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## Serbia/Montenegro

### Grain and Feed

### Grain and Feed Annual Report

## 2007

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**Report Highlights:**

Area planted to wheat in Serbia in MY2007/08 is estimated at 556,000 HA, up 3 percent, while total production is projected at 2.1 million MT, 12 percent higher than the previous year. Still functioning under a continuing resolution budget, the caretaker government has yet to announce any support measures for wheat or other crops this year. Planting intention for corn in MY07/08 is estimated at 1.3 million HA, with production projected at 6.63 million MT. Serbian corn exports in CY 2006 reached their highest level in several years, at 1.351 million MT and continue to be strong in 2007. Local prices of wheat, corn and barley rose drastically in most of 2006 and 2007, with year-to-year increases estimated at 56,64, and 70 percent, respectively, for these commodities. A new project was announced last October to build a bio-ethanol plant in northern Serbia with production capacity of 680,000 MT of fuel ethanol, which will use wheat and corn feedstock.

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Includes PSD Changes: Yes  
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Annual Report  
Belgrade [YU1]  
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## Executive Summary

Area planted to wheat in Serbia in MY2007/08 is estimated at 556,000 HA, up 3 percent, while total production is projected at 2.1 million MT, an increase of 12 percent over production level in the previous year. The caretaker government is currently functioning under a continuing resolution budget and has yet to announce any production and price support measures for wheat or other field crops this year. Wheat quality of the MY06/07 crop was reportedly good and total wheat exports for the marketing year was estimated at 93,000 MT. Local wheat prices rose sharply during most of 2006 and 2007, with year-to-year increases estimated at 56 percent.

Corn planting intention for MY07/08 is estimated at 1.3 million HA, with total corn production projected at 6.63 million MT. Total Serbian corn exports in CY 2006 reached 1.351 million MT, the highest level in many years, and continue to be strong in 2007. Local corn prices increased drastically in most 2006 and early 2007, with year-to-year increases estimated at 64 percent. In MY06/07 barley harvested area is estimated at 104,000 HA, 5 percent lower than area harvested in the previous year. For MY 2007/08, total area planted to barley is estimated about 102,000 HA, of which 72,000 HA winter barley has been already planted in fall 2006. An additional 30,000 HA of spring barley will be planted during March and April.

A Hungarian-U.S. consortium has announced its intention to build an ethanol plant in the town of Zrenjanin in northern Serbia with production capacity of 680,000 MT of fuel ethanol that will use wheat and corn as feedstock. The state-of-art facility is reportedly to be completed by the end of 2009 and could process up to one million tons of wheat and 500,000 tons of corn annually into ethanol. It will also produce about 400,000 tons of animal feed (distilled dry grain) and 100,000 tons of organic fertilizer.

## 1. Wheat

### 1.1 Production

Area planted to wheat for the 2007 crop in Serbia is estimated at 556,000 HA, about 3 percent higher than area planted in the previous year. About 289,000 HA were planted in the Vojvodina region and 267,000 HA in Central Serbia. Planting of half of the wheat area in fall 2006 was delayed by almost a month due to a late harvest of corn because of an extended long growing season. It is estimated that about 50 percent of the new wheat crop was planted later than the optimal planting date. Total area planted with spring wheat is estimated at 30,000 HA.

Weather conditions were good for wheat development during most of the winter with temperatures staying above the normal seasonal level and a lack of snowfalls during January and February. The Novi Sad Institute for Crops and Vegetables reports that over 95 percent of the wheat crop is currently in good condition and about 2-3 percent of the crop has suffered some damage because of rodent infestations due to the warm and dry weather conditions. It is estimated that moisture deficit is about 25 percent. This is not a serious concern for the time being, especially with heavy rainfalls in the third week of March that refilled the soil and alleviated concerns that lack of soil moisture may cause some stress to the wheat crop throughout the rest of growing season.

Total wheat production for MY07/08 is projected to be around 2.1 million MT, about 12 percent higher than the previous year. The average yield is projected to be 4.2 MT/HA for the Vojvodina region and about 3.5 MT/HA for the rest of Serbia. However, actual yield and total production estimates will eventually depend on growing weather conditions in the coming months.

## Production Inputs

Serbia's average consumption of planting seeds is estimated at 200-250,000 MT annually. The annual production of wheat seeds is estimated to be between 130,000 and 140,000 MT, mostly controlled by two local seed producing institutes. About 65 percent of the wheat seeds requirement is commercially produced, while 35 percent is non-selected seed varieties, mainly from the previous crops, used by small farmers with limited financial resources who cannot afford to buy certified seeds.

Wheat farmers started their applications of mineral fertilizers this year in February and are expected to end in early April. The parity price of mineral fertilizers this year is about 1 kilo of fertilizers for 1.8 kilos of wheat, while market prices range between 14,000 (\$233) and 23,000 (\$383) dinars per MT. Due to the current budget situation, the Ministry of Agriculture has yet to announce its policy to provide production support to farmers in the form of diesel fuel and fertilizers subsidies as was the case in previous years. Last year, the Ministry of Agriculture set aside 300 million dinars (\$4.2 million) to subsidize fertilizer purchases and farmers were reimbursed for 30 percent of their total fertilizer costs, with a maximum rate of 1,000 dinars per hectare. Wheat farmers were also provided with 40 liters/hectare of diesel fuel at a subsidized price of 16 dinars/liter (\$0.26).

### 1.2 Policy

#### Government support programs

The Serbian government, at the present time, is in caretaker status following the January elections that returned a majority of seats to the democratic parties. With the resignation of the Agriculture Minister last year, the policymaking and day-to-day activities of the Ministry have been coordinated by the Minister of Economic Cooperation. The Ministry of Agriculture is currently functioning under a continuing resolution (CR) budget and has not announced any subsidy or price support programs for wheat and other field crops for this year. With the expectation of forming a coalition government in the coming weeks, Serbian farmers and agribusiness groups have intensified lobbying for the re-installation of government price support and other subsidy programs.

In previous years, the Ministry of Agriculture paid 5,000 dinars (70 USD/MT) per hectare for wheat price support and provided support of 750 dinars (11 USD/MT) per ton for wheat storage as well as low interest commercial loans to qualified farmers. These included providing short and long-term low interest commercial loans for registered producers. In 2006, the Serbian Government set aside about \$50 million, of which \$22 millions were for short-term loans and \$28 millions for long-term loans. The short-term loans are used for farmer's preparation for the new planting season and purchasing of necessary agriculture inputs. The amount of short-term loans depends on farm size. For farm size up to one hectare the loan is 12,000 dinars (\$170); for farm sized from one to five HA a farmer can get a loan of maximum 60,000 dinars (\$850); for farm sizes between 5 HA and 10 HA loans are up to 120,000 dinars (\$1,700); and for farm sizes above 10 HA loans are up to 240,000 dinars (\$3,200). Loans are given for a period of 12 months, with an interest rate of 5% and 1% administrative fees.

In addition to offering low interest loans to farmers through commercial banks, the Ministry of Agriculture announced last year that it would set aside \$28 million in CY 2006 agriculture budget to support new investments in building grain silos, storage facilities and purchasing agriculture machinery and equipment. Through this measure, farmers are eligible to receive a subsidy of 30-50 percent of costs depending on the size of the investment. It must be

noted that these government support measures are available only to registered farmers who account for about 22 percent of all farmers. The majority of the 570,000 farmers in Serbia are still unregistered and thus not eligible to receive benefits under these government support measures.

#### Warehouse Receipt System

In February 2006, the first stage of a new project to establish a warehouse receipt system (WHR) was launched with financial supports provided from the USAID technical assistance program in Serbia. The main objective of the WHR system is to enable the Serbian farmers to use receipts of grain stocks deposited at government approved storage facilities as collateral to obtain loans from commercial banks. The Ministry of Agriculture has drafted a new legislation for the WHR, but the legislation has not been discussed or approved by the parliament. The continuation of further USAID support to this project is conditional on the approval of the WHR legislation. The Ministry of Agriculture will eventually have a major role in managing and operating the WHR system and setting up an indemnity fund. When it is fully operational, the WHR system should help improve Serbia's grain marketing both in local and foreign export markets. The WHR system should also benefit from a market information system (MIS) that has been established under the USDA technical assistance program in Serbia to help farmers to efficiently function under a market oriented economy. The MIS is designed to collect price information in various agricultural commodities, including grains, and disseminate these prices throughout Serbia via a network of electronic, broadcasts and electronic media.

### 1.3 Consumption

Total domestic wheat consumption in Serbia is estimated at about 1.8-2 million MT annually. Wheat for human consumption is estimated at 1.3 million MT annually and per capita consumption is 180 kilos, significantly higher than consumption in most European countries. At the present time, there are 340 wheat silos (of various sizes) in Serbia owned by milling companies, grain traders and farmer cooperatives. The total capacity of these silos is estimated at 3.8 million tons. Wheat milling capacity is estimated at about 2.5 million tons, but only 60 percent of this capacity is currently utilized. There are 120 industrial bread production facilities in addition to a large number of registered bakeries (1,700) with annual capacity of about 1.5 million tons. There are six large companies involved in pasta production and over 600 small private pasta producers in Serbia.

Feed consumption, mostly for cattle, varies between 150-250,000 MT, depending on the quality of the crop in a given year. Planting seed consumption is estimated around 200,000 MT per year.

#### Quality

The overall quality of the MY 06/07 wheat crop was reportedly good. According to an existing Serbian rulebook for grain quality, flour, baked goods and pasta there are three quality parameters: the hectoliter weight, moisture content and the percentage of foreign materials. A new rulebook for wheat is currently being drafted that will include a number of additional quality parameters in accordance with EU and ISO standards. At the present time, there is only one wheat flourmill in Serbia, Zitko in Backa Palanka, which is performing internal control and testing for more than three quality parameters using its own laboratory. Zitko Co. makes its wheat purchase contracts based on additional parameters such as protein, energy equivalent of 60 and above, sedimentation, falling numbers, and starch content. The Yugoslav Grain Association has estimated the average values for the MY06/07 crop and the results are summarized in the following table:

| Parameter              | Standard Serbian wheat quality for export | Average values of Serbian MY 2006 wheat crop |
|------------------------|---|--|
| Hectoliter Weight      | Min. 78 Kg/hl                             | 80 kg  |
| Moisture               | Max. 14 %                                 | 13 % and lower                               |
| Proteins               | Min 11.5 %                                | 12 - 12.5 %                                  |
| Foreign Materials      | max. 4 % (non-organic max. 0.5 %)         | 2-4 % (non-organic max. 0.5 %)               |
| Hagberg Falling Number | Min. 240                                  | 280 - 300                                    |
| Alveogram W            | Min. 180                                  | 180  |
| Wet Gluten Content     | Min. 25 %                                 | 29   |

Source: Yugoslav Grain Association

#### 1.4 Stocks

State owned wheat reserves are estimated at around 275,000 MT, about two months of wheat consumption needs in Serbia. Small wheat producers are usually forced to sell their crop to traders and milling companies right after harvest. The milling companies use to their advantage the fact that they own storage silos and can negotiate better prices with farmers. However, with government intervention through providing storage subsidies, a large number of wheat farmers have decided to store part of their wheat production themselves to sell in later months when wheat prices are more advantageous.

#### 1.5 Trade

Serbian wheat exports in MY 06/07 totaled 91,700 MT mostly to Bosnia and Herzegovina, Montenegro, Macedonia and small quantities to EU countries. In the last two years, Serbia has been less competitive in wheat export markets due to a strategic government shift to provide support to industrial crops such as sunflower seeds, soybeans and sugar beets instead of supporting wheat. In MY06/07, Serbian wheat imports were insignificant amount of 45 MT, with 24 MT from Croatia and 21 MT of durum wheat from Hungary. Most of Serbia's wheat trade is done through the Romanian Black Sea port of Consantza and then transported through the Danube River by vessels and barges.

For MY07/08, industry analysts predict that Serbian wheat exports will be higher than in MY06/07 but they foresee that Serbia could import some limited quantities of high quality milling and durum wheat. The largest Serbia wheat imports in the last ten years were in MY2003/04 (a drought year) when Serbia imported 127,000 MT, of which 67,000 MT SRW from the U.S.

#### 1.6 Prices

For most of CY 2006, prices of milling wheat in Serbia were steadily rising mainly due to lack of availability of wheat in the local markets as well as increasing pressure from high world market prices. During the year, average monthly prices in the local markets increased by 56 percent, from \$117/MT in January to \$162/MT in December. Prices remained relatively stable throughout the summer and increased sharply toward the end of the year. In March 2007, due to the rising world prices and speculation about the size of the new MY07/08 wheat crop, average wheat price ex-silo reached \$188/MT, an increase of 60 percent on year-to-year basis.

## 2. Corn

### 2.1 Production

Estimate of area planted to corn in Serbia in MY06/07 has been revised at 1.17 million HA, about 6 percent lower than the area planted in the previous year. Total production is estimated at 6.415 million MT, while average yield is estimated at 5.48 MT/HA. Planting intention for the MY 07/08 corn is projected at 1.3 million HA, about 10 percent larger than area planted in the previous year. It is estimated that about 100,000 HA of the increased area is due to an expectation of additional demand for corn as feedstock for a new fuel ethanol production plant in northern Serbia. The corn area accounts for about 40 percent of planted area of all field crops in Serbia.

Corn planting in Serbia normally starts in the first week of April and lasts until the beginning of May. This year, due to an abnormally warm weather and lack of snowfalls in the winter, farmers started sowing corn about 20 days earlier than the optimal planting time, the earliest corn-planting season in 50 years. Corn farmers were advised to plant seeds much deeper in the soil to adjust for low soil moisture and anticipated hot weather during the growing season. Agricultural analysts, however, do not foresee that the dry field conditions will have significant impact on corn yield, provided that there are normal rainfalls throughout the growing season. Experts predict that total corn production for MY07/08 could reach is forecast at 6.55 million MT, assuming an average yield of 5.1 MT per hectare.

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

#### Inputs

Serbia's requirements of commercial seed corn are estimated between 23,000 and 26,000 MT annually, depending on seed varieties and the area planted. As in the case with wheat, due to the budget CR situation, the Ministry of Agriculture has not yet announced its policy to provide production support to corn farmers e.g. diesel fuel and fertilizers subsidies as was the case in the previous year. Last year, the Ministry of Agriculture set aside 300 million dinars (\$4.2 million) to subsidize fertilizer purchases and farmers were reimbursed for 30 percent of their total fertilizer costs, with a maximum rate of 1,000 dinars per hectare. Corn farmers were also given about 40 liters/hectare of diesel fuel at a subsidized price of 16 dinars/liter (\$0.26).

There are two major players in the corn seed production business in Serbia: the state-owned Institute for Field and Vegetable Crops of Novi Sad (NS Hybrids) and the Maize Research Institute of Zemun Polje (ZP Hybrids). They currently control 45 and 38 percent, respectively, of the corn seed market in Serbia. In 2003, Pioneer Hi-Bred and the German company KWS entered the Serbian seed market and their market share has grown significantly. Pioneer, together with a local distributor Delta M, increased its share from 5 percent in 2003 to 15 percent in 2006. The KWS-Serbia has also increased its market share from 2 percent in 2004 to 5 percent in 2006.

## 2.2 Policy

### Government Support Programs

The Serbian Ministry of Agriculture has not yet announced any subsidy or other production support programs for corn this year. See the wheat policy section for more details.

## 2.3 Consumption

Total domestic corn consumption is estimated at about 5.4-5.6 million MT annually. In the past three years, corn consumption in Serbia increased by 9 percent, due to growing demand by beef and dairy cattle producers. About 80 percent of total corn consumption is used for animal feed, while the rest is used for human consumption, alcohol and starch production. There are two main starch production factories currently operating in Serbia with total annual processing capacity of 140,000 MT of corn. Serbian corn consumption could increase drastically if a new project announced last year to build a bio-ethanol plant with annual production capacity of 680,000 MT becomes a reality.

### New Plan for Bio-Ethanol Production in Serbia

A Hungarian-U.S. consortium has signed a contract to build a bio-ethanol plant in the town of Zrenjanin in northern Serbia with a capacity of 680,000 MT (227 million gallons) of fuel ethanol annually. The state-of-art facility is expected to be completed by the end of 2009 and would process about one million tons of wheat and 500,000 tons of corn annually into ethanol. It will also produce about 400,000 tons of animal feed (distilled dry grain) and 100,000 tons of organic fertilizers. Given the current Serbian wheat and corn production, providing feedstock for the bio-ethanol plant would be a challenge and could have a very significant impact on consumption and export situation for both corn and wheat in Serbia. The proposed ethanol plant, if and when operational, would account for about 10 percent of total Serbia corn and almost half of wheat production.

## 2.4 Stocks

In MY2006/07 total corn stocks were estimated at 444,000 MT, lower than normal levels due to large exports. Most of these stocks are kept on farms in open-air storages to be naturally dried. These stocks are normally offered for sales in local markets starting in March.

## 2.5 Trade

Serbia is a net corn exporter. With large corn crops in three consecutive years, Serbia has become the largest corn exporter in the region. In MY2005/06, its corn exports totaled 1.305 million MT, about 47 percent increase over exports in the previous year. Corn exports in MY06/07 are expected to be slightly higher than MY05/06, at 1.315 million MT. Serbian corn export in CY 2006 are estimated at 1.351 million MT, compared to 813,000 MT in CY2005. EU countries were the main export destinations for Serbian corn exports in 2006, followed by Bosnia-Herzegovina, Macedonia and Albania. In CY 2006, corn was the leading Serbian agricultural export commodity, second only to steel as the overall leading export commodity in 2006. Corn exports continued to be strong in CY 2007, with exports in February worth \$20.5, surpassing steel exports during that month. The Romanian Black Sea port of Constanza is the main outlet for Serbian corn exports, especially to Spain, Italy and Portugal, while export shipments to Bosnia-Herzegovina, Macedonia and Albania usually go by trucks and railways.

Serbia is also a net exporter of hybrid corn seeds. In CY2006, Serbian corn seed exports totaled 4,517 MT, mainly to Russia, Ukraine, Macedonia, Bosnia and Montenegro. In the same year, Serbia imported 1,545 MT of certified corn seeds, mostly from Romania, Bosnia, Hungary and Croatia. About 4 percent of Serbia's imported seed (60 MT) came from the U.S. Romania accounts for about 35 percent of Serbia's total corn seed imports. It is likely that a significant portion of these seeds from Romania is re-exports of U.S. origin seeds.

## 2.6 Prices

For most of CY 2006, corn prices in Serbia were steadily rising due mostly to low supplies in the local markets, increased demand for exports and pressure from rising prices in world markets. During 2006, average corn prices in the local markets increased by 64 percent, from \$86/MT in February to \$141/MT. In 2007, corn prices continued to rise until the end of February, reaching \$175/MT for artificially dried corn, and then started to slowly decline. Average corn price in the local markets in late March dropped to about \$163/MT. Local corn prices and are expected to further decline in the coming months when more supplies of naturally dry (16-17 percent moisture) corn stocks will be available. Even with such high local market prices, Serbian corn exports have been very competitive in the EU and regional markets, reaching record levels in MY06/07. Hungarian corn prices (FOB Danube) averaged \$167/MT in March. Fobbing cost for the Serbian corn, on average, is about \$5 per MT.

## 3. Barley

### 3.1 Production

Barley is a secondary grain crop in Serbia. Area planted to barley has been steadily declining and ranged between 100,000 and 130,000 HA in the last five years. Total production varied between 375,000 and 450,000 MT annually. In MY06/07 barley harvested area is estimated at 104,000 HA, or about 5 percent lower than area harvested in the previous year. Total production is estimated at 375,000 MT with average yield of 3.6 MT/HA.

For MY 2007/08, area planted is projected to be about 102,000 HA, of which 72,000 HA of winter barley has been already planted in fall 2006. An additional 30,000 HA of spring barley will be planted during March and April. It is projected that average yield will be close to 3 MT/HA and total barley production could reach 310,000 MT. The Novi Sad Institute for Crops and Vegetables reports that over 95 percent of the planted barley is in good growing conditions.

#### Inputs

Barley farmers started their applications of mineral fertilizers this year in February, much earlier than usual due to warm weather conditions and a lack of snow, and expected to end in early April. The market prices of mineral fertilizers this year range between 14,000 dinars (\$233) and 23,000 dinars (\$383) per MT. Last year, the Ministry of Agriculture provided production support to barley farmers in the form of diesel fuel and fertilizer subsidies.

### 3.2 Policy

#### Government Support Program

In 2006, the Serbian Ministry of Agriculture did not provide any price support for the barley crop. Other production support measures were similar to those provided to farmers of other crops through low interest rate loans, subsidized fuel and fertilizers and supporting

investments for building new silos, and purchasing new agriculture mechanization. The Serbian Ministry of Agriculture has not yet announced any subsidy or other production support programs for barley this year. See the wheat policy section for more details.

### 3.3 Consumption

Barley consumption in Serbia in the last few years ranged between 400- 450,000 MT, of which 300-320,000 MT is for animal feed and about 100-130,000 MT is brewery barley. Consumption of brewery barley has been rising due to increased demand from newly operational breweries following successful privatization efforts of old Serbian breweries. Local breweries have been sold to several well-known Belgian, German, Austrian and Turkish companies. Barley used for breweries is now planted on almost 30 percent of total area in Serbia and is continuing to expand every year. Barley for feed currently accounts for 70 percent of total barley produced in Serbia and declining due to its low profitability.

### 3.4 Stocks

Barley stocks in MY2006/07 are estimated at 54,000 MT, slightly above Serbian average but lower than the MY2004/05 level (79,000 MT) that followed a record high crop in that year.

### 3.5 Trade

Feed barley is not very significant in the overall Serbia's grain trade. However, with the privatization of Serbian breweries that started in 2003, imports of brewery barley have been steadily rising. In CY2006, total brewery barley imports was estimated 22,022 MT, compared to 9,783 MT in CY 2005. Most of these imports came from Czech Republic, Austria, Germany, Hungary and Slovakia. Total Serbian barley exports in CY2006, mostly seed barley was estimated at 7,732 MT and mainly to Bosnia and Herzegovina, Albania, Montenegro and Croatia.

### 3.6 Prices

Feed barley prices usually follow wheat prices, while brewing barley prices are generally about 20 percent higher. For most of CY 2006, barley prices in the local markets were steadily rising, with an average price of 10,690 dinars/MT (\$178/MT) December, about 55 percent increase over the price level in January. Barley prices continued their sharp rise in 2007 and reached their peak in February at 12,560 dinars/MT (\$206/MT). This represents an increase of over 80 percent in year-to-year prices in local currency and about 110 percent increase in dollar term. Market prices dropped slightly in late March and are expected to continue declining slowly during spring and stabilize thereafter.

## 4. Statistical Tables – Wheat

## 4.1 PSD Table Wheat

| <b>PSD Table</b>         |                  |                         |                  |                         |                  |                         |
|--------------------------|------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|
| <b>Country</b>           | <b>Serbia</b>    |                         |                  |                         |                  |                         |
| <b>Commodity</b>         | <b>Wheat</b>     |                         |                  |                         |                  |                         |
|                          | 2005             |                         | 2006             |                         | 2007             |                         |
|                          | USDA<br>Official | Post<br>Estimate<br>New | USDA<br>Official | Post<br>Estimate<br>New | USDA<br>Official | Post<br>Estimate<br>New |
| <b>Market Year Begin</b> |                  | 07/2005                 |                  | 07/2006                 |                  | 07/2007                 |
| Area Harvested           | 540              | 540                     | 530              | 543                     | 0                | 556                     |
| Beginning Stocks         | 568              | 568                     | 438              | 438                     | 313              | 333                     |
| Production               | 2008             | 2011                    | 1800             | 1875                    | 0                | 2100                    |
| MY Imports               | 19               | 19                      | 25               | 0                       | 0                | 5                       |
| TY Imports               | 19               | 19                      | 25               | 0                       | 0                | 5                       |
| TY Imp. from U.S.        | 0                | 0                       | 0                | 0                       | 0                | 0                       |
| Total Supply             | 2595             | 2598                    | 2263             | 2313                    | 313              | 2438                    |
| MY Exports               | 157              | 157                     | 150              | 93                      | 0                | 140                     |
| TY Exports               | 157              | 157                     | 150              | 93                      | 0                | 140                     |
| Feed Consumption         | 300              | 303                     | 150              | 177                     | 0                | 180                     |
| FSI Consumption          | 1700             | 1700                    | 1650             | 1710                    | 0                | 1780                    |
| Total Consumption        | 2000             | 2003                    | 1800             | 1887                    | 0                | 1960                    |
| Ending Stocks            | 438              | 438                     | 313              | 333                     | 0                | 338                     |
| Total Distribution       | 2595             | 2598                    | 2263             | 2313                    | 0                | 2438                    |
| Yield                    | 3.718519         | 3.724074                | 3.396226         | 3.453039                | 0                | 3.776978                |

## 4.2 Export Trade Matrix Wheat

| <b>Export Trade Matrix</b> |               |        |      |
|----------------------------|---------------|--------|------|
| <b>Country</b>             | <b>Serbia</b> |        |      |
| <b>Commodity</b>           | <b>Wheat</b>  |        |      |
| Time Period                | Jan-Dec       | Units: | MT   |
| Exports for:               | 2006          |        | 2007 |
| U.S.                       |               | U.S.   |      |
| Others                     |               | Others |      |
| Bosnia-Herz                | 32,272        |        |      |
| Montenegro                 | 15,894        |        |      |
| Macedonia                  | 5,236         |        |      |
|                            |               |        |      |
|                            |               |        |      |
|                            |               |        |      |
|                            |               |        |      |
|                            |               |        |      |
| Total for Others           | 53402         |        | 0    |
| Others not Listed          | 4,116         |        |      |
| Grand Total                | 57518         |        | 0    |

## 4.3 Import Trade Matrix Wheat

| <b>Import Trade Matrix</b> |         |        |      |
|----------------------------|---------|--------|------|
| <b>Country</b>             | Serbia  |        |      |
| <b>Commodity</b>           | Wheat   |        |      |
| Time Period                | Jan-Dec | Units: |      |
| Imports for:               | 2006    |        | 2007 |
| U.S.                       |         | U.S.   |      |
| Others                     |         | Others |      |
| Croatia                    | 25      |        |      |
| Hungary                    | 21      |        |      |
|                            |         |        |      |
|                            |         |        |      |
|                            |         |        |      |
|                            |         |        |      |
|                            |         |        |      |
|                            |         |        |      |
| Total for Others           | 46      |        | 0    |
| Others not Listed          |         |        |      |
| Grand Total                | 46      |        | 0    |

## 4.4 Price Table for Wheat

| <b>Prices Table</b> |           |                      |          |
|---------------------|-----------|----------------------|----------|
| <b>Country</b>      | Serbia    |                      |          |
| <b>Commodity</b>    | Wheat     |                      |          |
| Prices in           | US\$      | per uom              |          |
|                     |           |                      |          |
| Year                | 2006      | 2007                 | % Change |
| Jan                 | 117       | 183                  | 56%      |
| Feb                 | 114       | 184                  | 61%      |
| Mar                 | 125       | 188                  | 50%      |
| Apr                 | 136       |                      | -100%    |
| May                 | 132       |                      | -100%    |
| Jun                 | 133       |                      | -100%    |
| Jul                 | 140       |                      | -100%    |
| Aug                 | 136       |                      | -100%    |
| Sep                 | 143       |                      | -100%    |
| Oct                 | 148       |                      | -100%    |
| Nov                 | 164       |                      | -100%    |
| Dec                 | 162       |                      | -100%    |
|                     |           |                      |          |
| Exchange Rate       | 61        | Local Currency/US \$ |          |
| Date of Quote       | 3/26/2007 | MM/DD/YYYY           |          |

## 5. Statistical Tables – Corn

## 5.1 PSD Table Corn

| <b>PSD Table</b>         |                  |                         |                  |                         |                  |                         |
|--------------------------|------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|
| <b>Country</b>           | <b>Serbia</b>    |                         |                  |                         |                  |                         |
| <b>Commodity</b>         | <b>Corn</b>      |                         |                  |                         |                  |                         |
|                          | 2005             |                         | 2006             |                         | 2007             |                         |
|                          | USDA<br>Official | Post<br>Estimate<br>New | USDA<br>Official | Post<br>Estimate<br>New | USDA<br>Official | Post<br>Estimate<br>New |
| <b>Market Year Begin</b> |                  | 10/2005                 |                  | 10/2006                 |                  | 10/2007                 |
| Area Harvested           | 1220             | 1220                    | 1250             | 1170                    | 0                | 1300                    |
| Beginning Stocks         | 718              | 718                     | 444              | 640                     | 244              | 392                     |
| Production               | 6600             | 6600                    | 6600             | 6415                    | 0                | 6550                    |
| MY Imports               | 0                | 7                       | 0                | 2                       | 0                | 0                       |
| TY Imports               | 0                | 7                       | 0                | 2                       | 0                | 0                       |
| TY Imp. from U.S.        | 0                | 0                       | 0                | 0                       | 0                | 0                       |
| Total Supply             | 7318             | 7325                    | 7044             | 7057                    | 244              | 6942                    |
| MY Exports               | 1274             | 1305                    | 1200             | 1315                    | 0                | 1100                    |
| TY Exports               | 1274             | 1305                    | 1200             | 1315                    | 0                | 1100                    |
| Feed Consumption         | 5400             | 5200                    | 5300             | 5150                    | 0                | 5300                    |
| FSI Consumption          | 200              | 180                     | 300              | 200                     | 0                | 220                     |
| Total Consumption        | 5600             | 5380                    | 5600             | 5350                    | 0                | 5520                    |
| Ending Stocks            | 444              | 640                     | 244              | 392                     | 0                | 322                     |
| Total Distribution       | 7318             | 7325                    | 7044             | 7057                    | 0                | 6942                    |
| Yield                    | 5.409836         | 5.409836                | 5.28             | 5.482906                | 0                | 5.038462                |

## 5.2 Export Trade Matrix Corn

| <b>Export Trade Matrix</b> |               |        |      |
|----------------------------|---------------|--------|------|
| <b>Country</b>             | <b>Serbia</b> |        |      |
| <b>Commodity</b>           | <b>Corn</b>   |        |      |
| Time Period                | Jan-Dec       | Units: | MT   |
| Exports for:               | 2006          |        | 2007 |
| U.S.                       | 0             | U.S.   |      |
| Others                     |               | Others |      |
| EU                         | 615987        |        |      |
| Bosnia-Herzegovina         | 207045        |        |      |
| Italy                      | 175226        |        |      |
| Spain                      | 70519         |        |      |
| Germany                    | 54142         |        |      |
| Macedonia                  | 42494         |        |      |
| Albania                    | 35620         |        |      |
| Cyprus                     | 25037         |        |      |
| Portugal                   | 21238         |        |      |
| Montenegro                 | 14013         |        |      |
| Total for Others           | 1261321       |        | 0    |
| Others not Listed          | 84674         |        |      |
| Grand Total                | 1345995       |        | 0    |

## 5.3 Import Trade Matrix Corn

| <b>Import Trade Matrix</b> |         |        |      |
|----------------------------|---------|--------|------|
| <b>Country</b>             | Serbia  |        |      |
| <b>Commodity</b>           | Corn    |        |      |
| Time Period                | Jan-Dec | Units: | MT   |
| Imports for:               | 2006    |        | 2007 |
| U.S.                       | 62      | U.S.   |      |
| Others                     |         | Others |      |
| Romania                    | 415     |        |      |
| Croatia                    | 291     |        |      |
| Bosnia                     | 247     |        |      |
| EU                         | 133     |        |      |
| Hungary                    | 122     |        |      |
|                            |         |        |      |
|                            |         |        |      |
|                            |         |        |      |
|                            |         |        |      |
| Total for Others           | 1208    |        | 0    |
| Others not Listed          | 275     |        |      |
| Grand Total                | 1545    |        | 0    |

## 5.4 Price Table for Corn

| <b>Prices Table</b> |           |                      |          |
|---------------------|-----------|----------------------|----------|
| <b>Country</b>      | Serbia    |                      |          |
| <b>Commodity</b>    | Corn      |                      |          |
| Prices in           | US\$      | per uom              | MT       |
|                     |           |                      |          |
| Year                | 2006      | 2007                 | % Change |
| Jan                 | 93        | 173                  | 86%      |
| Feb                 | 92        | 175                  | 90%      |
| Mar                 | 94        | 163                  | 73%      |
| Apr                 | 103       |                      | -100%    |
| May                 | 111       |                      | -100%    |
| Jun                 | 115       |                      | -100%    |
| Jul                 | 119       |                      | -100%    |
| Aug                 | 119       |                      | -100%    |
| Sep                 | 120       |                      | -100%    |
| Oct                 | 106       |                      | -100%    |
| Nov                 | 119       |                      | -100%    |
| Dec                 | 140       |                      | -100%    |
|                     |           |                      |          |
| Exchange Rate       | 61        | Local Currency/US \$ |          |
| Date of Quote       | 3/26/2007 | MM/DD/YYYY           |          |

## 6. Statistical Table – Barley

## 6.1 PSD Table Barley

| <b>PSD Table</b>         |                  |                         |                  |                         |                  |                         |
|--------------------------|------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|
| <b>Country</b>           | <b>Serbia</b>    |                         |                  |                         |                  |                         |
| <b>Commodity</b>         | <b>Barley</b>    |                         |                  |                         |                  |                         |
|                          | 2005             |                         | 2006             |                         | 2007             |                         |
|                          | USDA<br>Official | Post<br>Estimate<br>New | USDA<br>Official | Post<br>Estimate<br>New | USDA<br>Official | Post<br>Estimate<br>New |
| <b>Market Year Begin</b> |                  | 07/2005                 |                  | 07/2006                 |                  | 07/2007                 |
| Area Harvested           | 130              | 109                     | 120              | 104                     | 0                | 102                     |
| Beginning Stocks         | 15               | 15                      | 10               | 14                      | 5                | 18                      |
| Production               | 450              | 407                     | 450              | 375                     | 0                | 310                     |
| MY Imports               | 0                | 11                      | 0                | 22                      | 0                | 25                      |
| TY Imports               | 0                | 11                      | 0                | 22                      | 0                | 25                      |
| TY Imp. from U.S.        | 0                | 0                       | 0                | 0                       | 0                | 0                       |
| Total Supply             | 465              | 433                     | 460              | 411                     | 5                | 353                     |
| MY Exports               | 5                | 6                       | 5                | 8                       | 0                | 5                       |
| TY Exports               | 5                | 6                       | 5                | 8                       | 0                | 5                       |
| Feed Consumption         | 350              | 305                     | 350              | 280                     | 0                | 233                     |
| FSI Consumption          | 100              | 108                     | 100              | 105                     | 0                | 105                     |
| Total Consumption        | 450              | 413                     | 450              | 385                     | 0                | 338                     |
| Ending Stocks            | 10               | 14                      | 5                | 18                      | 0                | 10                      |
| Total Distribution       | 465              | 433                     | 460              | 411                     | 0                | 353                     |
| Yield                    | 3.461538         | 3.733945                | 3.75             | 3.605769                | 0                | 3.039216                |

## 6.2 Export Trade Matrix Barley

| <b>Export Trade Matrix</b> |               |        |      |
|----------------------------|---------------|--------|------|
| <b>Country</b>             | <b>Serbia</b> |        |      |
| <b>Commodity</b>           | <b>Barley</b> |        |      |
| Time Period                | Jan-Dec       | Units: |      |
| Exports for:               | 2006          |        | 2007 |
| U.S.                       |               | U.S.   |      |
| Others                     |               | Others |      |
| Bosnia                     | 5050          |        |      |
| Albania                    | 879           |        |      |
| Montenegro                 | 813           |        |      |
| Croatia                    | 795           |        |      |
|                            |               |        |      |
|                            |               |        |      |
|                            |               |        |      |
|                            |               |        |      |
| Total for Others           | 7537          |        | 0    |
| Others not Listed          | 195           |        |      |
| Grand Total                | 7732          |        | 0    |

## 6.3 Import Trade Matrix Barley

| <b>Import Trade Matrix</b> |         |        |      |
|----------------------------|---------|--------|------|
| Country                    | Serbia  |        |      |
| Commodity                  | Barley  |        |      |
| Time Period                | Jan-Dec | Units: |      |
| Imports for:               | 2006    |        | 2007 |
| U.S.                       |         | U.S.   |      |
| Others                     |         | Others |      |
| Czech Rep                  | 9167    |        |      |
| Austria                    | 6102    |        |      |
| Germany                    | 2231    |        |      |
| Slovakia                   | 1011    |        |      |
|                            |         |        |      |
|                            |         |        |      |
|                            |         |        |      |
|                            |         |        |      |
| Total for Others           | 18511   |        | 0    |
| Others not Listed          | 3511    |        |      |
| Grand Total                | 22022   |        | 0    |

## 6.4 Price Table for Barley

| <b>Prices Table</b> |           |                      |          |
|---------------------|-----------|----------------------|----------|
| Country             | Serbia    |                      |          |
| Commodity           | Barley    |                      |          |
| Prices in           | US\$      | per uom              |          |
|                     |           |                      |          |
| Year                | 2006      | 2007                 | % Change |
| Jan                 | 117       | 216                  | 85%      |
| Feb                 | 106       | 206                  | 94%      |
| Mar                 | 96        | 203                  | 111%     |
| Apr                 | 112       |                      | -100%    |
| May                 | 124       |                      | -100%    |
| Jun                 | 117       |                      | -100%    |
| Jul                 | 140       |                      | -100%    |
| Aug                 | 149       |                      | -100%    |
| Sep                 | 143       |                      | -100%    |
| Oct                 | 152       |                      | -100%    |
| Nov                 | 144       |                      | -100%    |
| Dec                 | 178       |                      | -100%    |
|                     |           |                      |          |
| Exchange Rate       | 61        | Local Currency/US \$ |          |
| Date of Quote       | 3/26/2007 | MM/DD/YYYY           |          |