently opinions are being given to this document), as it has already been mentioned in the previous text.

Chart 5 Institutional framework for IPA V – The system envisaged after the accreditation



8. Please inform on the existence of microeconomic instruments providing an overview of farm economics, in particular on the income of agricultural holdings, sectoral analysis and distribution of direct payments (comparable to the EU Farm Accountancy Data Network (FADN)).

In Serbia there is currently no tool for monitoring microeconomic parameters of farm operation. However, the existing Law on Agriculture and Rural Development of the Republic of Serbia (Article 33) stipulates that the Ministry of Agriculture, Forestry and Water Management keeps the system of agricultural accountancy data to monitor the level of income and expenses of the registered farms and family farms, assess the efficiency of agricultural production and analyse the agricultural policy measures. Establishing this system will be assisted by the project "Establishment of the Serbian Farm Accountancy Data Network (FADN) in the framework of IPA 2010 programming cycle, whose implementation is planned for the period from 2011–2013.

As an instrument comparable with the EU Farm Accountancy Data Network (FADN) we mention the project "Conducting of surveys on farm business" of 2006, which was

successfully carried out in the territory of 15 regional agricultural services. The objective of the project was to obtain information on the financial results of operations of commercial farms in the territory of Serbia through calculation of gross margins, as well as education of farmers and extension agents for development and better farm management gross margins.

II MARKET MEASURES

9. A full description of the policies currently applied or planned is requested for each of the products or product categories listed below covering:

- the aims, the functioning and the main quantitative elements of all the product-specific agricultural policy measures currently applied and planned: market intervention (buying-in, public/private storage, etc), production quotas, production or export levy, tax, import duties and equivalent charges and other border measures like tariff rate quotas and other preferential imports production control, export refunds, etc.
- the management of import quotas explaining whether a system of import/export licences is used, and whether such a system provides for securities (bank guarantees) and controls (physical checks on products exported with a refund).
- the management and control of production subsidy schemes describing the procedure for registration of farmers' plots in the national farm register, procedure for lodging applications, data to be submitted, administrative and on-the-spot controls to be performed and sanctions to be applied.

In Serbia, there is no Agency for **market intervention** established in the way it works in the EU.

According to the provisions of the applicable Law on Commodity Reserves (Official Gazette of RS, No. 18/92) it is stipulated that the stockpiles in the Republic are formed and used for:

- stabilization of production, market and prices, protection of domestic production and improvement of exports;
- ensuring the needs of the Republic in the state of emergency, immediate war threat and state of war.

The Republic Directorate for Commodity Reserves has been organized as an autonomous body under the Ministry of Trade and Services.

If there is a certain disorder that threatens to jeopardize the functioning of the market and food security of the country, the Directorate intervenes through: purchasing, bringing out certain amount of products on the markets, or export of excessive supplies. The said interventions are implemented based on the conclusion of the Government.

Table 13 Intervention purchase of agri-food products in the period 2001-2009

YEAR NAME OF GOODS	QUANTITY kg	PRICE RSD/kg	VALUE RSD
2001			
Commercial wheat	431.851.074	7.50	3,238,883,059
Seed wheat	24.592.000	13.00	319,696,000
2002			
Commercial wheat	289.947.680	7.00	2,029,633,759
Seed wheat I	10.671.250	14.00	149,397,500
Seed wheat II	15.828.750	13.00	205,773,750
2003			
Commercial wheat	350.000	7.00	2,450,000
Commercial wheat	2.825.035	8.00	22,600,280
Seed wheat I	31.683.000	14.00	443,562,000
Seed wheat II	14.617.000	13.00	190,021,000
Fattening pigs	371.377	50.00	18,568,687
2004			
Commercial wheat	96.965.000	7.50	727,237,500
Seed wheat I	20.000.000	17.30	346,000,000
Seed wheat II	10.000.000	16.30	163,000,000
2007			
Ware potato, 2006 crop	4.027.072	6.00	24,162,432
Fattening pigs	1.655.506	75.00	124,162,950
2008			
Commercial maize, 2008 crop	50.261.094	9.00	452,349,846
2009			
Commercial wheat	65.530.881	13.00	851,901,453
Whole milk powder	160.000	291.60	46,656,000
Skim milk powder	40.000	270.00	10,800,000

*Source: Ministry of Trade and Services, Republic Directorate for Commodity Reserves
Processed in the Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia*

Agricultural products, owned by the Republic Directorate for Commodity Reserves are stored with authorized storekeepers, evenly distributed throughout the territory of the Republic.

In Serbia there has not been established a system of **production quotas**, and the system of **export taxes** is not applied either.

Customs and their equivalents and other measures at the border in the Republic of Serbia and their legal basis are described in detail in the answer to Question 2 - General information on commercial policy and mechanisms applied in Serbia concerning agricultural products.

Preferential tariffs and tariff quotas for agricultural and food products determined in the SAA, i.e. ITA, CEFTA 2006, bilateral agreements with Russian Federation, Republic of Belarus, Republic of Turkey and EFTA countries are given in CHAPTER 29 – CUSTOMS UNION, Annex 12.

Distribution of quotas according to the agreements is done following the system "first come first served." Supervision of the realization of preferential quotas is conducted by the Ministry of Finance – Customs Administration.

In Serbia, the system of **export refunds** is not applied in the way this system works in the

EU. As an incentive measure, the export subsidies are applied for certain agri-food products (as described in answer to Question 10 – under Export Subsidies).

Management and control of production subsidy schemes describing the procedure for registration of farmer's plots in the national farm register, procedure of lodging applications, data to be submitted, administrative and on-the-spot controls to be performed and sanctions to be applied. Described in the section: HORIZONTAL, Question 1 - Farm Register; DIRECT PAYMENTS TO FARMERS, Question 14 - Direct payments per hectare and Direct payments per head of animal.

Arable crops, specialised crops and products:

- **Cereals;**

Measure: IMPORT PROTECTION

Applied MFN tariff for seed and commercial wheat, wheat flour, seed and commercial maize and maize flour is 30%; for rye, barley, oats, maize meal and grits 20%.

With the countries signatories to CEFTA 2006 full liberalization was agreed, except for Croatia and Albania, with which mutual quotas were agreed.

In the Free Trade Agreement with Russia and the Republic of Belarus full liberalization of customs duties for cereals was agreed, except for the Republic of Turkey, where the agreed tariff rate is 30%.

Annex: customs tariff for cereals, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 10 Customs Tariffs, set out in CHAPTER 29 - CUSTOMS UNION, Annex 12.

Measure: SUBSIDIZING COSTS OF STORING WHEAT, DURUM WHEAT AND MAIZE CROP 2010 IN PUBLIC WAREHOUSES AND FROZEN RASPBERRIES CROP 2010

The measure of subsidizing part of the storage costs was envisaged as a measure of support to encouraging the storage of wheat, durum wheat and maize crop 2010 in the system of public warehouses.

Described in the part: MARKET MEASURES, Question 10

- **Rice;**

Measure: IMPORT PROTECTION

Applied MFN tariff is 3%.

Annex: customs tariff for rice, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 10 Customs Tariff, set out in CHAPTER 29 - CUSTOMS UNION, Annex 12.

- **Sugar beet;**

Measure: IMPORT PROTECTION

Applied MFN tariff is 20%; under the SAA, tariff rate is 0%; for imports from countries signatories to CEFTA 2006, agreed tariff rate is 0%; for imports from the Republic of Turkey agreed tariff rate is 20%, and from the Russian Federation, the Republic of Belarus and EFTA countries, tariff rate is 0%.

- **Sugar;**

Measure: IMPORT PROTECTION

Applied measure of import protection: MFN tariff and specific customs duty.

Applied MFN tariff is 20%.

Applied specific customs duty on imports of raw and refined sugar from the EU is Din 12 per

kg, for imports from other countries: for raw sugar Din 16 per kg, for refined sugar Din 18 per kg.

In the Stabilisation and Association Agreement with the EU, the applied level of import protection was agreed for sugar (tariff rate - 20%, specific customs duty - 12 din/kg).

For imports from the countries signatories to CEFTA 2006, the agreed tariff rate is 0%, except for imports from the Republic of Albania, with whom MFN tariff is agreed, and the Republic of Croatia, with whom mutual quota of 200 tonnes (sub-headings 1701 11 and 1701 12) is agreed with preferential duty, and for the import outside the quotas the MFN tariff is applied.

In the trade with Russian Federation, the list of exemptions from the free trade imports from the Republic of Serbia to the Russian Federation includes sugar under sub-heading 1701 99 10 00. In the trade with the Republic of Belarus, sugar under sub-heading 1701 99 10 00 has been mutually exempted from the regime of free trade. In the trade with EFTA countries duty rate of 0% has been agreed, and with the Republic of Turkey MFN tariff.

Customs Administration keeps records on sugar imported under the quota established in CEFTA (according to the "first come, first served" principle).

Measure: PREFERENTIAL EXPORT QUOTA

Legal basis:

- Law on Foreign Trade (Official Gazette of RS, No. 36/09)
- The decision on export of sugar to the European Union (Official Gazette of RS, No. 106/05, 63/06, 86/07, 88/08, 81/09 and 60/2010).

Description of scheme: Duty-free export of sugar under sub-headings 1701 and 1702 of the Customs Tariff, originating from the Republic of Serbia to the European Union within the annual tariff quota for the fiscal year in the amount of 180,000 tons.

Administrative scheme: Distribution of preferential quotas for sugar plants is conducted by the Ministry of Agriculture, Forestry and Water Management pursuant to the Decision on export of sugar to the European Union (which is passed annually) and the data of the Inspectorate General on the realised production of sugar by sugar plants. The licenses for export are issued by the Ministry of Economy and Regional Development. Commission for issuing licenses (consisting of representatives of the Ministry of Economy and Regional Development, Ministry of Agriculture, Ministry of Trade and Services and Ministry Finance – Customs Administration) is responsible for the implementation of the licensing procedure. Ministry of Economy keeps records of the issued licenses.

Supervision: Ministry of Finance – Customs Administration keeps records of sugar exported to the countries of the European Union in accordance with the Regulation, sending monthly reports to the Commission.

- Dried fodder;

Measure: IMPORT PROTECTION

As a measure of import protection, applied MFN tariff is **10%**.

With the countries signatories to CEFTA 2006, a tariff rate of 0% was agreed, except in trade with the Republic of Albania, with whom MFN tariff was agreed.

Free Trade Agreement with Russian Federation and the Republic of Belarus a tariff rate of 0% was agreed, and in the trade agreed with the Republic of Turkey MFN tariff was agreed.

According to the Stabilisation and Association Agreement with EU, i.e. ITA, the tariff rate of 0% is applied, except for alfalfa meal and pellets, where the applied tariff rate is 6%.

- Seeds;

Measure: IMPORT PROTECTION

As a measure of import protection, the applied MFN tariff on soybean seed is 5%, on rapeseed 10%, sunflower 20%, seeds of sugar beet and alfalfa is 10%, for seeds of other forage crops 5%.

With the countries signatories of CEFTA 2006, the agreed tariff rate was 0%, except with the Republic of Albania, with whom MFN tariff was agreed.

In Free Trade Agreement with Russia and the Republic of Belarus, zero tariff was agreed, and with the Republic of Turkey MFN.

According to the Stabilization and Association Agreement with the EU, i.e. ITA, on seed sunflower tariff of 14% is applied, on seeds of sugar beet and alfalfa from 6%, and on soybean seeds and seeds of other forage crops tariff rate of 0%.

Annex: customs tariff for seeds, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 12 Customs Tariffs, set out in CHAPTER 29 - CUSTOMS UNION, Annex 12.

- Hops;

Measure: IMPORT PROTECTION FOR HOPS

As a measure of import protection, MFN tariff applied on fresh or dried, crushed, powdered or pelleted hops is 10%.

With the countries signatories of CEFTA 2006 the agreed tariff rate is 0%.

In Free Trade Agreement with Russia and the Republic of Belarus the agreed tariff rate on imports of hops is 0% , while with the Republic of Turkey MFN tariff was agreed .

In the Stabilisation and Association Agreement with the EU, i.e. ITA, the applied tariff rate is 6%.

- Olive oil and table olives;

Measure: IMPORT PROTECTION

As a measure of import protection, applied MFN tariff on olive oil is 5% and for table olives 5%.

With the countries signatories of CEFTA 2006 the agreed tariff rate is 0%, except with the Republic of Albania, with whom he MFN tariff was agreed on table olives and other olive oil – which is not from the first pressing, and with the Republic of Croatia, with whom the agreed tariff rate for table olives is 10%.

In Free Trade Agreement with Russia and the Republic of Belarus the agreed tariff rate on import of table olives and olive oil is 0%, while with the Republic of Turkey MFN tariff is agreed, except for quota for olive oil, which is 750 tons with a tariff rate of 0% within the quota.

By the Stabilisation and Association Agreement with the EU, i.e. ITA, applied tariff rate is 0%.

- Flax and hemp;

Measure: IMPORT PROTECTION

As a measure of import protection, MFN tariff applied on raw or processed, but not spun, flax and hemp is 0% in trade with all countries.

By the Stabilisation and Association Agreement with the EU, i.e. ITA, applied tariff rate is 0%.

- Fruit;

Measure: IMPORT PROTECTION

Applied measure of import protection: MFN tariff, specific tariff and seasonal tariffs.

Applied MFN tariffs ranges from 5 – 20%.

With the countries signatories of CEFTA 2006, the agreed tariff rate on import of fruit is 0%, except with the Republic of Albania, with whom MFN tariff was agreed. With the Republic of Croatia quota has been agreed.

According to Free Trade Agreement with Russia and the Republic of Belarus agreed tariff rate is 0%.

With the Republic of Turkey quota for certain types of fruit is agreed.

Annex: customs tariff for fruit, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 08 Customs Tariffs, set out in CHAPTER 29 - CUSTOMS UNION, Annex 12.

Measure: SUBSIDIZING COSTS OF STORING WHEAT, DURUM WHEAT AND MAIZE CROP 2010 IN PUBLIC WAREHOUSES AND FROZEN RASPBERRIES CROP 2010

As a measure of support to encouraging the storage of frozen raspberry crop 2010 in the system of public warehouses, a measure of subsidizing part of storage costs was stipulated.

Described in the part: MARKET MEASURES, Question 10

- Vegetables;

Measure: IMPORT PROTECTION

Applied import protection measure:

MFN tariff, specific tariff and seasonal tariffs.

Applied MFN tariff on vegetables ranges from 10–20%, except for tomatoes where the rate of 30% was applied.

With the countries signatories of CEFTA 2006, except for the Republic of Albania and the Republic of Croatia, the agreed tariff rate is 0%.

With the Republic of Albania and the Republic of Croatia quota has been agreed for most vegetable crops.

In the Free Trade Agreement with Russia and the Republic of Belarus the agreed tariff rate is 0%. With the Republic of Turkey quota is agreed for certain types of fruit.

Annex: customs tariff on vegetables, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 07 of the Customs Tariff, set out in CHAPTER 29 – CUSTOMS UNION, Annex 12.

- Processed fruit and vegetables;

Measure: IMPORT PROTECTION

As a measure of import protection, MFN tariffs applied on fruit and vegetable products, including juices, is 20%. Exception is the concentrates from orange, lemon and other citrus fruits, where the applied tariff rate is 5%.

With the countries signatories of CEFTA 2006, with the exception of the Republic of Albania and the Republic of Croatia, the agreed tariff rate is 0%. With the Republic of Albania quota has been agreed for imports of certain fruits and vegetables.

With the Republic of Croatia, duty rate on imports of certain fruit and vegetables has been agreed.

In the Free Trade Agreement with Russian Federation and the Republic of Belarus a tariff rate of 0% on imports of fruit and vegetables and juices is agreed.

With the Republic of Turkey quota is agreed for imports of certain fruit and vegetable products.

Annex: tariff for fruit and vegetable products, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 20 Customs Tariff, set out in CHAPTER 29 - CUSTOMS UNION, Annex 12.

Measure: EXPORT SUBSIDIES

Described in the part: MARKET MEASURES, Question 10

- Bananas;

Measure: IMPORT PROTECTION

As a measure of import protection applied MFN tariff is 15%.

With the countries signatories of CEFTA 2006 tariff rate 0% was agreed, with the exception of the Republic of Albania, with whom MFN tariff is agreed.

In the Free Trade Agreement with Russia and the Republic of Belarus a tariff rate of 0% is agreed, and with the Republic of Turkey MFN tariff.

In the Stabilisation and Association Agreement with the EU, i.e. ITA, tariff rate 0% is agreed.

- Wine;

Measure: IMPORT PROTECTION

As a measure of import protection, applied MFN tariff is 30%.

With the countries signatories of CEFTA 2006 tariff rate 0% was agreed, except in trade with the Republic of Albania, the Republic of Croatia and the Republic of Moldova, with whom quotas with preferential tariff rate was agreed.

In the Free Trade Agreement with Russian Federation, sparkling wine for export from Serbia to Russia is exempted from the regime of free trade, with the Republic of Belarus full liberalization is agreed, while quota with the preferential tariff rate was agreed with the Republic of Turkey.

Import protection in the wine trade between the Republic of Serbia and the EU is defined in Protocol 2 (Article 28), Annex I of Protocol 2 of Stabilisation and Association Agreement (SAA), i.e. ITA.

Annex: customs tariff for wine, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 22 Customs Tariffs, set out in CHAPTER 29 - CUSTOMS UNION, Annex 12.

Measure: EXPORT SUBSIDIES

Export subsidies for wine are established in the amount of 5% of the realised value from the export of wine made.

Described in the part: MARKET MEASURES, Question 10

- Live plants and products of floriculture;

Measure: IMPORT PROTECTION

Applied measure of import protection: MFN tariff and seasonal tariffs.

As a measure of import protection applied MFN tariff for cut flowers ranges from 10–15%.

With the countries signatories of CEFTA 2006, except for the Republic of Albania, the agreed tariff rate is 0%. With the Republic of Albania MFN tariff on certain products was agreed.

In the Free Trade Agreement with Russian Federation and the Republic of Belarus a tariff rate of 0% is agreed.

With the Republic of Turkey quota for cut flowers is agreed.

Annex: customs tariff for live plants and horticultural products, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 06 of the Customs Tariff, set out in CHAPTER 29 - CUSTOMS UNION, Annex 12.

- Raw tobacco;

Measure: IMPORT PROTECTION

Applied measure of import protection: MFN tariff and specific duty.

Applied MFN tariff on raw tobacco is 10%.

With the countries signatories of CEFTA 2006 free exchange has been agreed, except with the Republic of Croatia and the Republic of Moldova with whom symmetrical with preferential tariff quota was arranged.

In the free trade agreements with Russian Federation and the Republic of Belarus tariff rate of 0% is agreed, while with the Republic of Turkey and the EFTA countries the agreed tariff rate is 10%.

In the Stabilisation and Association Agreement with the EU, i.e. ITA, a tariff rate of 10% is agreed.

Applied specific customs duty for certain products from tariff title 24 is charged on import per unit of product as follows: not stemmed/stripped cured Virginia type tobacco in the amount of Din 5 per kg, not stemmed/stripped Burley type, air-cured, Din 15 per kg, for partly or wholly stemmed/stripped flue cured Virginia type tobacco from Din 0 to 10 per kg; for Burley type tobacco partly or wholly stemmed/stripped air-cured from Din 0 to 25 per kg.

Animal products:**- Beef and veal;****Measure: IMPORT PROTECTION**

Applied measure of import protection: MFN tariff and specific customs duty.

Applied MFN tariff on beef and baby beef is 30%

Applied specific customs duty ranges from Din 25 to 50 per unit of measure.

The Republic of Serbia has the approved preferential quota for exports of baby beef to the EU market in quantities of 8,700 t.

Annex: customs tariff for beef and veal, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 02 of the Customs Tariff, set out in CHAPTER 29 - CUSTOMS UNION, Annex 12.

Measure: EXPORT SUBSIDIES

For beef and baby beef, other edible products in brine, and products from beef and baby beef the applied measure is subsidising of exports.

Described in the part: MARKET MEASURES, Question 10

- Milk and milk products;**Measure: IMPORT PROTECTION**

Applied measure of import protection: MFN tariff and specific customs duty.

Applied MFN tariff ranges from 20 to 30%.

Applied specific customs duty ranges from Din 0 to 80 per unit of measure.

Annex: customs tariff on milk and dairy products, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for title 04 of the Customs Tariff, set out in CHAPTER 29 - CUSTOMS UNION, Annex 12.

Measure: EXPORT SUBSIDIES

For milk and cream and other dairy products the applied measure is subsidising of exports.

Described in the part: MARKET MEASURES, Question 10

Measure: MILK PREMIUM

Described in the part: MARKET MEASURES, Question 10

- **Pig meat;**

Measure: IMPORT PROTECTION

Applied measure of import protection: MFN tariff and specific customs duty.

Applied MFN tariff is 30%.

Applied specific customs duty ranges from Din 20 to 44 per unit of measure.

Annex: customs tariff for pig meat, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 02 of the Customs Tariff, set out in CHAPTER 29 – CUSTOMS UNION, Annex 12.

Measure: EXPORT SUBSIDIES

For pork and other pork products the applied measure is subsidising exports.

Described in the part: MARKET MEASURES, Question 10

- **Sheepmeat and goatmeat;**

Measure: IMPORT PROTECTION

Applied measure of import protection: MFN tariff and specific customs duty.

Applied MFN tariff is 30%.

Applied specific customs duty ranges from Din 20 to 36 per unit of measure.

Annex: customs tariff for sheep meat and goat meat, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 02 of the Customs Tariff, set out in CHAPTER 29 – CUSTOMS UNION, Annex 12.

- **Eggs;**

Measure: IMPORT PROTECTION

Applied measure of import protection: MFN tariff and specific customs duty.

Applied MFN tariff ranges from 5 to 30%.

Applied specific customs duty ranges from Din 1 to 1.5 per unit of measure.

Annex: customs tariff for eggs, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 04 of the Customs Tariff, set out in CHAPTER 29 – CUSTOMS UNION, Annex 12.

- **Poultrymeat;**

Measure: IMPORT PROTECTION

Applied measure of import protection: MFN tariff and specific customs duty.

Applied MFN tariff ranges from 15 to 30%.

Applied specific customs duty ranges from Din 31 to 50 per unit of measure.

Annex: customs tariff for poultry meat, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 02 of the Customs Tariff, set out in CHAPTER 29 – CUSTOMS UNION, Annex 12.

Measure: EXPORT SUBSIDIES

For poultry meat and poultry products the applied measure is subsidising exports.

Described in the part: MARKET MEASURES, Question 10

Specialised crops and products:

- **Ethyl alcohol of agricultural origin;**

Measure: IMPORT PROTECTION

Applied measure of import protection: MFN tariff and specific customs duty.

Applied MFN tariff is 30%.

Applied specific customs duty is Din 30 per l.

With the countries signatories of CEFTA 2006 free exchange was agreed, except with the Republic of Moldova and the Republic of Croatia with whom preferential quota was agreed. With the Republic of Moldova mutually preferential tariff quota for tariff headings 2207 and 2208 in the amount of 80 t/l with preferential tariff was arranged, and outside the quota MFN tariff is applied.

With the Republic of Croatia mutually preferential quotas for the tariff line 2208 90 91 00 and 2208 90 99 00 is 80t/l with preferential tariff was agreed, and outside the quota MFN tariff is applied.

Imports of these products from the Russian Federation is completely free under the Agreement on free trade, while the imports of these products to the territory of the Russian Federation is burdened with full tariffs.

In the free trade agreement between the Republic of Serbia and the Republic of Belarus ethyl alcohol of agricultural origin is exempt from the regime of free trade.

Annex: customs tariff for ethyl alcohol of agricultural origin, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Titel 22 of the Customs Tariff, set out in CHAPTER 29 – CUSTOMS UNION, Annex 12.

- Apiculture products – Honey;

Measure: IMPORT PROTECTION

Applied measure of import protection: MFN tariff and specific customs duty.

Applied MFN tariff is 30%

Applied specific customs duty is Din 15 per unit of measure.

Annex: customs tariff for honey, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 04 of the Customs Tariff, set out in CHAPTER 29 – CUSTOMS UNION, Annex 12.

Measure: EXPORT SUBSIDIES

Described in the part: MARKET MEASURES, Question 10

- Silkworms;

Measure: IMPORT PROTECTION

As a measure of import protection, applied MFN tariff on silkworm cocoon amounts to 1%.

With the countries of CEFTA 2006 tariff rate of 0% has been agreed, except for the Republic of Albania, with whom MFN tariff has been agreed.

In the free trade agreement with Russia and the Republic of Belarus tariff rate of 0% was agreed, while with the Republic of Turkey MFN tariff was agreed.

According to the Stabilisation and Association Agreement with the EU, i.e. ITA, applied tariff rate is 0%.

- Potatoes.

Measure: CUSTOMS PROTECTION OF POTATO

Applied measure of import protection: MFN tariff and specific customs duty.

As a measure of import protection, applied MFN tariffs on seed potato amounts to 5%, for the young, commercial potato and potato for the production of starch is 30%.

With the countries signatories of CEFTA 2006 tariff rate of 0% was agreed, except with the Republic of Albania, with whom MFN tariff was agreed, and the Republic of Croatia, with whom mutual quota. for commercial potato was agreed.

In the free trade agreement with Russia and the Republic of Belarus zero rate of customs duty on import of seed potatoes and potatoes was agreed, and with the Republic of Turkey MFN tariff was agreed.

Annex: tariffs on potatoes, regarding ITA, CEFTA 2006, bilateral agreements and EFTA Agreement, in the table for Title 07 of the Customs Tariff, set out in CHAPTER 29 – CUSTOMS UNION, Annex 12.

10. Where the individual measures are applied to more than one product category, they should be included within the description for each product category concerned. The descriptions should include at least the following information:

- **name of the policy measure; whether currently applied or planned (planned date of likely introduction);**
- **legislative basis (name and reference number of the relevant legal act);**
- **objectives and general description of the scheme;**
- **eligibility criteria of policy measure;**
- **basis for payments and for their regional differentiation (also the basis for determining the regions);**
- **amounts spent since 2000; total and per unit (ranges, if regionally differentiated);**
- **specific levies or taxes;**
- **use to which the levies/taxes are put (paid into general budget or destined for finance of particular activities, in which case please specify);**
- **administration of the scheme.**

Arable crops, specialised crops and products:

- **Cereals;**

Measure: PROTECTIVE PRICE OF WHEAT AND MAIZE IN 2001

Legislative basis:

- Decision regarding the protective price of wheat and corn harvested in 2001 (Official Gazette of FRY, No. 70/00, 7/01)

Objective and description of scheme: Stabilization of the market and provision of income to farmers through valorisation of basic investment costs. In the event that the market price is formed below the level of the protective one, it is stipulated that the state buy market surpluses at the prescribed protective price.

Criterion: The decision pertained to all buyers of wheat from farmers. Protective prices for wheat ranged from Din 5.80 to 7.50 per kg depending on the quality, and for the maize in the amount of Din 6.30 per kg.

Payment and regional differences: The inter-relations between the seller and the buyer. Protective price is paid in an equal amount in the territory of the Republic of Serbia, and the buyers of cereals were required to comply with the provisions of the Decision.

Administrative scheme: The decision was taken by the Government of the Federal Republic of Yugoslavia on the proposal by the Republic Ministry of Agriculture.

Measure: PREMIUM FOR COMMERCIAL WHEAT IN 2004

Legislative basis:

- Law on Budget of the Republic of Serbia
- Regulation on premiums for commercial wheat crop 2004 (Official Gazette of RS, No. 78/2004)

Objective and description of scheme: The aim of the measure is to encourage production, stock keeping and trade of wheat, as well as the stabilization of the wheat market at the time of harvesting.

Criterion: Companies, cooperatives, farms as legal entities and farmers are entitled to a premium for commercial wheat crop 2004 JUS E.B1.200 (standard quality) that is stored with a legal entity or entrepreneur dealing with purchase and storage of wheat.

Payment and regional differences: The premium was paid in the prescribed amount that was unique for the territory of the Republic of Serbia.

Amount paid (total and per unit): Total amount paid under this measure amounted to 2 billion dinars. For stored wheat the amount of Din 1 per kg was paid out. For stored wheat sold the beneficiary of the premium realised the premium of Din 0.50 per kg.

Administrative scheme: A warehouse used to submit the application for exercising the right to premium to the Ministry with a proof that the wheat was stored, i.e. he used to enclose a purchase agreement as an evidence that the purchase was made.

Supervision: Ministry of Agriculture, Forestry and Water Management.

Measure: SUBSIDISING OF THE PRODUCTION AND STORAGE OF WHEAT IN 2005 AND 2006

Legislative basis:

- Law on Budget of the Republic of Serbia
- Regulation on subsidies for the production and storage of wheat (Official Gazette of RS, No. 60/2005 and 58/2006)

Objective and description of scheme: The aim of the measure is to encourage production and storage of wheat by natural persons, allowing for the withdrawal a certain quantity of wheat from the market at harvest time, when the price is generally low, with the relaxation of the costs that farmers have for the storage.

Criterion: A natural person or an agricultural holding entered in the Register of Agricultural Holdings.

Payment and regional differences: In 2005, the total amount of 733,763,370 dinars was paid out. The registered farms, natural persons were paid amounts of 5,000 dinars per hectare of the area sown with wheat and 750 dinars per ton of wheat stored at an authorised warehouse. In 2006, the total amount paid was 61,834,629 dinars. The amount of 750 dinars was paid per ton of wheat stored at an authorised warehouse. There were no differences in payments across the regions.

Table 14 Funds disbursed for this measure

Year	2005	2006
Total paid, RSD	733,763,370	61,834,629

Administrative scheme: The application used to be submitted to the Treasury Administration, which, after the verification of data, used to pay the means at the account of the applicant.

Measure: SUBSIDIZING COSTS OF STORING WHEAT, DURUM WHEAT AND MAIZE CROP 2010 IN PUBLIC WAREHOUSES AND FROZEN RASPBERRIES CROP 2010

Legislative basis:

- Law on Budget of the Republic of Serbia

- Law on Public Warehouses
- Regulation prescribing the conditions for the entitlement to the use of this measure

Objective and description of scheme: The objective of the measure is to stimulate farmers to store their products in the public warehouses, which provide conditions that the goods are not sold immediately after harvest when prices are generally lower, but to sell them when they assess that their price in the market is the most favourable.

Criterion: A natural person who is the holder of agricultural holding entered into the RAH. Incentives are implemented for wheat, durum wheat and maize for the area up to 100 ha.

Payment and regional differences: The amount of money earmarked for subsidies is paid equally on the whole territory of the Republic of Serbia.

Table 15 Funds disbursed for this measure

Year:	2010
Amount of support, RSD per ton for A-1 class of wheat and durum wheat.	80
Amount of support, RSD per ton for A-2 class of wheat and durum wheat.	70
Amount of support, RSD per ton for A-3 class of wheat and durum wheat.	50
Amount of support, RSD per ton for all classes of maize	50
Total paid, RSD	50,000,000*

** planned for the current budget for all products listed in Regulation*

Administrative scheme: Application is submitted to the Ministry of Finance – Treasury Administration with a copy of the receipt of the commodity record.

- Rice;

Except for tariffs, market measures of agricultural policy for rice were not applied. Not produced in Serbia.

- Sugar beet;

Measure: PROTECTIVE PRICE FOR SUGAR BEET

Legislative basis:

- Decision regarding the protective price of sugar beet harvested in 2001 (Official Gazette of the FRY, No. 70/00)

Objective and description of scheme: Stabilization of the market and provision of income to farmers through valorisation of basic investment costs. If the market price is formed below the level of the protective one, it is envisaged that the state buy the market surpluses at the prescribed protective price.

Criterion: Companies, cooperatives and other legal entities, entrepreneurs and individual farmers who produce sugar beet, protective price of Din 2 per kg is provided for sugar beet crop 2001.

Payment basis: Mutual relations between the seller and buyer.

Administrative scheme: Decision was taken by the Federal Government on the proposal by the Republic Ministry of Agriculture.

Supervision: MAFWM and the Ministry of Commerce

Measure: STIMULATION FOR PRODUCTION OF SUGAR BEET

Legislative basis:

- Law on Budget of the Republic of Serbia
- Decision on the premium for sugar beet (Official Gazette of RS, No. 26/01, 2/02, 68/02, 84/02, 91/02, 96/03, 45/04)

Objective and description of scheme: The objective of the measure is to stimulate production of sugar beet and increase the sown areas. It was implemented through the

disbursement of the earmarked annual amount to sugar beet producers.

Criterion: Producers of sugar beet (beneficiaries) who have contracted with sugar plant and have sown sugar beet, were entitled to a certain annual amount of payment per kilogram of produced and delivered sugar beet to sugar plant (companies, cooperatives, scientific-research organizations and farms).

Payment and regional differences: The premium was paid on the annual basis for the agreed and grown sugar beet, as follows: Year 2004: Din 0.25 per kg

Year 2002: 12,300 dinars per hectare: condition – minimum realised yield of 38 t/ha; for the areas where drought has been declared as a natural disaster, reference yield is 28 t/ha; for yields lower than 28 t/ha, the producer is not eligible for the premium.

Year 2003: 12,300 dinars per ha, for the lowest yield of 38 t/ha, for sown area of 70,000 ha. For certain areas defined by the Decision, the premium was paid without stipulated reference yield.

Year 2004: Din 0.30 per kg.

Table 16 Funds disbursed for this measure

Year	2001	2002	2003	2004
Amount per unit of measure	0.25 din/ kg	12,300 din/ha	12,300 din/ha	3.30 din/ kg
Total amount paid, in thousands of RSD	492,800	502,616	802,843	897,270

Administrative scheme: Application for advance payment and the final amount of the premium was submitted by the sugar plant/ organizer of the production to the Ministry of Agriculture, Forestry and Water Management, along with the required documentation; after a review of documentation the ministry paid the corresponding amount to the applicant, and within five days the applicants paid the corresponding amount to sugar beet producers.

Supervision: Ministry of Agriculture, Forestry and Water Management.

- Sugar;

Measure: PREFERENTIAL EXPORT QUOTA

Legislative basis:

- Law on Foreign Trade (Official Gazette of RS, No. 36/09)

- Decision on export of sugar to the European Union (Official Gazette of RS, No. 106/05, 63/06, 86/07, 88/08, 81/09 and 60/2010).

Description of scheme: Duty free exports of sugar under the tariff heading 1701 and 1702 of the Customs Tariff, originating from the Republic of Serbia, to the European Union, within the prescribed annual tariff quotas for the fiscal year.

Established quotas: 180,000 tons for 2005/06; 180,000 tonnes for 2006/07; 225,000 tonnes for 2007/08; 180,000 tonnes for 2008/09; 180,000 tonnes for 2009/10; and 180,000 tonnes for 2010/11.

Administrative scheme: Distribution of preferential quota to sugar plants is conducted by the Ministry of Agriculture, Forestry and Water Management on the basis of Decision on export of sugar to the countries of the European Union (which is made annually). Licenses to export are implemented by the Ministry of Economy and Regional Development. Commission for issuing licenses (consisting of representatives of the Ministry of Economy and Regional Development, Ministry of Agriculture, Ministry of Trade and Services and Ministry Finance – Customs Administration) is responsible for implementation of licensing procedures. Ministry of Economy keeps records of the issued licenses.

Supervision: Ministry of Finance – Customs Administration keeps records of sugar exported to the countries of the European Union in accordance with the Regulation, sending monthly

reports to the Commission.

- Dried fodder, seeds;

Except for tariffs, no market measures of agricultural policy for dried fodder and seeds were applied.

- Hops;

Measure: PREMIUM FOR PRODUCTION OF HOPS

Legislative basis:

- Law on Budget of the Republic of Serbia
- Regulation on premium for the production of hops (Official Gazette of RS, No. 66/2004, 26/2005)
- Regulation on the Register of Agricultural Holdings (for 2004 and 2005.)

Objective and description of scheme: The objective of the measure is to increase the yield and areas under this crop. The premium was paid directly to producers.

Criterion: Condition for exercising the right to premium in 2004 was the yield of at least 800 kg/ha of dry hop cones. In 2005, premium was received by growers who were entered in the Register of Agricultural Holdings.

Payment and regional differences: In 2004, the premium was paid in the amount of Din 39,000 per ha for the minimum yield of 800 kg/ha of dry hop cones; in 2005, in the amount of Din 50 per kg of produced and delivered dried hop cones; in 2005, the premium beneficiaries were eligible for the premium under the condition that they are entered in the Register of Agricultural Holdings.

The stipulated amounts were paid equally in the entire territory of the Republic of Serbia.

Table 17 Funds disbursed for this measure

Year	2004	2005
Amount of premium	39,000 din/ha	50 din/kg
Total paid	n.a.*	n.a.

** data not available*

Administrative scheme: Premium beneficiaries exercised their right to payment of funds in two parts: the first part before the end of production in the form of advances, and the second part after delivery of dry hop cones.

The first part was paid out based on a request accompanied with a record made by agricultural inspector on the area of the cultivated hop plantations.

The other part was paid out upon request, based on confirmation on the delivered quantities of dried hop cones. After deduction of the amount paid in advance, the Ministry paid the amount obtained by the final calculation directly to the producers.

Supervision: Ministry of Agriculture, Forestry and Water Management.

- Olive oil and table olives;

Except for tariffs, no market measures of agricultural policy were applied for olive oil and table olives, as this production does not exist in the Republic of Serbia.

- Flax and hemp;

Except for tariffs, no other market measures of agricultural policy were applied for flax and hemp.

- **Fruit;**

Measure: SUBSIDISING COSTS OF STORING WHEAT, DURUM WHEAT AND MAIZE CROP 2010 IN PUBLIC WAREHOUSES AND FROZEN RASPBERRIES CROP 2010

Legislative basis:

- Law on Budget of the Republic of Serbia
- Law on Public Warehouses
- Regulation prescribing the conditions for the entitlement to the use of this measure

Objective and description of scheme: The objective of the measure is to stimulate farmers to store their products in the public warehouses, which provide conditions that the goods are not sold immediately after harvest when prices are generally lower, but to sell them when they assess that their price in the market is the most favourable.

Criterion: A natural person who is the holder of a farm entered into the RAH is entitled to the incentives for the costs of storage of frozen raspberry crop 2010 for the period up to 6 months, in a monthly amount up to RSD 700 per ton. Incentives are received for the area under raspberry up to 10 hectares.

Payment and regional differences: The amount of money earmarked for subsidies is paid equally on the whole territory of the Republic of Serbia.

Table 18 Funds disbursed for this measure

Year	2010
Amount of support, RSD per ton	700
Total paid, RSD	50,000,000*

** planned by the current budget for all products listed in the Regulation*

Administrative scheme: Application is submitted to the Ministry of Finance – Treasury Administration with a copy of the receipt of the commodity record.

- **Vegetables;**

Except for tariffs, no market measures of agricultural policy were applied for the vegetables.

- **Processed fruit and vegetables;**

Measure: EXPORT SUBSIDIES

Legislative basis:

- Law on Budget of the Republic of Serbia
- Foreign Exchange Law (Official Gazette of RS, No. 62/2006)
- Regulation on the use of funds for encouraging exports of agricultural products and foodstuffs (Official Gazette of RS, No. 48/04 and 70/04, 3/05, 42/05, 71/05 and 81/05, 5/2006, 6/2007, 9/2008, 16/2009, 20/10, 24/10, 46/10 and 58/10)

Objective and description of scheme: The objective of the measure is improvement and promotion of domestic production, relief from local surpluses and finding new markets for products that have not achieved an adequate level of competitiveness.

For fruit products, stimulation is given for: frozen fruits: strawberries, blackberries, cherries and plums, I class; dried plums and plum jam and fruit juice and concentrated fruit juice (apple, cherry and raspberry). For processed vegetables, stimulation is given for: frozen vegetables: peas, green beans and sweet corn; canned vegetables: peas, green beans, sweet corn, pickled gherkins, peppers, pickled cabbage and ayvar.

Criterion: Those who are entitled to these funds are legal entities and entrepreneurs – exporters that export and collect in the current year, and those who exported in the previous year, and collected in the current year (in accordance with the Foreign Exchange Act),

agricultural and food products of domestic origin. Since 2010, natural persons – holders of commercial family farms are also entitled to these funds for export of their own agricultural and food products. Commodity of domestic origin is considered a commodity whose domestic origin was determined by the competent authority. The right to use these funds does not apply to exports made in the compensation and brokerage activities in foreign trade. Since 2006, the right to use the sources according to this regulation does not apply to exporters who export commodities of domestic origin on the territory of the countries signatories of CEFTA 2006.

Payment and regional differences: The amount of incentive funds according to groups of products is 5% and 10%, depending on the product (see table below), and the basis for calculation of funds for subsidies is the dinar equivalent to foreign exchange collected for export of goods after deduction of foreign costs (bank costs, fees, transportation, insurance, etc.). The base is determined using the official median exchange rate on the date of submission of the application to the National Bank of Serbia. Throughout the territory of the Republic of Serbia equal amount of incentives is paid out.

Funds disbursed under this measure are aggregated by product groups in Table No: 28
Review of funds disbursed for export subsidies by product groups

Table 19 Amount of export subsidies by products

Year	2003	2004	2005	2006	2007	2008	2009	2010
FRUIT								
Frozen fruits	10%	7%	7%	7%	7%	7%	5%	5%
Dried fruits and juices		10%	10%	10%	10%	10%	10%	10%
Preserved fruit, jam	10%	10%	10%	10%	10%	10%	10%	10%
Juice and concentrated fruit juice		10%	10%	10%	10%	10%	10%	10%
VEGETABLES								
Frozen vegetables		7%	7%	7%	7%	7%	5%	5%
Canned vegetables					10%	10%	10%	10%
Ayvar							10%	10%

Administrative scheme: Application for exercising the right to subsidy is to be submitted to the National Bank of Serbia, within 90 days from the date of obtaining the entitlement. National Bank of Serbia prescribes the documentation and sample application form for exercising the right to use the funds according to the Regulations. Certified form by the National Bank of Serbia on compliance with the conditions for exercising the right according to this Regulation and review of the controlled and certified forms with the calculated amount for payment is submitted to the Ministry of Agriculture, Forestry and Water Management – Agricultural Payments Directorate (since 2010), within 30 days from the date of certification. Incentives are paid out in the order of submission of applications, up to the amount of funds determined by a separate act, enacted by the Government.

Supervision: Ministry of Agriculture, Forestry and Water Management

- Bananas;

Except for tariffs, market measures of agricultural policy are not applied for bananas. Not produced in Serbia.

- Wine;

Measure: EXPORT SUBSIDIES

Legislative basis: Described in part for Processed Fruits and Vegetables

Objective and description of scheme: Described in part for Processed Fruits and Vegetables

Criterion: Described in part for Processed Fruits and Vegetables, but only legal entities registered for wine production in Wine register are entitled to using these funds. Also, since 2009, this type of incentive has not been applied to the realised exports of wine to the EU under the preferential quota.

Payment and regional differences: The envisaged amount of export subsidies to be paid out is unique on the whole territory of the Republic of Serbia.

Funds disbursed under this measure are aggregated by product groups in Table 28 Review of funds disbursed for export subsidies by product groups

Table 20 Amount of export subsidies

Year	2003	2004	2005	2006	2007	2008	2009	2010
Wine	10%	10%	10%	10%	10%	10%	10%	5%

Administrative scheme: Described in part for Processed Fruits and Vegetables

Supervision: Ministry of Agriculture, Forestry and Water Management

- Live plants and products of floriculture;

Except for tariffs, market measures of agricultural policy are were not applied for the live plants and products of floriculture.

- Raw tobacco;

Measure: PROTECTIVE PRICE FOR TOBACCO

Legislative basis:

- Decision regarding the protective price of raw tobacco crop 2001 (Official Gazette of FRY No. 70/2000).

Objective and description of scheme: The objective of the measure is to maintain tobacco production and provide income for producers. The minimum price at which the tobacco was purchased from the producers of raw tobacco was Din 105 per kg for all species, types and classes of tobacco.

Criterion: Criteria for the beneficiaries are described in answer to Question 10 a) cereals.

Payment and regional differences: The contractual relations between buyers raw tobacco and producers of raw tobacco. The prescribed amount paid out was unique in the whole territory of the Republic of Serbia.

Administrative scheme: Administrative scheme is described in answer to question 10 – Cereals

Measure: PREMIUM FOR TOBACCO

Legislative basis:

- Law on conditions for conducting trade in goods, providing services in transport of goods and inspection oversight (Official Gazette of RS, No. 39/96, 20/97, 46/98)

- Budget Law of the Republic of Serbia (for 2001, 2002,2003,2004,2005, 2007 and 2008.)

- Regulations defining the conditions for exercising the right to use incentive funds for this measure (Official Gazette of RS No. 16/2000, 40/2001, 2/2002, 91/2002, 16/2003, 96/2003, 3/2004, 66/2004, 26/2005, 97/2007, 18/2008, and 71/20099)

- Regulation on Register of Agricultural Holdings

Objective and description of scheme: The objective of this measure was to maintain or increase the areas under tobacco, and to improve the quality of tobacco and increase the competitiveness of producers. Until 2005, the requests were submitted to the Ministry of Agriculture, Forestry and Water Management, through the organisers of production, and since

2006, to the Ministry of Finance – Treasury Administration. The premium was paid to a dedicated account of the holder of agricultural household.

Criterion: Manufacturers of tobacco – natural and legal persons and entrepreneurs, who contracted, produced and delivered raw tobacco to the registered processors (purchasers) of tobacco. Since 2005, only registered farms have been entitled to payment of premiums.

In 2002 and 2003, the condition for exercising the right to the premium was the minimum number of plants per unit of area, and the minimum achieved yield of tobacco leaves per unit of area.

In 2004 and 2005, the condition for exercising the right to the premium was that the tobacco plantation was contracted and nurtured.

2007. In 2007 and 2008, the reference yield per hectare was prescribed for each type of tobacco that the premium beneficiary had to realise in production.

Payment basis: The basis for payment is compliance with the conditions and criteria that were set. If all required documentation to be submitted with the request complies with the data given in the Register, the applicant shall be paid the premium for tobacco.

Funds paid for tobacco (RSD):

Funds from the budget of the Republic of Serbia were not used for payment of premiums for tobacco leaves **in 2000 and 2001**. Premium was paid in the amount of Din 24 per kg of contracted and delivered raw tobacco leaves, but the beneficiaries were entitled to use a portion of premium in the form of advance payment of 5,000 dinars per hectare.

Funds for the premium were provided by legal persons and entrepreneurs who produce or import cigarettes and pay per pack of 20 cigarettes the amount ranging from Din 0.5 to 1, depending on the quality group.

In **2002 and 2003**, the premiums for tobacco production were paid per hectare of planted and cultivated tobacco and these were in the amount of 40,000 dinars per hectare in 2002, for all types, while for 2003 the amounts depended on the varieties of tobacco as follows: Virginia 71,000 dinars, Burley 38,000 dinars, Prilep 71,000 dinars, strong 71,000 dinars, and Otlja 52,000 dinars.

In **2004**, according to type and class:

-Premium for Virginia was: I-70, II-65, III-60, IV-45, V-40 din/kg

-Premium for Burley was: I-55, II-50, III-45, IV-35, V-15 din/kg

-Premium for Oriental was: I-95, II-90, III-85, IV-65, V-40 din/kg

In **2005**, according to type and class:

-Premium for Virginia was: I-70, II-65, III-55, IV-30 din/kg

-Premium for Burley was: I-40, II-30, III-20, IV-10 din/kg

-Premium for Oriental was: I-90, II-80, III-70, IV-40 din/kg

In **2007 and 2008**, according to type and class:

-for Virginia it was: I-80, II-75, III-72, IV-45 din/kg

-for Burley it was: I-60, II-50, III-45, IV-25 din/kg

-for Oriental it was: I-110, II-100, III-95, IV-85 din/kg

Reference yield for Virginia and Burley in 2007 amounted to 1,300 kg/ha, and in 2008 it was 1,800 kg/ha, while the reference yield for Oriental in 2007 amounted to 700 kg/ha, and in 2008 it was 1,100 kg/ha.

Table 21 Disbursed funds for this measure

Year	2002	2003	2004	2005	2007	2008
Total, RSD	308,700,000	265,748,359	285,961,428	250,000,000	170,000,000	436,751,000

Administrative scheme: Applications for payment of premiums for raw tobacco leaves used to be submitted to the Ministry of Agriculture, Forestry and Water Management until 2005,

along with the record made by agricultural inspector (until 2004), production agreements concluded with the organisers of the of tobacco production, as well as certificates on purchased quantities of raw tobacco leaves.

In 2000 and 2001, the transfer of funds was made from the account of the Republic Directorate for Commodity Reserves, where the funds were accumulated to the account of the Ministry of Agriculture, Forestry and Water Management, from which they were disbursed to the organisers of production, i.e. end users. In 2002 – 2004, the disbursement was made to the organisers of production, who made payments further to the beneficiaries. Since 2005, the payments have been made to the dedicated current accounts of the registered agricultural holdings, except that since 2007 the applications are submitted to the Treasury Administration in the Ministry of Finance, where they are processed and used for direct payments.

Supervision: Ministry of Agriculture, Forestry and Water Management

Animal products:

- **Beef and veal;**

Measure: EXPORT SUBSIDIES

Legal basis:

- Law on Budget of the Republic of Serbia
- Regulation on the use of funds for encouraging exports of agricultural products and foodstuffs (Official Gazette of RS, No. 48/04 and 70/04, 3/05, 42/05, 71/05 and 81/05, 5/2006, 6/2007, 9/2008, 16/2009, 20/10, 24/10, 46/10 and 58/10)

Objective and description of scheme: The objective of the measure is improvement and promotion domestic production, relief from local surpluses and finding new markets for products that have not achieved an adequate level of competitiveness.

Criterion: Described in part for Processed Fruits and Vegetables.

Payment and regional difference: The amount of export subsidy was defined in a certain percentage (varying by year) compared to the value of the realised exports, and was paid out equally on the territory Republic of Serbia.

The funds disbursed under this measure are given aggregated by product groups in Table 28
Review of funds disbursed for export subsidies by product groups

Table 22 Amount of export subsidies by products

Year	2003	2004	2005	2006	2007	2008	2009	2010
Beef and baby-beef	10%	20%	20%	20%	20%	20%	15%	15%
Meat and other edible products in brine, salted, dried		10%	10%	10%	10%	10%	10%	10%
Meat products	10%	10%	10%	10%	10%	10%	10%	10%

Administrative scheme: Administrative scheme is described in question 10 - Processed fruits and vegetables.

Supervision: Ministry of Agriculture, Forestry and Water Management.

- **Milk and milk products;**

Measure: MILK PREMIUM

Legislative basis:

- Law on Budget of the Republic of Serbia
- Rulebook on the manner and conditions for registration and maintaining the Register of Agricultural Holdings
- Regulation on reimbursement for breeding animals and milk premium (Official Gazette of

RS, No. 8/01, 19/01, 23/01, 2/02, 3/04, 45/04, 3/05, 38/05, 117/05, 6/07, 64/07, 18/08 and 7/10)

Objective and description of scheme: The objective of the Regulation is to improve the efficiency of milk production and quality of the products. Since 2001, the payments are made to farmers per litre of produced milk (cow, sheep and goat) they delivered to registered dairies.

Criterion: Until 2006, all agricultural entities were entitled to premiums. Since then, the entry in the Register of agricultural holdings has been the condition for eligibility to use the premium.

Payment and regional differences: Until 2009, the amount of the premium was different for the milk produced in the plain regions and that produced in the hilly-mountainous regions (over 400 meters above sea level).

Households are required to deliver milk to the registered dairies. The payment is made monthly. Since 2009, the payment has been made quarterly.

The payment is made for milk that meets the criteria defined in the Rulebook on the quality of milk, as follows: cow milk with at least 3.2% milk fat, 3.5% proteins and 8.5% dry matter; goat milk with at least 2.8% milk fat, 2.5% proteins and 7.5% dry matter; sheep milk with 4.0% milk fat, 3.8% proteins and 9.5% dry matter.

In 2009, it was defined in the Regulation that only natural persons, owners of agricultural holdings, who deliver a minimum of 2,500 liters of milk per quarter, are eligible for the premium.

In 2010, only natural persons who are holders of a commercial family farms, or legal person with at least 90% of the state capital established, are entitled to the premium.

In 2010 as well, the payment is made quarterly, the minimum is 4,000 litres per quarter and the maximum is 3,000,000 litres.

Table 23 The amount of premium per litre of milk and total amount paid for this type of incentive

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Plain	3.6	4	4	4	3.8	4	2	1	1.4	1.5
Hilly-mountainous	4	4.4	4.4	4.4	4.5	3	3	2	1.4	1.5
Total amount paid, in thousands of RSD	2,072,000	1,923,604	2,900,000	3,115,895	2,900,000	2,459,572	1,965,261	1,293,671	487,771	460,000*

**planned in the current budget*

Administrative scheme: Applications are submitted to the Ministry of Agriculture, Forestry and Water Management. The payment is made monthly, to the account of dairies that send lists of dairy producers with the quantities of milk supplied, except in 2009 and 2010, in which the payment is made quarterly and there is a certain minimum amount that must be delivered to the dairy to exercise the entitlement to a premium.

Supervision: Ministry of Agriculture, Forestry and Water Management.

Measure: EXPORT SUBSIDIES

Legislative basis:

- Law on Budget of the Republic of Serbia
- Regulation on the use of funds for encouraging exports of agricultural products and foodstuffs (Official Gazette of RS, No. 48/04 and 70/04, 3/05, 42/05, 71/05 and 81/05, 5/2006, 6/2007, 9/2008, 16/2009, 20/10, 24/10, 46/10 and 58/10)

Objective and description of scheme: The objective of the measure is improvement and promotion of domestic production, relief from local surpluses and finding new markets for products that have not achieved an adequate level of competitiveness.

Criterion: Described in part for Processed Fruits and Vegetables.

Payment and regional differences: The subsidy is determined in percentage compared to the value of exported goods. The amount of subsidy was determined annually, and was paid in the stipulated amount equal for the whole territory of the Republic of Serbia.

The funds disbursed under this measure are given aggregated by product groups in Table 28
Review of funds disbursed for export subsidies by product groups

Table 24 Amount of export subsidies by products

Year	2003	2004	2005	2006	2007	2008	2009	2010
Milk and cream not concentrated	20%	20%	20%	20%	20%	20%	20%	20%
Milk and cream concentrated and other dairy products	20%	20%	20%	20%	20%	20%	15%	15%

Administrative scheme: Administrative scheme is described in question 10 – Processed fruits and vegetables.

Supervision: Ministry of Agriculture, Forestry and Water Management

- Pigmeat;

Measure: EXPORT SUBSIDIES

Legislative basis:

- Law on Budget of the Republic of Serbia

- Regulation on the use of funds for encouraging exports of agricultural products and foodstuffs (Official Gazette of RS, No. 48/04 and 70/04, 3/05, 42/05, 71/05 and 81/05, 5/2006, 6/2007, 9/2008, 16/2009, 20/10, 24/10, 46/10 and 58/10)

Objective and description of measure: The objective of the measure is improvement and promotion of domestic production, relief from local surpluses and finding new markets for products that have not achieved an adequate level of competitiveness.

Criterion: Described in part for Processed Fruits and Vegetables.

Payment and regional differences: The amount of subsidies was determined as a percentage (varying by years), and was paid out equally on the territory of the Republic of Serbia.

The funds disbursed under this measure are given aggregated by product groups in Table 28
Review of funds disbursed for export subsidies by product groups

Table 25 Amount of export subsidies by products

Year	2003	2004	2005	2006	2007	2008	2009	2010
Pork fat		10%	10%	10%	10%	10%	10%	10%
Meat and other edible products in brine, salted, dried		10%	10%	10%	10%	10%	10%	10%
Meat products	10%	10%	10%	10%	10%	10%	10%	10%

Administrative scheme: Administrative scheme is described in question 10 – Processed fruits and vegetables.

Supervision: Ministry of Agriculture, Forestry and Water Management

- **Sheepmeat and goatmeat;**

Except for tariffs, no market measures of agricultural policy were applied for sheep and goat meat.

- **Eggs and poultrymeat;**

Measure: EXPORT SUBSIDIES

Legislative basis:

- Law on Budget of the Republic of Serbia;
- Regulation on the use of funds for encouraging exports of agricultural products and foodstuffs (Official Gazette of RS, No. 48/04 and 70/04, 3/05, 42/05, 71/05 and 81/05, 5/2006, 6/2007, 9/2008, 16/2009, 20/10, 24/10, 46/10 and 58/10)

Objective and description of scheme: The objective of the measure is improvement and promotion of domestic production, relief from local surpluses and finding new markets for products that have not achieved an adequate level of competitiveness.

Criterion: Described in part for Processed Fruits and Vegetables.

Payment and regional differences: The amount of subsidies was determined as a percentage (varying by years), and was paid out equally on the territory of the Republic of Serbia.

The funds disbursed under this measure are given aggregated by product groups in Table 28
Review of funds disbursed for export subsidies by product groups

Table 26 Amount of export subsidies by products

Year	2004	2005	2006	2007	2008	2009	2010
Poultry meat				20%	20%	15%	15%
Meat products	10%	10%	10%	10%	10%	10%	10%
Eggs					10%		

Administrative scheme: Administrative scheme is described in question 10 – Processed fruits and vegetables.

Supervision: Ministry of Agriculture, Forestry and Water Management.

Specialised cereals and products:

- **Ethyl alcohol of agricultural origin;**

Market measure financed from the agricultural budget is not stipulated for ethyl alcohol of agricultural origin. Only measure of import protection is applied to this production.

- **Apiculture products - Honey;**

Measure: EXPORT SUBSIDIES

Legislative basis:

- Law on Budget of the Republic of Serbia (for 2007, 2008, 2009 and 2010)
- Regulation on the use of funds for encouraging exports of agricultural products and foodstuffs (Official Gazette of RS, No. 48/04 and 70/04, 3/05, 42/05, 71/05 and 81/05, 5/2006, 6/2007, 9/2008, 16/2009, 20/10, 24/10, 46/10 and 58/10)

Objective and description of scheme: The objective of the measure is improvement and promotion of domestic production, relief from local surpluses and finding new markets for products that have not achieved an adequate level of competitiveness.

Since 2007, the incentive beneficiaries have also been legal entities and entrepreneurs that

exported and collected for agricultural and food products of domestic origin.

Criterion: Described in part for Processed Fruits and Vegetables.

Payment and regional differences: The amount of subsidies was determined as a percentage (varying by years), and was paid out equally on the territory of the Republic of Serbia.

The funds disbursed under this measure are given aggregated by product groups in Table 28
Review of funds disbursed for export subsidies by product groups

Table 27 Amount of export subsidies by products

Year	2007	2008	2009	2010
Honey, natural	20%	20%	10%	10%

Administrative scheme: Administrative scheme is described in question 10 – Processed fruits and vegetables.

Supervision: Ministry of Agriculture, Forestry and Water Management.

- Silkworms;

Market measures of agricultural policy are not stipulated for silkworms.

- Potatoes.

Except for tariffs, market measures of agricultural policy are were not applied for potatoes.

Table 28 Review of funds disbursed for export subsidies by product groups, in RSD

Products	Year							2009	2010*
	2003	2004	2005	2006	2007	2008			
Confectionery products and honey					41,953,748	36,929,253		n.a.	700,000,000 including product groups not listed in the table
Milk and milk products (2008 including powdered eggs)	22,382,498	55,936,269	70,000,000	71,519,934	103,692,023	664,488			
Meat and meat products	21,180,021	126,126,205	102,000,000	325,935,101	264,698,194	131,363,349			
Wine (2004, 2005, 2006, 2007 and 2008 including "rakija")	5,644,452	13,837,039	30,000,000	8,803,756	7,443,489	5,238,133			
Fruits and vegetables and their products	142,424,049	120,241,056	100,000,000	402,946,786	372,612,911	489,000,513			

*planned in the current budget

11. In addition, the description for the fruit and vegetables sector should include

an indication, if relevant, of the economic importance of producers' organisations (including number and percentage of production covered by such organisations), legislation applicable in this field (also for inter-branch organisations) and any national measures aimed at encouraging the organisation of the sector. It would also be useful to provide details of any representative markets for determining production and import prices. Information should also be included on the processing of fresh fruits and vegetables (which products, any rules on jams and fruit juice production) and on any subsidies given for the processing activities as well as details of the legal relationship between processors and producers of fresh products.

In the Republic of Serbia there is no legislation which defines the interrelationships between the primary producers of fruits and vegetables, or legislation which defines the relationship between primary producers and processors of fruits and vegetables. The principle of association is voluntary.

Producers of fruits and vegetables that have common interest in growing and marketing of certain crops may join together and get organised within: societies, associations, cooperatives and the like. Registration of these organizations made in the Agency for Business Registers, with obligatory passing of the Statute of the organisation. The largest association that brings together producers of fruits, vegetables, planting material and cold storage managers, is the national association "Fruits of Serbia". Apart from it there are several major organisations: National Association of Serbian producers of prunes in Valjevo, Association of blueberry producers "Serbian blueberries", Agricultural Cooperative "Prima-blueberry", Belanovica, and a large number of smaller associations and cooperatives.

In the area of fruit processing, a National Association of fruit juice, nectars and non alcoholic beverage producers has been formed (their share in the total production is 82,5%), that has been accepted into the European Association of Juices.

Fruit and vegetable processing industry is a branch of the food industry, engaged in processing and preserving fruits and vegetables, production of juices, jams and the like. This industry has a significant potential for development. The most important types of vegetables that are processed in this industry are: potatoes, used for production of frozen French fries, potato crisps and puree, tomato (concentrate, puree, juice and ketchup), peas (frozen, canned) and pepper (pasteurized, frozen dried, ground and ayvar). Other important products are pasteurized and dried mushrooms, pickled gherkins and frozen vegetables. Industrial processing of fruit is developing and records growth in exports of frozen and dried fruit, juices, concentrates and jams.

Production and trade of these products are regulated by the following legislation:

Rulebook on quality of fruit, vegetable and mushroom products, and pectin preparations (Official Gazette of SFRY No. 1/79, 20/82, 74/90 and 58/95)

This rulebook prescribes the minimum conditions to be met by products of fruit, vegetables and mushrooms prior to marketing, and packaging requirements to ensure quality, and method of declaration.

Rulebook on quality of fruit juices, concentrated fruit juices, fruit juice powder, fruit nectars and related products (Official Gazette of RS No. 27/10)

This rulebook prescribes the requirements regarding the quality of fruit juices, concentrated fruit juices, fruit juice powder, fruit nectars and related products for the following: product

name; sensory, physical and chemical properties of raw materials, additives and other substances used in the production of juices and composition of the finished product; methods for testing the quality of juices; technological procedures applied in production; packaging, labelling and marking of products. Conditions prescribed by this rulebook must be met in production and distribution of juices.

Export subsidies for processed fruits and vegetables are described in answer to question 10.

12. For each of the following sectors, a detailed description should be given of:

a) the existing regulatory requirements and the arrangements for their administration and enforcement including legislative basis (name and reference of relevant legal act); objectives and general description of the legislation; approximated or not to EU legislation (or degree of approximation); participation in international standard schemes; description of administrative and enforcement arrangements (including resources, human, financial, and infrastructure, and if possible the administrative organisational chart).

b) agricultural marketing requirements and standards (grading, sizing, mandatory/voluntary standards), labelling requirements (especially origin labelling) and the checks performed on imports/exports to assess compliance with these requirements (procedures, certificates, sanctions, etc):

- Dairy products;
- Beef and veal, sheepmeat and goatmeat;
- Pigmeat, poultrymeat, eggs and honey;
- Fruit and vegetables;
- Wine and derived products;
- Floriculture;
- Olives and olive oil.

- Common part for all sectors

Objectives, general description of legislation and harmonisation with the EU legislation

Law on Food Safety (Official Gazette of RS, No. 41/2009)

This law governs common food and feed safety requirements, duties and responsibilities of food and feed business operators, system of rapid alert system, emergency measures and crisis management, hygiene and quality of food and feed.

The objective of this law is to ensure a high level of protection of human life and health and protection of consumer interests, including the principle of honesty and good faith in the food trade, taking into account protection of animal health and welfare and plant health and environmental protection, where appropriate.

The law is based on the principle of risk analysis, precaution, protection of consumer interests and the principle of transparency in the procedures in selection of the appropriate measures in the field of food and feed safety.

This Law further defines food and feed safety requirements, requirements in terms of

labelling marking, and packaging coming in touch with food, obligations of food business operators at all phases of production, processing, treatment, preparation, wrapping, re-wrapping, packing, storage and distribution; food traceability, introduction of the internal control systems and documented procedures on all activities undertaken during the production process (HACCP, Good Manufacturing Practice, Good Hygiene Practice) which define responsibility of food business operators, introduction of risk analysis – risk assessment, risk management and exchange of information about risk.

In the Law on Food Safety, in Chapter – Labelling, marking and advertising of food and feed, the following is envisaged:

- Food and feed in trade on the territory of the Republic of Serbia must be marked, labelled, advertised and displayed in accordance with this Law and other specific regulations.
- Marking, labelling, advertising and presentation of food and feed, including its shape, appearance and packaging, materials for packaging, the way to arrange and display, as well as information about food and feed that are available to consumers, may not lead consumers astray.
- Label or mark must contain data which enable traceability of food and feed, raw materials and substances incorporated in food, animals used for production of food and finished products in all phases of production and trade.
- Label, i.e. data entered in a label for food and feed placed on the market, must be written in the official language in the Republic of Serbia.

Harmonisation:

- Partially harmonised with the European Parliament and Council Regulation (EC) No. 178/2002
- Partially harmonised with the European Parliament and Council Regulation (EC) No. 852/2004
- Partially harmonised with the European Parliament and Council Regulation (EC) No. 853/2004
- Partially harmonised with the European Parliament and Council Regulation (EC) No. 854/2004
- Partially harmonised with the European Parliament and Council Regulation (EC) No. 882/2004
- Partially harmonised with the European Parliament and Council Regulation (EC) No. 183/2005
- Partially harmonised with the European Parliament and Council Regulation (EC) No. 1829/2003
- Partially harmonised with the Council Directive 89/662/EEC
- Partially harmonised with the Council Directive 89/109/EEC
- Partially harmonised with the European Parliament and Council Directive 2000/13/EC
- Partially harmonised with the Commission Decision 2007/275/EC.

Law on Technical Requirements for Products and Conformity Assessment (Official Gazette of RS, No. 36/2009)

This Law lays down method of prescribing technical requirements for products and adoption of technical regulations, assessment of conformity of products with the prescribed technical requirements, obligations of the supplier of product and the owner of product in use, validity of foreign documents of compliance and standardisation marks, information on technical regulations and procedures of conformity assessment and supervision of the enforcement of this Law and regulations passed pursuant to this Law.

This law applies to all products, except for products for which the technical requirements are

regulated by specific laws and regulations adopted pursuant to these laws.

Until the adoption of the implementing legislation prescribed under this law, by-laws adopted pursuant to the Law on technical requirements for products and assessment of conformity of products with the prescribed requirements (Official Gazette of SMN, No. 44/05) are applied.

Pursuant to the Law on technical requirements for products and conformity assessment the following by-laws have been passed:

- Regulation on method of recognition of foreign documents and standardisation marks (Official Gazette of RS, No. 98/09)
- Regulation on the implementation of conformity assessment, contents of the document of conformity, as well as the shape, appearance and contents of the standardisation mark (Official. Gazette of RS, No. 98/09)
- Regulation on the appointment and accreditation of conformity assessment bodies (Official. Gazette of RS, No. 98/09)
- Decision on amendments to the Articles of Association of the Institute for Standardization of Serbia (Official Gazette of RS, No. 88/09)
- Decision on establishment of the Accreditation Body of Serbia (Official Gazette of SMN, No. 44/05)
- Regulation of legal measuring units (Official Gazette of SMN, No. 10/06)
- Regulation on the application procedure and manner of information relating to technical regulations, conformity assessment and standards (Official Gazette of RS, No. 45/10)
- Rulebook on placing of standardisation marks on products, and the use of standardisation marks (Official Gazette of RS, No. 25/10);
- Rulebook on the contents of the form for publishing the list of Serbian standards the technical regulation refers to (Official. Gazette of RS, No. 110/09);
- Rulebook on the contents and manner of keeping registers relating to the technical regulations (Official Gazette of RS, No. 33/10)

Harmonisation:

- Partially harmonised with the European Parliament and Council Decision No. 768/2008/EC
- Partially harmonised with the European Parliament and Council Regulation (EC) No. 765/2008
- Partially harmonised with the European Parliament and Council Directive 98/34/EC
- Partially harmonised with the European Parliament and Council Directive 98/48/EC

Rulebook on general and specific food hygiene requirements at any phase of production, processing and trade (Official Gazette of RS, No. 72/2010)

This Rulebook lays down general and specific food hygiene requirements at any phase of production, processing and trade, with specified microbiological criteria for food: food safety criteria, criteria of hygiene in the production process (for meat and milk and their products, products of eggs, fish, other aquatic animals and their products, vegetables and fruits and their products) and the rules for sampling and preparation of samples for testing. Effective date of this Rulebook is 1 June 2011.

Harmonisation:

- Partially harmonised with the European Parliament and Council Regulation (EC) No. 853/2004
- Partially harmonised with the Commission Regulation (EC) No 2073/2005

This Rulebook supersedes the Rulebook on the microbiological safety of foodstuffs in trade (Official Gazette of FRY, No. 26/93, 53/95 and 46/02) and Rulebook on the methods of performing microbiological analyses and super analyses of foodstuffs (Official Gazette of SFRY, No. 25/80). This Rulebook is effective as of 1 June 2011.

Rulebook on Food Hygiene Requirements (Official Gazette of RS, No. 73/10)

This Rulebook lays down food hygiene requirements for all food business operators at all phases of production, processing and trade of food under their control.

Provisions of this Regulation are not applicable to:

- primary production for the needs of own household;
- preparation, handling or storage of food for the needs of own household;
- direct supply of small quantities of primary products whose manufacturer is supplying the end consumer or local retail facility that directly supplies the end consumer, which is performed in accordance with special regulation;
- collection centres and facilities for tanning of hide, which, in accordance with the law governing food safety, deal with food only in terms of handling raw materials for the purpose of production of gelatine or collagen.

This Regulation is applicable as of 1 June 2011.

Harmonisation:

- Partially harmonised with the European Parliament and Council Regulation (EC) No. 852/2004

This Rulebook supersedes the Rulebook on conditions to be met by facilities for slaughtering, processing and storing of products of animal origin (Official Gazette of SFRY, No. 53/89 and Official Gazette of RS, No. 11/08) in part related to food hygiene requirements, the Rulebook on the manner of loading, reloading and unloading of consignment of animals, products, raw materials and animal waste, the conditions to be fulfilled by means of transport, hygienic and technical requirements to be fulfilled by shipment and the form of health certificate for the consignment (Official Gazette of SFRY, No. 69/90) in the part relating to food hygiene requirements and the Rulebook on veterinary and sanitary requirements for the facility dealing with production and trade in food of animal origin (Official Gazette of RS, No. 11/08) in the part relating to food hygiene requirements.

Rulebook on quality and requirements on use of additives in foodstuffs and other requirements for additives and their mixtures (Official Gazette of SMN, No. 56/2003, 4/2004 – st. rulebook, 5 / 2004 - corr., and 16/2005)

This Rulebook lays down requirements in terms of quality and other requirements which additives and their mixtures for food products must meet in production and trade, it contains the positive list of additives, indication system (E numbers), categorization of additives, indication in food products, conditions for use of additives, maximum allowed quantities etc. Corrigendum of the Rulebook on quality and requirements for use of additives in foodstuffs and other requirements for additives and their mixtures (Official Gazette of SMN, No. 05/04 and 16/05).

Corrigenda performed in the document are the following: deletion of two articles from the previous Rulebook, correction of two articles of the Rulebook and amendments to the Positive list of additives.

Harmonisation:

- Partially harmonised with the Commission Regulation (EC) No 50/2000
- Partially harmonised with the Commission Directive 2000/51/EC
- Partially harmonised with the Commission Directive 2000/63/EC
- Partially harmonised with the Commission Directive 2001/30/EC
- Partially harmonised with the Commission Directive 2001/50/EC
- Partially harmonised with the Commission Directive 2001/52/EC
- Partially harmonised with the Commission Directive 2002/82/EC
- Partially harmonised with the Commission Directive 95/31/EC
- Partially harmonised with the Commission Directive 95/45/EC

- Partially harmonised with the Commission Directive 96/77/EC
- Partially harmonised with the Commission Directive 98/66/EC
- Partially harmonised with the Commission Directive 98/86/EC
- Partially harmonised with the Commission Directive 99/75/EC
- Partially harmonised with the Council Directive 89/107/EEC
- Partially harmonised with the Council Directive 2000/13/EC
- Partially harmonised with the Council Directive 2001/5/EC
- Partially harmonised with the Council Directive 94/34/EC
- Partially harmonised with the Council Directive 94/35/EC
- Partially harmonised with the Council Directive 94/36/EC
- Partially harmonised with the Council Directive 95/2/EC
- Partially harmonised with the Council Directive 96/83/EC
- Partially harmonised with the Council Directive 96/85/EC
- Partially harmonised with the Council Directive 95/72/EC
- Partially harmonised with CODEX STAN 192-1995, rev. 3, 2001

Rulebook on quality and other requirements for aids in the production of food products (Official Gazette of FRY, No. 62/2002 and Official Gazette of SMN, No. 56/2003, 4/2004)

This Rulebook lays down quality and other requirements that must be met in the production and trade regarding the aids in food production.

According to this Rulebook, aid in the production is any substance that is not an ingredient in food products and which is deliberately added at the processing of raw materials, foodstuffs or their ingredients in order to provide the necessary technological requirements during the treatment or processing which may result in unintentional but technologically unavoidable presence of residues of the substance or its derivatives in food products, provided that these residues do not pose a health risk and have no technological effect in the final product.

Annexed is the list of positive aids in the production.

Amendments to Rulebook on quality and other requirements for aids in the production of food products (Official Gazette of SMN, No. 56/2003 and 4/2004) made the corrections and additions to the existing positive list of aids in production.

Harmonisation: not harmonised

Requirements regarding the declaration (in particular regarding the declaration of origin)

Law on Geographical Indications (Official Gazette of RS, No. 18/2010)

This Law regulates the geographical indications for natural, agricultural, food and industrial products, handicrafts and services. Law on Geographical Indication governs protection of designation of origin and geographical indications, and protection of traditional and historical names.

The provisions of this Law shall not apply to wine and “rakija” and other alcoholic drinks where the acquisition and protection system, and exercising the right to use geographical indications for these products are regulated by specific regulations. Geographical indications may be used only by persons who are recognized as authorized users of the designation of origin or the geographical indication, and that are entered in the appropriate register. The authorized users of designation of origin or geographical indication have the exclusive right to use the designation of origin or geographical indication for marking the products to which the designation of origin or geographical indication relates.

Harmonisation:

- Partially harmonised with Council Regulation (EC) No 510/2006 (Council Regulation (EC)

No. 510/2006)

Rulebook on labelling and marking of packed food (Official Gazette of SMN, No. 4/04, 12/04, 48/04)

This Rulebook prescribes the labelling and marking of packed foodstuffs in trade, designed for the consumer or public nutrition facilities without further processing. The provisions of this Rulebook do not apply to foods that are packed in the presence of consumer and food whose labelling is governed by regulations on wine.

The Rulebook contains the following areas: general provisions on labelling and marking, methods of labelling, contents of the declaration, marking and nutritional values and transitional and final provisions. This Rulebook supersedes the provisions concerning the labelling and marking of packed foods in other rulebooks that define quality and other requirements for agricultural and food products.

Rulebooks on amendments to the Rulebook on labelling and marking of packed foods (Official Gazette of SMN, No. 12/04 and 48/04) made corrections and additions to certain articles in the area of transitional and final provisions.

Harmonisation:

- Partially harmonised with the European Parliament and Council Directive 2000/13/EC
- Partially harmonised with the Council Directive 89/396/EEC.

Requirements concerning labelling regarding the origin are described in detail in Chapter V – QUALITY POLICY in answers to questions 18 and 19.

- Dairy products;

Objectives, general description of legislation and harmonisation with the EU legislation

Law on Veterinary Medicine (Official Gazette of the Republic of Serbia, No. 91/05, 30/10)

This law regulates the protection and promotion of animal health and welfare, determines the infectious animal diseases and measures to prevent the occurrence, detection, prevention of spreading, suppression and eradication of infectious animal diseases and diseases that can be transmitted from animals to humans, veterinary and sanitary control and conditions for production and trade of animals, animal products, feed of animal origin, animal feed, and the requirements for performing veterinary practice.

Harmonisation:

- Partially harmonised with the regulations of the Council of the European Commission No.: 178/2002, 882/2004, 89/662, 90/425, 852/2004, 183/2005, 853/2004, 1 831/2003
- Partially harmonised with the directives of the European Commission No.: 79/373, 2001/82, 96/23, 2002/99, 96/93, 91/67, 90/425, 90/638, 82/894, 2003/99, 91/496, 97/78, 96/43.

- Law on Animal Welfare (Official Gazette of the Republic of Serbia, No. 41/2009)

This law regulates the welfare, rights, obligations and responsibilities of natural and legal persons, i.e. entrepreneurs in animals welfare, treatment of animals and protection of animals from torture, protection of animal welfare at killing, during keeping, breeding, trade, transport, slaughtering and conducting experiments on animals, as well as other issues of importance for the protection of animal welfare.

Harmonisation:

- Partially harmonised with the European Commission Council Directive No. 98/58, 2008/119, 2008/120, 1999/74, 2002/4, 2007/43, 1/2005, 1255/97, 91/628/EEC, 93/119,

88/306, 86/609, 2003/65, 86/609, 1999/22

- Partially harmonised with the European Commission Decision No. 2006/778, 2003/584, 1255/97
- Partially harmonised with European Commission Council No. 1040/2003, 123, 125
- Partially harmonised with the European Convention No. 087, 065, 193, 102

Law on Livestock Production (Official Gazette of the Republic of Serbia, No. 41/09)

This law regulates: objectives in livestock production; livestock entities and their organizational forms; breeding objectives and implementation of breeding programmes, control of productivity and preservation of characteristics of domestic animals; breeding of domestic animals, bee keeping, aquaculture, game raising, preservation of genetic reserves of domestic animals biodiversity in livestock production; production and trade of food of plant origin for domestic animals and products of animal origin; trade in breeding material, and other issues of importance for animal husbandry.

Provisions of this Law relate to breeding of: cattle, buffalo, sheep, goats, horses, donkeys, pigs, poultry, fur animals, rabbits, bees, raising game, fish and other aquatic animals and other farmed animals (hereinafter referred to as domestic animals).

Harmonisation:

- Partially harmonised with the decisions of the European Commission No: 89/505 , 89/504, 89/502, 89/501, 2006/427, 89/507, 90/254, 90/255, 90/256, 90/257, 90/258, 92/353, 93/623, 92/354, 96/78, 96/79, 92/216, 96/509, 96/510, 2006/139
- Partially harmonised with the EU Council Directive No: 77/504, 87/328, 88/661, 90/118, 90/119, 89/361, 90/427, 90/428, 91/174, 94/28

Law on Medicines and Medical Devices (Official Gazette of RS, No. 30/210)

Described in CHAPTER 28 – HEALTH AND PROTECTION OF CONSUMERS

Rulebook on quality and other requirements for milk, milk products, composite milk products and starter cultures (Official Gazette of the Federal Republic of Yugoslavia, No. 26/2002; Official Gazette of the Republic of Serbia, No. 33/10, 69/10)

Regulations on quality and other requirements for milk, milk products, composite milk products and starter cultures addresses the quality of milk and dairy products and the conditions for their production. It precisely defines the conditions which must be met by specific product to be classified in the appropriate group of milk products. In addition it prescribes the way of packaging and labelling of dairy products. Control of the production process is conducted by the competent veterinary inspection.

Harmonisation:

- Partially harmonised with the regulations of the European Commission No. 853/2004, 1662/2006.

Rulebook on the establishment of programme of systematic monitoring of residues of pharmacological, hormonal and other harmful substances in animals, animal products, food of animal origin and feed (Official Gazette of the Republic of Serbia, No. 91/2009)

This Rulebook lays down a programme of systematic monitoring of residues pharmacological, hormonal and other harmful substances in animals, products of animal origin, food of animal origin and animal feed.

Harmonisation:

- Partially harmonised with the European Commission Directive No 96/23
- Partially harmonised with the European Commission Decision No. 97/947

Rulebook on method of performing veterinary-sanitary inspection and control of animals prior to slaughtering and of products of animal origin (Official Gazette of SFRY, No. 68/89; Official Gazette of SMN, No. 10/2003)

The Rulebook prescribes the method of performing the veterinary-sanitary inspection and control of animals prior to slaughtering and of products of animal origin, which are aimed at public consumption, then the facilities and equipment for slaughtering animals, facilities for processing, treating and storage. In part VII entitled "Inspection of milk and dairy products", the method of performing veterinary-sanitary inspection of milk, dairy products, facilities for production, processing and storage of dairy products is described in detail.

Harmonisation:

- Partially harmonised with the European Commission Regulation No 853/2004

Rulebook on requirements for animal welfare in terms of space for animals, premises and equipment in facilities in which animals are kept, bred and marketed for production purposes, the manner of keeping, breeding and trade of certain species and categories animals, as well as the contents and manner of keeping records of animals (Official Gazette of RS, No. 6/2010)

These Rulebook lays down the requirements for animal welfare in terms of space for animals, premises and equipment in facilities in which animals are kept, bred and marketed for production purposes, the manner of keeping and trade in certain types and categories of animals as well as the contents on keeping records of movement, nutrition and treatment, mortality and production of animals.

Harmonisation:

- Partially harmonised with the Council Directive 98/58
- Partially harmonised with the Commission Decision 2006/778
- Partially harmonised with the Council Directive 2008/119
- Partially harmonised with the Council Directive 2008/120
- Partially harmonised with the Council Directive 1999/74
- Partially harmonised with the Council Directive 2002/4
- Partially harmonised with the Council Directive 2007/43
- Partially harmonised with the European Convention 087

Rulebook on methods of organic livestock production (Official Gazette of FRY, No. 51/2002)

Described in the part: Chapter VI - ORGANIC AGRICULTURE, question No. 20

Participation in other international standard programmes

Since November 2002, the Republic of Serbia has been a member of the World Organization for Animal Health (OIE), which is an intergovernmental organization responsible for improving animal health.

Codex Alimentarius Commission is an organization established in 1963 by the World Food and Agriculture Organization and World Health Organization to develop food standards, guidelines and similar programmes and practices under the umbrella of the Common Programme for Food. The Republic of Serbia takes part in this programme and works within its standards.

Description of administrative and enforcement arrangements (including resources human, financial and infrastructure, and if possible the administrative organigramme)

Described in CHAPTER 12, Title I, Questions 1 and 2

Requirements for marketing of agricultural products and standards (grading, sizing, mandatory/voluntary standards)

Rulebook on quality of raw milk (Official Gazette of the Republic of Serbia, No. 21/09)

In order to fully implement the Rulebook on quality of raw milk, it is necessary to establish an authorized laboratory for quality control of raw milk that will conduct control in accordance with international standards. Control of the process of production of milk and dairy products is the responsibility of veterinary inspection, which is in accordance with the Law on Veterinary Medicine (Official Gazette of the Republic of Serbia No.91/05) and Amendments to the Law on Veterinary Medicine (Official Gazette of the Republic of Serbia No.30/10), and the Law on Food Safety (Official Gazette of the Republic of Serbia No. 41/09).

Rulebook on quality of raw milk stipulates grading of cow raw milk according to the number of micro organisms in the following classes:

- E-class up to 100,000 cfu/ml,
- Class I from 100,001 to 400,000 cfu/ml,
- Class II over 400 000 cfu/ml.

Rulebook on quality of raw milk stipulates grading of sheep and goat raw milk according to the number of micro organisms in the following classes:

- Class I up to 1,500,000 cfu/ml,
- Class II over 1,500,000 cfu/ml.

Harmonisation:

- Partially harmonised with the European Commission regulations No. 853/2004, 1662/2006

According to the Law on Food Safety, food and feeds business operators dealing with food and feed production are required to establish and apply the Hazard Analysis of Critical Control Points (HACCP) system and the traceability system.

Implementation of other standards is voluntary, and the following standards are recommended in the production of milk and dairy products:

(GAP) Good Agricultural Practices – Method of operation of primary production producers
(GHP) Good Hygienic Practices – Compliance with general and specific principles of hygiene norms

(GMP) Good Manufacturing Practices – Compliance with norms of operation, industry standards, regulations and legislation related to the production, processing, handling, labelling, sale of food.

Import checks to assess the compliance with these requirements (procedures, certificates, sanctions, etc.)

Described in CHAPTER 12, Title II, Question No. 10

Export checks to assess the compliance with these requirements (procedures, certificates, sanctions, etc.)

Described in CHAPTER 12, Title II, Question No. 10

- Beef and veal, sheepmeat and goatmeat;

Objectives, general description of legislation and harmonisation with the EU legislation

Law on Veterinary Medicine (Official Gazette of the Republic of Serbia, No. 91/05, 30/10)

Described in the part: Dairy products

Law on Animal Welfare (Official Gazette of the Republic of Serbia, No. 41/2009)

Described in the part: Dairy products

Law on Livestock Production (Official Gazette of the Republic of Serbia, No. 41/09)

Described in the part: Dairy products

Law on Medicines and Medical Devices (Official Gazette of RS, No. 30/210)

Described in CHAPTER 28 – HEALTH AND PROTECTION OF CONSUMERS

Rulebook on marking of cattle and keeping records of marked cattle (Official Gazette of the Republic of Serbia, No. 57/09, 14/2010)

This Rulebook sets forth the method of marking cattle and keeping records of marked cattle in the central database.

Harmonisation:

- Partially harmonised with Council Regulation 1760/2000
- Partially harmonised with the Council Directive 64/432, 911/2004, 1082/2003, 499/2004, 96/23, 820/97

Rulebook on methods of organic livestock production (Official Gazette of FRY, No. 51/2002)

Described in the part: Chapter VI - ORGANIC AGRICULTURE, Question No. 20

Participation in other international standard programmes

Described in the part: Participation in other international standard schemes for milk and dairy products

Description of administrative and enforcement arrangements (including resources, human, financial and infrastructure, and if possible the administrative organigramme)

Described in CHAPTER 12, Title I, Questions 1 and 2

Requirements for marketing of agricultural products and standards (grading, sizing, mandatory/voluntary standards)

Rulebook on quality of meat of slaughter animals, poultry and game (Official Gazette of SFRY, No. 34/74, 26/75, 13/78, 1/81; 2/85)

This Rulebook lays down minimum requirements which meat of slaughter animals, poultry and game, must meet in terms of quality and other properties, as well as minimum requirements in terms of packaging, labelling, storing and transporting of that meat.

Harmonisation: not harmonised

Decision on regulations on quality of cattle and sheep for slaughter and fattening (Official Gazette of SFRY, No. 21/69)

The Decision lays down quality requirements for slaughter and fattening cattle, sheep for

slaughter, for internal market and for export.

Cattle for slaughter are classified into the following categories:

- calves up to 6 months;
- young cattle;
- cattle over 3 years.

Each of these categories is further classified into subcategories depending on the quality and age of animals.

Sheep for slaughter are classified into the following categories:

- suckling lambs;
- lambs weaned;
- yearlings;
- ewes and rams.

Each of these categories is further classified into subcategories depending on the quality of animals.

Harmonisation: not harmonised

Rulebook on the performance of veterinary-sanitary inspection and control of animals before slaughtering and products of animal origin (Official Gazette of SFRY, No. 68/89, Official Gazette of SMN, No. 10/2003)

Described in the part: Goals, general description of legislation and compliance with the EU legislation for dairy products

Rulebook on conditions and means of killing animals, treatment of animals prior to slaughter, method of stunning and bleeding of animals, conditions and manner of slaughtering animals without prior stunning, and programme of training on animal welfare (Official Gazette of the Republic of Serbia, No. 14/2010)

This Rulebook lays down the conditions and means of killing animals, treatment of animals prior to slaughter, method of stunning and bleeding of animals and method of slaughtering animals without prior stunning, and programme of training on animal welfare prior to slaughtering.

Harmonisation:

- Partially harmonised with the European Commission Council directives No.: 93/119, 88/306
- Partially harmonised with the European Convention No. 102

Rulebook on conditions concerning means of transport for transportation of animals (Official Gazette of the Republic of Serbia, No. 14/10)

This Rulebook prescribes the requirements which must be met by means of transport for transportation of animals.

Harmonisation:

- Partially harmonised with the Council Regulation No. 1/2005
- Partially harmonised with the European Convention No. 065
- Partially harmonised with the revised European Convention No. 193

Rulebook on the establishment of programme of systematic monitoring of residues of pharmacological, hormonal and other harmful substances in animals, animal products, food of animal origin and feed (Official Gazette of the Republic of Serbia, No. 91/2009)

Described in the part: Dairy products

Rulebook on requirements for animal welfare in terms of space for animals, premises and equipment in facilities in which animals are kept, bred and marketed for

production purposes, the manner of keeping, breeding and trade of certain species and categories animals, as well as the contents and manner of keeping records of animals (Official Gazette of RS, No. 6/2010)

Described in the part: Dairy products

Inspection of import to assess the compliance with these requirements (procedures, certificates, sanctions, etc.)

Described in CHAPTER 12, Title II, Question No. 10

Export checks to assess compliance with the requirements (procedures, certificates, sanctions, etc.)

Described in CHAPTER 12, Title II, Question No. 10

- Pigmeat, poultrymeat, eggs and honey;

Objectives, general description of legislation and harmonisation with the EU legislation

Law on Veterinary Medicine (Official Gazette of the Republic of Serbia, No. 91/05, 30/10)

Described in the part: Goals, general description of legislation and harmonisation with the EU legislation for dairy products

Law on Animal Welfare (Official Gazette of the Republic of Serbia, No. 41/2009)

Described in the part: Goals, general description of legislation and harmonisation with the EU legislation for dairy products

Law on Livestock Production (Official Gazette of the Republic of Serbia, No. 41/09)

Described in the part: Goals, general description of legislation and harmonisation with the EU legislation for dairy products

Law on Medicines and Medical Devices (Official Gazette of RS, No. 30/210)

Described in CHAPTER 28 – HEALTH AND CONSUMER PROTECTION

Rulebook on marking pigs, sheep and goats (Official Gazette of the Republic of Serbia, No. 11/96)

This Rulebook lays down method of marking pigs, sheep and goats, and manner of keeping records of marked pigs, sheep and goats in the central database.

Harmonisation:

- Partially harmonised with the European Commission Directive No.:64/432, 92/102, 90/425
- Partially harmonised with the European Commission Regulation No. 21/2004
- Partially harmonised with the European Commission Decision No. 2000/678

Rulebook on quality of meat of slaughter animals, poultry and game (Official Gazette of SFRY, No. 34/74, 26/75, 13/78, 1/81; 2/85;)

Described in the part: Goals, a general description of regulations and harmonisation with EU regulations for beef and veal, sheep and goat meat

Regulation on quality of slaughtered pigs and pork meat categorization (Official Gazette of SFRY, No. 2/85, 12/85 and 24/86)

This regulation prescribes the minimum requirements in terms of quality that must be met by meat of pigs (pork meat) in carcasses, halves, and prime cuts of half carcass and edible parts of slaughtered animals, as well as conditions of housing, storage, packing and transportation of meat and these edible parts. The conditions prescribed by this Rulebook must be met in production and distribution.

Pigs for slaughter are classified into the following categories:

- piglets (animals aged 1.5 to 3 months, carcass weight from 5 kg to 20 kg);
- fattening pigs;
- light and heavy pigs and pigs culled from breeding;
- guilts.

Harmonisation: not harmonised

Rulebook on quality of poultry meat (Official Gazette of SFRY, No. 1/81 and 51/88)

This Rulebook lays down minimum requirements in terms of quality in production and trade that must be met by meat of slaughtered poultry and edible parts, as well as minimum requirements for the provision and maintenance of quality and conditions regarding packing, labelling and transportation of that meat and edible parts.

Poultry meat in accordance with this Rulebook is marketed as:

- chicken meat,
- turkey meat,
- goose meat
- duck meat,
- meat of guinea fowl,
- tame pigeon meat.

Carcasses of slaughtered poultry are classified into three classes:

- class A and extra class A;
- class B;
- class C.

Harmonisation: not harmonised

Rulebook on Quality of Eggs and Egg Products (Official Gazette of SFRY, No. 55/89, partial cancellation 56/03 and 04/04)

This Rulebook lays down the minimum requirements in terms of quality which eggs and egg products must meet and the minimum requirements for securing and preserving their quality. In accordance with this Rulebook eggs are sorted according to the quality and method of storage as:

- eggs of extra quality,
- eggs of the first (I) quality,
- eggs of the second (II) quality,
- eggs of the third (III) quality.

Eggs of the first and second quality are graded according to the mass as:

- class SU (70g and more),
- class S (less than 70g to 65g)
- class A (less than 65g to 60g),
- class B (less than 60 g to 55 g),
- class C (less than 55g to 50g)
- class D (less than 50g to 45g)
- class E (less than 45g).

Eggs of the third (III) quality mean eggs for processing and incubated eggs for processing.

Harmonisation: not harmonised

Rulebook on quality and other requirements for honey, other bee products, honey-based preparations and other bee products (Official Gazette of SMN, No. 45/2003, partial cancellation of 04/04)

This Rulebook lays down minimum requirements in terms of quality with which honey, other bee products, products based on honey and other bee products and honey with additives (hereinafter: products) must comply, minimum requirements for determination and preservation of the quality of these products, and methods for quality control of products, including: sampling methods and methods of physical and chemical analyses for the products.

According to the country of origin, honey is classified to:

- domestic honey and
- imported honey.

According to origin of honey plants or other honey plant parts, honey is placed on the market as:

- varietal honey (linden, acacia, sage, etc.)
- floral honey;
- honeydew (forest honey).

According to the method of obtaining honey is marketed as:

- comb honey, in non-brood comb and which is closed in at least 9/10 cells;
- honey with pieces of non-brood comb and which was closed in at least 4/5 cells;
- honey to comb honey mass ratio must be at least 1:4;
- extracted honey, if it was obtained by centrifugal extraction normally from non-brood comb;
- pressed honey, if it was obtained by cold squeezing honey from the comb;
- melted honey, which was obtained by heating of crushed honeycomb to 50° C;
- dripped comb honey obtained by drying the cut pieces of honeycomb.

Harmonisation: not harmonised

Rulebook on conditions and means of killing animals, treatment of animals prior to slaughter, method of stunning and bleeding of animals, conditions and manner of slaughtering animals without prior stunning, and programme of training on animal welfare (Official Gazette of the Republic of Serbia, No. 14/2010)

Described in the part: Goals, a general description of regulations and harmonisation with EU regulations for beef and veal, sheep and goat meat

Rulebook on the establishment of programme of systematic monitoring of residues of pharmacological, hormonal and other harmful substances in animals, animal products, food of animal origin and feed (Official Gazette of the Republic of Serbia, No. 91/2009)

Described in the part: Goals, general description of legislation and harmonisation with the EU legislation for dairy products

Rulebook on the performance of veterinary-sanitary inspection and control of animals before slaughtering and products of animal origin (Official Gazette of SFRY, No. 68/89; Official Gazette of SMN, No. 10/2003)

Described in the part: Goals, general description of legislation and harmonisation with the EU legislation for dairy products

Rulebook on requirements for animal welfare in terms of space for animals, premises and equipment in facilities in which animals are kept, bred and marketed for production purposes, the manner of keeping, breeding and trade of certain species and

categories animals, as well as the contents and manner of keeping records of animals (Official Gazette of RS, No. 6/2010)

Described in the part: Goals, general description of legislation and harmonisation with the EU legislation for dairy products

Rulebook on conditions concerning the transport means for transportation of animals (Official Gazette of the Republic of Serbia, No. 14/10)

Described in the part: Goals, general description of regulations and harmonisation with EU regulations for beef and veal, sheep and goat meat

Rulebook on methods of organic livestock production (Official Gazette of FRY, No. 51/2002)

Described in the part: Chapter VI - ORGANIC AGRICULTURE, Question No. 20

Participation in other international standard programmes

Described in the part: Participation in other international standard programmes for dairy products

Description of administrative and enforcement arrangements (including resources human, financial and infrastructure, and if possible the administrative organigramme)

Described in CHAPTER 12, Title I, Questions 1 and 2

Requirements for marketing of agricultural products and standards (grading, sizing, mandatory/voluntary standards)

The requirements for placement of: beef and veal, mutton and goat, pig and poultry meat, eggs and honey, mean:

- Safety Requirements:

- animal health
- general hygiene requirements
- special hygiene requirements
- microbiological, physical, chemical, biological contaminants
- system based on the HACCP principles for all facilities where production and trade in meat are carried out;
- implementation of good hygiene practices, good manufacturing practices and good farming practices in production and trade in eggs and honey

- Quality requirements (described in the rulebooks that define the quality requirements).

Inspection of import to assess the compliance with these requirements (procedures, certificates, sanctions, etc.)

Described in CHAPTER 12, Title II, Question No. 10

Export checks to assess compliance with the requirements (procedures, certificates, sanctions, etc.)

Described in CHAPTER 12, Title II, Question No. 10

- Fruit and vegetables;

Objectives, general description of legislation and harmonisation with the EU legislation

Law on Plant Protection Products (Official Gazette of RS, No. 41/09)

Described in the part: CHAPTER 12, Title VI – Phytosanitary policy, Question 31

Law on Plant Health (Official Gazette of RS, No. 41/09)

Described in the part: CHAPTER 12, Title VI – Phytosanitary policy, Question 30

Rulebook on Quality of Fruit, Vegetables and Mushrooms (Official Gazette of SFRY, No. 29/79, 53/87, Official Gazette of SMN, No. 13/03, 56/03, 04/04)

This Rulebook prescribes the minimum quality conditions which fruit, vegetables and mushrooms must meet prior to placement on the market, and packing requirements for the purpose of quality assurance, and the method of labelling. The provisions of the Rulebook apply to fruit, vegetables and mushrooms, both in imports and exports and in domestic trade. These products must be ripe and fresh, they must not be dirty, rotten, contain residues of plant protection products and have a strange and unpleasant taste and odour. They may not have cracks, bruises or damage caused by plant diseases and pests. According to the prescribed quality standards, fruits and vegetables can be classified into three classes (extra, class I and class II).

Harmonisation: not harmonised

Rulebook on technical and other requirements for fruit, vegetables and their products intended for industrial processing (Official Gazette of RS, No. 63/09)

This Rulebook defines technical and other requirements for fruit, vegetables and their products intended for industrial processing. Apart from the requirements prescribed in the specific technical regulations, these products must also comply with the requirements defined by Serbian standards to be placed on the market.

Harmonisation: not harmonised

Rulebook on detailed conditions for the production and trade of food products of plant origin (Official Gazette of RS, No. 50/96)

This Rulebook prescribes the conditions in terms of building construction, devices and equipment for production and trade of food products of plant origin. This Rulebook defines the activities that require appropriate technical qualifications for the respective products and defines activities that require appropriate educational qualifications.

Harmonisation: not harmonised

Rulebook on maximum allowed quantities of residues of plant protection products in food and feed and on animal feed for which maximum allowed quantities of residues of plant protection products are determined (Official Gazette of RS, No. 25/10)

Described in the part: CHAPTER 12, Title VI – Phytosanitary policy, Question 31

Participation in other international standard programmes

In December 2007, Serbia submitted application to join the OECD international organization - Scheme for fresh fruit and vegetables, which is related to market quality standards for fresh fruits and vegetables.

In February 2009, Serbia has officially become the pre-accession candidate of OECD – Scheme for fresh fruit and vegetables, with a period of three years for the harmonization of legislation

and pre-accession procedures for control of quality of fruits and vegetables, in line with the European Union. Full membership is expected in 2011/12.

Description of administrative and enforcement arrangements (including resources human, financial and infrastructure, and if possible the administrative organigramme)

Institutions that are involved in the implementation of the Law on Food Safety regarding fruit and vegetable sector are:

- Ministry of Agriculture, Forestry and Water Management:

- Sector for Analytic and Agrarian Policy
- Inspectorate General (Phytosanitary and Agricultural Inspection)

- Laboratories authorised by the Ministry

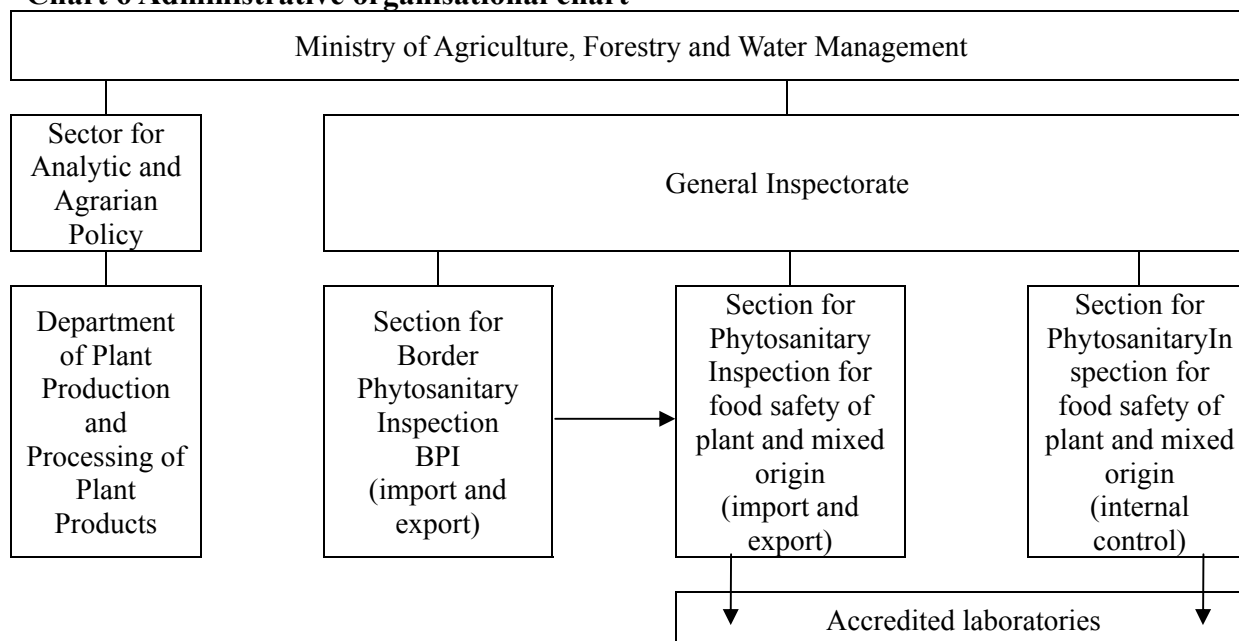
The Sector for Analytic and Agrarian Policy employs two civil servants responsible for creating the regulations under the Law on Food Safety, which will be harmonized with the EU regulations, planning support measures for fruit and vegetable sector, cooperation with international organization OECD, keeping the balance of major species of fruit and vegetables and other activities related to fruit and vegetable sector.

Law on Food Safety defines the institutions that have competence in the control of agricultural products of plant origin. Inspectors of the Ministry of Agriculture, Forestry and Water Management were given authority to control food safety, which includes a special section related to the quality control of fruits and vegetables. Inspection services for control of quality and safety of fruits and vegetables are organized within the Inspectorate General. Quality control of fruits and vegetables in terms of safety of products in the foreign trade (imports and exports) is conducted by phytosanitary inspectors for food safety of plant and mixed origin and feed of plant origin, 18 of them in total. Quality control of fruits and vegetables, in terms of safety of products in the internal (domestic) market, is conducted by agricultural inspectors for safety of food of plant and mixed origin, control of organic products, and control of tobacco processors and manufacturers of tobacco products, 28 of them in total.

Jobs performed by MAFWM are financed from the budget of the Republic of Serbia.

List of organizations authorized (accredited laboratories) for testing the quality of agricultural and food products is given in Annex: List of authorized organizations in quality control.

Chart 6 Administrative organisational chart



Requirements for the marketing of agricultural products and standards (grading, sizing, mandatory / voluntary standards)

Quality control of fruits and vegetables is carried out at import and export, as well as in domestic traffic. Product quality control is performed through organoleptic inspection and testing in accredited laboratories with which the Ministry has stipulated contracts under tender procedure, for performing inspection analysis. **Organoleptic examination** of products includes: Identifying the shipment, determining the quantity, packaging, labelling, packaging, transportation means and conditions of products transport, establishing the fulfillment of prescribed quality requirements of products, such as: general appearance, colour, smell, taste, consistency and purity (the presence of impurities, etc..) establishing uniformity in size, structure and colour, and also determining other properties specific to a particular type of product that can be determined organoleptically. **Laboratory testing** of products includes performance of analysis, and super analysis, that determines whether the product meets the prescribed quality requirements in terms of chemical composition and content of certain components. Taking samples for laboratory testing is performed in compliance with the standards of methods and manners of certain products sampling. Document issued by the Border Phytosanitary Inspection is a phyto certificate. The second document is a Decision allowing import on the basis of the laboratory reports on product safety and quality, issued by the Phytosanitary Inspection for Food Safety of the Inspectorate General.

New legislation has introduced the possibility or obligation of exporters to provide evidence of market standards quality control of fruits and vegetables during export. Currently, the obligation of issuing OECD certificates of fruits and vegetables quality by an accredited inspection body has not been established yet, but the procedure is under way. Taking into consideration the OECD request that, in addition to issuing phytosanitary certificates by the Border Phytosanitary Inspector and Decision on allowing import issued by the phytosanitary inspector for food safety, required for each import, mandatory control of market quality standards of fruit and vegetable will be performed at the moment of export. Control of market quality standards of fruits and vegetables that are exported shall be carried out by an

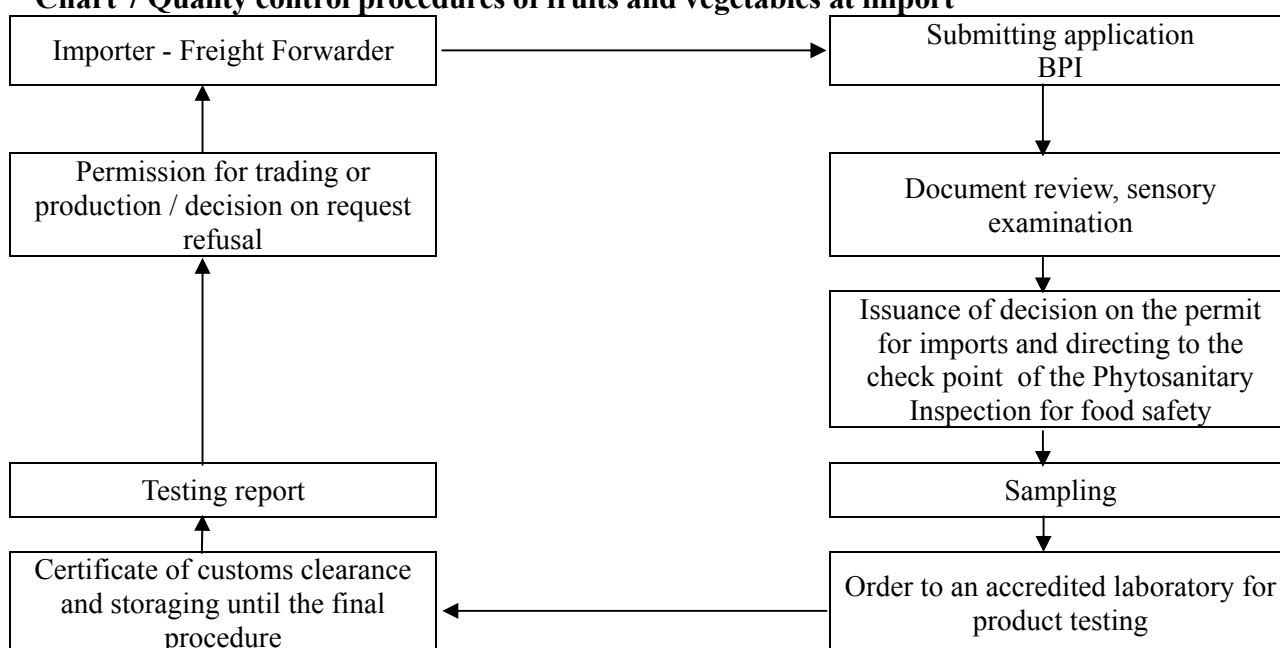
authorised regulatory body within the Inspectorate General, while the system supervision shall be performed by the Inspectorate General.

Import checks to assess compliance with these requirements (procedures, certificates, sanctions, etc.)

The importer submit an application to the Border Phytosanitary Inspection (BPI) to perform control of fruits and vegetables that are imported. Border Phytosanitary Inspector records the shipment, performs sampling for analysing the presence of GMOs and plant pests, makes a decision on the import, along with ban on trading, and sends the shipment to the check point of the Phytosanitary Inspection for food safety (to the customs clearance point). The inspector identifies the shipment, organoleptic test, check of labelling and sampling of products, which are then sent for testing in accredited laboratories. Laboratories perform tests on the basic safety parameters (quality, microbiology, presence of pesticides and heavy metals) and submit test reports, based on which placing of products on the market, or production, is permitted, if the product meets the basic safety parameters. In case the product fails to comply with the provisions of applicable regulations, the importer is informed on the super-analysis option. If the super-analysis result, which is final, is negative, a decision to ban trading or production of the product is made.

Organoleptic quality control of fruits and vegetables at import is required for each consignment, and sampling is performed by the same procedure.

Chart 7 Quality control procedures of fruits and vegetables at import



Export checks to assess compliance with these requirements (procedures, certificates, sanctions, etc.)

Quality control procedure for exports is the same as for imports in the technical sense - the same regulations, sampling, testing parameters.

Quality control at export is currently made based on customer requirements and it varies from one country to another. For export of fruits and vegetables for the Russian market additional

standards are needed, as regulated by the Memorandum between the Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia and the Federal Service for Veterinary and Phytosanitary Surveillance (Russian Federation) on the safety of products of plant origin that are exported from the Republic of Serbia to the Russian Federation. The Memorandum is applied as from 2010, and it refers to the content of pesticides, nitrates and nitrites.

- Wine;

Objectives, general description of regulations and compliance with EU regulations

Law on Wine (Official Gazette of RS, No. 41/09)

Law on Wine regulates the following: production, processing, quality and distribution of grapes intended for wine production; production, processing and quality of must, wine and other products made of grape, must, pomace and wine used in the wine production; labelling of wine with geographical indications; trading of grapes, wine and other products made of grape, must, pomace and wine that are used in wine production, as well as other issues of importance for the grapes, must, wine and other products made of grapes, must, pomace and wine used in wine production.

This law, in line with EU regulations, prohibits production of wine made of grapes of direct interspecies hybrids and from mother plants vineyards, and the wine is defined as agricultural – food product.

The law also prescribes viticulture geographical production areas whose names may be used as geographical indications, as follows: wine-growing unit, wine-growing region, wine-growing district and wine-growing location. In Serbia, the current use of labelling for wines with geographical indications is based on the viticultural areas defined during the seventies, and while the preparation of new viticultural areas zoning is under way, that will define the units borders, and new borders of regions and districts, since there is a clear need to harmonise the prescribed borders with the altered situation in the field of viticulture.

Under this law, the wine is classified as still wine and other wines, in accordance with the EU wine classification, and by category, also in line with the existing EU legislation, it is divided into "stono vino" (wine without geographical indications) and "vino sa geografskim poreklom" (wine with geographical indications) in which the grape and wine production takes place within a certain wine-growing area.

Wine with geographical indications is, also in line with EU regulations, further categorised as "regionalno vino" – wine with protected geographical indication ("PGI wine") and "kvalitetno vino sa geografskim poreklom" – wine with protected designation of origin ("PDO wine"). "Regionalno vino" ("PGI wine") is made from grapes deriving at least 85% from a single wine-growing unit, while a "kvalitetno vino sa geografskim poreklom" ("PDO wine") is made from grapes fully sourced from one single wine-growing region. In the category of "kvalitetno vino sa geografskim poreklom" ("PDO wine"), there are two subcategories: "kvalitetno vino sa kontrolisanim geografskim poreklom i kvalitetom" and "vrhunsko vino sa kontrolisanim i garantovanim geografskim poreklom i kvalitetom". For the production of "stono vino" (wine without geographical indications) and "regionalno vino" ("PGI Wine") grapevine *Vitis vinifera* L. may be used, and the grape varieties obtained by breeding of grapevine *Vitis vinifera* L. and other varieties of the genus *Vitis*, while for producing "kvalitetno vino sa geografskim poreklom" ("PDO wine") only varieties of vine species *Vitis vinifera* L may be used.

This law also prescribes designation of wines with geographical indications, as follows: Geographical indications (Protected geographical indication and Protected designation of origin), Traditional terms: term of wine category and additional term, and Recognised

traditional terms. The law also prescribes the procedure registration of geographical indications for wine with geographical indications, control of compliance with the conditions for their use, as well as ban of using of geographical indications.

For wines with geographical indications mandatory labelling with wine registration marks for wines with geographical indications is prescribed. Introducing this kind of labelling was aimed at giving particular importance to the wine with geographical indications, making such wines easily recognisable in the market, and facilitating control of these wines in marketing through their registration number.

Law on Wine, in accordance with EU legislation, prescribes registration into the Vineyard Register of all producers of grapes who produce grapes in the area over 0.1 ha. According to this Law, the Vineyard Register shall be kept by the Ministry responsible for agriculture, while for determination and processing of data on vineyard plots using Geographic Information System and other activities related to the Vineyard Register, the Ministry may authorise on a competitive basis a Professional organisation to keep the Vineyard Register.

This law, also in line with EU legislation, prescribes the registration of producers of must, wine and other products into the Wine Register maintained by the Ministry of Agriculture, obligation to separate the wine production from distillate production, and winery record keeping.

Law on Wine stipulates that wine and other products, prior to marketing, are subject to mandatory quality control and organoleptic testing by a laboratory accredited by the Ministry, whilst the organoleptic testing of wine with geographical indications is performed by the Organoleptic Testing Commission of Wine.

The law also prescribes surveillance carried out by the Agricultural Inspection, as well as punitive measures.

Compliance:

- Law on Wine is compliant with the Regulation of the Council of Ministers (EC) No 479/2008 of 29 April 2008 on the common organisation of the market in wine.

Rulebook on Quality and Other Requirements for Wine (Official Journal of FRY, No. 54/99)

The Rulebook prescribes the quality and other requirements for wine that must be met in production and market, which are related to the prescribed oenological practices, prescribed oenological means and labeling.

Compliance:

- Partially compliant with the Regulation of the Council of Ministers (EC) No 479/2008 of 29 April 2008 on the common organisation of the market in wine, since it was enacted before the adoption of the new EU regulation.

Rulebook on Viticulture Zoning (Official Gazette of RS, No. 50/77)

This Rulebook sets out the boundary lines of wine-growing areas, and varieties of grapevines for established wine-growing areas.

Compliance:

- Partially compliant with the Regulation of the Council of Ministers (EC) No 479/2008 of 29 April 2008 on the common organisation of the market in wine, since it was enacted before the introduction of PDO / PGI system for wine in the EU.

Rulebook on the Protection of Geographical Indications for Wines and Spirits (Official Gazette of RS, No. 23/80, 30/80)

This Rulebook specifies the area of production of wines with geographical indications, in particular the Technical documentation content and method of control of these wines

production.

Compliance:

- Partially compliant with the Regulation of the Council of Ministers (EC) No 479/2008 of 29 April 2008 on the common organisation of the market in wine, since it was enacted before the introduction of PDO / PGI system in the EU.

Rulebook on the content and manner of keeping of the Vineyard Register, and the application form required for registration in the Vineyard Register (Official Gazette of RS, No. 33/10)

This Rulebook sets forth the content and manner of keeping of the Vineyard Register, as well as the application form for registration in the Vineyard Register.

Compliance:

- Compliant with the Commission Regulation (EC) No 436/2009 regarding the Vineyard Register, compulsory declarations and the gathering of information to monitor the wine market.

- Compliant with the Regulation of the Council of Ministers (EC) No 479/2008 on the common organisation of the market in wine.

Rulebook on the technical and personnel requirements to be met by professional organisation for the conduct of the Vineyard Register, as well as on methods of performing tasks related to the Vineyard Register (Official Gazette of RS, No. 46/10)

This Rulebook stipulates in detail the technical and personnel requirements to be met by a professional organisation for the conduct of the Vineyard Register, as well as methods of performing tasks related to the Vineyard Register.

Compliance:

- Compliant with the Commission Regulation (EC) No 436/2009 regarding the Vineyard Register, compulsory declarations and the gathering of information to monitor the wine market.

- Compliant with the Regulation of the Council of Ministers (EC) No 479/2008 on the common organisation of the market in wine.

Rulebook on detailed conditions in respect of facilities, premises, technical conditions, equipment, vessels and devices, and skilled personnel to be met by the producer of must, wine and other products made of grape, must, pomace and wine used in wine production (Official Gazette of RS, No. 48/10)

This Rulebook sets forth requirements in terms of facilities, premises, technical conditions, equipment, vessels and devices, and skilled personnel to be met by the producer of must, wine and other products made of grape, must, pomace and wine used in wine production.

Compliance:

- Compliant with the Regulation of the Council of Ministers (EC) No 479/2008 on the common organisation of the market in wine.

Participation in other international standard programmes

Republic of Serbia is a member of the International Organisation of Vine and Wine (OIV - Organisation Internationale de la Vigne et du Vin), and the Law on Wine stipulates that if certain oenological practices, oenological means and values of the wine quality parameters are not determined by by-laws that are passed under this Law, the oenological practices, oenological means and values of quality parameters prescribed by the International Organisation of Vine and Wine (OIV) shall be applied.

Description of schedule of implementation and enforcement (including human, financial and infrastructural resources, and if possible an organisational chart)

The implementation of the Law on Wine includes the following:

- **Ministry of Agriculture, Forestry and Water Management**
 - Sector for Analytic and Agrarian Policy
 - Inspectorate General (Agricultural Inspection)
- **Laboratories authorised by the Ministry**
- **Control Organisation (Faculty of Agriculture, University of Belgrade)**

Within the Sector for Analytic and Agrarian Policy two civil servants are employed responsible for the procedure of creating of by-laws on the basis of the Law on Wine that will be compliant with EU regulations, planning of support measures to the vine and wine sector, overall implementation of administrative procedures related to the system of geographical indications of wine, establishment of the Vineyard Register, cooperation with the International Organisation of Vine and Wine, and other activities related to viticulture and winemaking sector.

Agricultural Inspection within the Inspectorate General is responsible for the inspection of the application of the Law on Wine provisions, and for managing the Wine Register.

Activities performed by the Ministry of Agriculture, Forestry and Water Management are financed from the budget of the Republic of Serbia.

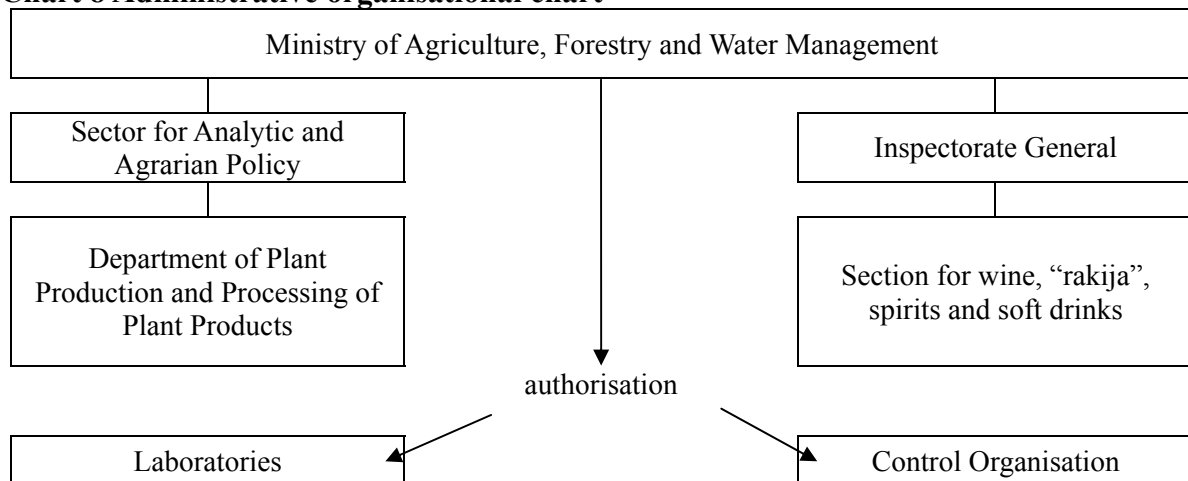
Laboratories that are accredited by the Accreditation Board of Serbia for the analysis of wine and authorised by the MAFWM are responsible for:

- quality testing of must, wine and other products,
- organoleptic testing of wine without geographical indications, and
- organising organoleptic testing of wines that are in the process of obtaining designations of wine with geographical indications.

Authorised laboratories are financed by funds collected through providing services on the market.

Control organisation, under the authority of the MAFWM, in accordance with the Law on Wine and the tender procedure carried out, controls the production of wine with geographical indications. Detailed control procedure is presented in the response to question 18. MAFWM in 2010 authorised the Faculty of Agriculture, University of Belgrade, to perform these tasks, for a period of 5 years. Financing of the implementation of these activities is earmarked from the budget, whilst the producers allocate a part of the control costs to the budget.

Chart 8 Administrative organisational chart



Requirements for the marketing of agricultural products and standards (grading, sizing, mandatory / voluntary standards)

Chart 9 Placement of "stono vino" (wine without geographical indications) on the market

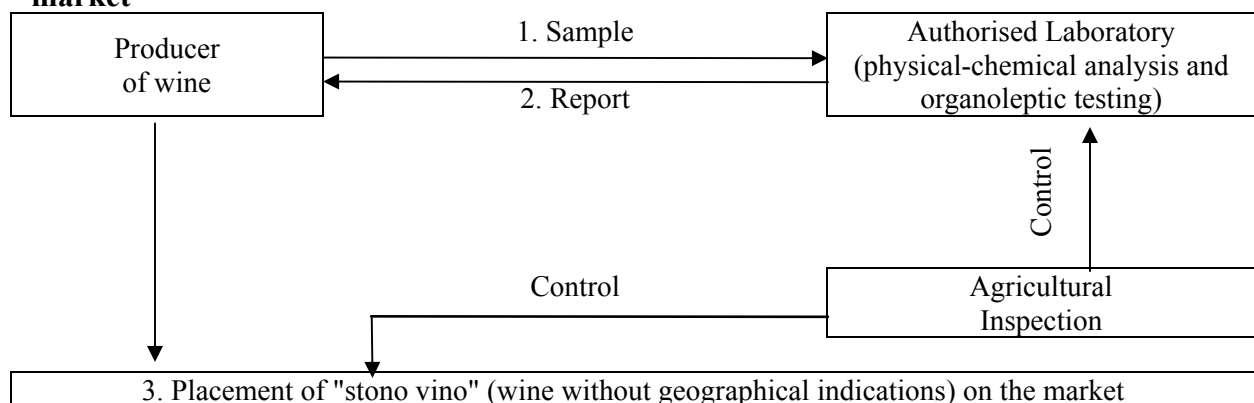
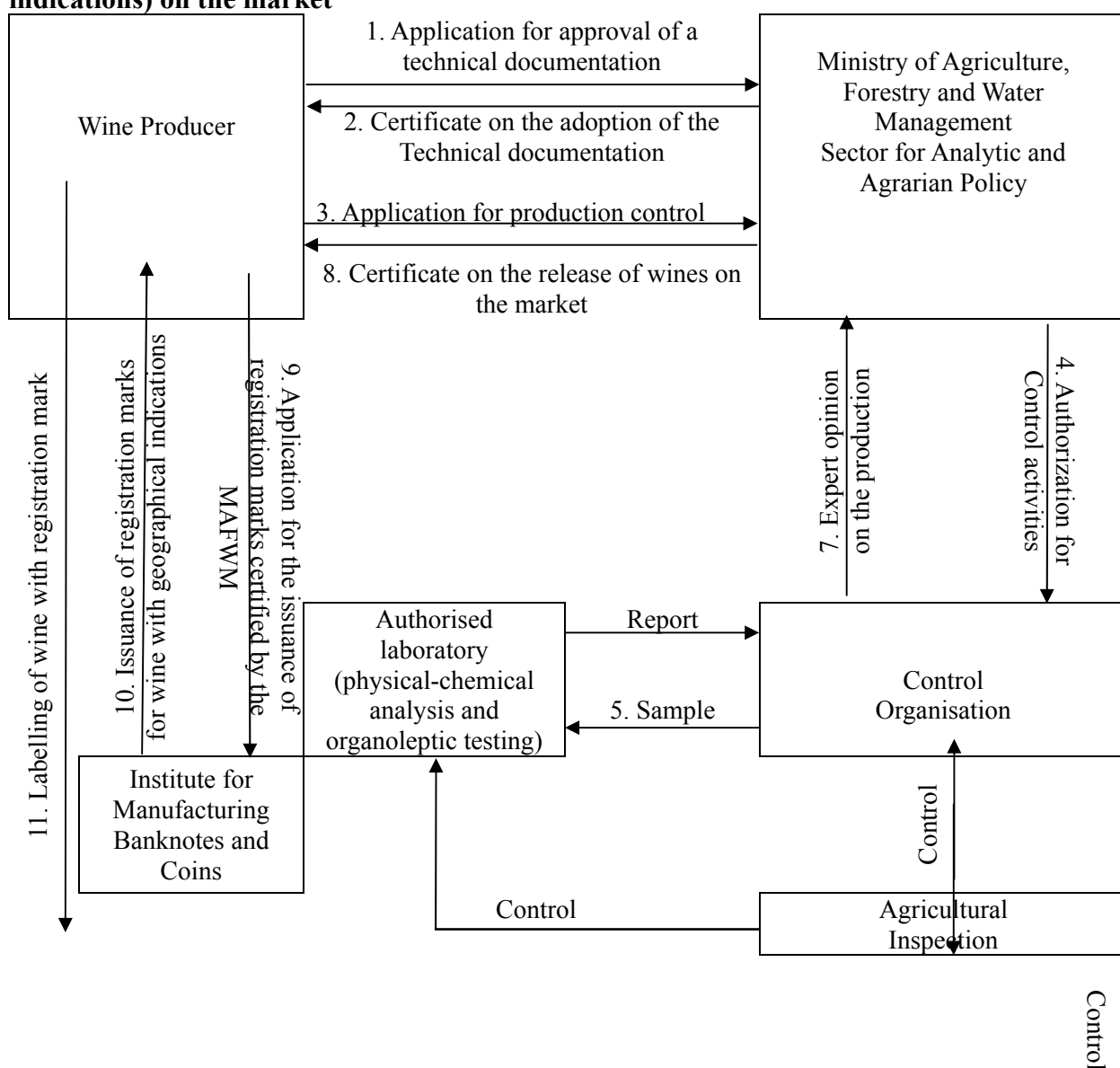


Chart 10 Placement of „vino sa geografskim poreklom“ (wine with geographical indications) on the market



Placement of „vino sa geografskim poreklom“ (wine with geographical indications) on the market

Wine in the Republic of Serbia is one of the products whose production, quality, marketing, labelling, etc. are regulated in most detail, with a clear classification in terms of quality. All aspects of production, labelling and marketing are focused, depending on which of the main categories the wine belongs to.

In accordance with new EU regulations, a new classification of wines was made:

1. "Stono vino" (wine without geographical indications) and
 2. "Vino sa geografskim poreklom" (wine with geographical indications)
 - 2.1. "Regionalno vino" ("PGI wine")
 - 2.2. "Kvalitetno vino sa geografskim poreklom" ("PDO wine")
 - 2.2.1. "Kvalitetno vino sa kontrolisanim geografskim poreklom i kvalitetom";
 - 2.2.2. "Vrhunsko vino sa kontrolisanim i garantovanim geografskim poreklom i kvalitetom".
- Wine without geographical indications goes through regular procedures of production

control, carried out by the Inspectorate General, and for releasing the wine on the market a compulsory quality control of wine is required, through physical-chemical analysis and organoleptic testing.

On the other hand, if it is the case of wine with geographical indications, in addition to regular inspection by the Inspectorate General, an additional control is carried out by an authorised Control organisation, which is described in detail in Chapter V - QUALITY POLICY, Question No 18.

The criteria for quality of wines with geographical indications are more severe compared to the quality parameters for wines without geographical indications, and each bottle of wine is labeled with registration mark for wine with geographical indication.

Requirements regarding declaring (in particular regarding declaration of origin)

Law on Wine (Official Gazette of RS, No. 41/09)

Described in the section: Objectives, general description of regulations and compliance with EU regulations for Wine.

Rulebook on quality and other requirements for wine (Official Journal of FRY, No. 54/99 and 39/2002)

Described in the section: Objectives, general description of regulations and compliance with EU regulations for Wine.

Rulebook on the appearance, content and manner of displaying the registration marks for wines with geographical indication (Official Gazette of RS, No. 67/10)

This rulebook sets forth the appearance, content and manner of displaying the registration marks for wines with geographical indications.

Compliance:

- Compliant with the Commission Regulation (EC) No 607/2009 on geographical indications, traditional terms, labelling and presentation,
- Compliant with the Regulation of the Council of Ministers (EC) No 479/2008 on the common organisation of the market in wine.

Designation of wines with geographical indications: Based on the Certificate on the fulfilment of conditions for the use of designations for wine with geographical indications, the producer of a given wine with geographical indications is entitled to the declaration of wine on labels, envelopes, containers, packaging and promotional materials (hereinafter referred to as labels) containing data on the geographical indication which may not be cited on the labels of "stono vino" (wine without geographical indications). This right applies only to the quantities of wine that are controlled and certified by appropriate certificate.

I) – Compulsory information

Data on the geographical indication which must be placed solely on the labels of wine with geographical indications:

- Quality categories of wine with geographical indications: "regionalno vino" ("PGI wine"): "Geografska indikacija" or "G.I.", "kvalitetno vino sa geografskim poreklom" ("PDO wine"): "kvalitetno vino sa kontrolisanim geografskim poreklom i kvalitetom": "Kontrolisano poreklo i kvalitet" or "K.P.K." or "vrhunsko vino sa kontrolisanim i garantovanim geografskim poreklom i kvalitetom": "Kontrolisano i garantovano poreklo i kvalitet" or "K.G.P.K.";
- Vintage year;
- Designation of origin or geographical name of the wine-growing area where grapes and wine are produced: 1. 1) name of the unit – for the "regionalno vino" - "G.I." ("PGI wine"), 2) name of the region, and district - for the "kvalitetno vino sa kontrolisanim geografskim

poreklom" - "K.P.K.", and "vrhunsko vino sa kontrolisanim i garantovanim geografskim poreklom i kvalitetom" - "K.G.P.K." ("both PDO wine"). "Kvalitetno vino sa geografskim poreklom" („PDO wine") may be additionally designated with the name of an oasis, position, location, and other if the grapes and wine are produced at the specified location.

- Numeration of batch and bottle;
- Name of the body that issued the certificate and number of the certificate allowing marketing of the wine with geographical indications;
- Name of wine, i.e. brand;
- Name and address of producer or bottler;
- Net quantity (volume);
- Content of alcohol in a volume percent;
- Content of sugar (sweetness of wine) for the common (still wine) is expressed as: "dry", "semi-dry", "semi-sweet" and "sweet", and for special wines it is expressed as: "extra dry", "dry", "semi-dry", "semi-sweet" and "sweet";
- For sparkling and semi-sparkling wine: the pressure of carbon dioxide expressed in bars, the manufacturing process (bottle fermentation or tank fermentation);
- For carbonated - pearl wine: carbon dioxide pressure expressed in bars;
- Country of origin: "Serbia" or any other country in case of imported wine;
- Production date and expiry date;
- Information on potential dangers or hazards of goods: "contains sulphites".

II) - Optional information

Beside the above mentioned, the labels of wines with geographical indications may contain the following information:

- Additional terms: "regionalno vino (G.I.)" – „mlado vino“ ("young wine"), „sopstvena proizvodnja“ ("own production"), wine „od grožđa proizvedenog organskom metodom“ (“made from organically grown grapes”) etc.; "kvalitetno vino sa kontrolisanim geografskim poreklom i kvalitetom (K.P.K.)"- „mlado vino“ ("young wine"), „sopstvena proizvodnja“ („own production“), „arhivsko vino“ ("archive wine") or „rezerva“ ("reserve"), wine „od grožđa proizvedenog organskom metodom“ (“made from organically grown grapes”) etc.; "vrhunsko vino sa kontrolisanim i garantovanim geografskim poreklom i kvalitetom (K.G.P.K.)" – „kasna berba“ ("late vintage"), „probirna berba“ ("selective vintage"), „odabrane bobice“ ("selected berries"), „suvarak“ ("dry grapes for dessert wine"), „arhivsko vino“ ("archive wine") or „rezerva“ ("reserve"), wine „od grožđa proizvedenog organskom metodom“ (“made from organically grown grapes”) etc.);
- Recognised traditional terms, in case a decision has been issued on the recognition of a recognised traditional term for the given wine;
- Name of variety (for "kvalitetno vino sa geografskim poreklom" ("PDO wine") - provided that the percentage of that variety in the wine is minimum 85%, or for "regionalno vino" ("PGI wine") minimum 51%);
- Trademark
- Wine colour;
- Date of bottling;
- Data on medals or awards.

Labels may not contain designations, names, images, drawings and similar information that might mislead consumers in regard to the origin and quality of wines.

III) - Registration marks for wines with geographical indications

According to the Law on Wine (Official Gazette of RS, No. 41/09), Article 31, paragraph 1, a producer of wine with geographical indications shall label each individual original filling of wine of certain categories with appropriate registration mark for that category of wine. Labelling of wine with geographical indications is carried out by the registration mark gluing,

in such a way that it does not conceal the mandatory information on the label.



"Regionalno vino G.I."



"Kvalitetno vino K.P.K."



"Vrhunsko vino K.G.P.K."

Designation of "stono vino" (wine without geographical indications): "Stono vino" (wine without geographical indications) may be declared solely by data not associated with the geographical indications. In this case, the labels may not contain information such as: name of the administrative region, area, town, village, wine-growing unit/region/district/oasis/position, and other; variety / varieties and vintage year.

The new Rulebook on declaration and labelling of wine, in accordance with the modifications in the EU regulations, shall allow the labelling of "stono vino" (wine without geographical indications) with the vintage year and variety name.

I) – Compulsory information

General information about the producer and wine that are not related to geographical indications:

- Name of wine, i.e. brand;
- Exact name and address of producer or bottler (without highlighting connections of the wine producer's seat with a geographic term, the area name and the name of the wine-growing unit/region/district/oasis/position, etc.);
- Net quantity (volume);
- Content of alcohol in a volume percent;
- Content of sugar (sweetness of wine) for the common (still wine) is expressed as: "dry", "semi-dry", "semi-sweet" and "sweet", and for special wines it is expressed as: "extra dry", "dry", "semi-dry", "semi-sweet" and "sweet";
- Country of origin: "Serbia" or any other country in case of imported wine;
- Production date and expiry date;
- Information on potential dangers or hazards of goods: "contains sulphites".

II) - Optional information

General information about the producer and wine that are not related to geographical indications:

- Designation „sopstvena berba“ ("own vintage") and „mlado vino“ ("young wine").
- Trademark;
- Wine colour;
- Date of bottling;
- Data on medals or awards.

III) - Prohibited Data

For "stono vino" (wine without geographical indications) listing of data concerning geographical origin, variety and vintage year is prohibited, since such wine has not passed the procedure of control of production of grapes and wines with geographical indications. For such wines the production from grapes from all over Serbia is allowed, as well as a blend of wines from different years and different varieties, etc. thus the listing of any data on geographical indications would lead to consumers' misjudgement.

Imported wine must contain on the declaration the name of the importer and all declaration data in Serbian, identical to the data on the original declaration, except designations for wines with geographical indications, which are not translated.

Import checks to assess compliance with these requirements (procedures,

certificates, sanctions, etc.)

Agricultural inspector takes a product sample of each shipment of imported wines, based on a Request for issuance of licence on the approval of placing of the product in production or sales, upon reviewing the product specification, certificate of origin, safety and quality issued by an authorised organisation of the exporting country, invoice for purchased product and Uniform customs document, and then gives it to an authorised laboratory for quality testing; after that, it determines whether the quality stated in the laboratory report matches the certificate of origin and quality issued by the authorised organisation of the exporting country, and whether the conditions of prescribed quality in the Republic of Serbia, related to trading of the above mentioned products, are met. Upon determining the congruence and conformity, the agricultural inspector approves placing of the product in production or sales, by putting his signature and stamp on the back of the laboratory report on the product testing. If it is determined that there is no conformity of quality and certification of the exporting country and / or conformity with the regulations in Serbia, such wine may not be placed on the market, and the inspector issues an interim or final decision prohibiting the placement of the product in production or sales, depending on whether the defects can be cured or not. For violation of the provision of the Law on Wine concerning the quality of wine at import, a fine is prescribed for commercial violation for legal persons, and for infringement for entrepreneurs.

Export checks to assess compliance with these requirements (procedures, certificates, sanctions, etc.)

When authorising the export of wine, the agricultural inspector reviews a laboratory report on quality testing and organoleptic testing of products, issued by a authorised laboratory for testing of quality parameters and organoleptic testing for export, and a form required for the import prescribed by the European Union and / or the importing country, if required, which is filled out and/ or issued by the authorised laboratory for export. Export approval is carried out by the inspector through verification of the laboratory report for the product that is exported. Export of the product may be approved even if all conditions regarding quality, prescribed in accordance with the Law of Wine, are not fulfilled, if such quality is required by the importer and agreed with the Ministry of Agriculture, Forestry and Water Management. The Law on Wine sets out penalties for infringements for legal persons and entrepreneurs who act contrary to the provisions of Law regulating the export of wine and other products.

- Products made of wine;

Objectives, general description of regulations and compliance with EU regulations

Law on “Rakija” and Other Alcoholic Beverages (Official Gazette of RS, No. 41/09)

Derivatives of wine - distillates of agricultural origin, wine-based alcoholic beverages, brandy, lees brandy, wine-based brandy and other alcoholic beverages in the production of which wine is used, are regulated by the Law on “Rakija” and Other Alcoholic Beverages.

The Law stipulates: production and marketing of raw material for “rakija” and other alcoholic beverages, production and marketing of “rakija” and other alcoholic beverages, geographical indications, labelling and other matters of importance for “rakija” and other alcoholic beverages.

Under this Law, all alcoholic beverages are classified as “rakija” and other alcoholic beverages. Other alcoholic beverages are classified as spirits and other alcoholic beverages.

“Rakija” and spirits are further divided into categories.

This Law prescribes the obligation that all producers of alcoholic beverages shall be registered in the Register of “rakija” and other alcoholic drinks producers, which is kept by the Ministry responsible for agriculture.

The Law also prescribes the geographical indications, keeping cellar records, quality testing, filling and labelling. All products, prior to marketing, are subject to mandatory physical and chemical examination of the quality of “rakija” and other alcoholic beverages with geographical indications and sensory evaluation made by the Organoleptic Testing Commission. Quality testing is performed in laboratories accredited by the Ministry.

All alcoholic beverages must meet the requirements regarding packaging and labelling, set out in this Law and the regulations governing their quality.

The law also prescribes surveillance carried out by the Agricultural Inspection, as well as punitive measures.

Compliance:

- Partially compliant with the Regulation of the Council of Ministers (EC) No 110/2008 of 15 January 2008, and the harmonisation process is continued and will be completed by the adoption of appropriate by-laws.

Rulebook on Viticulture Zoning (Official Gazette of RS, No. 50/77)

Described in the section: Objectives, general description of regulations and compliance with EU regulations for Wine.

Rulebook on the Protection of geographical indications for wines and “Rakija” (Official Gazette of RS, No. 23/80)

Described in the section: Objectives, general description of regulations and compliance with EU regulations for Wine.

Rulebook on categories, quality and labelling of “Rakija” and other alcoholic beverages (Official Gazette of RS, No. 73/10)

This Rulebook specifies alcoholic beverages, general rules concerning categories, categories and use of raw materials for their production, quality, labelling, description and presentation, and content of the producer specifications.

The Rulebook also stipulates that alcoholic beverages fulfil the conditions in terms of quality if they are produced from the prescribed raw materials, by specific technological production process and have adequate physical, chemical and sensory properties that are prescribed for each category.

“Rakija” is an alcoholic drink produced by distillation of fermented pomace, juice, pomace or piquet of fruit, grapes, edible berries and other raw materials of agricultural origin, with a minimum content of ethanol 15% v/v and with preserved specific sensory characteristics deriving from the raw material from which it was produced.

Spirits are produced from agricultural raw materials which can be added to refined ethyl alcohol, distillates, prescribed flavours, colours and sweeteners, in the manner prescribed by this Rulebook for each category of strong alcoholic beverages.

“Rakija” and spirits are classified in categories, and for each category the production process, quality, composition and sensory characteristics are prescribed, as well as their labelling, description and presentation.

Alcoholic beverages that are not produced in the manner prescribed for each category belong to other alcoholic beverages.

This Rulebook also prescribes labelling, description and presentation. Alcoholic beverages must be labelled with the name of the category they are classified in.

Compliance:

- Partially compliant with Annex 2 of the Regulation of the Council of Ministers (EC) No 110/2008 of 15 January 2008.

Description of schedule of implementation and enforcement (including human, financial and infrastructural resources, and if possible an organisational chart)

The application of the Law on “Rakija” and Other Alcoholic Beverages includes:

- **Ministry of Agriculture, Forestry and Water Management**
 - Sector for Analytic and Agrarian Policy
 - Inspectorate General (Agricultural Inspection)
- **Laboratories authorised by the Ministry**
- **Ministry of Finance**

The Sector for Analytics and Agricultural Policy employs one government official who is responsible for drafting laws and bylaws under the Law on “Rakija” and Other Alcoholic Beverages, which will be harmonised with EU regulations, as well as for all other matters related to this field.

Within the Inspectorate General - Department of Agricultural Inspection for wine, “rakija”, spirits and soft drinks is responsible for the inspection over the application of provisions of the Law on “Rakija”, and is responsible for maintaining the Register of Producers of “rakija” and other alcoholic beverages.

Agricultural Inspection also performs control over the production of “rakija” and other alcoholic beverages with the geographical indications, and in particular the production of raw materials intended for the production of “rakija” and other alcoholic beverages with geographical indications, their processing and production of “rakija” and other alcoholic beverages, sampling, sample delivery to the physical - chemical and organoleptic testing and drafting of expert reports.

Activities performed by the Ministry of Agriculture, Forestry and Water Management are financed from the budget of the Republic of Serbia.

Laboratories that are accredited by the Serbian Accreditation Body for the analysis of wine and alcoholic beverages, and authorised by the Ministry of Agriculture, Forestry and Water Management, are responsible for:

- quality testing of “rakija” and other alcoholic beverages,
- organoleptic evaluation of “rakija” and other alcoholic beverages with geographical indications,
- organising organoleptic evaluations.

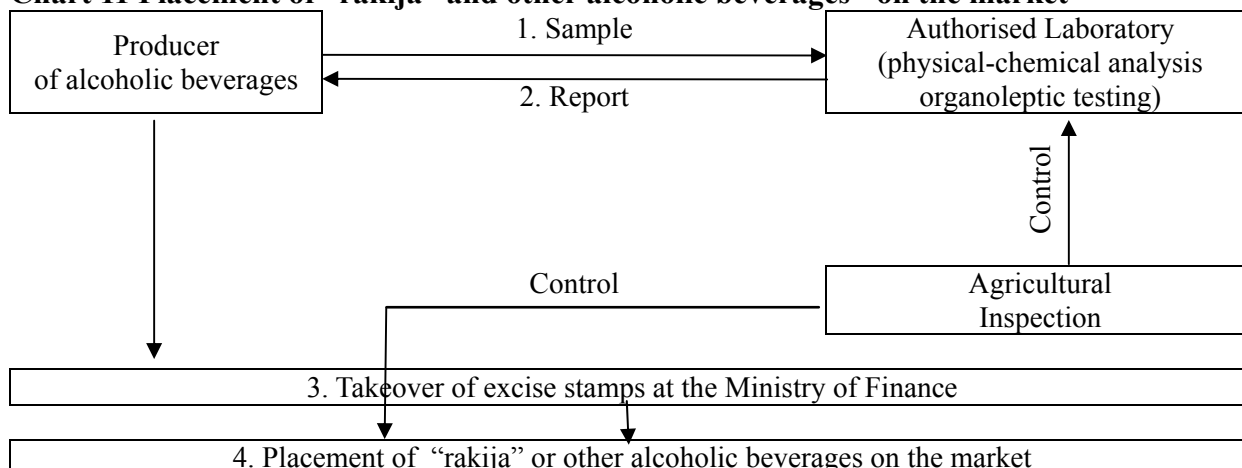
Accredited laboratories are financed by funds collected through providing services on the market.

Ministry of Finance is responsible for issuing and control of excise stamps.

Administrative organisational chart is described in section: Wine.

Requirements for the marketing of agricultural products and standards (grading, sizing, mandatory / voluntary standards)

Chart 11 Placement of “rakija” and other alcoholic beverages” on the market



The quality of “rakija” and other alcoholic beverages, before placement on the market, must be tested and verified by the accredited laboratory, authorised by the Ministry.

“Rakija” and other alcoholic beverages must be labelled, described and presented in accordance with the prescribed requirements.

Labelling depends on the type of alcoholic beverage, its category, and whether it is with or without geographical indications.

All alcoholic beverages are subject to regular procedures concerning control of production, quality and marketing, performed by the Inspectorate General.

“Rakija” and other alcoholic drinks with geographical indications, in addition to regular check-ups, are subject to supplementary audit by the Inspectorate General and the sensory evaluation, which is described in detail in the answer to question No 19.

“Rakija” and other alcoholic beverages with geographical indications, in addition to the mandatory contents of the declaration, possess a number of the approval of the use of geographical indications issued by the Ministry, and the registration stamp.

Requirements regarding labelling (in particular regarding declaration of origin)

Law on “Rakija” and Other Alcoholic Beverages (Official Gazette of RS, No. 41/09)

Described in the section: Objectives, general description of regulations and compliance with EU regulations for Wine Products.

Rulebook on categories, quality and labelling of “rakija” and other alcoholic beverages (Official Gazette of RS, No. 73/10) 73/2010)

Described in the section: Objectives, general description of regulations and compliance with EU regulations for Wine Products.

Labelling, description and presentation: Labelling (label) comprises all descriptions and other references, indications, trade or geographical indications in respect of which the alcoholic beverages are different, and which are placed on the vessel, including the cap, piece of paper attached to the vessel and the sheath that covers the neck of the bottle.

Description comprises all words that are used in labelling, presentation and packaging of products on the label, documents accompanying the transport, trade documentation (particularly in invoices and delivery notes) and marketing materials. Presentation comprises expressions, images, drawings, etc. that are used on the label, packaging, vessels, lids, during sales, advertising and promotion of any kind.

Compulsory information on the label are: category name, content of alcohol in % by volume, net volume, expiration date, name and address of the producer, name and address of the filler if the producer has not completed the filling of bottles.

If the beverage was imported, the label must contain the name and address of the importer.

For alcoholic beverage that meets the requirements prescribed for more than one category, the label may contain the name of any of these categories.

In case the alcoholic beverage does not belong to any category, rather than the category name it must read "alcoholic beverages".

Trade name, trademark, popular name, and the like can not be a substitute for the category name or type of alcoholic beverages.

In cases when the label must state the raw materials used for production of ethyl alcohol, for each refined ethyl alcohol the raw materials used are listed in descending order of quantity.

On the declaration of "rakija" and strong alcoholic beverage created by blending, it can be written: "uniform", "blending", "blended" or "blend".

Category names of "rakija" and spirits may not be used for labelling of other alcoholic beverages.

The label may also contain other information prescribed in the Regulation on the categories, quality and labelling of "rakija" and other alcoholic beverages, as well as specific rules of labelling depending on the category.

The declaration may also contain other information such as geographical indications or labels of aging, under certain conditions and in the prescribed manner, which is explained in detail in Chapter V - Quality Policy, question No 19.

Import checks to assess compliance with these requirements (procedures, certificates, sanctions, etc.)

Agricultural inspector takes a product sample of each shipment of imported alcoholic beverage, based on a Request for issuance of licence on the approval of product manufacturing or sales, upon reviewing the product specification, certificate of origin, safety and quality issued by an authorised organisation of the exporting country, invoice for purchased product and Uniform customs document, and then gives it to a certified laboratory for quality testing; after that, it determines whether the quality stated in the laboratory report matches the certificate of origin and quality issued by the authorised organisation of the exporting country, and whether the conditions of prescribed quality in the Republic of Serbia, related to trading of the above mentioned products, are met. Upon determining the congruence and conformity, the agricultural inspector approves placing of the product in production and/or sales, by putting his signature and stamp on the back of the laboratory report on the product testing. If it is determined that there is no conformity of quality and certification of the exporting country and / or conformity with the regulations in Serbia, such alcoholic beverages can not be placed on the market, and the inspector issues an interim or final decision prohibiting the placement of the product in production or sales, depending on whether the defects can be cured or not.

Export checks to assess compliance with these requirements (procedures, certificates, sanctions, etc.)

When authorising the export of alcoholic beverages, agricultural inspector examines the Report on quality testing, issued by authorised laboratory, and the form required for import regulated by the European Union and / or importing country, if necessary, which is filled out and issued by the authorised laboratory for export. Export approval is carried out by the

inspector through verification of the laboratory report for the product that is exported. Export of the product may be approved even if all quality requirements prescribed in accordance with the Law on “Rakija” and Other Alcoholic Beverages are not met, if such quality is required by the importer, and such alcoholic beverages may be exported on the basis of quality agreed and defined with the customer.

- Horticulture;

Objectives, general description of regulations and compliance with EU regulations

Law on Plant Health (Official Gazette of RS, No 41/09)

Described in the section: Chapter 12, Section VI - Phytosanitary policy, question No 30 and 31

Law on Seeds of Agricultural Plants (Official. Gazette of RS, No 45/05)

Described in the section: Chapter 12, Section VI - Phytosanitary policy, question No 30

Law on Seedlings of fruit trees, vines and hops (Official Gazette of RS, No 18/05)

Described in the section: Chapter 12, Section VI - Phytosanitary policy, question No 30

Law on Registration of Varieties of Agricultural Plants (Official Gazette of RS, No. 30/10).

Described in the section: Chapter 12, Section VI - Phytosanitary policy, question No 31

Law on Protection of Rights of Plant Varieties Breeders (Official Gazette of RS, No. 41/09 of 2 June 2009)

Described in the section: Chapter 12, Section VI - Phytosanitary policy, question No 31

Rulebook on the Lists of Pests and Lists of Plants, Plant Products and Prescribed Facilities (Official Gazette of RS, No 7/10)

Described in the section: Chapter 12, Section VI - Phytosanitary policy, question No 30 and 31

Rulebook on Phytosanitary Control of Plants, Plant Products and Prescribed Facilities in International Trade (Official Gazette of RS, No 32/10)

Described in the section: Chapter 12, Section VI - Phytosanitary policy, question No 30 and 31

Rulebook on Medical Examination of Crops and Facilities for the Production of Seeds, Seedlings and Planting Materials and Medical Examination of Seeds, Seedlings and Planting Materials (Official Journal of FRY, No. 66/99 and 13/2002, Official Journal of SAM, No. 10/2003 and 13/2003, Official Gazette of RS, No. 39/2006, 59/2006, 115/2006, 119/2007 and 107/2008)

Described in the section: Chapter 12, Section VI - Phytosanitary policy, question No 30 and 31

Description of schedule of implementation and enforcement (including human, financial and infrastructural resources, and if possible an organisational chart)

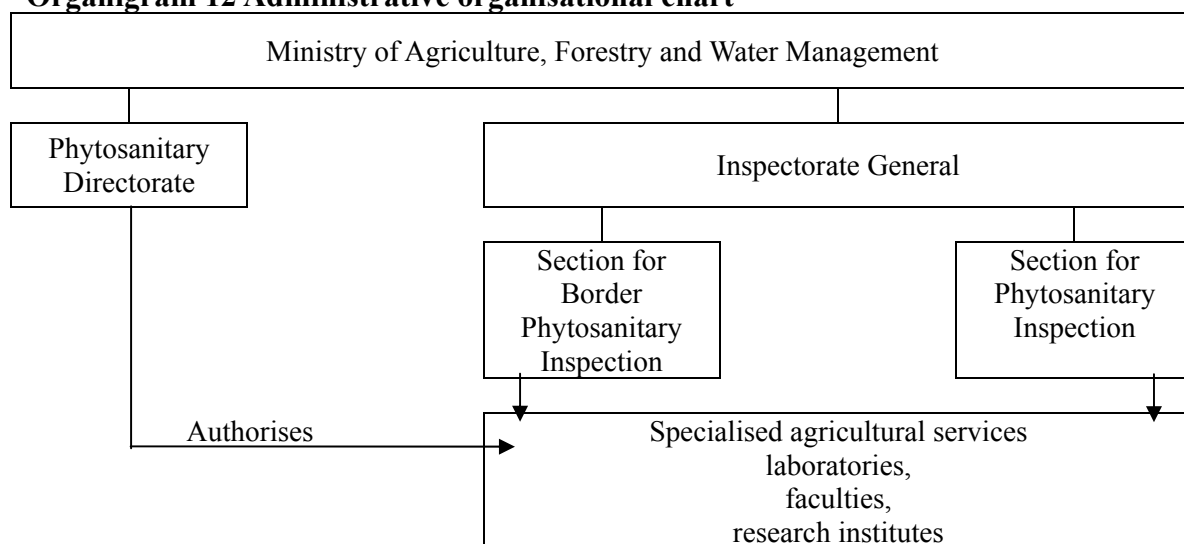
The application of these laws, with respect to horticulture, includes:

- **Ministry of Agriculture, Forestry and Water Management**
 - Sector for Analytic and Agrarian Policy
 - Inspectorate General (Phytosanitary Inspection)
- **Agricultural specialised services authorised by the Phytosanitary Directorate**
- **Laboratories and scientific institutions authorised by the Phytosanitary Directorate.**

Phytosanitary Directorate is responsible for coordination and contacts with respect to matters relating to phytosanitary issues. Inspection in the field of plant health is conducted by phytosanitary inspectors of the Inspectorate General of the Ministry of Agriculture, Forestry and Water Management, organised in two departments. Section of Border Phytosanitary Inspection has 33, and the Section of Phytosanitary Inspection has 55 employees.

Health examination of plants and plant products and issuing of phyto certificates, medical examinations of seeds and seedlings of agricultural plants, laboratory testing and implementation of the Protective measures programme for plant health (monitoring) are conducted by 33 specialised agricultural services, laboratories, universities and research institutes, authorised by the Phytosanitary Directorate.

Organigram 12 Administrative organisational chart



Requirements for the marketing of agricultural products and standards (grading, sizing, mandatory / voluntary standards)

Described in the section: Chapter 12, Section VI - Phytosanitary policy, question No 30 and 31

Import checks to assess compliance with these requirements (procedures, certificates, sanctions, etc.)

Law on Plant Health (Official Gazette of RS, No. 41/09) defines which types of plant shipments are subject to plant health control and inspection at import, and which requirements have to be met. Shipments of plants that arrived during import and transit are reported immediately, and at the latest within 24 hours upon arrival, to the Border Phytosanitary Inspection. The application is submitted in writing, by listing all documents accompanying the shipment. Importers, carriers and their agents, as well as the Customs

Service inform the Border Phytosanitary Inspection of the arrival of shipments being imported in transit or transshipment; such information is provided on the Form 1, which is printed in the Regulation on the Phytosanitary Control of Plants, Plant Products and Prescribed Facilities in International Trade (Official Gazette of RS, No. 32/10) and forms its integral part.

Records of shipments of plants at the import or transit is made in the book of import or transit, while shipments at the import are recorded in the entries of administrative cases, or in a short entry book.

Phytosanitary control of plant shipments at the import and transit are made at the border crossing in the presence of the customs service, importer or authorised agent of the importer.

First the inspection of documents accompanying the shipment is conducted: application of the plant shipment – made by the importer, followed by the prescribed documents, depending on plant species; copy of the Decision on registration of importers (for shipments of seeds, seedlings and planting materials), OECD and ISTA certificates for shipments of seeds (if accompanying the package) and a certificate of production for planting material shipments and other documents accompanying the shipment. Border phytosanitary inspector also checks, for shipments of seeds, seedlings and planting materials, whether the sort is entered in the Register of sorts of the Ministry of Agriculture, Forestry and Water Management. If the shipment is not accompanied by any of the documents prescribed by law or the supporting documents have substantial shortcomings in accordance with the above-mentioned regulations, the border phytosanitary inspector issues a decision to ban imports and orders the return, seizure or destruction of the shipment in the presence of the customs authorities. In case the application for phytosanitary inspection is duly completed and the shipment is accompanied by all required documents, the phytosanitary control procedure proceeds. Examination of the shipment follows, which includes: inspection of the vehicle; inspection of packaging for the presence of harmful organisms: plant inspection, and identification, which includes the inspection of the entire shipment, verification of its identity and integrity, and taking samples according to prescribed procedures. Shipment identification is done by comparing data from the accompanying documents with labels on the shipment (shipment of seeds, seedlings and planting materials must be labeled with prescribed declarations). Testing of samples taken from the plant shipment is conducted in a laboratory at the border crossing point. In case of suspicion of the presence of harmful organisms, whose presence can not be determined at the border crossing, the samples are taken, which are properly packed, sealed and sent to an authorised institution. In case the laboratory tests take longer, and there is no storage space at the border crossing, the border phytosanitary inspector issues a Decision on temporary transportation allowing the transport of the shipment under customs surveillance to the place of customs clearance. The shipment may not be opened until the end of the health check, and no samples may be taken from it without the consent of the inspector.

After the identification and examination, if the shipment meets the requirements prescribed by the law, import and customs clearance of the shipment is allowed, by issuance of decision on the permit of imports and clearance, and a phytosanitary certificate and phytosanitary certificate for re-export are verified, which accompany the shipment, by a stamp “Shipment inspected-Import permitted.” If the shipment does not possess the necessary documentation, it can not be identified and if it is not properly marked/ labelled the border phytosanitary inspector issues a decision to ban imports and orders the return or destruction of the shipment. In case the shipment is returned, the phytosanitary certificate and /or phytosanitary certificate for re-export is certified by a red triangle stamp which states "certificate revoked". In the case when appropriate phytosanitary measures are applied, upon issuance of a final decision, the Phytosanitary Directorate notifies the exporting country of the interception in the prescribed form.

Export checks to assess compliance with these requirements (procedures, certificates, sanctions, etc.)

Shipments of plants to be exported or re-exported from the Republic of Serbia, and for which the importing country or a country through which the plant shipment is in transit requires to be supplied by the phytosanitary certificate or phytosanitary certificate for re-export, are subject to phytosanitary inspection in accordance with international standards.

Rulebook on phytosanitary control of plants, plant products and prescribed facilities in international trade prescribes the conditions under which phytosanitary control of plant shipments is conducted at exports at the border crossing. Phytosanitary control procedure is performed in the same manner as for imports.

- Olives and Olive Oil

There is no production of olives or olive oil in the Republic of Serbia.

Objectives, general description of regulations and compliance with EU regulations

Law on Plant Protection Products (Official Gazette of RS, No. 41/09)

Described in the section: Chapter 12, Section VI - Phytosanitary policy, question No 31

Regulation on detailed conditions for the production and trade of food products of plant origin (Official Gazette of RS, No. 50/96)

Described in the section: Fruits and vegetables

Rulebook on maximum allowable quantities of residue pesticides in food and animal feed and on animal feed for which the maximum allowable amount of residue pesticides is determined (Official Gazette of RS, No. 25/10)

Described in the section: Chapter 12, Section VI - Phytosanitary policy, question No 31

Description of schedule of implementation and enforcement (including human, financial and infrastructural resources, and if possible an organisational chart)

The implementation of the Law on Food Safety, in the field of olive and olive oil, includes:

- **Ministry of Agriculture, Forestry and Water Management**
 - Sector for Analytic and Agrarian Policy
 - Inspectorate General (Phytosanitary and Agricultural Inspection)
- **Laboratories authorised by the Ministry**

Within the Sector for Analytics and Agricultural Policy in the Department of Plant Production and Plant Products Processing, in the Group for production and processing of fruits, grapes and production of beverages one government official is employed, responsible for creating rulebooks under the Law on Food Safety, which will be in line with EU regulations, planning of support measures for the sector of production and processing of fruits, cooperation with international organisation OECD, creating balance sheets for the major fruit sorts, and other activities related to the fruit sector, including a fruit product - table olives. Within the Department of Plant Production and Plant Products Processing, in the Group for crop production and processing of agricultural products, three civil servants are employed, responsible for creating rulebooks under the Law on Food Safety, which will be harmonised

with EU regulations, planning of support measures for the sector of production and processing of grains, industrial and fodder crops, creating balance sheets and market analysis of major sorts of grains and oilseeds, and other activities related to the production and processing of crop products, including oil production.

Activities of the Inspectorate General, and the Phytosanitary and Agricultural Inspection, the administrative scheme, and the authorities of the laboratories for food safety testing are described in section: Fruits and vegetables

Requirements for the marketing of agricultural products and standards (grading, sizing, mandatory / voluntary standards)

Rulebook on the quality of fruit, vegetables and mushrooms and pectin products (Official Journal of SFRY, No. 1/79, 20/82, 74/90, Official Journal of FRY, No. 33/95 and 58/95, Official Journal of SAM, No. 56/03, 04/04, 12/05)

This Rulebook prescribes the minimum quality requirements that must be met for table olives, as fruit product, before entering on the market, as well as packaging requirements for quality assurance, and labelling methods. Provisions of the Rulebook apply to table olives, both for imports and exports and in domestic market. These products are made by processing of healthy, clean, sufficiently mature olive fruit, preserved in an appropriate manner to preserve quality and natural characteristics of the product, packed with or without proper pouring. They are placed on the market as: green non-sour olives or sour table olives in saline solution, or black non-sour or sour table olives in saline solution, filled table olives and black natural shrivelled table olives.

Compliance: non-compliant

Rulebook on the quality and other requirements for edible olive oil and pomace olive cooking oil (Official Journal of FRY, No. 54/99, Official Journal of SAM, No. 56/03, 04/04)

This Rulebook prescribes the minimum quality requirements that must be met for edible olive oil, and pomace olive oil, before entering on the market, as well as packaging requirements for quality assurance, and labelling methods. Provisions of the Rulebook apply to edible olive oil and pomace olive oil, both for imports and exports and in domestic market. Edible olive oil is placed on the market as: Virgin olive oil (labelled as extra virgin, virgin and common virgin), refined olive oil and olive oil. Edible pomace olive oil is placed on the market as: refined olive pomace oil and olive pomace oil.

Compliance: non-compliant

Import checks to assess compliance with these requirements (procedures, certificates, sanctions, etc.)

Procedures that are conducted to assess the compliance of table olives and olive oil while at imports are described in part: Fruits and vegetables

Export checks to assess compliance with these requirements (procedures, certificates, sanctions, etc.)

Procedures that are conducted to assess the compliance of table olives and olive oil at export are identical as during import, and are made at the request of the importer.

13. Regarding the wine sector, please describe the status of your preparations for the establishment of a vine cadastre.

Law on Wine (Official Gazette of RS, No. 41/09) provided for the legal basis for the establishment of the Vineyard Register as the basic EU requirement in viticulture and wine production, in accordance with the Commission Regulation (EC) No 479/08.

In order to prepare for the establishment of the Vineyard Register, the Ministry of Agriculture, Forestry and Water Management implemented from 2006 – 2009 a Twinning project "Capacity Building for the Regulation of the Serbian Wine Sector", supported by Spanish experts from the autonomous region of La Rioja. Within this project, which was funded by the EU, the main component was the elaboration of the pilot Vineyard Register and at the same time staff training was conducted and capacity building of administrative and professional skills in establishing, controlling and managing the Vineyard Register.

In order to provide for the establishment of the Vineyard Register, two rulebooks were adopted in 2010, governing the obligations of grape producers to submit data on appropriate Application forms regarding vineyard plots (vineyards), as well as annual data on the production of grapes in accordance with the Commission Regulation (EC) 436/2009. Moreover, a legal basis was created regarding the requirements to be met by Expert Organisation for Vineyard Register and its methods of work (use of GPS technology, determination of the vineyard parcels surface, etc.).

Rulebooks adopted:

- Rulebook on the content and manner of keeping of the Vineyard Register, and the application form required for registration in the Vineyard Register (Official Gazette of RS, No. 33/10) 33/10);
- Rulebook on the technical and personnel requirements to be met by Expert Organisation for the conduct of the Vineyard Register, as well as on methods of performing tasks related to the Vineyard Register (Official Gazette of RS, No. 46/10) 46/10).

In order to provide the necessary human resources for the functioning of the Vineyard Register, in addition to the engagement of two employees at the Ministry of Agriculture, Forestry and Water Management - in the Directorate for Soil, in relation to database maintenance and keeping records of the land occupied by vineyards, an open competition will be published for the delegation of tasks related to the Vineyard Register. On the basis of the competition, an expert organisation will be selected and authorised for conducting the activities related to the Vineyard Register.

III DIRECT PAYMENTS TO FARMERS

14. Please describe the direct payments regimes applied (i.e. income support granted directly to farmers), and in particular:

- the eligibility conditions;
- the management and control system applied to each of them (in particular, registration of farmers' and their agricultural areas in a national farm register/land register, registration of animals,, procedure for lodging applications and eventually registration of such applications, any other registers in use for agricultural products/trees, data to be submitted, administrative and on-the-spot controls to be performed, sanctions to be applied);

- **the interaction of the different parts of the management and control system as well as the interaction with any possible system used for the identification of agricultural parcels or cadastre system (see point 5 under I – Horizontal);**
- **the number of beneficiaries;**
- **the budgetary amounts devoted to each regime;**
- **any payments coupled from production (e.g. area payments granted for agricultural land with the obligation to produce);**
- **any specific rules on the transfer of the holding (sale, lease) in relation to the eligibility for direct payments;**
- **any other information that would be useful for comparing these regimes with the EU ones.**

Within the reform of agricultural policy measures, in 2006 a budgetary support system was established, through direct payments per hectare of sown area and head of livestock.

Requirements for determining eligibility

Farms that are registered in the Register of agricultural holdings, which are in active status and regularly pay their liabilities from short-term and long-term loans, are entitled to the use of incentives in the form of direct payments, provided that:

- they carry out production on plots that are registered in the Register;
- they reported the species and numbers of animals and farms where animals are kept or bred;
- they have conducted animal identification and registering, and the animals were registered in the Central database, run by the Ministry of Agriculture, Forestry and Water Management – Veterinary Directorate.

Since 2009, as an additional requirement for the entitlement to the use of financial incentives it is prescribed that the holder of the agricultural farm is insured at the Pension Insurance Fund for Farmers, and regularly settles its obligations towards the Fund.

Management and Control System applied

Direct payments are implemented for a surface that has been reported in the Register of Agricultural Holdings, and payment is made for an area of 0.5 to 100 ha through submitted invoices for purchased raw materials (seeds, fertilizer and diesel fuel), which serve as proof of performance of manufacturing.

Register of Agricultural Holdings is maintained by the Ministry of Finance – Treasury Directorate (34 branches and 111 outlets).

For the entry into the Register, farmers-natural persons, inter alia, submit the following:

- Form with personal data about the owner of the agricultural holding,
- Data on the members of the the agricultural holding,
- Statement of household members that they are members of the agricultural household,
- Data on land holdings and crops, and
- Data on the sorts and number of animals and farms on which these are kept or bred.

For the entry into the Register, legal person or entrepreneur, inter alia, submit the following:

- Form of identification on the legal person and / or entrepreneur,
- Data on land holdings and crops, and
- Data on the sorts and number of animals and farms on which these are kept or bred, etc.

Plots are entered in the Register on the basis of written statements from the uniform real

estate records of the Republic Geodetic Authority (cadastre and land registry). The basis of registration may be ownership or lease, which is evidenced by a certified lease contract with a person registered in the cadastre as the owner. State land on lease may also be entered into the Register.

Request for direct payments is submitted to the Treasury Directorate. The applicant submits in the request, in addition to personal data and areas referring to the request, the number of accounts for purchased raw materials submitted, and the amount of money spent for such purposes. Deadlines for submitting requests are from 1 May to 30 September of the current year. Upon receipt of the request, the Directorate conducts comparison and verification of data submitted in the applications, reports and data from the Register. Audit of regular loan repayment is also conducted at the Treasury Directorate, which is responsible for record keeping. Audit of the status at the Fund is conducted through electronic data exchange between the Treasury Directorate and Tax Administration.

Prior to the disbursement of funds allocated for direct payments, administrative review of each submitted request is conducted. On-the-spot control of the agricultural household is also conducted. Control is conducted by the Agricultural Inspection of the Ministry which has the authority, in case of irregularities and abuse established, to impose a measure under which the same agricultural holding is transferred into a passive status at the Register of Agricultural Holdings, and it consequently loses the right to use all incentives provided by the Ministry.

All payments related to the production

Requirement for the eligibility for direct payments is the obligations of the producer to carry out the reported production in the areas for which direct payments are received. Evidence on the production established consists of invoices submitted for purchases of primary inputs. In this way, the state does not interfere in the decision of the manufacturer related to the type of production.

All rules relating to the transfer of ownership (sale, lease) in relation to the eligibility for direct payments

Through encouraging the lease of arable land, an agricultural holding whose owner is older than 65 years, may be entitled to funding per hectare of arable land if the agricultural land is leased. Details about this type of measures are discussed in the answer to question No. 3.

DIRECT PAYMENTS PER HECTARE

Measure title: REIMBURSEMENT OF RAW MATERIALS

Legislative basis:

- Budget Law of the Republic of Serbia
- Regulations on the requirements to qualify for the above mentioned incentives (in 2006, 2007, 2008, 2009 and 2010)
- Regulation / Rulebook on the Register of Agricultural Holdings.

Objective and description of the scheme: Objective of the measure is to upgrade production by stimulating the supply of key inputs for production, under more favourable terms compared to the market conditions.

Criterion: Natural person is entered in the Register of Agricultural Holdings, except in 2006, when both legal and natural persons were entitled to this right.

Payment and regional differences: Funds for reimbursement of raw materials are paid in a

single amount on the territory of the Republic of Serbia.

Table 29 Amount for reimbursement of raw materials by crops

Crops	2006	2007	2008	2009	2010
1. All agricultural crops	NO	8,000 din/ha	10,000 din/ha	12,000 din/ha	14,000 din/ha
1.1. Oilseed rape	7,000 din/ha	YES	YES	YES	YES
1.2. Oil pumpkin	7,000 din/ha	YES	YES	YES	YES
1.3. Tobacco	65,000 din/ha	NO	NO	YES + 20,000 din/ha	YES + 20,000 din/ha
1.4. Sugar beet	NO	YES	YES + 4,000 din/ha	YES	YES
1.5. Hop	20,000 din/ha	NO	NO	NO	NO
2. All vegetable crops	NO	8,000 din/ha	10,000 din/ha	12,000 din/ha	14,000 din/ha
3. Flowers	NO	NO	NO	12,000 din/ha	14,000 din/ha

2006. In 2006: for oilseed rape and oil pumpkin only in the amount of 7,000 dinars per hectare, for hops in an amount of 20,000 dinars per hectare, and for tobacco in the amount of 65,000 dinars per hectare. In parallel with this measure, the price of fertilizer and diesel fuel was reimbursed for agricultural works;

2007. In 2007: for all agricultural and vegetable crops (excluding tobacco and hops) in the amount of 8,000 dinars per hectare;

2008. In 2008: for all agricultural and vegetable crops (excluding tobacco and hops) in the amount of 10,000 dinars per hectare; In that year, production of sugar beet was further reimbursed with 4,000 dinars per hectare;

2009. In 2009: for all agricultural and vegetable crops and flowers in the amount of 12,000 dinars per hectare. In that year, production of tobacco was further reimbursed with 20,000 dinars per hectare.

2010. In 2010: for all agricultural and vegetable crops and flowers in the amount of 14,000 dinars per hectare. In this year, production of tobacco was further reimbursed with 20,000 dinars per hectare.

Table 30 Number of beneficiaries and disbursed funds for this measure

Year	2006	2007	2008	2009	2010
Number of beneficiaries	73,231	197,411	270,678	84,218	N/A
Total disbursed, RSD	1,875,560,480	7,222,040,199	14,284,031,167	7,413,364,407	11,670,357,000*

* planned from the current budget

Administrative scheme: Required documents are submitted to the Treasury Directorate.

Surveillance: Ministry of Agriculture, Forestry and Water Management.

DIRECT PAYMENTS PER HEAD OF LIVESTOCK

Measure title: REIMBURSEMENT FOR BREEDING LIVESTOCK

Legislative basis:

- Budget Law of the Republic of Serbia
- Regulation on reimbursement for breeding livestock and milk premium, Regulation on reimbursement for breeding livestock and new bee colonies, Regulation on reimbursement

for breeding livestock and selected queen bees (for 2001, 2002, 2003, 2004, 2005, 2006, 2007 and 2008)

- Regulation on the Register of Agricultural Holdings.

Objective and description of the scheme: Objective is the production and supply of quality breeding offspring (cows, sheep, goats, sows) and creating conditions for increasing the scope and improving the quality of milk and meat production.

Criterion: Legal and natural persons and entrepreneurs registered in the Register of Agricultural Holdings are entitled to incentives for manufactured or purchased head of livestock which remains on the farm and is used for further reproduction in the period of 4 years for cows, goats and sheep and 3 years for pigs.

Reimbursement is exercised once during reproduction, and for the selected queen bees once during the year for the formation of new swarms.

Payment and regional differences: Funds for reimbursement are paid in a single amount on the territory of the Republic of Serbia.

Reimbursement is paid once a year for the submitted application.

Table 31 Amount of incentive per head of livestock

Year	2001	2002	2003	2004		2005	2006	2007	2008
				January-March	April-December				
Sort of animal	Amount of incentive, RSD per head of livestock								
Heifers (cows Squares)	5,000	5,500	5,500	10,000	11,000	11,000	11,000	12,000	12,000
Breeding bulls for natural mating	6,000	7,000	7,000	15,000	15,000	15,000	15,000	15,000	15,000
Breeding bulls in V.O. Centres	7,000	8,000	8,000	15,000					
Breeding sheep and goats *	500	600	600	1,000	600	600	600	2,000	2,500
Breeding rams and bucks *	800	1,000	1,000	2,000	1,000	1,000	1,000	2,000	2,500
Sows first litter sows								1,600	2,000
Breeding boars								1,600	2,000
Selected queen bees						200	200	400	400
New bee colonies					3,500				

* in 2001, 2002, 2003 and 2004 incentives were only applied to breeding sheep and breeding rams

Table 32 Disbursed funds for this measure

Year	2001	2002	2003	2004		2005	2006	2007	2008
				January-March	April-December				
Total disbursed, in thousands RSD							110	246,413	199,208

Administrative scheme: Required documents are submitted to the Ministry of Agriculture, Forestry and Water Management.

Surveillance: Ministry of Agriculture, Forestry and Water Management – Agricultural Inspection.

Measure title: STIMULATION FOR CATTLE FATTENING

Legislative basis:

- Budget Law of the Republic of Serbia
- Regulation on the use of financial incentives to encourage cattle fattening (for 2007 and 2008)
- Regulation on the Register of Agricultural Holdings.

Objective and description of the scheme: Objective is the increasing of the beef meat production and meeting the needs of the domestic market for beef meat, and increased exports of beef to foreign markets.

Criterion:

In 2007, both legal and natural persons, and entrepreneurs registered in the Register of Agricultural Holdings are entitled to incentives for cattle fattening on the condition that the heads of livestock have spent at least 100 days on the holding of the applicant, or 180 days during 2008.

In 2007, along with the request a purchase sheet was submitted, issued by the slaughterhouse that has made the purchase of cattle, and in 2008 certified copies of passports for fattening cattle were submitted, for which the application was presented.

Payment and regional differences:

In 2007, a single amount of incentives was disbursed in the Republic of Serbia, while the total amount disbursed did not exceed 3.5 million dinars per beneficiary.

In 2008, a single amount of incentives was disbursed in the Republic of Serbia with the anticipated fulfilment of the conditions given in Table.

Reimbursement is exercised once during the year.

Table 33 Disbursed funds for this measure

Breed	Amount of incentive RSD per head of livestock	Min. number	Max. number	Amount of incentive RSD per head of livestock
	2007	2008		
Simmental breed	7,000			
Simmental breed and specialised feeding breeds		3	100	7.000
Other breeds	3,000	3	100	3.000
Total disbursed, RSD	99,984,000	122,777,000		

Administrative scheme: Required documents are submitted to the Ministry of Agriculture, Forestry and Water Management.

Surveillance: Ministry of Agriculture, Forestry and Water Management – Agricultural Inspection.

Measure title: GENETIC IMPROVEMENT OF DAIRY CATTLE BREEDING

Legislative basis:

- Budget Law of the Republic of Serbia
- Regulation on the use of financial incentives for genetic improvement of dairy cattle breeding (for 2008)
- Regulation on the Register of Agricultural Holdings.

Objective and description of the scheme: Increasing the number of head of livestock under the control of selection services, upgrading the breeding composition of dairy cattle, increasing milk production per head of cattle, and satisfying the needs of the domestic market for milk and placement of surplus products to the markets of neighbouring countries Implemented through disbursement of the annual amount, as direct payments per head of livestock.

Criterion: Legal and natural persons may apply for obtaining incentives, provided that they are enrolled in the Register of Agricultural Holdings, and that heads of livestock for which incentives refer to are used for milk production on their own farms.

Heads of cattle must be under the control of legal persons authorised for selection. Minimum

number of heads of cattle owned by the applicant is 3, and maximum is 100 heads of cattle.

Payment and regional differences: Projected amount of incentives was disbursed uniformly for the entire territory of the Republic of Serbia. Reimbursement is exercised once during the year.

Table 34 Disbursed funds for this measure

Year:	2008
Amount of incentive, RSD per head of livestock	5,600
Total disbursed, RSD	407,624,000

Administrative scheme: Required documents are submitted to the Ministry of Finance - Treasury Directorate. Treasury Directorate keeps records of beneficiaries and amount of incentive funds and notifies the Ministry of Agriculture, Forestry and Water Management of the data collected.

Surveillance: Ministry of Agriculture, Forestry and Water Management – Agricultural Inspection.

Measure title: STIMULATION FOR GENETIC IMPROVEMENT OF LIVESTOCK BREEDING

Legislative basis:

- Budget Law of the Republic of Serbia
- Regulation on distribution and use of financial incentives for genetic improvement of livestock breeding (for 2009 and 2010)
- Regulation/Rulebook on the Register of Agricultural Holdings

Objective and description of the scheme: Encouraging production of quality breeding offspring and increasing the number of cattle, swine, sheep and goat breeding, which provide conditions for increasing efficiency, range and quality of milk and meat production.

Criterion: Natural persons – owners of agricultural holdings enrolled in the Register of Agricultural Holdings, provided that they have determined the status of insured farmers in the Republic Fund for Pension Insurance, and paid the principal debt for contributions to pension and disability insurance for 2008 and 2009.

Right to the use of incentives is also granted to beneficiaries of pension acquired by the agricultural production, if they are holders of commercial farms.

Criterion for the marginal municipalities area: Right to use is granted to natural persons who are not insured farmers at the Fund, residing in these municipalities, if they applied for animals heads of cattle that are placed on the same territory, and if their number does not exceed 20 heads of cows and 40 heads of quality breeding sheep, goats and sows in 2009, and 10 heads of cows and 20 high-quality breeding sheep, goats and sows in 2010.

Payment and regional differences: Anticipated incentives are paid annually in a uniform amount on the entire territory, with more favourable conditions for the exercise of this right for beneficiaries from marginal municipalities areas.

Table 35 Disbursed funds for this measure

Breed of animal	Min. number	Max. number	Amount of incentive RSD per head of livestock	Min. number	Max. number	Amount of incentive RSD per head of livestock
	2009			2010		
Cows	4	100	12,000	5	100	12,500
Sheep	30	100	2,000	30	150	3,000
Goats	10	100	2,000	10	150	3,000

Sows	20	100	2,000	15	100	3,000
Total disbursed, RSD	527,614,000			700,000,000*		

**planned from the current budget*

Administrative scheme: Required documents are submitted to the Ministry of Agriculture, Forestry and Water Management. Incentives are paid in the order of application, up to the amount of funds that has been established by a special act passed by the Government. Ministry of Agriculture, Forestry and Water Management exercises control of compliance with the requirements through the Agricultural Inspection.

Surveillance: Ministry of Agriculture, Forestry and Water Management – Agricultural Inspection.

Measure title: STIMULATION FOR PROCUREMENT OF NEW SWARMS OF BEES AND QUALITY BREEDING QUEEN BEES

Legislative basis:

- Budget Law of the Republic of Serbia
- Rulebook on the manner and conditions of registration and maintenance of the Register of Agricultural Holdings
- Regulation on conditions and manner of use of financial incentives for the procurement of new swarms of bees and quality breeding queen bees for 2010 (Official Gazette of RS, No. 25/10)

Objective and description of the scheme: Manufacture and procurement of quality breeding material in bee keeping and creating conditions for increasing the volume and improving the quality of the production of honey and other bee products.

Criterion: Natural persons are registered in the Register of Agricultural Holdings, the new queen bees and swarms of bees are used for further reproduction on their own apiary, the queen bee was purchased in the centre for the selection of honey bee queens for further reproduction in their own apiary, as well as for new swarms of bees, in standard establishment at 5 frames with selected queen bee.

Maximum number of quality breeding queen bees for which the applicant may be entitled to incentives is 100, and the maximum number of new swarms of bees with standard establishment at 5 frames with selected queen bees is 50.

Payment and regional differences: Projected amount of incentives was disbursed uniformly for the entire territory of the Republic of Serbia. Reimbursement is exercised once during the year.

Table 36 Disbursed funds for this measure

Year:	2010
Amount of incentive, RSD per quality breeding queen bee	700
Amount of incentive, RSD per swarm of bees with standard establishment at 5 frames with selected queen bee	3,000
Total disbursed, RSD	20,000,000*

**planned from the current budget*

Administrative scheme: Required documents are submitted to the Ministry of Agriculture, Forestry and Water Management – Directorate for Agrarian Payments.

Surveillance: Ministry of Agriculture, Forestry and Water Management – Agricultural Inspection.

IV RURAL DEVELOPMENT POLICY

15. Describe the institutional framework for rural development; decision-making structure and responsibilities (top-down/decentralised method).

Incentives of the Ministry of Agriculture, Forestry and Water Management related to rural development (RD) are implemented in four phases:

1. Preparation and definition of RD measures

- Since the measures (regulations) are adopted for one-year period, the basis for their creation is made of documents which include multi-year period (Rural Development Strategy Plan 2010-2013, National Rural Development Programme 2011-2013), and the Law on Agriculture and Rural Development,
- Regulation of the Rural Development Sector are analysed after the implementation, for the preparation of a written report, which is used to establish regulations for the next year as planned by the territorial basis, and by type of subsidies,
- During the year, field data is collected (significant role of the MRR, panels organised by the MAFWM, fairs, meetings with stakeholders) and constructive suggestions are taken into consideration while planning measures for next year,
- Consultations with the employees at the Directorate for Agrarian Payments is obligatory with respect to the difficulties encountered during processing of applications,
- Consultations are also carried out with scientific research institutions and international agencies that implement projects related to rural development,
- In the sector of rural development, as well as in other units of the Ministry, persons are engaged who are responsible for the creation of measures (regulations),
- Each measure contains the following elements:
 - Title of the measure and sub-measure;
 - Legislative basis (name and number of relevant legal act);
 - Objectives, rationale and general description;
 - Eligible and non-eligible investments and costs
 - Criteria for beneficiaries;
 - Details on the support provided (levels of payment and payment structure - the share of public and private funds);
 - Implementation procedure;
 - Budget.

2. Procedure for the adoption of RD measures

All measures combined (rural development measures and other measures created within the MAFWM) constitute a document called the Programme of distribution and use of subsidised funds in the field of agriculture, forestry and water management, indicating the measure objective, an expected effect and the funds necessary for each measure; this document must be adopted by the Government.

By adopting the Programme of distribution and use of subsidised funds in the field of agriculture, forestry and water management, at the beginning of the year, the Government authorises the MAFWM to implement this distribution programme.

Measures (regulations) are finally defined after the adoption of the above programme, then they are sent for approval to other ministries, where each measure must receive a positive opinion; in case the positive opinion is not obtained, the measure must be modified according to the instruction of the person who gave the negative opinion, or it may remain as it is if an explanation is provided justifying the reason why it should not be corrected.

3. Implementation of Rural Development measures (regulations)

For some RD measures (preservation of indigenous breeds), users can apply immediately after the publication of a regulation; all applications are sent to the Directorate for Agrarian Payments which implements the given measure.

All other RD measures require an open competition, which describes in detail the conditions to

be fulfilled in order for someone to apply for a particular measure. The first part of the competition, which consists of: title of measure and sub-measure, legislative basis (the name and number of the relevant legal document); objectives, rationale and general description, eligible and non-eligible investments and costs, type of beneficiary, eligibility and selection criteria; details about the support provided (payment levels and payments structure - the share of public and private funds) are created by a part of the Sector for Rural Development responsible for the programming of rural development measures. The second part of the competition, which contains the implementation procedure, method of registration, list of necessary documentation, competition form to be filled out by the beneficiary, deadlines for application, is the responsibility of the Directorate for Agrarian Payments.

Directorate for Agrarian Payments publishes the open competition, receives and processes applications and conducts all operations necessary for successful and transparent implementation of measures.

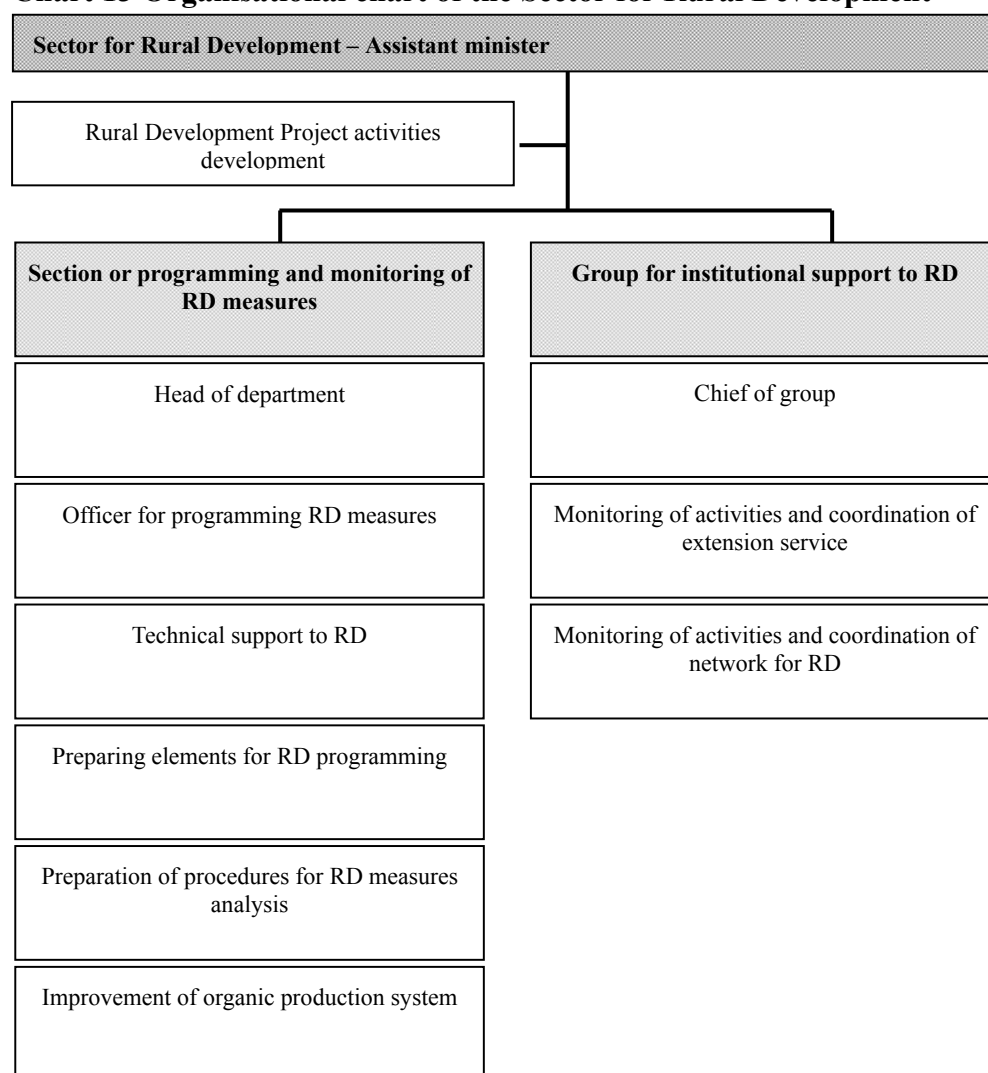
4. Evaluation of rural development measures

Since 2010, the Directorate for Agrarian Payments sends to the RD Sector (team for monitoring and evaluation) a pre-arranged type of data based on which the evaluation of measures is conducted.

In order to monitor compliance of the National Rural Development Programme (NRDP) 2011-2013, it is planned to establish a body for NRDP monitoring from 2011 -2013 (Monitoring Committee - MC). Process of MC formation is in progress. MC members are:

- interministerial body (established),
- expert group whose members are from research institutions (in the process of establishment),
- group composed of producers' representatives (in the process of establishment).

Chart 13 Organisational chart of the Sector for Rural Development



16. Detail and describe links between rural development and sectoral and territorial policies.

Strategy for Agriculture and Rural Development of the Republic of Serbia for the period 2011-2020 and the National Rural Development Program of the Republic of Serbia for the period 2010-2013 are in line with other national development strategies, such as: Poverty Reduction Strategy, National Strategy of Serbia for the accession of Serbia and Montenegro to the EU, Sustainable Development Strategy, National Strategy for Economic Development, Regional Development Strategy of the Republic of Serbia for the period 2007-2012, National Environmental Protection Programme, Strategy for Tourism Development in Serbia (for the period 2005-2010), Strategy of Development of Small and Medium Enterprises, National Strategy for Employment.

Table 37 Link between rural development and the sectoral and territorial policies

Strong, direct focus on the subject	Human resources and migration	Quality of life			Economic structure and performance			Environment and rural environment
Existing relation with the subject, indirect link		Public services	Employment	Infrastructure	Increase of competitiveness	Diversification of Rural economy	Primary sector	
No contact with the subject								
Poverty Reduction Strategy in Serbia								
National Strategy of Serbia for the accession of Serbia and Montenegro to the EU								
Regional Development Strategy and Action Plan								
National Strategy for Economic Development								
Sustainable Development Strategy								
Strategy of Development of SMEs and entrepreneurship								
National Strategy for Ageing of Population								
Agricultural Development Strategy of Serbia								
Forestry Development Strategy								
Strategy for Adult Education Development								
Strategy for Food Safety								
Water Management Basis of the Republic of Serbia								
Forestry Policy of Serbia								
Waste Management National Strategy								
Strategy of Tourism in Serbia								
National Environmental Protection Programme								
Energy Sector Development Strategy of Serbia								

17. Information should be provided on all publicly funded rural development activities, whether they are implemented as part of integrated programmes, or as stand-alone schemes, and should include activities financed both nationally and regionally.

Rural development activities may include, but are not limited to:

- Increasing the competitiveness of the agricultural and forestry sector through support for investment and restructuring, including investments on farms and forests, support for processing and marketing, land improvement, reparcelling,

irrigation and water management, early retirement, vocational training, provision of advisory and extension services, establishment of producer groups, and establishment and operation of quality schemes for agricultural products;

- Enhancing the environment and countryside through support for sustainable land management, including supporting farming in mountain areas or other areas with particular handicaps, schemes to protect biodiversity, habitats and landscapes, support for environmentally friendly farming and forestry methods, afforestation, measures aimed at climate change mitigation and adaptation, water management (quality protection and quantity saving), soil protection, genetic resource conservation in agriculture;

- Enhancing the quality of life in rural areas and promoting diversification of economic activities, including the provision of basic services (e.g. roads, electricity, water, sewerage, local municipality/village authorities' buildings, etc. for the rural population, the renovation and development of villages, rural tourism, development of new economic activities to diversify the rural economy, and support for local development activities, small rural development projects at local level under own initiatives);

The description of each measure/activity should include the following information:

- The name of the policy measure and sub-measure;
- The legislative basis (name and reference of the relevant legal act);
- The objectives, rationale, and general description;
- The beneficiaries, eligibility and selection criteria;
- Details of the support provided (payment levels and composition of payments – share of private and public funds);
- The amount spent per year over the last 5 years, and budget foreseen for future years, per policy measure;
- Number of beneficiaries and average support per beneficiary;
- Administration of the scheme (body responsible, processing and selection of applications);
- Evaluation of the scheme.

ACTIVITY CONCERNING RURAL DEVELOPMENT WHICH ARE FINANCED WITH PUBLIC FUNDS - REPUBLIC OF SERBIA (AGRICULTURAL BUDGET)

Legislative basis

Legal basis for all measures of agricultural and rural policies financed from the agricultural budget is contained in the following documents:

- Budget Law of the Republic of Serbia
- Programme of distribution and use of subsidised funds in incentives for agriculture and agricultural production by the Government on the proposal of the Ministry of Agriculture, Forestry and Water Management,
- Specific regulations which define the conditions for entitlement to the use of financial incentives, which are adopted by the Government on the proposal of the Ministry of Agriculture, Forestry and Water Management (published in the Official Gazette of the Republic of Serbia).

Rural development measures can be divided into three axes:

- AXIS 1 - IMPROVING COMPETITIVENESS
- AXIS 2 - SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PROTECTION
- AXIS 3 - DIVERSIFICATION OF ECONOMIC ACTIVITIES
- NETWORK FOR RURAL DEVELOPMENT SUPPORT

Title of the policy measure

AXIS 1 - IMPROVING COMPETITIVENESS

Title of the sub-policy measure

Regulation title: REGULATION ON THE TERMS AND CONDITIONS OF USE OF INCENTIVE FUNDS FOR RURAL DEVELOPMENT THROUGH INVESTMENTS IN AGRICULTURAL DAIRY FARMS AND MEAT PRODUCTION IN 2010

Objectives, rationale and general description

Dairy production: Objective of the measure is improving competitiveness and market efficiency of dairy farms producing raw milk and improving the milk quality. **Effect of the measure** is expected by improving the quality of raw milk produced on the farm, and in the manufacturing sector the expected effect is upgraded quality of processed products and their better positioning in international markets.

Meat production: Objective of the measure is improving competitiveness and market efficiency of farms producing meat and improving the quality of produced meat. **Effect of the measure** is expected in increased offer of produced meat (both in quantity and in quality). Effect in the manufacturing sector is expected through improved quality of feedstock for further processing, which contributes to achieving high standards of quality of finished products and a better positioning in the domestic and international markets.

Beneficiaries, eligibility requirements and selection

The following are entitled to the use of incentives:

- natural person - holder of the registered farm in the Register of Agricultural Holdings;
- Association of farmers engaged in animal husbandry.

Table 38 Ranking criteria for natural persons

Criterion:	Scoring	Number of points
Maximum number of points:		100
The applicant is a person born from 01.01.1970.	yes/no	10/0
The applicant resides in the marginal areas	yes/no	10/0
The applicant is a woman	yes/no	5/0
The applicant has a formal education in agriculture or veterinary	Secondary education 3rd degree	1
	Secondary education 4th degree	3
	High school	5

	Faculty (all levels of academic education)	10
Number of members of registered commercial farm	1	0
	2	3
	3-5	5
	>5	10
Size of farm (from the Register)	<10 hectares	3
	10-20 hectares	7
	>20 hectares	10
Number of dairy cows at the moment of application, and/or the number of beef cattle and sheep and goats (from the Register)	≤4 or ≥101 dairy cows ≤10 or ≥151 beef cattle ≤20 or ≥301 sheep/goats	0
	5-10 dairy cows 11-20 beef cattle 21-50 sheep/goats	3
	11-20 dairy cows 21-100 beef cattle 51-150 sheep/goats	7
	21-100 dairy cows 101-150 beef cattle 151-300 sheep/goats	10
Economic and expert assessment of project sustainability based on business plan		0-20
Farmland of the applicant has contracts with purchasers for the supply of milk and beef cattle, lambs or goats	yes/no	5/0
Project is aimed at reducing the negative impact of farms on the environment (for Investments in equipment and machinery from the business plan)	yes/no	10/0

Table 39 Ranking criteria for farmers associations

Criterion:	Scoring	Number of points
Maximum number of points		100
Minimum 50% of the association members are persons born from 01.01.1970.	yes/no	15/0
Minimum 80% of the association members reside in the areas with difficult working conditions in	yes/no	15/0

agriculture (marginal area)		
Minimum 80% of the association members are holders of a commercial family farm and are in active status	yes/no	15/0
Farmers' Association was founded as an association of producers of milk and meat	yes/no	15/0
Number of members of the association	≤10	0
	11-20	1
	21-30	3
	31-50	5
	≥51	10
Association member of the branch associations of farmers at regional or national level	yes/no	10/0
Members of the association have a total area registered in the Register	<100 hectares	0
	100-200 hectares	10
	>200 hectares	20

Details of the support provided (levels and composition of payments - the share of private and public funds):

Table 40 Type of qualified investment, public expenditure, the maximum incentive

Name of investment	Maximum amount of financial incentives per investment (in RSD)
Natural person - holder of the agricultural holding is eligible for using incentives for the purposes of investment in dairy production, for	
Construction of facility for dairy cows, of the capacity min. 20, max. 100 dairy cows	7,000,000
Reconstruction of the facility for keeping dairy cows	7,000,000
Construction of the facility / facilities for milking and milk storage	7,000,000
Acquisition of new equipment for milking, cooling and storing milk on the farm	4,000,000
Acquisition of new equipment and / or machinery for the preparation of silage	4,000,000
Acquisition of new machinery for preparing, handling and distribution of animal feed at the farm and / or system for cattle feeding	2,000,000

Procurement of equipment for the transport of milk on the farm	2,000,000
Construction of the facility and / or purchase of equipment for proper manure handling	7,000,000
Reconstruction of facilities for milking and storage of milk	7,000,000
Farmers association engaged in cattle breeding is eligible for using incentives for the purposes of investment in dairy production, for:	
Acquisition of new equipment for milking, cooling and storing milk on the farm	4,000,000
Acquisition of new equipment and / or machinery for the preparation of silage	4,000,000
Acquisition of new machinery for preparing, handling and distribution of animal feed at the farm and / or system for cattle feeding	2,000,000
Procurement of equipment for the transport of milk on the farm	2,000,000
Procurement of equipment for proper manure handling	2,000,000
Natural person - holder of the agricultural holding is eligible for using incentives for the purposes of investment in meat production, for:	
Construction of livestock facilities for a minimum of 20 and a maximum of 150 head of cattle, or the capacity of minimum 150 head of sheep or goats	7,000,000
Acquisition of new equipment and / or machinery for the preparation of silage	4,000,000
Acquisition of new machinery for preparing, handling and distribution of animal feed at the farm and / or system for cattle feeding	2,000,000
Construction of the facility and / or purchase of equipment for proper manure handling	7,000,000
Reconstruction of the facility for keeping livestock	7,000,000
Farmers association engaged in cattle breeding is eligible for using incentives for the purposes of investment in meat production, for:	
Acquisition of new equipment and / or machinery for the preparation of silage	4,000,000
Acquisition of new machinery for preparing, handling and distribution of animal feed at the farm and / or system for cattle feeding	2,000,000
Procurement of equipment for proper manure handling	2,000,000

Incentives are determined in percentage, 50% of the total value of the realized investments, not including the value added tax.

Value of the investment for which incentives have been granted under this competition can not be less than 200,000 dinars, not including the value added tax, while the amount of incentives can not exceed 15,000,000 dinars per beneficiary of funds.

Amount disbursed, annually, over the past five years, and the projected budget for the coming year, under the adopted policy

Some RR regulations are created in the continuity of 5 years, while a number of regulations is made as needed (there is no continuity). Particular type of investment has been carried out in different years by different regulations. For these reasons, currently it is not possible to

present the amount disbursed, on annual basis, over the past 5 years. Currently, in cooperation with the Directorate for Agrarian Payments, solving this issue is under way.

300,000,000 RSD are planned for 2010.

Number of beneficiaries and average amount of support per beneficiary

Number of beneficiaries 57 (if all beneficiaries meet the commitments)

Average amount of support per beneficiary: 5,263,157.9 (if all beneficiaries meet the commitments)

Programme management (competent body, processing and selection of applications)

Fulfilment of the conditions for granting of incentives (the completeness of the submitted documentation, and timeliness of the request) is established by the Ministry of Agriculture, Forestry and Water Management – Directorate for Agrarian Payments, based on submitted documentation and zero check, which is conducted by an agricultural inspector, and which checks the data from the request.

Zero check, conducted by the agricultural inspector, and which checks the data from the request is mandatory for all applications where the subject of investment is construction or reconstruction of facilities, and it will be implemented, in a certain proportion and on a randomized sample, on the applications submitted for investment in farms for dairy and meat production and for the procurement of machinery and equipment. Realisation of the planned investment may begin only after the completion of the zero control.

Applications to tender which are not filed on time or were filed by the claimant not entitled to participate in the competition, as well as applications that are not complete, nor in accordance with the terms of open competition, will not be considered.

Additional documents are available only until the expiry of the deadline for submission of application, and the valid date of submission of application will be considered the date of receipt of the amendment to the application.

If two or more applicants have the same number of points, in determining the ranking preference will be given to the applicants who have submitted their applications at earlier date. Ministry establishes a ranking list of the applicants for which it determines that they meet the requirements of this regulation, in accordance with selection criteria set out in the competition. Applicants have the right to object to the rank list within 15 days after its publication. Decision taken by eventual complaints is final.

Applicant who qualifies for incentives under the competition (hereinafter: beneficiary) is obliged to carry out the investment he was entitled to within the time limit which will be determined by the decision, and depending on the type of investment.

In case when based on rankings it is established there are insufficient funds to pay incentives to all ranked applicants, a threshold will be determined above which all applications will be placed based on the number of points for which there is sufficient funding for granting the incentive funds.

Programme evaluation.

Regulations published until 2010 were analysed in the Sector for Rural Development based on data obtained from the Sector for Agricultural Operations (current SAO). Based on these analysis measures for next year were created. Regulations published in 2010 and those that will be published in the future are analysed by the SAO. Their findings will be forwarded to the Sector for Rural Development, and on this basis measures for next year will be created.

Title of the sub-policy measure

Measure title: SUPPORT TO ESTABLISHMENT OF PERENNIAL PRODUCTION AND MOTHER PLANTATIONS OF FRUIT, VINES AND HOPS

Objectives, rationale and general description

Objective of the measure is increased yield and quality of fruit and hops, as well as increased quality of grapes and wine in production plantations, and production of certified plants and high-quality planting materials in mother plantations. The ultimate goal is to support development of rural areas where there are favourable conditions for fruit trees, vines and hops production and increase the area under the new plantations. The support was carried out through disbursement of the scheduled amount per plant, and for berry fruit sorts per hectare.

Beneficiaries, eligibility requirements and selection

Right to an incentive for increasing the production of **new plantations of fruit trees, vines and hops** is granted to registered farms (natural persons, entrepreneurs, companies, cooperatives, churches and monasteries) that have raised the production plants of pome, stone fruit and kernel fruit species, on the areas of 0.5 to 10 hectares, and small fruits, vines and hops, on the areas of 0.3 to 10 hectares.

Right to an incentive for establishing **new mother plantations of fruit trees, vines and hops** is granted to registered farms that are entered in the Register of seedling producers (legal persons and entrepreneurs) and that raised mother plantations of Basic categories for areas of 0.2 to 2 hectares.

Details of the support provided (levels and composition of payments - the share of private and public funds)

Plants that are raised with growing crops must be declared, and the soil must be properly prepared and chemically analysed for fertility.

For the purpose of modernisation of such productions, by defined minimum and maximum number of seedlings per area for each crop, only intensive and modern plants are stimulated.

Amount disbursed, annually, over the past five years, and the projected budget for the coming years, based on the policy measures

Table 41 Funds disbursed for this measure by years

Year	FRUIT SORTS		VINE		HOPS	
	Funds disbursed (RSD)	Subsidised areas (ha)	Funds disbursed (RSD)	Subsidised areas (ha)	Funds disbursed (RSD)	Subsidised areas (ha)
2005	18,471,570	237.04	25,946,000	120.50	-	-
2006	57,786,564	351.92	30,043,120	92.75	5,980,651	14
2007	167,993,463	628.88	276,480,043	331.85	1,483,300	3.6
2008	279,565,096	1,038.79	735,341,280	685.63	-	-
2009	95,438,740	301.45	497,687,635	407.33	-	-
2010	390,000,000*					

* planned from the current budget

Number of beneficiaries and average amount of support per beneficiary

Table 42 Funds disbursed for this measure by beneficiaries

Year	FRUIT SORTS		VINE		HOPS	
	Number of beneficiaries	Average incentive funds per beneficiary	Number of beneficiaries	Average incentive funds per	Number of beneficiaries	Average incentive funds per

		(RSD)		beneficiary (RSD)		beneficiary (RSD)
2005	146	126,517	63	411,184	-	-
2006	209	276,490	52	577,752	3	1,993,550
2007	505	332,660	157	1,761,019	1	1,483,300
2008	867	322,451	583	1,261,306	-	-
2009	150	632,258	365	1,363,528	-	-
2010.	N/A					

Programme management (competent body, processing and selection of applications)

Required documents are submitted to the Ministry of Agriculture, Forestry and Water Management – Directorate for Agrarian Payments.

Beneficiary of the funds concluded a contract with the Ministry, defining responsibilities for conducting measures of care, maintenance and protection of subsidised production orchards of fruit trees, vineyards and hop plantations for a period of 10 years, and placement of support for the planting of vineyards and hop plantations.

Phytosanitary Inspection verifies the inspection of documentation and compliance with conditions in the field, in the current year, while a record of the audit performed is delivered to the Directorate for Agrarian Payments which disburses incentives based on the given decisions.

Implementation of contractual obligations is established by the Phytosanitary Inspection in the next year, based on which the remaining part of incentive funds is disbursed.

Surveillance: Ministry of Agriculture, Forestry and Water Management – Inspectorate General.

Programme evaluation

Regulations published until 2010 were analysed in the Sector for Rural Development based on data obtained from the Sector for Agricultural Operations (current Directorate for Agrarian Payments). Based on these analysis measures for next year were created. Regulations published in 2010 and those that will be published in the future are analysed by the Directorate for Agrarian Payments. Their findings will be forwarded to the Sector for Rural Development, and on this basis measures for next year will be created.

Title of the sub-policy measure

Measure title: SUPPORT TO DEFORESTATION (ERADICATION) AND CONVERSION OF ORCHARDS AND VINEYARDS

Objectives, rationale and general description

Objective of the measures is to contain the spread of diseases and pests of fruit trees (the causal agent of Fire blight - *Erwinia amylovora* and Sharka - Plum - Plum pox virus) and vine (Grapevine phytoplasma - *Flavescence dorée*) through the clearing (eradication) of old, abandoned and infected stone fruit and pome fruit species orchards and vineyards, and create conditions for establishing new orchards and vineyards on the free pests areas, updating of sorts, creating a database of old, neglected and infected orchards and vineyards, as well as preservation of quality genetic material.

Beneficiaries, eligibility requirements and selection

Incentives could be granted to producers of fruit and grapes who have infected or neglected orchards and vineyards, which are a potential source of infection to the surrounding healthy orchards and vineyards, through agricultural cooperatives, associations or citizens or business

organisations and scientific research institutions registered in appropriate registers.

Details of the support provided (levels and composition of payments - the share of private and public funds)

For eradication and rehabilitation of fruit plantations, the amount of 200 dinars was paid per reclaimed infected plant, and for vines 20 dinars were paid for reclaimed, deforested, neglected or infected plant.

Amount disbursed, annually, over the past five years, and the projected budget for the coming year, under the adopted policy

Table 43 Funds disbursed for this measure by beneficiaries, in RSD

Year	2007	2010
Orchards	92,513,921	/
Vineyards	40,991,927	15,000,000*

** planned from the current budget*

Number of beneficiaries and average amount of support per beneficiary

Number of beneficiaries: 2007: 14 for orchards and 16 for vineyards

Average amount of support per beneficiary: N/A

Programme management (competent body, processing and selection of applications)

On the basis of regulations, a competition for funding projects of eradication of infected fruit plantations in 2007, and the competition to finance vineyard eradication and conversion projects in 2007, which precisely define the conditions for applications, the evaluation parameters and funds disbursement.

Beneficiaries of the funds submitted requests with supporting documentation to the Ministry of Agriculture, Forestry and Water Management. Evaluation Committee for verification of requests conducted control of the project requirements and related documents, confirming the fulfillment of job requirements and scoring project requirements of the competition. Before making a draft Proposal on the financing of projects, the test of field data was carried out by a Phytosanitary Inspection and Commission members, which makes minutes and compiles data from the field.

On the proposal of the Commission, the Minister issued a Decision on financing the project of eradication and conversion in 2007, and it concluded the Agreement on the financing of projects with beneficiaries to provide a contractual guarantee (the bill).

On the basis of the contract, the Ministry issues a decision on disbursement of funds for eradication and conversion.

Surveillance: Ministry of Agriculture, Forestry and Water Management – Phytosanitary Inspection.

Programme evaluation.

Regulations published until 2010 were analysed in the Sector for Rural Development based on data obtained from the Sector for Agricultural Operations (current Directorate for Agrarian Payments). Based on these analysis measures for next year were created. Regulations published in 2010 and those that will be published in the future are analysed by the Directorate for Agrarian Payments. Their findings will be forwarded to the Sector for Rural Development, and on this basis measures for next year will be created.

Title of the sub-policy measure

Regulation title: REGULATION ON CONDITIONS AND MANNER OF USE OF

INCENTIVES TO SUPPORT RURAL DEVELOPMENT THROUGH INVESTMENT IN AGRICULTURAL FARMS FOR VEGETABLES, CEREALS, INDUSTRIAL PLANTS, AND INVESTMENT FOR PURCHASING BASIC HERD OF LIVESTOCK FOR CATTLE PRODUCTION IN 2010

Objectives, rationale and general description

Objective of the sub-measure is to improve market efficiency and competitiveness of farms producing vegetables, cereals and industrial crops, as well as improving product quality.

Effect is expected in reaching a higher level of both quality and health safety products, as well as a better offer on the domestic and international markets.

Beneficiaries, eligibility requirements and selection

The following are entitled to the use of incentives:

- natural person - holder of the registered farm in the Register of Agricultural Holdings;
- Association of farmers;
- Legal person.

Natural person - the holder of a commercial family farm is entitled to the use of incentives for the purchase of new tractors and machinery for production of vegetables, grains and industrial crops, as well as investments to build and equip facilities for storage and sorting of agricultural products.

Farmers' Association has the right to the use of incentives for the purchase of new tractors and machinery for the production of vegetables, grains and industrial crops.

Legal person is entitled to the use of incentives for the purchase of new equipment for determining the quality of grain products and investments to build and equip facilities for storage and sorting of agricultural products.

Ranking criteria:

1. Ranking criteria for ranking of applicants requesting the purchase of new tractors and machinery for the production of vegetables, grains and industrial crops.

Table 44 Ranking criteria for natural persons

Criterion:	Scoring	Number of points
Maximum number of points		100
Applicants characteristics		35
Applicant is a person born from 01.01.1970.	yes/no	15/0
Applicant resides in the areas with difficult working conditions in agriculture (marginal area)	yes/no	10/0
Applicant is a woman	yes/no	10/0
Farm capacities		65
The applicant has a formal education in agriculture or veterinary	No formal education in agriculture or veterinary	0
	Secondary education 3rd degree	3
	Secondary education 4th degree	4
	High school	6
	Faculty (Bachelor degree and higher levels of academic education)	10
Size of farm	<10 hectares	10
	10-50 hectares	15
	>50 hectares	20

Number of members of registered commercial farm	1	0
	2	5
	3-5	10
	>5	20
Applicant can demonstrate its ability to realise the investment for which the application for incentives is submitted	Letter of intent from the bank demonstrating willingness to finance the applicant (customer) in the overall amount of the investment	1
	Existence of funds on a bank account for part of the funds required for the implementation of investment and a letter of intent from the bank demonstrating their willingness to finance the applicant (customer) in the rest of the amount required for the realisation of the investment	3
	Existence of funds on a bank account in the amount of funds required for the investment, and/or if the applicant has already made the purchase and payment of investment	5
The applicant does not own the machine for which he is applying for the exercise of incentive or owns a machine older than 10 years for which he submits request	yes/no	10/0

Table 45 Ranking criteria for farmers associations

Criterion:	Scoring	Number of points
Maximum number of points		100
Applicants characteristics		55
Minimum 50% of the association members are persons born from 01.01.1970.	yes/no	15/0
Minimum 80% of the association members reside in the areas with difficult working conditions in agriculture (marginal area)	yes/no	15/0
Minimum 80% of the association members are holders of a commercial family farm and are in active status	yes/no	15/0
Farmers' Association was founded as an association of manufacturers of agricultural and / or vegetable products	yes/no	10/0
Number of members of the association	≤10	0
	11-20	1
	21-30	2

	31-50	3
	≥51	5
Area of land which is maximally cultivated by the members		40
Members of the Association have registered	<100 hectares	20
	100-200 hectares	30
	>200 hectares	40

2. Ranking criteria for purchasing new equipment to measure the quality of grain products:

Table 46 Ranking criteria for legal persons

Criterion:	Scoring	Number of points
Maximum number of points		100
Applicant resides in the areas with difficult working conditions in agriculture (marginal area)	yes/no	20/0
Number of employees in the legal person	1-10	5
	11-20	10
	≥21	25
Capacity for storage of grain products	<1000 tons	0
	1000-5000 tons	15
	>5000 tons	30
Applicant can demonstrate its ability to realise the investment for which the application for incentives is submitted	Letter of intent from the bank demonstrating willingness to finance the applicant (customer) in the overall amount of the investment	1
	Existence of funds on a bank account for part of the funds required for the implementation of investment and a letter of intent from the bank demonstrating their willingness to finance the applicant (customer) in the rest of the amount required for the realisation of the investment	3
	Existence of funds on a bank account in the amount of funds required for the investment, and/or if the applicant has already made the purchase and payment of investment	5
Legal person has a positive balance sheet	Legal person was founded in 2010, thus has no balance sheet, or person with one or both balance sheets from the past two years in which a business with negative balance sheet for 2009 was stated, for persons who were founded in 2009	0
	The last two balance sheets with expressed positive business or balance sheet with expressed	5

	positive operations in 2009 for persons founded in 2009	
Legal person is an agricultural cooperative	yes/no	15/0

3. Ranking criteria for investments to build and equip facilities for storage and sorting of agricultural products:

Table 47 Ranking criteria for natural persons

Criterion:	Scoring	Number of points
Maximum number of points		100
Characteristics of the applicant - maximum		20
Applicant is a person born from 01.01.1970.	yes/no	5/0
Applicant resides in the areas with difficult working conditions in agriculture (marginal area)	yes/no	10/0
Applicant is a woman	yes/no	5/0
Farm capacities		45
Applicant has a formal education in agriculture or veterinary	Secondary education 3rd degree	1
	Secondary education 4th degree	2
	High school	3
	Faculty (Bachelor degree and higher levels of academic education)	5
Number of members of registered commercial farm	1	0
	2	1
	3-5	3
	>5	5
Size of farm	<20 hectares	3
	10-50 hectares	7
	>50 hectares	10
Percentage share of vegetable or fruit in the reported structure of sowing, i.e. percentage of grain and industrial crops in the reported structure of seeding for the construction of silos and dryers	<30%	0
	30-50%	3
	50-75%	7
	>75%	10
Applicant can demonstrate its ability to realise the investment for which the application for incentives is submitted	Letter of intent from the bank demonstrating willingness to finance the applicant (customer) in the overall amount of the investment	1
	Existence of funds on a bank account for part of the funds required for the implementation of investment and a letter of intent from the bank demonstrating their willingness to finance the applicant (customer) in the rest of the amount required for the realisation of the investment	3
	Existence of funds on a bank account in the amount of funds required for the entire	5

	investment	
Envisaged storage capacity and storage capacity of the existing kilns and procurement of equipment for fruits and vegetables preparation for the market	500 t for silos; 1,000 t for refrigerators; <500 t for the purchase of equipment for fruits and vegetables preparation for the market	0
	500-5,000t for silos 1,000-3,000t for refrigerators 500-3,000t for the purchase of equipment for fruits and vegetables preparation for the market	5
	>5,000t for silos; >3,000t for refrigerators; >3,000t for the purchase of equipment for fruits and vegetables preparation for the market	10
Profitability and economic viability of the project-maximum		25
Economic and expert assessment of project sustainability based on business plan		0-25
Environmental impact of the project - maximum		10
Project is aimed at reducing negative environmental impacts	yes/no	10/0

Table 48 Ranking criteria for legal persons

Criterion:	Scoring	Number of points
Maximum number of points		100
Characteristics of the applicant - maximum		25
Applicant resides in the areas with difficult working conditions in agriculture (marginal area)	yes/no	10/0
Number of employees in the legal person	<10	3
	10-20	7
	>20	10
Legal person is an agricultural cooperative	yes/no	5/0
Profitability and economic viability of the project-maximum		25
Economic and expert assessment of project sustainability (based on business plan)	yes/no	25/0
Farm capacities - maximum		40
Envisaged storage capacity and storage capacity of the existing kilns and procurement of equipment for fruits and vegetables preparation for the market	500 t for silos; 1,000 t for refrigerators; <500 t for the purchase of equipment for fruits and vegetables preparation for the market	0
	500-5,000t for silos 1,000-3,000t for refrigerators 500-3,000t for the purchase of equipment for fruits and vegetables preparation for the market	5
	>5,000t for silos; >3,000t for refrigerators; >3,000t for the purchase of equipment for	15

	fruits and vegetables preparation for the market	
Applicant can demonstrate its ability to realise the investment for which the application for incentives is submitted	Letter of intent from the bank demonstrating willingness to finance the applicant (customer) in the overall amount of the investment	1
	Existence of funds on a bank account for part of the funds required for the implementation of investment and a letter of intent from the bank demonstrating their willingness to finance the applicant (customer) in the rest of the amount required for the realisation of the investment	3
	Existence of funds on a bank account in the amount of funds required for the entire investment	5
Legal person has a positive balance sheet	Legal person was founded in 2010, thus has no balance sheet, or person with one or both balance sheets from the past two years in which a business with negative balance sheet for 2009 was stated, for persons who were founded in 2009	0
	The last two balance sheets with expressed positive business or balance sheet with expressed positive operations in 2009 for persons founded in 2009	5
Project involves creation of new jobs	yes/no	15/0
Environmental impact of the project - maximum		10
Project is aimed at reducing negative environmental impacts	yes/no	10/0

Details of the support provided (levels and composition of payments - the share of private and public funds)

Table 49 Type of qualified investment, public expenditure, the maximum incentive

No.	Type of qualified investment	Characteristics	Percentage of return on investment of the the amount paid of realised investment without a corresponding value added tax	Maximum amount of incentives in RSD
Types of investments within the incentives for the purchase of new tractors and machinery for the production of vegetables, grains and industrial crops.				
1.	Tractors for Crop husbandry	20-120 kW	30% and/or 40%*	2,500,000
2.	Pneumatic drill for direct sowing of seeds		30% and/or 40%*	2,000,000
3.	Trailed sprayers for plant protection	> 1,000 liter tank	30% and/or 40%*	1,200,000
4.	Siphons for irrigation		30% and/or	1,000,000

			40%*	
Types of investments within the incentives for the purchase of equipment for determining the quality of grain products				
5.	Equipment for determining the quality of grain products	Silos thermometers; NIT analyser for measurement of the protein content with calibration and networking; Device for determining the number of falls with laboratory mill	40%	2,000,000
Types of investments within incentives to build and equip facilities for storage and sorting of agricultural products:				
6.	Equipment for washing, calibration, sorting, polishing and packing of fruits and vegetables, box pallets and devices for refrigerator equipment		40%	2,000,000
7.	Construction of metal silos	Silos minimum storage capacity of 500t; Kilns intended for improving the work of the existing silos, the minimum storage capacity of 500 tons, which use environmentally friendly fuels (natural gas, biomass)	40%	10,000,000
8.	Construction of cold storage and refrigerator role	Minimum capacity 1,000 tons	40%	30,000,000
Acquisition of quality breeding material in livestock breeding				
9.	Acquisition of quality breeding material in livestock breeding	Heifers, gilts, boars, sheep and goats under 18 months of age	30% and/or 40%*	1,000,000

**Customers in marginal areas that are defined in the Rulebook on determining areas with difficult working conditions in agriculture earn a return of 40% while all other customers will receive restitution in the amount of 30%*

Amount disbursed, annually, over the past five years, and the projected budget for the coming year, under the adopted policy

Some RR regulations are created in the continuity of 5 years, while a number of regulations is made as needed (there is no continuity). Particular type of investment has been carried out in different years by different regulations. For these reasons, currently it is not possible to present the amount disbursed, on annual basis, over the past 5 years. Currently, in cooperation with the Directorate for Agrarian Payments, solving this issue is under way.

Current budget for 2010 envisaged the funds of 650,000,000 RSD

Number of beneficiaries and average amount of support per beneficiary

Table 50 Number of beneficiaries and average support per beneficiary

	For the purchase of new tractors	For the purchase of new equipment	For investments to build and equip	For acquisition of quality breeding
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	and machinery for vegetables, grains and industrial crops	to measure the quality of grain products:	facilities for storage and sorting of agricultural products:	material in livestock breeding
Submitted applications	7,384	16	47	77
Refused applications	4,631	N/A	N/A	31
Amount requested (RSD)	861,354,147	501,193	185,548,361	14,836,727
Amount disbursed (RSD)	780,835,930	N/A	N/A	5,309,559
Disbursed per beneficiary (RSD)	168,611	N/A	N/A	171,276

Programme management (competent body, processing and selection of applications)

Fulfillment of the conditions for granting of incentives (the completeness of the submitted documentation, and timeliness of the request) is established by the Ministry, based on submitted documentation and zero check-up, which is conducted by an agricultural inspector, and which checks the data from the request.

Applications to tender which are not filed on time or were filed by the claimant not entitled to participate in the competition, as well as applications that are not complete, nor in accordance with the terms of open competition, will not be considered.

If two or more applicants have the same number of points, in determining the ranking preference will be given to the applicants who have submitted their applications at earlier date. Conditions for the allocation of incentives established by the Ministry on the basis of submitted documentation, and for investment to build facilities for storing agricultural products, and zero check-ups performed by the inspector responsible for agriculture, which is used for verification of data from the request.

Ministry establishes a ranking list of the applicants for which it determines that they meet the requirements of this regulation, in accordance with selection criteria set out in the competition. In case when based on rankings it is established there are insufficient funds to pay incentives to all ranked applicants, a threshold will be determined above which all applications will be placed based on the number of points for which there is sufficient funding for granting the incentive funds.

Programme evaluation

Regulations published until 2010 were analysed in the Sector for Rural Development based on data obtained from the Sector for Agricultural Operations (current Directorate for Agrarian Payments). Based on these analysis measures for next year were created. Regulations published in 2010 and those that will be published in the future are analysed by the Directorate for Agrarian Payments. Their findings will be forwarded to the Sector for Rural Development, and on this basis measures for next year will be created.

Title of the sub-policy measure

Regulation title: REGULATION ON THE TERMS AND CONDITIONS OF USE OF INCENTIVE FUNDS FOR RURAL DEVELOPMENT THROUGH INVESTMENTS IN PROCESSING CAPACITIES FOR MILK AND MEAT IN 2010

Objectives, rationale and general description

Objective of the measure is the modernization of processing facilities for processing milk and

meat and achieving high quality and standard that will be competitive with the same products in the European market. Effect of the measure is expected increase of the competitiveness of domestic processing industry and better positioning of dairy and meat products in foreign markets.

Beneficiaries, eligibility requirements and selection

The following are entitled to the use of incentives:

- Legal person;
- Entrepreneur.

Table 51 Ranking criteria for legal persons and entrepreneurs

Criterion:	Scoring	Number of points
Maximum number of points		100
Applicant resides in the areas with difficult working conditions in agriculture (marginal area)	yes/no	5/0
Number of employees in the legal person	<10	1
	10-20	5
	>20	10
Legal person is an agricultural cooperative	yes/no	5/0
Economic and expert assessment of project sustainability (based on business plan)	0-20	20
Applicant can demonstrate its ability to realise the investment for which the application for incentives is submitted	Letter of intent from the bank demonstrating willingness to finance the applicant (customer) in the overall amount of the investment	1
	Existence of funds on a bank account for part of the funds required for the implementation of investment and a letter of intent from the bank demonstrating their willingness to finance the applicant (customer) in the rest of the amount required for the realisation of the investment	3
	Existence of funds on a bank account in the amount of funds required for the entire investment	5
Legal person has a positive balance sheet for the previous two years (2008 and 2009)	Legal person was founded in 2010, thus has no balance sheet, or person with one or both balance sheets from the past two years in which a business with negative balance sheet for 2009 was stated, for persons who were founded in 2009	0
	The last two balance sheets with expressed positive business or balance sheet with expressed positive operations in 2009 for persons founded in 2009	5
Project includes job creation-based on the Business Plan	yes/no	10/0
Applicant's activities are in compliance with the principles of NASSR standards	yes/no	10/0

Applicant has agreements with retail chains to sell their products	yes/no	10/0
Applicant has agreements with customers from abroad to sell their products	yes/no	10/0
Project is aimed at reducing negative environmental impacts	yes/no	10/0

Details of the support provided (levels and composition of payments - the share of private and public funds)

Table 52 Type of qualified investment, public expenditure, the maximum incentive

Type of investments	Maximum amount of incentive funds per investment (in dinars)
Investment in processing facilities for milk processing	
Construction of facilities for milk processing	7,000,000
Construction of facilities for collecting and storing milk	7,000,000
Purchase of new production lines to expand the product range	5,000,000
Acquisition of new machinery / equipment, to modernise existing equipment or new processing facilities	5,000,000
Reconstruction of facilities for milk processing in order to meet veterinary sanitary requirements	7,000,000
Reconstruction of facilities for collecting and storing milk	7,000,000
Investment in processing facilities for meat processing	
Construction of meat processing facilities	7,000,000
Construction of facilities for collecting and storing meat	7,000,000
Reconstruction of facilities for meat processing in order to meet veterinary sanitary requirements	7,000,000
Purchase of new production lines to expand the product range	5,000,000
Acquisition of new machinery / equipment, to modernise existing equipment or new processing facilities	5,000,000
Construction of facilities in order to establish slaughterhouse capacities	7,000,000
Construction of waste management facilities in slaughterhouses and processing industry	7,000,000
Purchasing new equipment for waste management in slaughterhouses and processing industry - solid waste containers and tanks / tanks for collecting blood	5,000,000
Reconstruction of facilities for collecting and storing meat	7,000,000

Incentives are determined in percentage, 50% of the total value of the realised investments, not including the value added tax.

The minimum value of the investment for which incentives are granted under this competition may not be less than 200,000 dinars, not including the value added tax.

The amount spent per year over the last 5 years, and budget foreseen for future years, per policy measure

Particular RD Regulations are prepared during continuous 5-year period, while some are adopted, when necessary (no continuity). Specific type of investments was implemented throughout different years, in accordance with different regulations. Therefore, it is not currently possible to show the amount spent per year over the last 5 years. The solution to this

issue is currently under preparation in cooperation with DAP.

For 2010, RSD 300,000,000 was foreseen.

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: 57 producers have applied

Average support per beneficiary: no data available

Administration of the Scheme (body responsible, processing and selection of applications)

The eligibility for allocation of incentives (to have the entire documentation submitted and application timely filed) shall be established by the Ministry on the basis of submitted documentation and "zero control" carried out by agricultural inspector, to check the data as contained in the application.

The "zero control" carried out by agricultural inspector, to check the data as contained in the application, is envisaged for all purposes where the subject of investment is construction and reconstruction of establishments.

Applications for the competition not timely lodged or those filed by applicants not exercising the right to compete, and incomplete applications or those not fulfilling the public competition requirements shall not be considered.

If two or more applicants have the same number of points, in establishing the ranking list those with earlier applications shall have priority.

The Ministry shall set a ranking list of applicants identified as fulfilling the requirements prescribed by this Regulation, in accordance with the selection criteria laid down in the competition.

Applicants shall have the right to object the ranking list within 15 days from the date of publishing. The Decision taken upon potentially made objections shall be final.

Applicant entitled to incentives based on this competition (hereinafter referred to: Incentive Beneficiary), shall be bound to implement the investment he is entitled to within the time limit which shall be set by the Decision, depending on the type of investment.

Where established on the basis of this ranking list that funds for incentives shall be insufficient for all ranked applicants, a threshold shall be determined in excess of which shall be all applications ranked to be allocated the incentives based on the number of points for which sufficient funding shall exist.

Programme evaluation.

Regulations published until 2010 were analysed in the Sector for Rural Development based on data obtained from the Sector for Agricultural Operations (current Directorate for Agrarian Payments). Based on these analysis measures for next year were created. Regulations published in 2010 and those that will be published in the future are analysed by the Directorate for Agrarian Payments. Their findings will be forwarded to the Sector for Rural Development, and on this basis measures for next year will be created.

Name of the Policy Measure

AXIS 2 - SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PROTECTION

The Name of the Policy Sub-measure

The Name of the Regulation: THE REGULATION ESTABLISHING THE SCHEME FOR DISTRIBUTION AND USE OF INCENTIVES FOR THE PRESERVATION AND SUSTAINABLE USE OF DOMESTIC ANIMALS GENETIC RESOURCES FOR 2010

Objectives, Rationale and General Description

The objective of the measure is to preserve animal genetic potential and autochthonic animal breeds. At the same time, breeding conditions are created, otherwise not appropriate for highly productive species/breeds of domestic animals, enabling thereby real source of income for their breeders. **The effect of the measure** is expected to reflect in increased number of cattle heads of the autochthonic Serbian breeds, their sustainable development, and establishment of the gene bank and sustainable use of animal genetic resources.

This measure is intended to preserve rare animal species/breeds. Incentives for such purposes are to compensate their poor production properties, while providing at the same time the conditions for sustainable use and improvement of the manner of keeping animal genetic resources.

The Beneficiaries, eligibility and selection criteria

The right to incentives shall be exercised by the following:

- natural persons – holders of agricultural holdings registered in HR;
- legal persons;
- scientific and research organizations.

Ranking Criteria: Under this regulation, there are no ranking criteria but the method "first come first served" is applied.

Details of the support provided (payment levels and composition of payments - share of public and private funds)

Table 53 Types of eligible investments, public expenditure, maximum incentive amount

Animal species	Quota per each species	Amount per head
Nonius	50	20,000
Poultry	500	250
Podolian cattle	150	35,000
Sheep	1,000	2400
Busha cow	150	20,000
Domestic buffalo	50	9,000
Goat	150	2,000
Domestic mountain horse	50	20,000
Mangulitsa pig	150	4,000
Resavka pig	30	10,000
Moravka pig	50	8,000
Donkey	50	3,500

The amount spent per year over the last five years, and budget foreseen for future years per policy measure

Particular RD Regulations are prepared during continuous 5-year period, while some are adopted, when necessary (with no continuity). Specific type of investments was implemented throughout different years, in accordance with different regulations. Therefore, it is not currently possible to show the amount spent per year over the last 5 years. The solution to this issue is currently under preparation in cooperation with DAP.

For 2010, RSD 15,000,000 RSD was foreseen.

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: 95

Average support per beneficiary: RSD 157,895.

Administration of the Scheme (body responsible body, processing and selection of applications)

Lodging of applications for incentives and administrative control of lodged applications, and implementation of the measure is performed by the Ministry of Agriculture, Forestry and Water management - Agrarian Paying Administration. The payment of incentives shall be made after the supervision is completed by the inspector responsible for agricultural activities. Incentives shall be paid according to the order in which applications were lodged, up to the amount of funds set by specific Government act.

Programme evaluation.

Regulations published until 2010 were analysed in the Sector for Rural Development based on data obtained from the Sector for Agricultural Operations (current Directorate for Agrarian Payments). Based on these analysis measures for next year were created. Regulations published in 2010 and those that will be published in the future are analysed by the Directorate for Agrarian Payments. Their findings will be forwarded to the Sector for Rural Development, and on this basis measures for next year will be created.

The Name of the Policy Sub-measure

The Name of the Regulation: REGULATION ON USE OF INCENTIVES FOR SUPPORT TO ORGANIC PRODUCTION FOR 2010

The Objectives, Rationale and General Description

The objective of the measure is to strengthen and develop organic production of highly-qualitative products for human nutrition, and to promote and protect environment. **The effect** of this measure manifests in increased number of producers dealing with organic production. From the consumers' aspect, the effects manifest in increased supply of organically produced products on the market.

The Beneficiaries, eligibility and selection criteria

The right to incentives shall be exercised by the following:

- natural persons – holders of agricultural holdings registered in HR;
- Companies and agricultural cooperatives.

Ranking Criteria: In this Regulation, there are no ranking criteria but the method "first come first served" is applied.

Details of the support provided (payment levels and composition of payments - share of public and private funds)

Table 54 Types of eligible investments, public expenditure, maximum incentive amount

Production	Amount (RSD)
Field crop production	25,000 per hectare
Vegetable production	35,000 per hectare
Fruit and grape production	45,000 per hectare
Heavy livestock	15,000 per head
Small livestock	5,000 per head

Poultry	500 per poultry
Bee-hive	2,000 per bee-hive

Total amount of incentives for development of organic plant growing shall not exceed RSD 800,000 of funds per beneficiary.

Minimum area for obtaining incentives other than for indoor production is: for field crop and vegetable production 0.2 ha, and for fruit and grape production 0.3 ha.

The total amount of incentives for development of organic livestock production shall not exceed 800,000 RSD.

Maximum amount of incentives for development of organic farming shall not exceed RSD 1,600,000 per beneficiary.

The amount spent per year over the last five years, and budget foreseen for future years per policy measure

Particular RD Regulations are prepared during continuous 5-year period, while some are adopted, when necessary (with no continuity). Specific type of investments was implemented throughout different years, in accordance with different regulations. Therefore, it is not currently possible to show the amount spent per year over the last 5 years. The solution to this issue is currently under preparation in cooperation with DAP.

For 2010, RSD 10,000,000 was foreseen.

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: Processing of applications is underway.

Average support per beneficiary: no data available

Administration of the Scheme (body responsible body, processing and selection of applications)

Lodging of applications for incentives and administrative control of lodged applications and implementation of the measure shall be conducted by the Ministry of Agriculture, Forestry and Water Management - Agrarian Paying Administration. Based on applications, inspectors responsible for agricultural activities shall make on-the-spot minutes about the inspection of plant and livestock production. Mutual rights and obligations related to the use of incentives shall be regulated by a contract concluded between MAFWM and incentive beneficiary. The contract shall in particular specify the amount of incentives paid to a beneficiary, and rights and obligations with respect to the applied organic production method. The incentives shall be paid according to the order in which applications were lodged, up to the amount of funds set by specific Government act.

Programme evaluation.

Regulations published until 2010 were analysed in the Sector for Rural Development based on data obtained from the Sector for Agricultural Operations (current Directorate for Agrarian Payments). Based on these analysis measures for next year were created. Regulations published in 2010 and those that will be published in the future are analysed by the Directorate for Agrarian Payments. Their findings will be forwarded to the Sector for Rural Development, and on this basis measures for next year will be created.

The Name of the Policy Measure

AXIS 3 - DIVERSIFICATION OF ECONOMIC ACTIVITIES

The Name of the Policy Sub-measure

The Name of the Regulation: THE REGULATION ON USE OF FUNDS FOR SUPPORT TO DEVELOPMENT OF NON-AGRICULTURAL ACTIVITIES IN RURAL AREAS FOR 2010

The Objectives, Rationale and General Description

The objective of this measure is to enable generation of supplementary income for the population in rural areas, through non-agricultural economy in agricultural holdings. **The effect** of the measure is expected to upgrade living conditions of the population in rural areas and thus, make them stay there.

Rural development, besides agricultural activities, also includes non-agricultural activities relating to upgrading of living conditions in rural areas. This measure promotes forms of activities such as: activities promoting tourist industry in rural areas, cottage industry and traditional crafts, etc.

The Beneficiaries, Eligibility and Selection Criteria

- Natural persons – holders of agricultural holdings registered in HR;
- entrepreneurs;
- associations;
- cooperatives set up for artistic and ancient crafts and cottage industry activities.

Table 55 Ranking criteria for applicants lodging requests for construction of structures resembling authentic farm house type and salashes or "vajat" cottages, by preserving national building heritage and traditional architecture, all for the purpose of engaging in rural tourism.

Criterion	Rating on points	Number of Points
Maximum Number of Points		100
Applicant born 01.01.1970 or later	Yes/No	10
Applicant's place of residence is in the area with unfriendly working conditions for agricultural activities (marginal area)	Yes/No	15
Applicant is female	Yes/No	10
Applicant has formal education	Without formal education, or primary education completed	0
	Secondary vocational education, 3rd level	3
	Secondary vocational education, 3rd level	5
	College education	7
	Faculty (all academic education levels)	10
Size of holding	≤ 10 hectares	10
	≤ 10 hectares	0
Number of members of registered commercial holding	1	0
	2	3
	3-5	7
	>5	10
Applicant may prove his capacity to implement the investement that he is applying to be granted the incentive for.	Bank's Letter of Intent expressing its readiness to finance the applicant's (client's) total investment.	1

	Assets existing in a bank account to partly cover the investment and bank's Letter of Intent expressing its readiness to finance remaining part of applicant's (client's) investment	3
	Assets existing in a bank account in the amount needed to cover the total investment implementation, and/or the cost of purchase and payment for investment if already made by the applicant.	5
Holding deals with organic production or production of traditional products and/ or products with geographical indications of origin for agricultural products.	Yes/No	10/0
Business Plan Evaluation		0-20

Table 56 Ranking criteria for the applicant for: adaptation (construction and refurbishment of bathroom, and installation of central heating, etc.), and/or conversion of existing structures into authentic farm house types and/or salashes or "vajat" cottages, by preserving national building heritage and traditional architecture; restoration of authentic rural structures - mills and establishments where fibre/cloth rolling devices are placed; restoration of old wine cellars located within geographical wine growing areas; furnishing of catering premises (purchase of kitchen furniture, tables, chairs, cooling devices for keeping food and beverages); and for promotion of supply in rural tourism by promoting amenities for recreational activities, landscaping of yards and furnishing them with movable yard equipment in support of rural tourism.

Criterion	Rating on points	Number of Points
Maximum Number of Points		100
The applicant born 01.01.1970 or later	Yes/No	10
Applicant's place of residence is in the area with unfriendly work conditions for agricultural activities (marginal area)	Yes/No	10
Applicant is female	Yes/No	10
The applicant has formal education	Without formal education, or primary education completed	0
	Secondary vocational education, 3rd level	1
	Secondary vocational education, 4th level	2
	College education	3
	Faculty (all levels of academic education)	5
Size of holding	≤ 10 hectares	10
	≤ 10 hectares	0
Number of members of registered	1	0

commercial agricultural holding	2	3
	3-5	7
	>5	10
Applicant may prove his capacity to implement the investment that he is applying to be granted the incentive for.	Bank's Letter of Intent expressing its readiness to finance the applicant's (client's) total investment.	1
	Assets existing in bank account to partly cover the investment and bank's Letter of Intent expressing its readiness to finance remaining part of applicant's (client's) investment	3
	Assets existing in bank account in the amount needed to cover the total investment implementation, and/or the cost of purchase and payment for investment if already made by the applicant.	5
Holding deals with organic production or production of traditional products and/or products with geographical indications of origin for agricultural products.	Yes/No	5/0
Business Plan Evaluation		0-20
Possession of evidences on the number of guests in 2009.	No	0
	≤100	5
	>100	10
Advertising and promoting of rural holdings' tourist programmes in mass media (TV, radio, Internet, newspapers)	Yes/No	5/0

Table 57 Ranking criteria for applicants lodging requests for purchase of equipment necessary for performing ancient, artistic crafts and/or cottage industry activities, such as: peasant shoe manufacturing, coil basket weaving, pottery, barrel manufacturing, blacksmith activity, crafts in timber industry (cart-wrights, carpenters, wood-engravers), souvenir making, weaving, icon-painting, naive arts and handicrafts.

Criterion	Rating on points	Number of Points
Maximum Number of Points		100
Applicant's seat is in the area with unfriendly work conditions for agricultural activities (marginal area)	Yes/No	15/0
Number of employees	≤5	5
	>5	10
Applicant may prove his capacity to implement the investment that he is applying to be granted the incentive for.	Bank's Letter of Intent expressing its readiness to finance the applicant's (client's) total investment.	1
	Assets existing in bank account to partly cover the investment and	3

	bank's Letter of Intent expressing its readiness to finance remaining part of applicant's (client's) investment	
	Assets existing in bank account in the amount needed to cover the total investment implementation	5
Applicant has positive balance sheet for two previous years (2008 and 2009)	An entity founded in 2010 and not having Income statement or entities with one or both Income statements from two previous years, showing negative performance and/or 2009 negative Income statement for entities founded in 2009.	0
	The last two Income statements showing positive performance and/or 2009 Income statement showing positive performance for the entities founded in 2009.	5
Membership in a branch association for promotion and improvement of trade in products of ancient, artistic crafts and/or cottage industry.	Yes/No	10/0
Advertising and promoting of products in mass media (TV, radio, Internet, newspapers).	Yes/No	10/0
Entrepreneur is female and/or majority of cooperative members are females.	Yes/No	10/0
Existence of contract on products delivery to particular buyers and/or contract on execution of public works	Yes/No	15/0
Existence of contract engaging experts for aesthetic and other forms of qualitative product improvement in traditional and etno sense.	Yes/No	10/0
Awards received at tourist fairs and manifestations	Yes/No	10/0

Table 58 Ranking criteria for applicants lodging request for projects covering both purchase of intermediate materials and employment of women from rural areas in cottage industry, such as: knitting, weaving, crocheting and netting, embroidering of various textile products, rewinding and spinning of thread and wool, making of souvenirs, folk costumes, articles with folk embroidery, local timber products.

Criterion	Rating on points	Number of Points
Maximum Number of Points		100
Minimum 50% of the association members born 01.01.1970 or later	Yes/No	10/0
Minimum 50% of members have the place of residence in the area with unfriendly working conditions for agricultural activities (marginal area)	Yes/No	5/0

Minimum 50% of members are females	Yes/No	10/0
The association was founded to foster ancient, traditional crafts and skills (knitting, weaving, crocheting and netting, embroidering of various textile products, rewinding and spinning of thread and wool, making of souvenirs, folk costumes, articles with folk embroidery, local timber products), and promotion of the economic status of women in rural areas.	Yes/No	10/0
Number of the association members:	≤10	0
	11-20	5
	≥21	10
The applicant's seat is in the area with unfriendly work conditions for agricultural activities (marginal area)	Yes/No	10/0
Membership in a branch association for promotion and improvement of trade in products of ancient, artistic crafts and/or cottage industry	Yes/No	10/0
Advertising and promoting of rural holdings' tourist programmes in mass media (TV, radio, Internet, newspapers)	Yes/No	10/0
Existence of contract on products delivery to particular buyers and/or contract on execution of public works	Yes/No	10/0
Existence of contract engaging experts for aesthetic and other forms of product quality improvement in traditional and etno sense.	Yes/No	10/0
Awards received at tourist fairs and manifestations	Yes/No	5/0

Details of the support provided (payment levels and composition of payments - share of public and private funds)

Table 59 Types of eligible investments, public expenditure, maximum incentive amount

Ordinal number	Type of eligible investment	Percentage of refund of the amount paid per realized investment without pertaining value added tax	Maximum amount of incentive in RSD
Natural persons			
1.	for construction of structures resembling authentic farm house type and/or salashes and "vajat" cottages, by preserving national building heritage and traditional architecture, all for the purpose of engaging in rural tourism.	40% and/or 50%*	1,000,000
2.	for adaptation (construction and refurbishment of bathroom and installation of central heating, etc.), and/or conversion of existing structures into authentic farm house type and/or	40% and/or 50%*	800,000

	salashes or "vajat" cottages, by preserving national building heritage and traditional architecture in support of rural tourism;		
3.	for restoration of authentic rural structures - mills and establishments where fibre/cloth rolling devices are placed in support of rural tourism;	40% and/or 50%*	600,000
4.	for restoration of wine cellars located within geographical wine growing areas in support of rural tourism;	40% and/or 50%*	600,000
5.	for promotion of supply in rural tourism by promoting amenities for recreational activities, landscaping and furnishing of yards with movable equipment, in support of rural tourism.	40% and/or 50%*	600,000
6.	for furnishing of catering premises (purchase of kitchen furniture, tables, chairs, cooling devices for keeping food and beverages).	40% and/or 50%*	200,000
Entrepreneur and cooperative set up for performing artistic and ancient crafts, and cottage industry activities			
7.	equipment for performing ancient, artistic crafts, and/or cottage industry activities	40% and/or 50%*	
Associations			
8.	projects covering both purchase of intermediate materials and employment of women from rural areas in cottage industry	100%	800,000

**Beneficiaries from marginal areas defined by the Rulebook establishing the areas with unfriendly working conditions for agricultural activities shall receive 50% refund, while other beneficiaries shall receive 40% refund.*

The amount spent per year over the last five years, and budget foreseen for future years per policy measure

Particular RD Regulations are prepared during continuous 5-year period, while some are adopted, when necessary (with no continuity). Specific type of investments was implemented throughout different years, in accordance with different regulations. Therefore, it is not currently possible to show the amount spent per year over the last 5 years. The solution to this issue is currently under preparation in cooperation with DAP.

For 2010, RSD 80,000,000 were foreseen.

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: 233 producers have applied.

Average support per beneficiary: no data available

Administration of the Scheme (body responsible, processing and selection of applications)

The eligibility for allocation of incentives (the entire documentation to be submitted, the investment under the Main Design to comply with principles of national building and traditional architecture and application to be timely filed) shall be established by the Ministry

on the basis of submitted documentation and "zero control" carried out by agricultural inspector, to check the data as contained in the application.

"Zero control" carried out by agricultural inspector, to check the data as contained in the application and establish the conformity of investment under the Main Design with principles of national building and traditional architecture, is envisaged for all the purposes where the subject of investment is construction, adaptation and/or reconstruction of structures in support of rural tourism development.

Applications for the competition not timely lodged or those submitted by an applicant ineligible for the competition, and incomplete applications or those not fulfilling the public competition requirements shall not be considered.

If two or more applicants have the same number of points, in establishing the ranking list those with earlier requests shall have priority.

The Ministry shall set a ranking list of applicants identified as fulfilling the requirements prescribed by this regulation, in accordance with the selection criteria laid down in the competition.

Applicants shall have the right to object the ranking list within 15 days from the date of publishing. The Decision taken upon potentially made objections shall be final.

Applicant entitled to incentives based on this competition (hereinafter referred to: Incentive Beneficiary), shall be bound to implement the investment he is entitled to within the time limit which shall be set by the decision, depending on the type of investment.

Where established on the basis of this ranking list that funds for incentives shall be insufficient for all ranked applicants, a threshold shall be determined in excess of which shall be all applications ranked to be allocated the incentives based on the number of points for which sufficient funding shall exist.

Programme evaluation.

Regulations published until 2010 were analysed in the Sector for Rural Development based on data obtained from the Sector for Agricultural Operations (current Directorate for Agrarian Payments). Based on these analysis measures for next year were created. Regulations published in 2010 and those that will be published in the future are analysed by the Directorate for Agrarian Payments. Their findings will be forwarded to the Sector for Rural Development, and on this basis measures for next year will be created.

The Name of the Policy Sub-measure

The Name of the Regulation: THE REGULATION ON REQUIREMENTS AND MANNER OF USING THE INCENTIVES FOR RURAL DEVELOPMENT BY SUPPORTING THE ACTIVITIES AIMED AT CREATION OF HIGHER VALUE ADDED PRODUCTS.

The Objectives, Rationale and General Description

The objective of the measure is of social nature; it is intended to improve the living conditions in rural areas by raising the living standard of rural population. The sub-measure is aimed at upgrading of production of agricultural and food products, wine, "rakija" and other alcoholic beverages with geographical origin, including the upgrading of the quality of wine, "rakija" and other alcoholic beverages. Therefore the sub-measure involves economic apart from the social aspect, as it contributes to promotion based marketing of products with geographical origin. **The effect** of the measure is expected to manifest in decline of unemployment of rural population (among whom majority are women) and to result in increased income of agricultural holdings and in wider assortment of products with geographical origin, including the quality upgrading. One more effect of the above measure would be manifested in spill

over of income (extra income) from agriculture to tourist industry.

The Beneficiaries, Eligibility and Selection Criteria

- Natural persons – holders of agricultural holdings registered in HR;
- legal persons;
- entrepreneurs.

Table 60 Ranking criteria for all types of investments

Natural person			Entrepreneur			Micro-enterprise			Cooperatives		
Place of residence in marginal area			Entrepreneur registered in marginal area			Enterprise registered in marginal area			Cooperative registered in marginal area		
Yes	No		Yes	No		Yes	No		Yes	No	
15	0		15	0		15	0		15	0	
Applicant qualifications			Applicant qualifications			Director qualifications			Director qualifications		
III	IV	IV	III	IV	IV	III	IV	IV	III	IV	IV
5	7	10	5	7	10	5	7	10	5	7	10
Number of holding members			Positive balance sheet for the last two years			Positive balance sheet for the last two years			Positive balance sheet for the last two years		
1-3	>3		Yes	No		Yes	No		Yes	No	
10	15		15	10		15	10		15	10	
Entity already implements the activity			Entrepreneur already implements the activity			Micro-enterprise already implements the activity			Cooperative already implements the activity		
Yes	No		Yes	No		Yes	No		Yes	No	
10	5		10	5		10	5		10	5	
Applicant is female			Applicant is female			Enterprise employs minimum 2 female workers			Minimum 2 female workers cooperative members		
Yes	No		Yes	No		Yes	No		Yes	No	
10	0		10	0		10	0		10	0	
Existence of contract with raw material suppliers			Existence of contract with raw material suppliers			Existence of contract with raw material suppliers			Existence of contract with raw material suppliers		
Yes	No		Yes	No		Yes	No		Yes	No	
15	10		15	10		15	10		15	10	

Table 61 Additional criteria for investment in equipment, machinery, and laboratory analyses

Applicant born on 01.01. 1970 or later		Applicant born on 01.01. 1970 or later		Investment in export		Investment in export	
Yes	No	Yes	No	Yes	No	Yes	No
10	5	10	5	10	5	10	5
Applicant performs organic production		Applicant performs organic production		Applicant performs organic production		Applicant performs organic production	
Yes	No	Yes	No	Yes	No	Yes	No
15	5	15	5	15	5	15	5

Table 62 Additional investment criteria for reconstruction of establishments and cooling store

(economic and technical evaluation)	Business Plan (economic and technical evaluation)	Business Plan (economic and technical evaluation)	Business Plan (economic and technical evaluation)
Max 25	Max 25	Max 25	Max 25

Note:*Applicant qualifications:**III - Third level of secondary vocational education**IV - Fourth level of secondary vocational education**>IV - College, faculty (all levels)*

Details of the support provided (payment levels and composition of payments - share of public and private funds)

Table 63 Types of eligible investments, public expenditure, maximum incentive amount

Ordinal number	Type of eligible investment	Maximum amount of incentive in RSD
Natural persons, legal persons, entrepreneurs		
1.	construction, adaptation and reconstruction of establishments and purchase of equipment for keeping, processing and packing of primary agricultural products, and purchase of equipment for keeping, processing and packing of forest fruits and medicinal plants growing wild	3,000,000
2.	Introduction of the system promoting food quality and safety with geographical indications, standards of good agricultural policy - GLOBALGAP, food safety management in accordance with ISO 22000, introduction of HALAL and KOSHER certificates	400,000
3.	Laboratory analyses representing a part of the elaboration for obtaining of geographical indication of origin	300,000
Legal person;		
7.	Equipment for wine and "Rakija"	3,000,000
Legal person – cooperatives		
8.	Construction of cooling stores for keeping planting material of ornamentals	3,000,000

Incentives are determined at the level of 50% of the total value of implemented investment, excluding calculated VAT.

The amount spent per year over the last five years, and budget foreseen for future years per policy measure

Particular RD Regulations are prepared during continuous 5-year period, while some are adopted, when necessary (with no continuity). Specific type of investments was implemented throughout different years, in accordance with different regulations. Therefore, it is not currently possible to show the amount spent per year over the last 5 years. The solution to this issue is currently under preparation in cooperation with DAP.

For 2010, RSD 100,000,000 were foreseen.

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: 106,233 (if all beneficiaries fulfill the assumed obligations)

Average support per beneficiary: 943,396 RSD (if all beneficiaries fulfill the assumed obligations).

Administration of the Scheme (body responsible, processing and evaluation of applications)

The eligibility for allocation of incentives (to have the entire documentation submitted and application timely filed) shall be established by the Ministry on the basis of submitted documentation and "zero control" carried out by agricultural inspector to check the data as

contained in the application.

"Zero control" carried out by agricultural inspector, to check the data as contained in the application and establish compliance of the investment under the Main Design with the situation in the field, is envisaged for all purposes where the subject of investment is construction and reconstruction of establishments and construction of cooling store.

Untimely applications shall not be considered. The applications lodged by applicants not exercising the right to compete, and applications not fulfilling the public competition requirements shall not be considered. Incomplete applications not supplemented within three days from the date of telephone notification of competent Ministry staff member concerning the detected failure, shall not be considered.

If two or more applicants have the same number of points, in establishing the ranking list those with earlier requests shall have priority.

The eligibility for allocation of incentives (to have the entire documentation submitted and application timely filed) for investments in construction, adaptation and reconstruction of establishments and construction of establishments for storage of agricultural products shall be established by the Ministry on the basis of submitted documentation and "zero control" carried out by agricultural inspector, to check the data as contained in the application.

The Ministry shall set a ranking list of applicants identified as fulfilling the requirements prescribed by this regulation, in accordance with the selection criteria laid down in the competition.

Where established on the basis of this ranking list that funds for incentives shall be insufficient for all ranked applicants, a threshold shall be determined in excess of which shall be all applications ranked to be allocated the incentives based on the number of points for which sufficient funding shall exist.

Programme evaluation.

Regulations published until 2010 were analysed in the Sector for Rural Development based on data obtained from the Sector for Agricultural Operations (current Directorate for Agrarian Payments). Based on these analysis measures for next year were created. Regulations published in 2010 and those that will be published in the future are analysed by the Directorate for Agrarian Payments. Their findings will be forwarded to the Sector for Rural Development, and on this basis measures for next year will be created.

The Name of the Group of Policy Measures

THE INSTITUTIONAL SUPPORT MEASURES

The Name of the Policy Measure

Name of the Regulation: SUPPORT IN THE IMPLEMENTATION OF ASSIGNED AND OTHER ADVISORY ACTIVITIES IN AGRICULTURE

The Objectives, Rationale and General Description

The objective of the measure is to promote advisory work and scientific and educational activities in support of the agricultural producers' knowledge and experience. **The effect** of the measure is expected to manifest in larger use of advisory services by producers, and/or more extensive application of expertise to the production itself. This can in the long run result in better yields and accordingly, in higher income of a holding.

Details of the support provided (payment levels and composition of payments - share of public and private funds)

Incentives can be used to support the implementation of vocational-educational activities

aimed at promotion of work of persons rendering advisory services through specific projects in the fields of:

- support to linkage of policy, researches and farm advisory work;
- training in support of rural development and diversification of rural economy and farm production, competitiveness and adjustment to the environment changes, multifunctional agriculture, participative methods and socio/economic analysis, strategic planning and programming at local level, etc.
- training of trainers and persons rendering advisory services for application of modern technologies in agricultural production and production management, EU standards and regulations.

Incentives can be used to support the rendering of farm advisory services, such as:

- investment in equipment and improvement of advisors' working conditions,
- purchase and production of advertising materials necessary for recognition and popularization of advisory service in agriculture;
- Organization of advisors' annual seminars;
- Implementation of the programme described in Chapter I - HORIZONTAL, Question 1 – Farm advisory services and farmer's register

The Beneficiaries, Eligibility and Selection Criteria

Beneficiaries are 22 companies in the entire territory of Serbia (attached: List of advisory services) employing minimum four graduate agricultural engineers of corresponding profile, and implementing the activities entrusted pursuant to law.

Details of the support provided (payment levels and composition of payments - share of public and private funds)

100% public fund

The amount spent per year over the last five years, and budget foreseen for future years per policy measure

Particular RD Regulations are prepared during continuous 5-year period, while some are adopted, when necessary (with no continuity). Specific type of investments was implemented throughout different years, in accordance with different regulations. Therefore, it is not currently possible to show the amount spent per year over the last 5 years. The solution to this issue is currently under preparation in cooperation with DAP.

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: no data available

Average support per beneficiary: no data available

For 2010, RSD 170,000,000 were foreseen.

22 AES.

Administration of the Scheme (body responsible, processing and selection of applications)

Incentives are allocated after each AES has applied upon publishing of the Regulation. Incentives are paid quarterly after submission of quarterly reports on the activities implemented by AES. The activities implemented are subject to the control of the Institute for applied science in agriculture. Majority of incentives is paid to AES based on the number of advisors, while minority is paid to advisors based on evaluation of their work by IPN (incentives).

Programme evaluation

Quantitative evaluation (number of lectures and seminars, including the number of participants and selected holdings) is conducted by IPN, while qualitative evaluation (the effect of AES's work – increased income of the holding) is still in progress.

The Name of the Policy Measure

The Name of the Regulation: THE REGULATION ON DISTRIBUTION OF INCENTIVES INTENDED FOR ORGANIZATION AND CAPACITY BUILDING OF THE NETWORK FOR RURAL DEVELOPMENT IN 2010

The Objectives, Rationale and General Description

The objective of the Regulation is to provide:

- support to rural area development
- cooperation with local partners of public and non-public sector, donors and service providers in rural development and project definition.
- effective preparation and monitoring of the implementation of economic, social and infrastructural projects, including those currently under implementation, and support in identifying and attracting the funds for financing projects of infrastructure and environmental protection.
- effective and efficient use of all available local and foreign funds in rural development

The effects of the measure shall reflect in more uniform use of incentives for the agrarian policy measures, accelerated procedure of applying for support in agriculture and receiving of feedback aimed at promotion of agrarian policy.

The Beneficiaries, Eligibility and Selection Criteria

- Legal persons implementing rural development activities in the last 3 years within their respective regions;
- Associations, citizens' associations and social organizations and other non/profit organizations in the capacity of legal persons the activities of which are implemented at regional level.

Details of the support provided (payment levels and composition of payments - share of public and private funds)

100% public fund

The amount spent per year over the last five years, and budget foreseen for future years per policy measure

Particular RD Regulations are prepared during continuous 5-year period, while some are adopted, when necessary (with no continuity). Specific type of investments was implemented throughout different years, in accordance with different regulations. Therefore, it is not currently possible to show the amount spent per year over the last 5 years. The solution to this issue is currently under preparation in cooperation with DPA.

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: 16 regional centres

Average support per beneficiary: 2,812,500 RSD.

For 2010, RSD 45,000,000 were foreseen.

Administration of the Scheme (body responsible, processing and selection of applications)

Lodging of applications for incentives and administrative control of lodged applications is performed by the Ministry of Agriculture, Forestry and Water management – Sector for Rural

Development.

Programme evaluation

The Ministry of Agriculture, Forestry and Water Management – Sector for Rural Development conducts the evaluation by comparing the planned activities and objectives of beneficiaries at the beginning of the year with actual results achieved at the year end.

The Name of the Policy Measure

The Name of the Regulation: EDUCATION OF COOPERATIVE MANAGERS

The Objectives, Rationale and General Description

The objective of the measure is of social nature since it encourages the accomplishment of the higher level of personnel qualifications and promotion of the system of cooperative functioning. The effects of this measure shall reflect in changed mode of the cooperatives functioning as a result of upgraded knowledge and good agricultural practice.

For 2010, RSD 10,000,000 were foreseen but meanwhile, this measure has been given up due to the restricted agrarian budget.

The Name of the Policy Measure

The Name of the Measure: MEASURES FOR LIVESTOCK PROMOTION (SELECTION)

Legislative Basis:

- Republic of Serbia Budget Law
- Law on Measures to Promote Livestock Industry (“Official Gazette“ of the Republic of Serbia, Nos. 61/91, 53/93, 48/94, 101/2005);
- Livestock Industry Law (Official Gazette of Serbia, No. 41/09);
- The Regulation laying down the Scheme on livestock development and promotion for the period 2008/2012 (Official Gazette of Serbia No. 99/09);
- The Regulation laying down long-term Scheme for the measures of breeding programme implementation in the Republic of Serbia for the period 2010-2014 (Official Gazette of Serbia, No. 25/09);
- The Regulation laying down annual scheme measures for the implementation of breeding programme in 2010. (Official Gazette of Serbia 31/09);

The Objectives, Rationale and General Description

The objective is of economic nature - promotion of livestock production and genetic quality in cattle breeding. **The effect** shall be achieved by raising the livestock quality, thus leading to the better quality of products in processing industry.

The Beneficiaries, Eligibility and Selection Criteria

- Legal persons.

Programme evaluation

The Ministry of Agriculture, Forestry and Water Management – Sector for Analytics and Agrarian Policy conducts the evaluation by comparing the planned activities and objectives of beneficiaries at the beginning of the year with actual results achieved at the year end.

Table 64 The amount of incentives spent in the period 2005-2010

Year	2005	2006	2007	2008	2009	2010
Total for cattle, sheep, goats, pigs, horses in RSD thousands	51,827	96,182	122,176	126,940	110,459	130,000*

**planned from the current budget*

Administration of the Scheme (body responsible, processing and evaluation of applications)

Required documentation is to be submitted to the Ministry of Agriculture, Forestry and Water Management at the time of announcement of the Competition for the implementation of the Scheme for livestock development and

and promotion, and/or in 2010, at the time of publishing the Regulation laying down Annual Scheme for the implementation of livestock breeding programme in 2010. The Ministry of Agriculture, Forestry and Water Management shall conclude contracts with selection services, and/or breeding organizations within the scope of measures for the implementation of the Scheme for livestock development and promotion, which will be financed by the budgetary funds of the Republic of Serbia. Coordinators shall report to the Ministry on the volume of contracted activities executed, on which basis the Ministry of Agriculture, Forestry and Water Management shall make payments to the incentive beneficiaries.

Supervision: The Ministry of Agriculture, Forestry and Water Management shall control the eligibility via agricultural inspection.

The Name of the Policy Measure

The Name of the Measure: CREATION OF THE INDEMNITY FUND

The Objectives, Rationale and General Description

The objective of the measure is to provide initial assets for the creation of the Indemnity Fund, in accordance with applicable Law on Public Warehouses.

Upon creation of the Fund, the requirements for full enforcement of the mentioned Law shall be met and thus, successful functioning shall be guaranteed and confidence of all operators in the chain of public warehouses gained (in case of damage caused by issued commodity notes for goods stored in the public warehouse system, such damage shall be compensated from the Fund assets).

Number of beneficiaries and average support per beneficiary

The beneficiary is Indemnity Fund (within the Ministry of Agriculture, Forestry and Water Management).

The amount of RSD 50,000,000 has been earmarked for this measure from the current budget.

The Name of the Policy Measure

The Name of the Measure: INTERNATIONAL COOPERATION AND OBLIGATIONS

The Objectives, Rationale and General Description

The objective of the measure is to discharge the obligations on account of membership in international organizations, finance participation of domestic producers in international fairs and other activities relating to the assumed international obligations, otherwise falling within the Ministry's responsibilities.

The Beneficiaries, Eligibility and Selection Criteria

Beneficiaries are international organizations the member of which is MAFWA; organizers of

domestic producers participation in international fairs (as per invoice of the best supplier).

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: no data available

The amount of RSD 40,000,000 has been earmarked for this measure from the current budget.

Supervision:

The Ministry of Agriculture, Forstry and Water Management.

The Name of the Policy Measure

The Name of the Measure: MEASURES AND ACTIONS IN AGRICULTURE, AND SCIENTIFIC AND RESEARCH ACTIVITIES

The Objectives, Rationale and General Description

The objective of the measure is to support the development of agricultural production, improvement of living conditions of rural population, and development of social activities in rural areas. It is implemented through support to the implementation of specific scientific and research projects substantially significant for modernization of agriculture.

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: no data available

The amount of RSD 45,000,000 has been earmarked for this measure from the current budget.

Supervision:

The Ministry of Agriculture, Forstry and Water Management.

The Name of the Policy Measure

The Name of the Regulation: SCHEME FOR MEASURES SUBSIDISING THE INTEREST FOR SHORT-TERM CREDITING OF AGRICULTURAL PRODUCTION IN 2010

The Objectives, Rationale and General Description

The objective of the measure is to support further development of credit market. It is implemented by subsidising a part of the interest on short-term credits approved by commercial banks, which are intended for beneficiaries in agriculture and food production industry. Accordingly, the credit beneficiaries shall be provided more favourable credit conditions than applicable market conditions. for natural persons the interest rate shall be 6% at annual level, without currency clause; for natural persons and cooperatives, holders of commodity notes, 3% at annual level, without currency clause.

The Beneficiaries, Eligibility and Selection Criteria

- Natural persons – holders of agricultural holdings registered in HR;
- Natural persons and cooperatives (holder of agricultural holding registered in HR) - holders of commodity notes issued in accordance with the Law on Public Warehouses, who use stored agricultural products based on the commodity note as a subject of pledge serving as collateral for banks' receivables on account of approved credits, in accordance with this Regulation.

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: no data available

The amount of RSD 300,000,000 has been earmarked for this measure from the current budget.

The Name of the Policy Measure

The Name of the Measure: VINEYARD REGISTER

Objectives, Rationale and General Description

The objective of the measure is to support the establishment and functioning of the Vineyard Register as a basic condition required by EU when vine growing is in question. The Register is required for the purpose of conducting appropriate agrarian policy in this field. It is implemented through financing of the necessary conditions for the Register functioning and execution of activities connected with the Vineyard Register.

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: no data available

The amount of RSD 30,000,000 has been earmarked for this measure from the current budget.

The Name of the Policy Measure

The Name of the Measure: IMPLEMENTATION OF THE GEOGRAPHICAL INDICATIONS PROCEDURE FOR WINE

Objectives, Rationale and General Description

The objective of the measure is to create conditions for the implementation of the initiated procedure relating to the reform of the system of geographical indications of wine and alignment with the new EU Regulation ("PDO/PGI" system) and further, to create conditions for controlling production of wine with geographical indications and other activities relating to geographical indications.

Number of beneficiaries and average support per beneficiary

Number of beneficiaries: no data available

The amount of RSD 10,000,000 has been earmarked for this measure from the current budget.

RURAL DEVELOPMENT ACTIVITIES FINANCED BY PUBLIC FUNDS - AP VOJVODINA (AGRARIAN BUDGET)

2006 year

The Scheme for Rural Development of AP Vojvodina for 2006 was implemented in accordance with results of the competition, based on the schemes below:

- organization of young farmers, their education and diversification – RSD 1,477,519.00
- improvement of production and sale of agricultural products (warehouses, dryers, cooling stores, etc.) - RSD 38,337,000 for 95 beneficiaries;
- creation of the possibilities for increase of income in rural areas (innovations, ancient crafts and local products) - RSD 20,000,000 for 24 beneficiaries;
- infrastructure development in rural areas - RSD 50,926,827 for 63 beneficiaries;
- support for rural tourism, renewal and development of villages – RSD 50,040,827 for 66

beneficiaries and

- promotion of organic farming and renewable sources of energy to support sustainable rural development - RSD 10,000,000 for 17 beneficiaries.

These incentives were allocated in accordance with the competition to: registered holdings, associations, cooperatives, natural persons, legal persons, local self-government, local communities, depending on the scheme.

Total of RSD 170,782,174 were earmarked in 2006 for 273 beneficiaries.

2007 year

The Scheme for rural development of the Autonomous Province of Vojvodina for 2007 financed the projects covered by the following development schemes:

- Education and vocational upgrading of active agricultural population and stimulating of such population to create associations. This scheme encourages education and training of young farmers for specific farming or prequalification for alternative income generation. RSD 10,000,000 have been approved for 30 beneficiaries.
- Improvement of agricultural products keeping and marketing – construction of cooling stores. By financing construction and equipment of cooling stores for keeping agricultural products, the marketing of such products is enabled throughout the year, as is the promotion of farmers' competitiveness to satisfy specific needs and standards. RSD 45,000,000 have been approved for 4 beneficiaries.
- Cleansing and development of rural landfills. In order to enhance the quality of life in rural areas, the scheme for cleansing and development of rural landfills was financed as a measure of environmental and rural area protection. RSD 10,000,000 have been approved for 27 beneficiaries.
- Support for rural tourism activity and possibility of generating bigger income. In order to promote agri, eco, rural and/or sustainable tourism in the broadest sense, the following have been financed: renovation of traditional rural households for tourism purposes, renovation of "salashes", and construction, extension and adaptation of structures, including the purchase of equipment serving for rural tourism. These actions have enabled the activities on holdings or their surrounding to diversify and bring to alternative sources of income. RSD 35,000,000 have been approved for 50 beneficiaries.

Total of RSD 100,000,000 were allocated in 2007, for 111 beneficiaries.

Further, two separate projects were financed:

- "Construction of the building for school dairy", School for chemical-food industry and textile industry "Uros Predic" in Zrenjanin (RSD 4,000,000 approved),
- "Construction of Vojvodina type "salashes" on the school farm" Agricultural school with students' dormitory Futog in Futog (RSD 1,000,000 approved).

2008 year

In 2008 the following projects were financed:

- Education and vocational upgrading of active agricultural population and stimulating of such population to create associations (Total of RSD 10,000,000 earmarked for 49 projects)
- Construction of logistic and sale centre for vegetable products and construction of cooling stores (total of RSD 56,000,000.00 earmarked for 4 projects)
- Stimulation for engagement in rural tourism (Total of RSD 37,691,532.00 approved for 51 project)

In 2008 total of RSD 117,691,532 were spent for 82 beneficiaries.

To organize Local Action Groups and support their activities (in 2007 and 2008) RSD 10,600,000 were spent.

The basic objectives of the creation of Local Action Groups are:

- Better dissemination of information among rural population about funds for rural development (Republican and Provincial funds, and EU funds)
- Assistance to potential fund beneficiaries in completing the competition documentation
- Greater participation by population in preparing the community strategic plans and supplementing the existing ones.

Local Action Groups were created in Coka, Alibunar, Mali Idjos, Zitiste, Irig, Titel and Opovo, and their work was financially supported.

2009 year

In 2009 the schemes for rural development support were not implemented because there were no budgetary funds earmarked for this purpose.

RURAL DEVELOPMENT ACTIVITIES FINANCED BY PUBLIC FUNDS – AT MUNICIPAL LEVEL (AGRARIAN BUDGET)

The municipalities in the territory of the Republic of Serbia contribute to rural development through various incentive measures (through the Rural Development Fund or funds earmarked for the same purposes from Agricultural Development Fund). Further, certain municipalities participate in co-financing of the projects intended for rural development.

V. QUALITY POLICY

18. Please indicate whether a clear domestic policy, with related instruments, exists for recognition and protection of geographical indications and traditional names for agricultural products and foodstuffs. If so describe the instruments for registration and protection.

The procedure for recognition and protection of indications of geographical origin is regulated by **the Law on Indications of Geographical Origin (Official Gazette of RS No. 18/2010)**. Indications of geographical origin are used to mark natural, agricultural and industrial products, foodstuff, handicrafts and services. The Law on Indications of Geographical Origin regulates protection of appellations of origin, geographical indications, traditional and historical names.

The provisions of this Law do not apply to wine, “rakija” and other alcoholic drinks; the acquisition, protection and exercise of the right to use indications of geographic origin on these products are regulated by specific regulations.

“Appellation of origin” is defined as the geographical name of a region, locality or country, used to designate a product originating therein, whose quality or specific properties are exclusively or significantly determined by the geographical environment, including natural and human factors, and whose production, processing and preparation entirely take place within the determined area.

“Geographical indication” is defined as an indication identifying a particular product as originating in the territory of a particular country, region or locality in that territory, where a given quality, reputation or other characteristics of the product are essentially attributable to its geographical origin and whose production and/or processing and/or preparation take place in the determined area.

“Traditional and historical names” are defined as indications that are not geographical names of a particular country, region or locality and that have become generally known as traditional names of products originating there through long-standing use in trade, or that are historical names of the areas in question.

The procedure for recognition of an indication of geographical origin is commenced by filing an application for recognition of an indication of geographical origin with the public authority competent for intellectual property affairs (authority competent for intellectual property affairs in the following text).

The application may be filed by:

- a domestic natural or legal person that produces, in a particular geographical area, products marked with the name of that geographical area,
- associations of natural persons, chambers of commerce, consumer associations and public authorities interested in protecting appellations of origin and geographical indications as part of their activities,
- foreign natural or legal persons and foreign associations, if the appellation of origin or geographical indication, as appropriate, is recognised in the country of origin, when that follows from international treaties.

Essential parts of an application for recognition of a appellation of origin or a geographical indication are:

- application for registration of a appellation of origin or a geographical indication,
- description of the geographical area,
- data on specific product properties.

The description of the geographical area contains data on the geographical area in which the product originates and includes details on the boundaries of such area, a geographical map of such area and data on geographical and human factors that determine specific properties, quality or reputation of the product in question. Boundaries of the geographical area are identified by precise statement of settlements and natural geographical features (mountains, mountain ranges, rivers, plateaus and the like) that enable delimitation between the area in question and other areas.

In an application for recognition of a appellation of origin, the data on specific product properties are provided in the form of a study, which should contain, among other things: data on the customary manner and method of production; data on specific product properties and quality; data on the causal relationship between specific product properties and quality, on the one hand, and the described geographical area, on the other; evidence that the product originates in the described geographical area; evidence of performed quality control and control of specific product properties.

In an application for recognition of a geographical indication, the data on specific product properties are provided in the form of a specification, which should contain, among other things: a description of the production method; data on specific product properties and quality or data on established reputation; data on the causal relationship between quality or reputation or other specific product properties, on the one hand, and the described geographical area, on the other; evidence that the product originates in the described geographical area. Study and specification elements are stipulated in articles 22 and 23 of the Law on Indications of Geographical Origin.

The data on specific product properties must be accompanied by a certificate of performed quality control and control of specific product properties. Quality control and control of specific product properties within the meaning of this Law entail checking the conformity of product quality and specific properties, production method and origin of raw materials with the data contained in the specification or study, as appropriate. Quality control and control of specific properties of agricultural products and foodstuffs are performed by certification

bodies authorised by the Ministry of Agriculture and accredited by the national accreditation body, in conformity with the relevant standards and accreditation regulations. The Ministry of Agriculture has adopted the **Rulebook on the requirements, modality and procedure for quality control and control of specific properties of agricultural products and foodstuffs bearing indications of geographical origin (Official Gazette of RS No. 73/10)**, which regulates in detail the requirements, modality and procedure for quality control and control of specific properties of agricultural products and foodstuffs.

In considering the requirements for recognition of a appellation of origin or geographical indication, as appropriate, of agricultural products and foodstuffs, the authority competent for intellectual property affairs must obtain an opinion of the Ministry of Agriculture on compliance with the requirements for recognition of a appellation of origin or geographical indication, as appropriate.

A registered indication of geographical origin is valid indefinitely.

Under the Law on Indications of Geographical Origin, after registration of an indication of geographical origin, the next step is recognition of the status of authorised user. Registration of an indication of geographical origin is a precondition for recognition of the status of authorised user. The status of authorised user may be recognised in respect of any natural or legal person or association of such natural or legal persons, provided that, in a particular geographical area, they produce products marked with the name of that geographical area and whose quality, specific properties and reputation are in conformity with the data on specific product properties referred to in article 22 or 23, as appropriate, of the Law.

Under article 56 of the Law on Indications of Geographical Origin, a registered appellation of origin or geographical indication may only be used by their registered authorized users. Authorised users of a appellation of origin or geographical indication have the exclusive right to use the appellation of origin or geographical indication in question to mark products to which the appellation of origin or geographical indication pertains. In the forthcoming period, the Ministry of Agriculture will adopt bylaws that will regulate in detail the form and contents of indications and the modality of controlling the marking of agricultural products and foodstuffs bearing an indication of geographical origin.

Article 57 provides that persons who are not authorised users of a appellation of origin or geographical indication cannot use, imitate or copy registered appellation of origin or geographical indication or registered indication of geographic origin, or use a translation, transcription or transliteration of a registered indication of geographical origin, even if words such as “kind”, “type”, “style”, “imitation” and the like are added to the indication of geographical origin in question. The status of an authorised user of a appellation of origin or geographical indication is granted for a term of three years of the day of entry of the recognised status in the Register of Authorised Users of Indications of Geographical Origin.

- Wine

Of all products in Serbia, wine has the longest-standing tradition of being designated with geographical indications, dating back to mid-fourteenth century. A modern approach to appellation and control of producing wine with geographical indications has been regulated since 1929; nowadays, it is governed by the following regulations:

- **Law on Wine (Official Gazette of RS No. 41/09), which is fully harmonised with Council Regulation (EC) No. 479/2008,**
- **Rulebook on the Protection of Geographical Indications of Wine and “Rakija” (Official Gazette of SRS No. 23/80),**
- **Rulebook on Quality and Other Requirements for Wine (Official Journal of FRY No. 54/99, 39/02; Official Journal of S&M No. 56/03),**
- **Rulebook on Viticultural Zoning (Official Gazette of SRS No. 50/77).**

The system of geographical indications of wine is based on the zoning of geographical viticultural areas whose names may be used as geographical indications. With a view to harmonisation with new EU common wine market organisation reform, the Law on Wine has introduced a new viticultural area – the wine-growing unit, as a wider geographical notion, whereas, with a view to harmonisation with the EU as regards geographical indications, the Law introduced the Protected Geographical Indication, i.e. PGI. Wines with geographical indications may only be produced from allowed and recommended varieties for a given geographical area and within those areas, stipulated by zoning.

Serbian legislation regarding the designation of wine with geographical indications is harmonised with the PGI/PDO wine designation system used in the EU; there are clearly defined procedures for the establishment of geographical indications, for registration of designations for each individual wine with geographical indications, and for rigorous control of the production of grapes and wines with geographical indications, their physical, chemical and organoleptic testing and, finally, labelling of those wines with registration marks that facilitate the control of those wines on the market and prevent fraud.

Table 65 Traditional terms for wines with geographical indications

Category of wine with geographical indications	Term of wine category	Abbreviated term of wine category	Abbrv EU term
1. “Regionalno vino” (Wine with protected geographical indication)	“Geografska indikacija”	“GI.”	PGI
2. “Kvalitetno vino sa geografskim poreklom” (Wine with protected designation of origin)	“Kvalitetno vino sa kontrolisanim geografskim poreklom i kvalitetom”	“Kontrolisano poreklo i kvalitet”	PDO
	“Vrhunsko vino sa kontrolisanim i garantovanim geografskim poreklom i kvalitetom”	“Kontrolisano i garantovano poreklo i kvalitet”	

Prior to approval of technical documentation and registration of designations of wine with geographical indications, all vineyards covered by the system of designations of wine with geographical indications were inspected and surveyed using the geographical information system and technology, and grape and wine production technology was brought into conformity with the requirements for relevant wine classes, categories and types and with requirements for relevant geographical areas and geographical indications.

Control of the production of grapes intended for wines with geographical indications and the production of wines with geographical indications at all stages has been delegated to a control organisation, present throughout the harvest and transportation of grapes to wineries. Control is also performed by the inspection service of the General Inspectorate, which monitors the work of the control organisation and controls the entire process related to geographical origin. Physical and chemical testing is performed by authorised laboratories accredited for this activity, which also organise organoleptic testing by the state commission. The control organisation sends wine samples for blind testing, thus precluding any partiality on the part of the laboratory or members of the Organoleptic Testing Commission.

All packaging for wines with geographical indications is labelled with registration marks secured by several protection systems (hologram, intaglio printing, etc.) and unique numbers, which facilitates control of wines with geographical indications on the market and prevents

fraud. On the other hand, since registration marks differ in colour (green, red and violet) depending on wine categories, consumers can easily identify the quality of wine with geographical indications.

Prohibition provisions concerning misleading consumers as regards geographical indications are very precise and harmonised with the EU law, Stabilisation and Association Agreement and TRIPS Agreement.

Procedure for the production and labelling of wine with geographical indications

The registration of designations of wines with geographical indications (geographical indications: protected geographical indications and protected designations of origin; traditional terms: terms of wine categories and additional terms; recognised traditional terms) and verification of fulfilment of conditions for their use take place in the following steps:

1. Procedure for registration of designations of wines with geographical indications

- A technical documentation of production of wine with geographical indications is developed and forwarded to the Ministry of Agriculture, Forestry and Water Management, with an application for approval of the technical documentation and registration of designations for wine with an geographical indications and proof of payment of administrative fee and reimbursement of costs.
- The documentation is checked and the data given in the draft technical documentation/annex to the technical documentation are verified by comparison with the data from the accompanying documentation and data from other relevant sources..Data from the draft technical documentation/annex to the technical documentation are reviewed and verified by site inspection (conformity with agro-ecological requirements). A expert opinion on registration of designations for wine with geographical indications is drafted by the control organisation; the agricultural inspection service within the General Inspectorate which is responsible for wine, “rakija”, alcoholic and non-alcoholic beverages approves this opinion and the opinion is delivered to the applicant, together with records of data verification and five identical certified copies corresponding to the findings.
- A certificate on registration of designations for wine with geographical indications is drafted and the technical documentation/annex to the technical documentation is approved by the Ministry by stamping each page of the approved technical documentation.

2. Procedure for fulfilment of the conditions for the use of registered designations of wines with geographical indications

- On the basis of the certificate mentioned above, the producer of the wine in question qualifies to apply for control of the production of wine with geographical indications for the given vintage year. The application, accompanied by proof of payment of the administrative fee and reimbursement of control costs, must be filed at the latest by 31 October of the current year for control of the production of grapes and wine with geographical indications to be performed in the following year. Production control is performed in accordance with the data from the technical documentation.
- Grape production is controlled (on the basis of the data from the technical documentation and accompanying documentation) by the control organisation through mandatory inspections of vineyards after pruning and during the vegetative phase, and records are made of these inspections.
- Grape harvest and acceptance of harvested grapes (at acceptance locations indicated in the technical documentation) by the winery are controlled. Grape harvest at risky producers' sites is controlled on an ongoing basis by persons authorised to perform technical control tasks, and the control organisation keeps records of this. Producers of wine with

geographical indications keep records of the acceptance of harvested and processed grapes intended for wine with geographical indications.

- Wine production is controlled by ascertaining the quantity of processed grapes, ascertaining whether wine has been produced in accordance with the technical documentation and samples of the wine in question are taken (five samples of at least 0.75 litres). A minimum of two controls are performed at risky wine producers' sites.
- Physical and chemical analysis of wine samples is performed by an authorised laboratory (the control organisation sends samples for blind testing).
- Organoleptic testing of the wine is organised by the authorised laboratory and it is performed by the official commission, formed from the List of Wine Tasters (the control organisation sends samples for blind testing).
- A expert opinion on fulfilment of the conditions for the use of designations for wine with geographical indications of the given vintage year is drafted by the control organisation and the agricultural inspection service within the General Inspectorate which is responsible for wine, "rakija", alcoholic and non-alcoholic beverages approves this opinion.
- Within 10 days of organoleptic testing of the wine, the Control Organisation delivers the control records and expert opinion to the applicant (producer of wine with geographical indications) and to the Ministry.
- On the basis of the Control Organisation's expert opinion and all records, the Ministry of Agriculture issues a certificate on fulfilment of conditions for the use of designations of wines with geographical indications and placing wine with geographical indications on the market for the year in question. On the basis of that certificate, the producer of the wine in question gains the right to use the geographical indication in question and to bottle and label the controlled quantity of wine with geographical indication in conformity with the applicable regulations of the Republic of Serbia.
- After obtaining the decision referred to in point 12 and the application form for issuing registration marks (the ZEMVIGP form), the wine producer receives a specified number of registration marks for the wine with geographical indications in question, under the procedure for issuing and receiving registration marks as detailed below.

3. Procedure for issuing registration marks for wines with geographical indications

Under the Law on Wine (Official Gazette of RS No. 41/09), prior to placing wine with geographical indications on the market, producers of wine with geographical indications must label each individual original container of such wine of a given vintage year with a registration mark for wine with geographical indications. The number of registration marks to which the producer is entitled for labelling produced wine is stipulated by the certificate on fulfilment of conditions for the use of the designations and placing wine with geographical indications in question of the given vintage year on the market.

19. Please detail any other quality schemes in existence with regard to product origin or other quality characteristics.

- "Rakija" and other alcoholic beverages

Alcoholic beverages and categories of alcoholic beverages, production and quality, protection of geographical indications, declaration, description and presentation of alcoholic beverages are governed by:

- **Law on "Rakija" and Other Alcoholic Beverages (Official Gazette of RS No. 41/2009), described in more detail in the answer to question 12,**

- **Rulebook on Categories, Quality and Declaration of “Rakija” and Other Alcoholic Beverages (Official Gazette of RS No. 73/2010),**
- **Rulebook on the Protection of Geographical Indications of Wine and “Rakija” (Official Gazette of SRS No. 23/80),**
- **Rulebook on Viticulture Zoning (Official Gazette of SRS No. 50/77).**

Geographical indications of “rakija” and other alcoholic beverages are regulated by the Law on “Rakija” and Other Alcoholic Beverages (Official Gazette of RS No. 41/2009), as are names, terms or designations identifying “rakija” and other alcoholic beverages as products originating in the Republic of Serbia or a region or location in the Republic of Serbia, where quality, reputation or other properties of the products are essentially attributable to their geographical origin.

The Law also regulates protection of geographical indications and prohibition provisions pertaining to misleading consumers as regards to geographical indications. The Law also stipulates that the minister regulates in detail the filing of applications and technical documentation, production requirements and practices, declaration, description and presentation of “rakija” and other alcoholic beverages with geographical indications.

Technical documentation is regulated by the Rulebook on the Protection of Geographical Indications of Wine and “Rakija” (Official Gazette of SRS No. 23/80) and contains an overview of all natural (climate, soil, etc.) and human factors, overview of fruit or grape production, as appropriate, “rakija” production and evidence of performed physical, chemical and organoleptic quality testing.

In addition, this Rulebook regulates the procedure for filing applications, the contents of technical documentation and control of raw material production, “rakija” production, quality testing and organoleptic testing. This Rulebook is partly harmonised with Regulation (EC) No. 110/2008 of the European Parliament and of the Council of 15 January 2008.

Pursuant to the Law and the Rulebook on the Protection of Geographical Indications of Wine and “Rakija”, the system of geographical indications of grape “rakija” produced of grapes and wines is based on the zoning of geographical viticulture areas, and the system of geographical indications of fruit “rakija” is based on fruit production areas. The Rulebook on Viticulture Zoning (Official Gazette of SRS No. 50/77) is described in more detail in the section on wine production.

Procedure for registration and protection

Protection of geographical indications of “rakija” and other alcoholic beverages is within the purview of the ministry competent for agricultural affairs. Producers file an application for a decision granting the right to use geographical indications with the Ministry.

The application must be accompanied by technical documentation.

The received applications are considered by the Committee for registration of geographical indications, appointed by the minister. The Committee considers the application and, if it finds, on the basis of technical documentation, that there are grounds for the use and protection of the geographical indications, it forwards the application accompanied by technical documentation to an agricultural inspector, who verifies the presented data at the producer’s site, drafts a record on this and forwards it to the Committee. On the basis of the producer’s application and agricultural inspector’s record, the Committee drafts a proposal for the use of the geographical indications, on the basis of which the Ministry issues a decision granting the right to use the geographical indications. The producer must produce “rakija” or other alcoholic beverage in the manner described in the technical documentation. Should any changes occur, the producer must inform the ministry and amend the technical documentation accordingly. Geographical indications may only be used by the producer that has obtained a

decision granting the right to use the geographical indications in conformity with the Law and is registered in the Register of producers of “rakija” and other alcoholic beverages.

Pursuant to the Law on “rakija” and Other Alcoholic Beverages, the Ministry of Agriculture will adopt a number of bylaws defining in detail the procedures for protection of indications, filing applications and submitting technical documentation, issuing decisions granting the right to use geographical indications, production, production control, procedure for and method of organoleptic testing, and description, presentation and declaration of these products.

The production of “rakija” and other alcoholic beverages with geographical indications is controlled by the ministry competent for agricultural affairs, through the agricultural inspection service within the Inspectorate General. Control is performed at all production stages, from production of raw materials – fruit or grapes, their processing, “rakija” production, maturing and ageing, if necessary.

Prior to being marketed, “rakija” and other alcoholic beverages are subject to mandatory physical, chemical and organoleptic quality testing. An agricultural inspector takes samples and sends them for blind testing to an accredited laboratory authorised by the ministry to perform this activity. Organoleptic testing is performed by the Organoleptic Testing Commission, appointed by the minister’s decision.

Only the quantity of “rakija” or other alcoholic beverage subjected to the described production control procedure and corresponding to the specifications in the technical documentation may be marked with the geographical indications concerned.

The declaration of “rakija” and other alcoholic beverages with geographical indications must contain the reference number of the decision granting the right to use the geographical indications, issued by the minister. Under the Law, such alcoholic beverages must bear a readily visible hologram registration mark, and the layout, contents and modality of displaying the registration mark will be regulated in detail by a bylaw.

- Organic production

Organic production of agricultural products and foodstuffs and their labelling are regulated by the **Law on Organic Production (Official Gazette of RS No. 30/10)**. This is described in detail in Heading VI – ORGANIC PRODUCTION, in the answer to question 20.

VI. ORGANIC PRODUCTION

20. Please provide information on the existing schemes and the arrangements for its administration and enforcement including:

- **Legislative basis (name and reference of relevant legal act);**
- **Objectives and general description of the legislation;**
- **Approximated or not to EU legislation (or degree of approximation);**
- **Details of the support provided;**
- **Description of administrative and enforcement arrangements (including resources, human, financial, and infrastructure, and if possible the administrative organisational chart).**

In the Republic of Serbia, organic production is regulated by the **Law on Organic Production (Official Gazette of RS No. 30/10)**, which has been in force since 1 January 2011. Before the implementation of this Law commenced, the provisions of the Law on

Organic Agriculture and Organic Products (Official Gazette of RS No. 62/06) were applicable; the pertinent rulebooks, which still apply, were developed on the basis of this Law. The rulebooks pursuant to the 2010 Law are being drafted.

Legislative basis (name and reference of relevant legal act)

- Law on Organic Production (Official Gazette of RS No. 30/10)
- Rulebook on technology practices in processing organically grown products, cleaning methods and cleaning agents for process lines, allowed ingredients, additives and auxiliary substances in processing foodstuffs (Official Gazette of RS No. 34/09)
- Rulebook on organic plant production methods and on the collecting of wild plant and animal species from natural habitats by organic methods (Official Gazette of RS No. 47/09)
- Rulebook on the requirements for and modality of placing on the market of organic products (Official Gazette of RS No. 07/08)
- Rulebook on the modality of keeping records and on the contents of reports on the basis of which records are kept in organic production (Official Gazette of RS No 14/08)
- Rulebook on the form for official identification card of inspectors for organic production (Official Gazette of RS No.61/08)
- Rulebook on the design of organic products label and national logo (Official Gazette of RS No. 107/07)
- Rulebook on the packaging, storage and transportation of organic products (Official Gazette of RS No. 96/06)
- Rulebook on the requirements to be fulfilled by legal persons issuing organic product certificates or re-certificates and modality of their issue (Official Gazette of RS No. 81/06)
- Rulebook on organic livestock production methods (Official Journal of FRY No. 51/2002)

Objectives and general description of the legislation

The objectives are:

- establishing organic production as an integrated management system;
- producing food based on environmentally-friendly practices, high level of biodiversity, preservation of natural resources and application of high animal welfare standards and production methods involving the use of natural substances and practices;
- balanced plant and livestock production that takes account of natural systems and cycles, maintains and improves soil fertility and quality and air and water quality;
- rational use of energy and natural resources, such as land, water, organic substances and the like;
- producing various organic agricultural products in line with consumer demand for organic food, applying practices that are not harmful to human, plant and animal health and the environment in general.

The Law regulates in detail the organic production of agricultural and other products; organic production aims and principles; organic production methods; control and certification in organic production; processing, labelling, transportation, placing on the market, imports and exports of organic products; supervision of the performance of delegated tasks; other matters relevant to organic production.

The Rulebook on technology practices in processing organically grown products, cleaning methods and cleaning agents for process lines, allowed ingredients, additives and auxiliary substances in processing foodstuffs (Official Gazette of RS No. 34/09)

prescribes technology practices in processing organically grown products or raw materials; allowed ingredients of agricultural and non-agricultural origin; auxiliary substances whose use is permitted in processing foodstuffs and feedstuffs, excluding wine.

The Rulebook on organic plant production methods and on the collecting of wild plant and animal species from natural habitats by organic methods (Official Gazette of RS No. 47/09) stipulates organic plant production methods that prescribe the selection of plant species and varieties; crop rotation; soil cultivation; fertilisation agents and method; soil fertility maintenance system; plant disease, pest and weed control method; collecting wild plant and animal species from natural habitats by organic methods.

The Rulebook on requirements for and modality of placing on the market of organic products (Official Gazette of RS No. 07/08) stipulates requirements for and method of placing on the market of organic products.

The Rulebook on the modality of keeping records and on the contents of reports on the basis of which records are kept in organic production (Official Gazette of RS No 14/08) stipulates the modality of keeping records and the contents of reports on the basis of which records are kept in organic production.

The Rulebook on the form for official identity card of organic production inspectors (Official Gazette of RS No.61/08) stipulates the form for official identification cards of inspectors for organic production.

The Rulebook on organic products label and national logo (Official Gazette of RS No. 107/07) stipulates the design of the label and national logo used to mark certified organic products and the design of the label used to mark in-conversion products.

The Rulebook on the packaging, storage and transportation of organic products (Official Gazette of RS No. 96/06) stipulates requirements concerning the packaging, storage and transportation of organic products.

The Rulebook on the requirements to be fulfilled by legal persons issuing organic product certificates or re-certificates and modality of their issue (Official Gazette of RS No. 81/06) stipulates requirements concerning technical capacities and staff competencies of a company or other legal person that issues certificates or re-certificates for organic products and the modality of issuing certificates or re-certificates, as appropriate.

The Rulebook on organic livestock production methods (Official Journal of FRY No. 51/2002) stipulates organic livestock production methods that prescribe the selection of animal species and breeds; rearing method; animal nutrition and health protection; treatment of animals procured from other farms.

Approximated or not to EU legislation (or degree of approximation)

The Law on Organic Production (Official Gazette of RS No. 30/10) is approximated to:

- Council Regulation (EC) No. 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No. 2092/91,
- Commission Regulation (EC) No. 889/2008 of 5 September 2008 laying down detailed rules for the implementation of Council Regulation (EC) No. 834/2007 on organic production and

labelling of organic products with regard to organic production, labelling and control.

Rulebooks adopted pursuant to the Law on Organic Agriculture and Organic Products (Official Gazette of RS No. 62/06):

Rulebook on the requirements for and modality of placing on the market of organic products (Official Gazette of RS No. 07/08); Rulebook on the modality of keeping records and on the contents of reports on the basis of which records are kept in organic production (Official Gazette of RS No. 14/08); Rulebook on the form for official identification card of inspectors for organic production (Official Gazette of RS No. 61/08); Rulebook on the design of organic product label and national logo (Official Gazette of RS No. 107/07); Rulebook on the packaging, storage and transportation of organic products (Official Gazette of RS No. 96/06); Rulebook on the requirements to be fulfilled by legal persons issuing organic product certificates or re-certificates and the modality of their issue (Official Gazette of RS No. 81/06); Rulebook on organic livestock production methods (Official Journal of FRY No. 51/2002).

Approximation:

- They are approximated to Council Regulation (EEC) No. 2092/91, which was in force at the time.

The Rulebook on technology practices in processing organically grown products, cleaning methods and cleaning agents for process lines, allowed ingredients, additives and auxiliary substances in processing foodstuffs (Official Gazette of RS No. 34/09) and the Rulebook on organic plant production methods and on the collecting of wild plant and animal species from natural habitats by organic methods (Official Gazette of RS No. 47/09).

Approximation:

- They are approximated to applicable legislation governing the field of organic production in the EU (Council Regulation (EC) No. 834/07 and Commission Regulation (EC) No. 889/2008).

Details of the support provided

In 2005, the Ministry of Agriculture, Forestry and Water Management awarded the first subsidies for organic production development from the budget of the Republic of Serbia. By the end of 2009, subsidies were awarded for the following activities:

- improvement of product marketing and quality,
- raising capacities for organic production development by training rural population in planning and implementing projects in the field of organic production, support for the establishment of demonstration organic farms and regional cooperation,
- financial assistance in the conversion period,
- support for organic production of seeds, seedlings and planting materials,
- costs of organic product certification.

Table 66 Funds disbursed for these forms of support

Year	2005	2006	2007	2008	2009	2010
Total disbursed, RSD	224,000	1,898,000	22,496	2,048,756	4,573,870	10,000,000*

* planned by the current budget

The requirements for organic production development support are stipulated by a regulation, which also specifies the required documentation to be submitted by interested parties. The fulfilment of requirements for the award of subsidies is verified by inspectors competent for agricultural affairs; they draft records on the performed inspection of organic production,

which constitute the basis for the disbursement of subsidies.

The current agrarian budget foresees RSD 10 million for organic production development support in 2010.

- Plant production:

- field crop production – RSD 25,000 per hectare (cereals, industrial crops, medicinal and aromatic herbs),
- vegetable production – RSD 35,000 per hectare,
- fruit production and viticulture – RSD 45,000 per hectare.

- Livestock production:

- RSD 15,000 per head of large stock (for a minimum of 4 head),
- RSD 5,000 per head of small stock (for a minimum of 10 head),
- RSD 500 per head of poultry (for a minimum of 100 head),
- RSD 2,000 per beehive (for a minimum of 30 beehives).

The funds foreseen for these purposes are disbursed once a year to applicants who fulfil the requirements.

Supervision: Ministry of Agriculture, Forestry and Water Management – Agricultural Inspection Service.

Description of administrative and enforcement arrangements (including resources, human, financial, and infrastructure, and if possible the administrative organisational chart)

The Ministry of Agriculture, Forestry and Water Management formulates and implements policy in the field of organic production.

In the Directorate for National Reference Laboratories as part of the state administration within the Ministry, in the Section for Organic Production, drafts of solutions that determine that requirements have been met for carrying out control and certification activities are prepared. The Section for Organic Production supervises the performance of delegated tasks by authorised control bodies, keeps collective records of organic production, authorises the use of conventional reproductive material and participates in granting exemptions from organic production rules.

The Sector for Rural Development as part of the state administration within the Ministry, is in charge of the enhancement of the system of organic production, prepares expert basis for creating new legislation, proposes measures for support and prepares information and analysis on the state of organic production, keeps up to date and coordinates the work of agricultural extension services, follows and finances the work of extension services in carrying out work assignments that concern providing advice to farmers from all areas of agriculture, as well as in organic production. The Sector provides financial assistance for trainings of advisors for acquiring qualifications for providing advice.

The Directorate for Agrarian Payments as part of the state administration within the Ministry, receives and processes the requests for incentive measures intended for organic production passes Decisions on approval of incentive means.

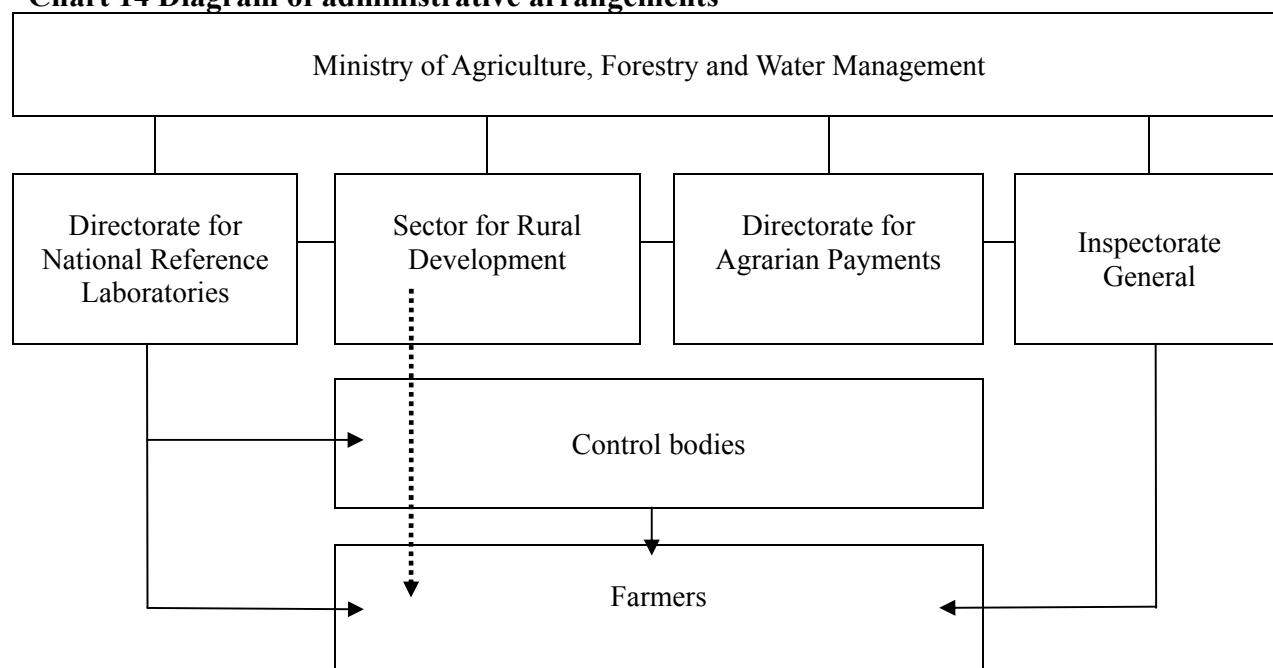
The General Inspectorate is part of the state administration within the Ministry, and carries out inspection surveillance of the application of the law and other acts in the area of organic production.

Control organisations as independent legal persons, carry out activities on determining whether requirements have been met for establishing organic production, carry out the control of the application of the method that are laid down by law for organic production and issues certificates for products that resulted from methods of organic production. Currently in

Serbia these activities are carried out by eight control organisations authorised by the Ministry.

Funds required for the operation of all organisational units of the Ministry which are competent for organic production are determined pursuant to the Law on the Budget of the Republic of Serbia.

Chart 14 Diagram of administrative arrangements



21. Please describe the national accreditation and certification system for organic production including the control system in place as well as its relevance for import/export (e.g. EU list of third countries).

Pursuant to the Law on Organic Agriculture (Official Gazette of RS No. 30/10), the Ministry of Agriculture, Forestry and Water Management delegates the control and certification tasks in organic production to legal persons, i.e. control bodies, which must be authorised by the Ministry to perform those tasks.

The authorisation is issued for a period of one year and may be extended subject to requirements foreseen by law.

Until the adoption of a new rulebook that will stipulate detailed requirements concerning technical capacities and staff competences to be fulfilled by control bodies, the **Rulebook on the requirements to be fulfilled by legal persons issuing organic product certificates or re-certificates and modality of their issue (Official Gazette of RS No. 81/06)** will apply.

In 2010, the Ministry of Agriculture granted authorisations to eight legal persons. Nine control bodies filed applications for 2011.

Control bodies that meet the stipulated requirements and have filed applications for accreditation with the Accreditation Board of Serbia in conformity with the standard SRPS EN 45011:2004 (which is identical to EN 45011:2004 (General requirements for bodies operating product certification systems – ISO/IEC Guide 65:1996)) may be authorised for control and certification tasks in 2012. Until 2012, certification in conformity with the standard EN 45011:2004 will be carried out in Serbia by two domestic control bodies (OCS and Evrocet) that have been trained in the implementation of that standard by SNAS (Slovak National Accreditation Service), as part of the project implemented by the Ministry of

Agriculture and Slovak Aid.

The Accreditation Board of Serbia has filed an application to sign multilateral agreements (MLA/BLA) with the European co-operation for Accreditation (EA); last August, an application was also filed to expand the scope of multilateral agreements on accreditation of medical laboratories, management system certification bodies and product certification bodies. Pre-evaluation of the work of the Accreditation Board of Serbia and of the established accreditation system in these areas is expected in early 2011.

An authorised control body performs control and certification tasks in a manner that ensures objectivity, impartiality, efficiency, professionalism, consistency and quality and precludes conflict of interest. The control procedure is carried out separately from the procedure for issuing a certificate.

Producers start organic production by filing an application to an authorised body and concluding an agreement on conversion to organic production, after the data from the application have been verified by the authorised body.

The agreement defines the type of organic production in which the producer engages; the duration of the conversion period; the rights and obligations of contractual parties; the fee of the authorised body; the qualification requirements for and modality of obtaining a certificate; the safeguards in case of failure to honour the agreement.

Authorised bodies perform physical inspections of the producer's production units, facilities, premises and documentation at least once a year. When a producer starts organic production, a control officer from the authorised body carries out the first inspection and drafts a report, acknowledging compliance with requirements for starting organic production and describing the observed situation. On each subsequent inspection, a report on performed inspection is drafted; on the basis of this report, a decision on organic product certification is adopted and a certificate of conformity of the product or production process with law is issued.

For imported products certified by the competent body of the country of origin, the authorised body issues a "re-certificate" (confirmation of certification). Until the adoption of regulations governing the imports of organic products, the provisions of the Rulebook on the requirements to be fulfilled by legal persons issuing organic product certificates or re-certificates and modality of their issue (Official Gazette of RS No. 81/06) on certification and re-certification will apply.

Authorised bodies keep records on organic production which include data specified in the Law and submit to the Ministry monthly records and, at the beginning of each year, the annual report on organic production for the preceding year.

The Republic of Serbia is not on the EU list of third countries. The application is being drafted.

22. Please describe the sector and its organisation (e.g. importance of cooperatives) with statistical data including farm structure, production, trade (export/import).

Under the Law on Organic Agriculture and Organic Products (Official Gazette of RS No. 62/06), a single register of organic producers and processors, traders in organic products and persons engaging in organic production was introduced. The register is kept on the basis of monthly reports on issued certificates and re-certificates and concluded agreements on conversion to organic production, which are submitted to the Ministry by authorised bodies.

The number of farms and areas of land in Serbia on which organic production methods are applied are greater than those registered, since the Ministry does not have access to the data on producers whose production is certified by control bodies that are not authorised by the

Ministry pursuant to the Law on Organic Production and Organic Products.

However, the Law on Organic Production (Official Gazette of RS No. 30/10) enables monitoring of the entire organic production system in the Republic of Serbia by stipulating that control bodies must be authorised by the Ministry and forward all data on registered producers.

In the Republic of Serbia, 54% of the population lives in rural areas and 56% of farms have less than 3 ha of land. With a view to stimulating association of small farms and development of organic production, Serbia Organica, the national association for organic production, was established in May 2009, at the initiative of the Ministry of Agriculture.

To support organic production development, the Ministry has planned to establish four organic production centres, which will, in turn, establish sub-centres. By the end of 2012, the Republic of Serbia will thus be covered evenly by an organised network for training and trading in organic products on commodity exchanges. The network of centres should ensure good communication and organisation of producers, and organic production could thus become more attractive. The first of these centres – the Centre for Organic Production of Field Crops has been established in Selenča. Organic production centres are being established throughout the Republic of Serbia – a fruit production centre in Valjevo, a livestock production centre in Svilajnac and an organic product processing centre in Leskovac.

Statistical data

According to the data provided to the Ministry by the four authorised bodies, the area of land on which organic production methods were applied in 2008 totalled 595.81 ha. Of that,

- authorised control bodies certified 330.36 ha of land under organic production; 89.66 ha were under crops and 240.70 ha were meadows, pastures and forests;
- 265.45 ha were under conversion;
- as regards organic livestock production, bees (610 beehives) accounted for the highest proportion of animals in conversion, followed by cattle (145 head), poultry (110 head) and swine (88 head).

In 2009, the area of land under organic production totalled 2,489 ha. Organic status was attained on 1,824 ha, and 665 ha of land was under conversion. A total of 81 agreements on conversion to organic production were concluded. As regards organic livestock production, 131 head of cattle, 42 head of pig, 50 head of poultry and 51 bee colonies were under conversion, while 60 horses and 130 bee colonies had attained organic status.

Table 67 Organic plant production and livestock production in 2009

Plant production	In conversion	Organic status	Total
Field crop production, ha	490.42	144.94	635.36
Fruit production, ha	116.31	56.65	172.96
Herb and fruit gathering, ha	1.07	0.8	1.87
Pastures and meadows, ha	57.21	1,621.6	1,678.81
Total	665.01	1,823.99	2,489
Livestock production	In conversion	Organic status	Total
Cattle, head	131	0	131
Horses, head	0	60	60
Pig, head	42	0	42
Poultry, head	50	0	50
Bee colonies, beehives	51	130	181

Frozen fruit (primarily raspberries) accounts for most of exports to the European market. Vegetables are mostly intended for the domestic market, e.g. for green markets in Belgrade and Novi Sad and retail shops. Some produce is also sold on farms, in particular in Vojvodina.

Imported products produced in conformity with EU, Canadian, USA, Japanese regulations and other standards regulating organic production and certified by the competent body of the country of origin may be placed on the Serbian market if they are labelled properly and re-certified by an authorised body.

Under the 2010 Law, the Customs Administration monitors the exports of organic products by means of customs declarations containing the number of organic product certificate obtained.

VII. AGRICULTURAL STATISTICS

23. Please provide a brief description of the organisational structure for statistical collection and monitoring underlining the co-operation between the Ministry of Agriculture and central/local statistical offices concerning agricultural statistics.

The Republic Statistical Office (RSO) is the state institution responsible for collecting, processing and publishing official data in the field of agricultural statistics. In addition to collecting, processing and publishing statistical data, the RSO is responsible for issues of quality and use of official statistics of the Republic of Serbia and engages in international cooperation in the field of statistics.

The Republic Statistical Office is not the only institution collecting agricultural data; some data is available in the Ministry of Agriculture, Forestry and Water Management and some other institutions.

The Memorandum on Cooperation between the Ministry of Agriculture, Forestry and Water Management and the RSO was signed in 2007 with the aim of improving statistics in the fields of agriculture, forestry and water management, defining obligations and providing information that will present the state of affairs in these areas objectively.

Plant production statistics – arrangements in the Republic Statistical Office

Plant production surveys cover areas, output and yields for about 60 crops, for legal persons (companies and agricultural cooperatives) and family farms engaging in plant production.

Data on legal persons are collected through regular annual reports, from accounting data and other records. Data on family farms are based on estimates made on the basis of comprehensive cadastre data. A network of about 1,250 assessors has been established to cover 4,000 assessment units, each consisting of one or more cadastral municipalities. Experts on agriculture or advanced producers are contracted to work as assessors. They are under the responsibility of regional departments of the Republic Statistical Office (15).

Seven statistical surveys of plant production are carried out each year; two of these are estimates of yields of: wheat and early crops (1) and late crops, fruit and grapes (2).

Livestock farming statistics – arrangements in the Republic Statistical Office

Surveys of livestock farming provide data on livestock numbers and balances sheets and data on the number of beehives. Data on primary livestock products are collected by regular

annual reports from legal persons and an annual survey of livestock numbers on family farms (classification of live animals and the reference period are in conformity with Regulation (EC) No. 1165/2008 from 2008). The survey is carried out on a two-stage stratified random sample, which covers about 1% (9,000) of the total number of family farms.

Data on slaughtering in slaughterhouses: data for the survey "Monthly Report on the Slaughtering of Livestock in Slaughterhouses" are obtained from the records of the Veterinary Administration within the Ministry of Agriculture, Forestry and Water Management.

Milk statistics: pilot statistical surveys of milk are in progress, on an annual and monthly basis (in conformity with Commission Decision 97/80/EC and Council Directive 96/16/EC).

A. General and product specific statistics

24. The agricultural sector should be described (in a table) by the following statistical information (as far as it is available), each time for the years 2000-2009 (or most recent year available):

a) Utilised agricultural area (UAA) on both a national and regional basis (in addition the situation in 1992 - if available): arable land; fallow land; land under permanent crops; permanent grassland; kitchen gardens; greenhouses

Answer provided in tables 24a.1 – 24a.11 in Annex 2 – Agricultural Statistics.

b) Forest area

Answer provided in tables 24b.1 and 24b.2 in Annex 2 – Agricultural Statistics. The source of data is a three-year research on forest areas.

c) Evolution of farm structures (indicating when farm structure surveys had been carried out): farm size structure by region (where applicable); distribution of farms by cultivated area; distribution of farms by main type of production; distribution of farms by herd size; area used by farms smaller than 2 ha

The most recent census of agriculture was carried out in Serbia in 1969 (on a sample). For family farms, data on utilised land and livestock were collected through four consecutive population censuses in 1971, 1981, 1991 and 2002. In view of this, some data on farm structure are available mainly from the most recent census of population, households and dwellings, carried out in 2002, by regions (see enclosed tables).

- Farm size structure by regions: Answer provided in tables 24c.1.1 – 24c.1.5 in Annex 2 – Agricultural Statistics. Data on family farms available from the 2002 population census.
- Distribution of farms by utilised area, by regions: Answer provided in tables 24c.1.1 – 24c.1.5. Data on family farms available from the 2002 population census.
- Distribution of farms by type of production, by regions: The Republic Statistical Office does not have these data.
- Distribution of farms by herd size, by regions: Answer provided in tables 24c.2.1 – 24c.2.5 in Annex 2 – Agricultural Statistics. Data on family farms available from the 2002 population census.
- Total area of land used by family farms smaller than 2 ha: Answer provided in table 24c.3 in Annex 2 – Agricultural Statistics.

d) Agricultural population and its evolution, preferably based on the Labour Force Survey: share of total active population; regional distribution; full-time and part time farmers; distribution by age and sex

Agricultural population – Labour Force Survey data. In 2008, the questionnaire and methodological guidelines for the Labour Force Survey were revised in accordance with the latest Eurostat recommendations.

- Share of active population: Answer provided in tables 24d.1 and 24d.2 in Annex 2 – Agricultural Statistics.
- Regional distribution: Answer provided in tables 24d.1 – 24d.5 in Annex 2 – Agricultural Statistics. The Republic Statistical Office has data for new categories: central Serbia, Belgrade and Vojvodina.
- Full-time and part-time work of the agricultural population: Answer provided in tables 24d.1 and 24d.2 in Annex 2 – Agricultural Statistics.
- Distribution by sex and age: Answer provided in tables 24d.1 and 24d.2 in Annex 2 – Agricultural Statistics.

e) Farm incomes for full time farmers (gross added value per annual work unit (AWU)) including comparison with average gross wages of employment outside agriculture

The Republic Statistical Office does not have these data.

f) Contribution of the agricultural sector to Gross National Product (GNP) by region

Answer provided in tables 24f.1 and 24f.2 in Annex 2 – Agricultural Statistics. The data are available only at the level of the Republic of Serbia, for the period of 2000–2008.

g) Area (hectares), yield (ton/hectare) and production (tons) of soft wheat, durum wheat, barley, cereal maize, rye, oats, other cereals, basic or certified seed (varieties mentioned in the annex to Regulation 1234/2007), rape seed, soybeans, sunflower seed, other oilseeds, dried fodder, peas, field beans and sweet lupins, potatoes, turnips, flax and hemp and silkworm (annual production and growing area), sugar beets, rice, fruit and vegetables (by the most important products), bananas, hops, tobacco, cotton, fodder roots, hay (dry and silage) and silage maize area, and live plants/flowers (in value)

Answer provided in tables 24g.1 – 24g.21 in Annex 2 – Agricultural Statistics.

h) Number of livestock, slaughterings, and average carcass weight for calves, male beef cattle, cows, pigs, chicken, other poultry, as well as sheep and goats

- Number of livestock by regions: Answer provided in tables 24h.1.1 – 24h.1.4 in Annex 2 – Agricultural Statistics.
- Number of slaughterings: Answer provided in tables 24h.2.1 and 24h.2.2 in Annex 2 –

Agricultural Statistics.

- i) Number of dairy cows, milk yields, production of milk, deliveries of milk to dairies showing volume and fat content, the distribution of volume of deliveries and number of producers by herd-size category, the volume of direct sales by milk product type and number of producers making direct sales, volume of on-farm consumption of milk indicating separately feed and food use**
- Number of dairy cows, volume of milk used for food or processing and volume of milk used for feed: Answer provided in table 24i.1 in Annex 2 – Agricultural Statistics.
- On-farm milk consumption: Answer provided in table 24i.2 in Annex 2 – Agricultural Statistics.

The Republic Statistical Office does not have the remaining data.

- j) Number of non-dairy cows (other cows) and number of specialised beef cattle, sheep and goats**

Data on the number of other cows and on cattle fattening: Answer provided in table 24j.1 in Annex 2 – Agricultural Statistics. The Republic Statistical Office does not have data on the fattening of sheep and goats.

- k) Degree of self-sufficiency of the principal agricultural products including the main fruit and vegetables, eggs, honey and wool**

Answer provided in table 24k.1 in Annex 2 – Agricultural Statistics.

- l) Market balance sheets for the principal crops (soft wheat, durum wheat, barley, corn maize, rye, oats, other cereals, rape seed, sunseed, soybeans, refined sugar and isoglucose), the principal meats (beef, pork, poultry, as well as sheep and goat meat) and the principal dairy products (butter, skimmed milk powder, whole milk powder, cheese). The balance sheets should include production, domestic use (human consumption, feed use when applicable), imports, exports, beginning and ending**

Answer provided in tables 24l.1 – 24l.13 in Annex 2 – Agricultural Statistics.

- m) Wine (surface of the vineyards and annual production including alcohol and grape must)**

- Surface of the vineyards: Answer provided in tables 24g.1 – 24g.21 in Annex 2 – Agricultural Statistics.
- Wine production (processing in households): Answer provided in table 24m.1 in Annex 2 – Agricultural Statistics.
- Industrial wine production: Answer provided in table 24m.2 in Annex 2 – Agricultural Statistics.

- n) Production of ethyl alcohol of agricultural origin broken down by alcohol-producing product**

The Republic Statistical Office does not have these data.

o) Production and use of certified seeds

The Republic Statistical Office does not have these data.

p) Olive oil; number of olive trees and market prices for each product category, specifying the stage of production and the quality. Please indicate whether a computerised information system such as the Geographical Information System of olive cultivation exists

Not present in the Republic of Serbia.

q) Economic accounts for agriculture

The Republic Statistical Office does not have developed economic accounts for agriculture.

r) Agricultural budget according to measures (support of markets, direct payments, social security, rural development) and total agricultural support

Answer provided in Heading I – HORIZONTAL, under question 1.

**s) Trade flows (volume and value) by product category:
Imports (indicating the amount of preferential trade):**

A. from the EU;

B. from Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Albania, Montenegro and Kosovo;

C. from the rest of the world, specifying the three most important partners.

Exports (indicating the amount of preferential trade):

D. to the EU;

E. to Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Albania, Montenegro and Kosovo;

F. to the rest of the world, specifying the three most important partners.

Data on exports and imports have been prepared under the special trade system (relaxed definition) in order to ensure data comparability with other chapters of the Questionnaire.

- Imports from the EU: Answer provided in table 24s.1.1 in Annex 2 – Agricultural Statistics.
- Imports from Bosnia and Herzegovina, Croatia, Macedonia, Albania and Montenegro: Answer provided in tables 24s.1.2– 24s.1.6 in Annex 2 – Agricultural Statistics.
- Imports from the rest of the world, specifying the three most important trade partners:

Answer provided in tables 24s.1.7– 24s.1.10 in Annex 2 – Agricultural Statistics.

- Exports to the EU: Answer provided in table 24s.2.1 in Annex 2 – Agricultural Statistics.
- Exports to Bosnia and Herzegovina, Croatia, Macedonia, Albania and Montenegro: Answer provided in tables 24s.2.2– 24s.2.6 in Annex 2 – Agricultural Statistics.
- Exports to the rest of the world, specifying the three most important trade partners: Answer provided in tables 24s.2.7– 24s.2.10 in Annex 2 – Agricultural Statistics.

B. Rural development statistics:

25. Rural areas:

- a) Please indicate whether a classification/definition of rural areas exists, and if so, please describe the basis for the classification, and the results across the country.**

There is no official statistical definition of rural areas.

Results of the census of population, households and dwellings are presented by types of settlement according to the “legal” typology of settlements. According to this classification, all settlements are classified as “urban” or “other”. “Urban settlements” are those that are designated as urban settlements by a legal instrument or an agreement of the competent local government unit. “Other settlements” are rural or urban.

- b) Please give the following information for each region of the country for the years 2000–2009 (or most recent year available):**
– per capita GDP

Answer provided in table 25b.1 in Annex 2 – Agricultural Statistics.

Per capita GDP was computed by regions (NUTS 2) for 2009 only.

- % of total workforce employed in agriculture (preferably based on the Labour Force Survey)**

Answered under question 24 d); answer provided in tables 24d.1 and 24d.2 in Annex 2 – Agricultural Statistics.

- value-added per AWU**

The Republic Statistical Office does not have data on value-added per annual work unit (AWU).

- population density per km² and trend in recent years (i. e. is the rural population falling?)**

Answer provided in table 25b.2 in Annex 2 – Agricultural Statistics.

- surface of the environmentally protected areas**

Data on protected natural features are available at the Institute for Nature Conservation of

Serbia, whose core activity is the protection and advancement of Serbian natural heritage.

– **unemployment figures**

Answered under question 24 d); answer provided in tables 24d.1 and 24d.2 in Annex 2 – Agricultural Statistics. Data on the unemployed population are presented by settlement types and levels: central Serbia, Belgrade, Vojvodina.

c) **Please indicate the percentage of the total population which lives in rural areas, and the percentages of the total and rural population having for 2008 or the most recent year available:**

– **piped water (water consumption in agriculture compared to the total consumption)**

Answer provided in tables 25c.1 and 25c.2 in Annex 2 – Agricultural Statistics.

– **mains electricity**

Answer provided in table 25c.2 in Annex 2 – Agricultural Statistics. The source of data is the 2002 census of population, households and dwellings.

– **connection to a sewage system**

Answer provided in table 25c.1 in Annex 2 – Agricultural Statistics. The source of data is the 2002 census of population, households and dwellings.

– **fixed telephone network, or coverage by a mobile telephone network**

According to data on mobile telephone use (2010 survey), 82% of households in the Republic of Serbia use mobile telephones; the rates for urban and rural areas are 87.9% and 73.5%, respectively. The data pertain to households with at least one member between 16 and 74 years of age.

Of the total population of the Republic of Serbia, 82.7% use mobile telephones. The data pertain to persons between 16 and 74 years of age.

– **elementary school education**

Answer provided in table 25c.3 in Annex 2 – Agricultural Statistics. The source of data is the 2002 census of population, households and dwellings.

– **secondary school education**

Answer provided in table 25c.3 in Annex 2 – Agricultural Statistics. The source of data is the 2002 census of population, households and dwellings.

– **advanced level education**

Answer provided in table 25c.3 in Annex 2 – Agricultural Statistics. The source of data is the 2002 census of population, households and dwellings.

26. National statistics concerning:

a) Compensatory allowances:

– Hill and mountain areas: number of holdings, Utilised Agricultural Area (UAA) and the number of livestock units (LU) in the following three categories:

- 1. Altitudes >800 m;**
- 2. Slopes >20 % (below 800 m);**
- 3. Altitudes between 600 m and 800 m and slopes > 15%.**

– Areas with significant handicaps:

- 1. Areas where the yields of grass or cereals are <80 % of the national average: number of holdings, total UAA and total LUs;**
- 2. Areas where key economic indicators (e.g. value added, gross and net income per farm and per AWU, etc.) are below the national average: number of farmers, total UAA and total LUs.**

b) Investment: number and proportion of holdings where the income per AWU is < 1.2 times the average of non-agricultural workers in the area and which provide at least 50% of the holder's total farm income.

c) Young farmers and early retirement: Age profile of farm holders by five-year bands, including the number under 40 years old and numbers in receipt of any retirement benefits.

d) Producer groups:

- % of production by value that is handled by producer groups for each of the main sectors of production. Give details for the fruit and vegetable sector;**
- % of holdings that are members of producer groups in each sector. Give details for the fruit and vegetable sector.**

e) Marketing and processing:

- for each of the main sectors give:**
 - 1. % of output that is processed and existing processing capacity;**
 - 2. forecast increase in the proportion processed and in capacity over the next ten years.**
- for each of the main sectors specify: capacity in need of modernisation.**

The Republic Statistical Office does not have the data referred to in question 26.

27. Please explain your preparation for the census in the area of agriculture and its financing.

The Republic Statistical Office is preparing for the census of agriculture as part of the IPA 2007 project Europe Aid/126969/C/SER/YU. Census instruments (questionnaire and guidelines) are aligned with Regulation (EC) No. 1166/2008, its implementation guidelines and the World Programme for the Census of Agriculture 2010 (FAO – UN).

The National Assembly of the Republic of Serbia passed the Law on the Census of Agriculture 2011 towards the end of 2009 (Official Gazette of RS No. 104/2009).

With a view to testing the methodological and organisational principles of the census, the pilot census of agriculture (1–15 December 2009) and pre-test of the census of agriculture (2–16 November 2010) were carried out.

The census is being promoted and its methodological and organisational principles are being finalised.

Under the Law on the Census of Agriculture 2011, funding in the amount of EUR 16 million is foreseen. A direct grant should cover 59% of the total sum (EUR 9.5 million), while the remaining 41% (EUR 6.6 million) should be provided from the national budget.