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Report Highlights:

Serbian grain exports were significantly affected by the Russia-Ukraine war in 2022 because 80 percent of Serbia's grain exports travel to the world via Black Sea ports. Serbia's government imposed an export ban and export quotas on wheat, wheat flour, rye, corn, cornmeal, and sunflower oil for almost five months. It is estimated that MY2022/23 grain exports will reach record low levels due to the five-month export ban, high domestic prices compared to world prices, the ban on river transportation, and a significant summer drought that reduced crops in Serbia at a value of nearly \$1 billion. In MY2022/23 wheat production is estimated to be 3.6 MMT, with domestic consumption of approximately 1.7 MMT. Serbia is estimated to have 1.8 MMT of wheat available for export. In MY2022/23 corn production was around 5 MMT which meets domestic demand (4.2 MMT) and allows for 1 MMT of corn exports. In MY2022/23 corn exports were low due to the reduced production, high prices and government limitations in exports.

Introduction

This report presents the outlook for grain and feed, and production, supply, and demand (PS&D) forecasts for the marketing year (MY) 2023/24.

HA = Hectares

MT = Metric Ton

MMT = Million Metric Ton

MY = Marketing Year. Post and USDA official data both follow the marketing year of July to June for wheat and barley and an October to September calendar for corn.

TY = Trade Year. July to June for wheat and barley and October to September for corn.

Executive Summary

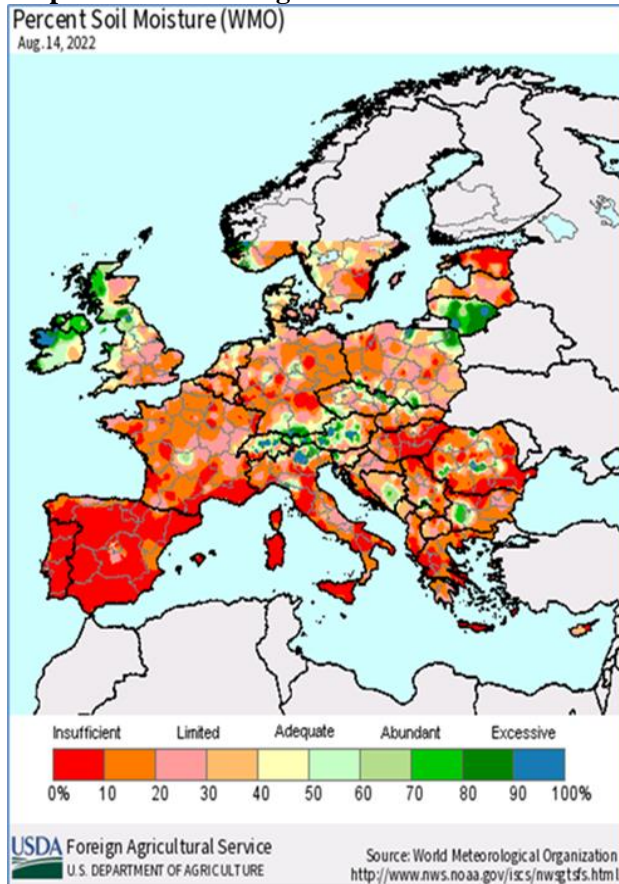
Serbia's grain exports were significantly affected by the Russia-Ukraine war in 2022. No less than 80 percent of Serbia's grain exports travel to the world via Black Sea ports which were not always accessible due to the war. Also, the Government of Serbia (GoS) imposed an export ban and export quotas on wheat, wheat flour, rye, corn, cornmeal, and sunflower oil for almost five months from March 11 to the July 21, 2022. Serbian farmers, millers, oilseeds associations, exporters, and logistics companies protested the GoS measure to limit exports of oilseeds from Serbia and asked for compensation from the state for not being able to export their commodities at then-world record high prices.

Overall, it is estimated that MY2022/23 export of grains will reach record low levels, due to the imposed five months export ban, high grain domestic prices compared to the world grain prices, limited river transportation capacity, and significant summer drought that reduced crop production overall in Serbia. On March 11, Serbia banned exports of wheat, wheat flour, rye, corn, cornmeal, and sunflower oil all considered important to the nation's food stability. On April 20, the GoS decided to lift its prohibition on the export of wheat, corn, flour, and refined sunflower oil. In its place, introduced monthly export quotas that were eliminated on July 21, 2022.

From May through the summer of 2022 Serbia has dealt with extreme drought featuring record dry weather and elevated temperatures nearly matching the drought of 2017, one of the worst on record. Serbian agriculture experts estimate that total losses in agriculture production will be close to \$1 billion. Major crops affected by drought include corn, sugar beet, soybeans, sunflower, fruit, and vegetables. Agriculture in Serbia is the economic and development engine for rural areas. It is also the only sector in Serbia's economy with a positive foreign trade balance - contributing about 10 percent to the country's GDP. The average annual value of Serbia's agricultural production is \$6-8 billion. The drought drove food prices up nearly 30 percent forcing the average consumer to spend over 60 percent of their monthly

income on food. Agriculture export revenue which accounts for over 20 percent of total Serbian exports was reduced 20 percent.

Map 1. Low Percentage of Soil Moisture in Serbia



Source: IPAD/GMA/FAS/USDA

Winter temperatures were not extremely low, and there was not enough snow coverage for wheat crop protection. Despite these winter conditions, the wheat crop was not damaged. Crops planted in the fall are in excellent condition.

Serbia's MY2023/24 planted area for all crops is forecast at 3.4 million HA, unchanged from last year. Approximately 1 million HA were planted last fall (i.e., wheat, rye, oat, and barley), while spring crops (corn, sunflower, soy, sugar beet, tobacco, vegetables, forage crops, etc.) will be planted on nearly 2.4 million HA. As usual crop yield depends on weather conditions during the vegetation period as 8-10 percent of arable land is irrigated. Depending on the crop, farmers will begin planting spring crops at the beginning of April. Good weather conditions are expected during spring planting.

Fall planting included wheat, which was planted on 670,000 HA, barley on 110,000 HA, rapeseeds on 15,000 HA, oats on 12,000 HA, triticale on 10,000 HA, and rye on 6,000 HA. Approximately, 80,000 HA are expected to be planted to forage and 100,000 HA for vegetable crops. Planting costs (seeds,

chemicals, and artificial fertilizers) for winter crops in MY2022/23 are over 50 percent higher than the previous year.

Wheat:

Production

The wheat crop MY2022/23 was not affected by the spring and summer drought because it was planted in the fall 2022 and harvested in June 2023. Last year due to the extreme temperatures in May and the lack of precipitation, the wheat and barley harvest started three weeks earlier than usual and lasted from May 20 until June 10. Due to the lower use of fertilizers and low precipitation during the crucial period when wheat grows, the wheat crop, despite a 5 percent increase in the area planted, is lower than in MY2021/22. The planting area for wheat for MY2022/23 was estimated at 630,000 HA. Overall production was 3.2 MMT, which represents a 6 percent decrease compared to MY2021/22. Serbia has 1.8 MMT of wheat available for export in MY2022/23 while domestic consumption is about 1.7 MMT.

In MY2023/24, wheat was cultivated on approximately 670,000 HA, 6.4 percent higher than the previous year. With an average yield of 4.9 MT/HA, the total production in MY2023/24 may reach over 3.5 MMT. This is sufficient to meet domestic needs of 1.7 MMT, leaving a surplus of 1.5 MMT of wheat available for export. The new harvest season will begin at end of 2023.

Since the wheat crop is not irrigated, wheat production depends upon winter and spring moisture. Wheat growing conditions are excellent at this point. Winter temperatures were not extremely low, and there was enough snow coverage to protect the wheat during the winter. With favorable conditions during spring for wheat maturity with enough moisture and sun Serbia's wheat production in MY 2023/24 may record high volumes. Three months remain until the new wheat harvest starts.

It is estimated that only 50 percent of the wheat area was planted with certified seeds while the remaining area was planted with seeds from the previous year. Most small wheat farmers plant old seeds for their new crops. During MY2023/24 the cost of seeds has increased by 30-40 percent.

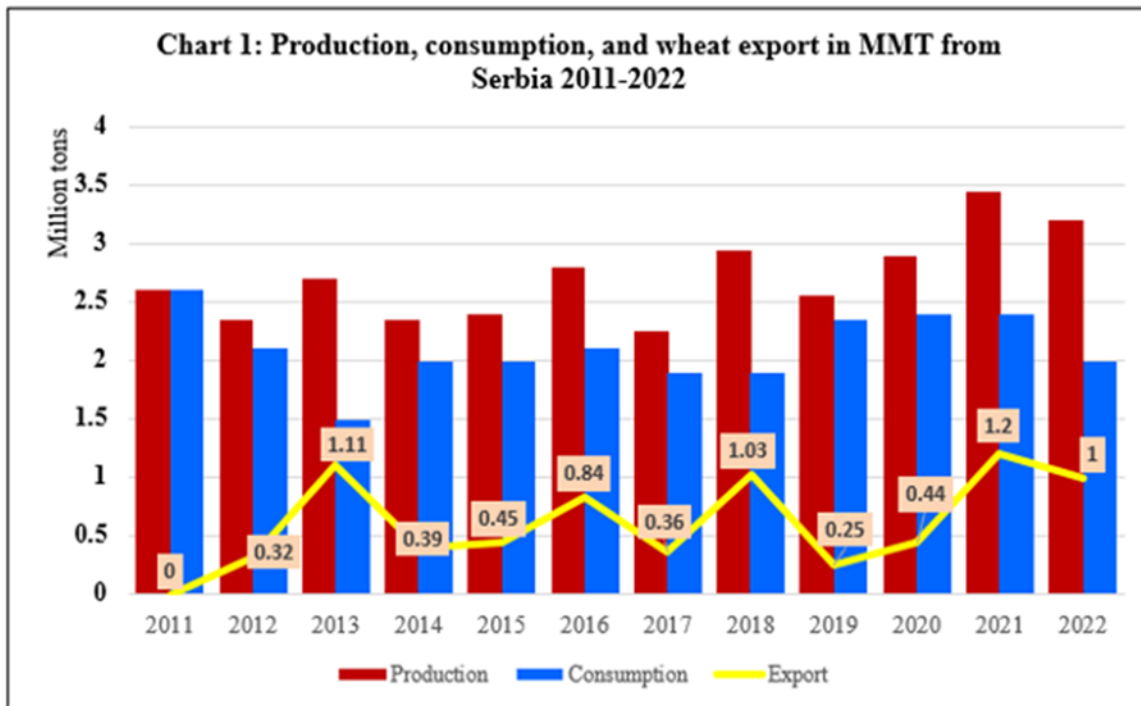
Due to the lack of funds, Serbian farmers usually use less than half of the chemical fertilizers that farmers in developed countries use. This year, because of the extreme increase in the price of mineral fertilizers, Serbian farmers will use even fewer mineral fertilizers than in previous years. This combined with the low use of certified seeds may reduce crop yields by up to 10 percent in MY2023/24. From 2016 to 2022, Serbian farmers use of mineral fertilizers fell from 140 kg/HA to less than 50 kg/HA. Serbia usually imports around 800,000 MT of fertilizers annually from Russia, Ukraine, Croatia, Romania, and Hungary; however, due to high prices and problems with transportation in MY2022/23 fertilizer imports are 30 percent lower than in previous years.

Wheat is an important crop in Serbia that absorbs a significant production area and plays a significant role in crop rotation, farmers' cash flow, and contracting with cooperatives (often, farmers borrow

wheat, fertilizer, and other crops). Wheat production has transformed from a highly profitable subsidized crop to a more vulnerable commodity.

The main factors influencing trends in Serbia’s wheat production:

- Competition from other field crops (corn, sunflower, barley, soy) that have been more profitable than wheat for the past few years.
- Wheat is the only winter crop grown in Serbia and plays a significant role in crop rotation.
- Serbia still has low wheat quality compared to the EU, but the increased use of foreign wheat varieties has improved quality and yields in the past few years.
- Russia-Ukraine conflict and its impact on access to Black Sea ports.
- Ban on wheat exports March 10 until April 20, 2022, and wheat export quotas-imposed April 20 until July 21, 2022.



Source: SEEDEV, Belgrade

Consumption

Serbia’s MY2022/23 wheat total domestic consumption is estimated at approximately 2 MMT. Per capita consumption of wheat is estimated at 180 kg, which is significantly higher than consumption

levels in most European countries. This is mainly the result of diet trends and low income leading to increased consumption of bread and pasta, replacing meat.

The annual consumption of wheat seeds is approximately 210,000 MT from domestic and imported seed sources. Every year, seed companies in Serbia offer more than 70 varieties of wheat planting seeds. Local seed producers supply more than 50 percent of the market. In the fall of 2022, the price of wheat seeds was approximately 80 dinars/kg (\$727/MT), 30 percent higher than in the fall of 2021 (60 dinars/kg (\$550/MT)).

Feed consumption, primarily for cattle ranges between 250,000-600,000 MT, depending on the crop quality each year. Lower-quality wheat goes to cattle feed. Wheat producers blend lower-quality wheat with higher-quality wheat to obtain the quality required by the milling and confectionery industries.

As of March 2023, Serbia has approximately 1 MMT of wheat available. Domestic consumption is estimated at 400,000 MT, leaving nearly 600,000 MT of wheat for export. The new harvest will begin in June 2022.

Trade

In MY2022/23, Serbia exported 489,367 MT of wheat and 82,991 MT of wheat flour July 2022 to February 2023. When flour is converted to wheat, the total wheat export from July 2022 to February 2023 is 571,150 MT. Despite the very good wheat crop, exports will be low due to the five-month export ban, export quotas, high domestic prices of wheat compared to world wheat prices, and the lack of river transportation due to the record low level of the river Danube River. Serbian farmers and traders must reduce the current uncompetitive wheat export price due to high stocks as well as the new harvest in three months. Serbia's MY2022/23 wheat exports are estimated at 1 MMT nearly equal to the previous MY level of 1.22 MMT.

There was a low of 80,000 MT of wheat shipped to the Port of Constanza by river barges due to low water levels.

Table 1: Wheat exports in MY2022/23 and MY2021/22

Month	Wheat MY22/23 in MT	Flour MY22/23 in MT	Wheat MY21/22 In MT	Flour MY21/22 in MT
July	80,724	9,704	129,076	9,191
August	71,100	12,872	130,375	12,559
September	84,942	14,681	156,087	13,948
October	81,714	12,743	85,792	10,284
November	50,052	13,087	65,832	11,896
December	53,774	11,525	63,462	9,717
January	40,956	8,379	36,531	5,858
February	26,105	10,732	57,389	8,553
March			58,440	10,640
April			33,981	49

May			158,017	19,163
June			88,901	11,761
TOTAL:	489,367	93,723	1,063,883	123,619

Source: Serbian Grain Fund

Table 2: Customs tariffs of grains in Serbia for 2022/23

Product	Custom tax for other countries (including the U.S.)	Custom tax for EU countries	Custom tax for Russia, Belarus, Kazakhstan	CEFTA countries
Wheat	30%	0%	0%	0%
Corn	30%	0%	0%	0%
Barley	20%	0%	0%	0%

Source: Serbian Customs Office

Stocks

Milling companies take advantage of their large storage capacity to negotiate competitive prices from the farmers. For the last three years, the Serbian government has provided storage subsidies to smaller farmers allowing them to store their wheat and sell it when prices are more advantageous. The total storage capacity for grain at Danube ports in Serbia is approximately 300,000 MT. Ending stocks of wheat in MY2022/23 will be higher than previously estimated (around 800,000). Due to the wheat export ban exports, wheat export quotas, and ban on river transportation (due to the low river Danube.

Currently, there are approximately 550 wheat silos (of various sizes) in Serbia owned by milling companies, grain traders, and farmer cooperatives, with a total capacity of 4.2 MMT. Serbia's wheat milling capacity is estimated at 2.5 MMT, with 70 percent currently utilized. There are 120 industrial bread production facilities and bakeries, with an annual capacity of approximately 1.5 MMT. There are six large companies in Serbia that are involved in pasta production and over 600 small private pasta producers.

Policy

The Ministry of Agriculture, Forestry, and Water Management (MAFWM) is responsible for the government's strategy in the field of international and domestic agricultural trade, food processing, rural development, environment, forestry, and water management.

During CY2023 Serbia allocated plans to allocated 68.5 billion dinars (\$623 million) of its 79.9 billion dinars (\$725 million) agriculture budget to subsidies.

Since 2015, the MAFWM has limited incentive payments to smaller agricultural concerns by reducing the maximum farm size for registered agricultural households eligible for federal subsidies from 100 HA to 20 HA. Approximately, 94 percent of registered farmers have up to 20 HA of arable land, while the remaining 6 percent are big farmers with arable land over 20 HA.

The Serbian government continues to provide grain and oilseed producers subsidies for seeds and fertilizers at 4,000 dinars (\$36/HA) per hectare of arable land to registered farmers who pay into the pension and retirement fund. The Serbian government also provides subsidized diesel fuel at 20 dinars per hectare (\$0.18/lit) for a maximum of 60 liters/HA and for a maximum of 20 HA. In February 2022, due to the significant increase in fuel prices, the Serbian Government limited price of diesel fuel for agriculture machinery for farmers at 179 dinars/lit (\$1.63/lit) until April 11, 2023.

On March 10, 2022, Serbia temporarily banned the export of food products important for food stability. Specifically, Serbia temporarily banned exports of wheat, wheat flour, rye, corn, cornmeal, and raw sunflower oil. The ban started March 11, 2022, and lasted until April 20, 2022. Goods that were custom cleared and were enroute to borders were not subject to the ban. Serbian farmers, exporters, and logistics companies protested and demanded compensation from the state for not being able to export their goods for record-high prices. At that time Serbia had sufficient wheat and corn to meet domestic demand and surpluses that could have been exported. On April 20, the Government of Serbia lifted its ban on the export of wheat, corn, flour, and refined sunflower oil. The ban was replaced with monthly export quotas. The new measure allowed monthly exports of up to 150,000 MT of wheat, 150,000 MT of corn, 20,000 MT of wheat flour, and 8 million liters of refined sunflower oil. Each exporter was able to apply for a maximum of 30.00 MT of wheat, 30.000 MT of corn, 4.000 MT of wheat flour, and 1.6 million liters of refined sunflower oil. Export quotas were canceled July 21, 2022.

The Republic Directorate for Commodity Reserves announced that it would purchase 131,000 MT of wheat MY2022/23 by the end of October. The price offered for wheat was 40 dinars/kg (\$365/MT), stored in silos. The Republic Directorate for Commodity Reserves purchased 118,912 MT by the end of October 2022.

In October 2022, the Serbian Government adopted a decree, Limiting the Price of Basic Foodstuffs (“Official Gazette RS” No. 84, 97, 101 and 110/2022). According to the decree the maximum retail price for wheat flour type “T-500” must not exceed 78.65 dinars/kg (\$0.72) and the maximum trade margin is 10 percent. According to this decree the maximum retail price for wheat flour type “T-400” must not exceed 84.7 dinars/kg (\$0.77) and that maximum trade margin is 10 percent. An October 2022 regulation mandated the maximum retail price for this bread is limited to 57 dinars (\$ 0.5/loaf of 500 grams). This regulation will be valid until June 30, 2023.

In 2020, Serbia adopted changes of the Rulebook on Quality of Grains, Milling and Bakery Products, and Pasta <http://www.minpolj.gov.rs/download/pravilnik-o-izmenama-i-dopunama-pravilnika-o-kvalitetu-zita-mlinskih-i-pekarskih-proizvoda-i-testenina/?script=lat> (only in Serbian). That rulebook sets minimum quality requirements for grains for food processing that comply with EU directives on minimum quality.

The MAFWM of Serbia announced the European Commission’s decision March 9, 2022, to implement the Instrument for Pre-Accession in Rural Development (IPARD III) program for Serbia for 2021-2027, worth \$306 million. The IPARD is an EU financial assistance program intended for the aid of individual

farmers or SMEs engaged in primary agricultural production and/or the food processing industry. The goal of the IPARD support is to help EU candidate countries align their agriculture policy with that of the EU, as well as, to improve the agricultural sector of the accession country and make its rural areas more sustainable. Now entering its third tranche, IPARD III aims to increase the competitiveness of the Serbian agri-food industries, further its digitalization, and decrease the impact of climate change through adaptation measures. It is furthermore meant to increase the skill level of farmers and facilitate technology transfer and R&D investments. The program supports investments that relate to the procurement of equipment and machines, and the construction, and reconstruction of facilities, with the aim of reaching EU standards in the field of hygiene, food safety, animal welfare, and environmental protection.

Marketing

Market prices for MY2022/23 wheat began to increase in June 2022 because of excess stored wheat. Immediately after the harvest wheat price peaked at 43 dinars/kg (\$390/MT) but when the export quotas were eliminated at end of July prices began to decrease, reaching 39 dinars/kg (\$350/MT). Wheat prices rose in the fall when the November 2022 Novi Sad Commodity Exchange was 40 dinars/kg (\$365/MT). Since there were very limited exports during the fall and winter months, wheat prices started to decline in January 2023 reaching 35 dinars/kg (\$320/MT) and even lower in March 2023 at 27 dinars/kg (\$245/MT). This price is comparable to that in neighboring countries at (\$240/MT) making Serbian wheat competitive from the Port of Constanza, Romania. It is expected that as of April 2023 due to high domestic stocks wheat prices will continue to decline. After very slow exports of wheat MY2022/23 sales are forecast to increase slightly due to the decrease in wheat price and higher demand for wheat and flour. The new harvest season will begin in June 2023. Serbia has approximately 800,000 MT of wheat in stock which will likely cause prices to further decline before the new harvest.

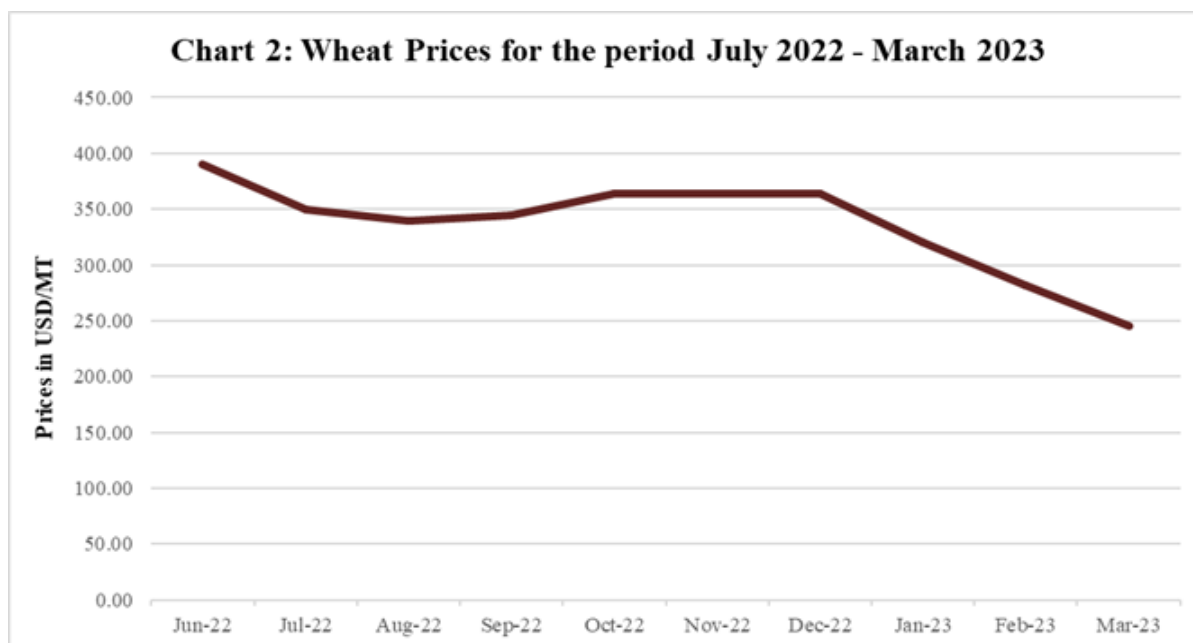


Table 3: Prices of fertilizers and diesel (in Din and US\$)

Commodity	March-2021		March-2022		March-2023	
	Din/MT	USD/MT	Din/MT	USD/MT	Din/MT	USD/MT
Fertilizer	47,000	427	90,000	820	80,000	727
Urea	49,000	445	97,000	880	65,000	590
Diesel	148 din/lit	1.35 USD/lit	198 din/lit	1.80 USD/lit	179 din/lit	1.63 USD/lit

Source: Novi Sad Commodity Exchange

Note: 1 USD equals 110,00 Serbian dinars.

**Table 4.
Production, Supply, and Distribution of Wheat**

Wheat Market Year Begins	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Serbia						
Area Harvested (1000 HA)	600	600	630	630	0	670
Beginning Stocks (1000 MT)	442	442	214	614	0	824
Production (1000 MT)	3000	3400	2900	3200	0	3500
MY Imports (1000 MT)	17	17	10	10	0	10
TY Imports (1000 MT)	17	17	10	10	0	10
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	3459	3859	3124	3824	0	4334
MY Exports (1000 MT)	1220	1220	600	1000	0	1800
TY Exports (1000 MT)	1220	1220	600	1000	0	1800
Feed and Residual (1000 MT)	550	550	550	550	0	550
FSI Consumption (1000 MT)	1475	1475	1475	1450	0	1450
Total Consumption (1000 MT)	2025	2025	2025	2000	0	2000
Ending Stocks (1000 MT)	214	614	499	824	0	534
Total Distribution (1000 MT)	3459	3859	3124	3824	0	4334
Yield (MT/HA)	5	5.6667	4.6032	5.0794	0	5.2239

(1000 HA), (1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

Corn:

Production

This spring, corn will be planted on 1 million HA in the first two weeks of April. Production is expected to reach about 6.5 MMT with an average yield of 6.5 MT/HA. However, precipitation and temperatures in spring and summer will influence the final size of the MY2023/24 corn crop. With corn production of 6.5 MMT, Serbia will have sufficient corn for domestic use at about 4.2 MMT and about 2.3 MMT for exports in MY2023/24.

Last spring, MY2022/23 corn was planted on 950,000 HA. For the second year in a row, summer drought had a very negative impact on the size of the corn crop. Due to the lack of precipitation from May to August 2022, along with very high temperatures of over 104 degrees Fahrenheit for an extended period, production was only 5 MMT, a decrease of 1.4 MMT or 22 percent compared to MY2021/22 when corn production was also damaged by the summer drought. According to the Serbian Grain Fund, Serbia has sufficient corn for domestic use (about 4.2 MMT). Additionally, with almost 980,000 MT of corn in stock, it is estimated that Serbia would be able to export 1 MMT of corn in MY2022/23 (October 2022 - September 2023), which would be the lowest export of corn since NY2017/18. Due to the corn export ban, problems with river transportation, and bad quality it is expected that exports will decline to about 1 MMT or 33 percent less than in the previous year.

The corn harvest started in mid-August, almost a month earlier than normal due to the extreme drought. The corn cobs are very small with damaged kernels and many full of worms. There are a significant number of corn fields without cobs at all and with corn stalks a mere 50 cm high. Even irrigated corn is suffering as agronomists indicate that irrigation was done too late and without adequate quantities of water. In an average year, corn has 16-20 percent moisture and needs to be dried artificially or naturally to 14-14.5 percent, mostly to meet requirements stipulated by international grain traders.

Due to the extreme summer drought in Serbia MY2022/23 corn is of lower quality. Dry and warm conditions across Serbia, combined with lower use of agricultural inputs, such as fertilizers and plant protection products contribute to lower corn production. Spring planting was 40 percent more expensive than last year. However, due to the export ban, Serbian farmers were not able to export corn from the beginning of March until the export ban was lifted. Usually, from March, Serbian farmers sell the previous year's corn stocks to fund the new planting season. A lack of precipitation and extreme temperatures affected corn growth from June to August and significantly stressed corn plants. The dry period has coincided with the critical corn pollination period thus increasing the risk of poor kernel development. The combination of very high temperatures and an extended period without rainfall, which

contributed to increased aflatoxin levels in corn, and the reduction in financial options for farmers to apply full agro-technical measures, made Serbian corn even less competitive at the world market.

Corn is a crop that producers can easily store on their farms. Farmers harvest the crop in October and November. The crop is stored on farms to dry naturally or taken to drying facilities. Farmers hold their corn until the spring. They usually sell their crop during the “second harvest” in March before the start of the new planting season. Dried corn normally has moisture between 14 and 17 percent and is usually sold in small lots. Small farmers consider corn a good investment considering the planting, harvesting, and storage costs.

Serbia’s commercial request for certified corn seed is estimated between 20,000 and 25,000 MT annually, depending on seed varieties and area planted. The Institute for Field and Vegetable Crops of Novi Sad (NS Hybrids) and the Maize Research Institute of Zemun Polje (ZP Hybrids) are prominent players in Serbia’s corn seed production. They are both semi-state-owned institutes, and currently control 19 and 24 percent of the corn seed market respectively. This represents a considerable decline in market share due to foreign corn seed producers entering the market several years ago. Corteva Agriscience (DuPont, Pioneer, and Dow Chemicals) has been the most significant player in the corn seed market for the year, with a market share of 35 percent. DuPont Pioneer and two domestic institutes account for 71 percent of the corn seed market. The remaining percentage is shared by approximately 15 foreign companies (KWS, Limagrain, Syngenta, Monsanto, Dekalb, Agrimax, Maisdour, etc).

Consumption

Serbia’s MY2022/23 corn consumption is estimated at approximately 4.2 which is 6.7 percent lower than in the previous year. From 4.2 MMT for domestic consumption, some 3.9 MMT is used for animal feed and 300,000 MT for food, seed, and industrial. Corn consumption for feed has been in decline for decades due to decreased livestock numbers in most of the transition countries. In 2010, there was 1.5 million head of cattle, while in 2022, there was less than 800,000 head of cattle and it still declining. Corn starch producers in Serbia have a higher demand and increased production in MY2022/23.

Trade

The logistical bottlenecks for the grain trade in Serbia are railways in a bad state of repair, low maximum weight load and speed with only about half of the railway tracks allowing for speeds over 60 km/h, a limited number of old and inefficient vessels, and the infrastructure of internal waterways downstream and a limited number of intermodal grain terminals.

In MY2021/2022, Serbia exported 1.5 MMT of corn, which is 1.5 MMT lower than in the previous year, when Serbia exported 3 MMT of corn, worth approximately \$520 million. From October 2022 to February 2023, Serbia exported record-low quantities of corn around 270,000 MT, or 63 percent lower than in the same period last year. In February 2023, Serbia exported record-low quantities of corn of only 22,491 MT. This is mainly because of the small supply and high price compared to the corn from neighboring countries and Ukraine to the Black Sea ports. Total corn exports in MY2022/23 are

expected to reach a historically low level of 1 MMT valued at around \$300 million. It is estimated that corn exports in MY2023/24 could reach 2.3 MMT.

As a result of the Russian-Ukraine war, the GoS imposed an export ban and export quotas on corn from March 11 until the end of July 2022. This has increased the domestic supply, but it did not reduce the domestic price of corn due to limited trade. Despite the surplus of corn in Serbia's stocks, the Serbian Government banned corn exports at the moment when there was no Ukrainian corn at Black Sea ports and when corn was at world-record high prices.

In normal times most of the Serbia's corn for export traversed the Danube River to the Port of Constanza, Romania. Due to the Russia-Ukraine war from October 2022 to March 2023, only around 70,000 MT of corn was exported via the Danube River, forcing most of the corn to be exported by trucks to Bosnia and Herzegovina, Albania, Italy, Kosovo, Montenegro, and Croatia. In an average year this is usually the reverse case.

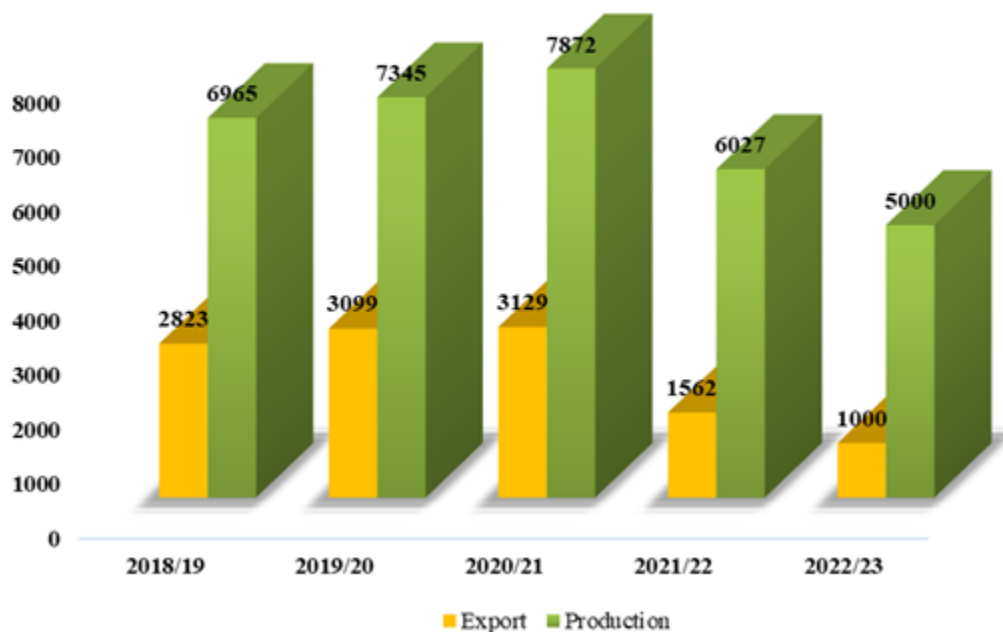
For the last several years, Serbia is seeking new markets for corn exports with a focus on China and Indonesia. All Serbian corn is GMO-free which makes it highly sought after in Japan and South Korea. In 2019, Serbia and China started negotiations on harmonizing corn export certificates. This harmonization process is still on-going.

Table 5: Corn Exports in MY2021/22 and in MY2022/2023

Month	MY2021/22 in MT	MY2022/23 in MT
October	136,615	97,757
November	201,487	67,399
December	132,923	54,105
January	98,504	26,770
February	161,629	22,491
March	133,266	
April	12,870	
May	166,517	
June	162,643	
July	101,154	
August	103,733	
September	89,717	
TOTAL:	1,501,058	268,522

Source: Serbian Grain Fund

Chart 3: Export and Production of Corn from MY2018/19 to 2022/23



Stocks

In MY2021/22, the corn-ending stocks were estimated at a record level of 945,000 MT, while ending stocks in MY2022/23 are estimated at 450,000 MT. Most farmers keep their stock in open-air storage facilities to dry naturally. These stocks are usually sold in local markets at the beginning of March to collect money for the new planting season.

Policy

The GoS will continue to support corn production through the same policies outlined in the wheat policy section.

In November 2022, the Republic Directorate for Commodity Reserves announced the purchase of up to 150,000 MT of mercantile corn MY2022/23, of domestic origin, for 40 dinars/kg (\$360/MT) from individually registered farmers stored in authorized storages by the Ministry of Agriculture. The quality of corn is determined with a maximum of 14 percent moisture, 0.03 mg/kg of aflatoxin B1, and with a maximum of 5 percent of broken kernel. The minimum quantity for purchase is 10 MT and the maximum quantity is 100 MT.

Marketing

The Russia-Ukraine crisis pushed the price of corn on the Novi Sad Commodity Exchange in March 2022 to 35 dinars/kg (\$350/HA). Despite an export ban and export quotas for corn in 2022, corn prices in MY2022/23 remained high mostly as a result of a reduced corn crop. Prices were on average 31-33 dinars/kg (\$280-\$300/MT) from harvest in September 2022 until March 2023. In March 2023 prices decrease to 27 dinars/kg (\$245/MT) and corn exports from Serbia will increase in the following months. The current price for corn is competitive, but there is limited demand for Serbian corn FOB Danube ports.

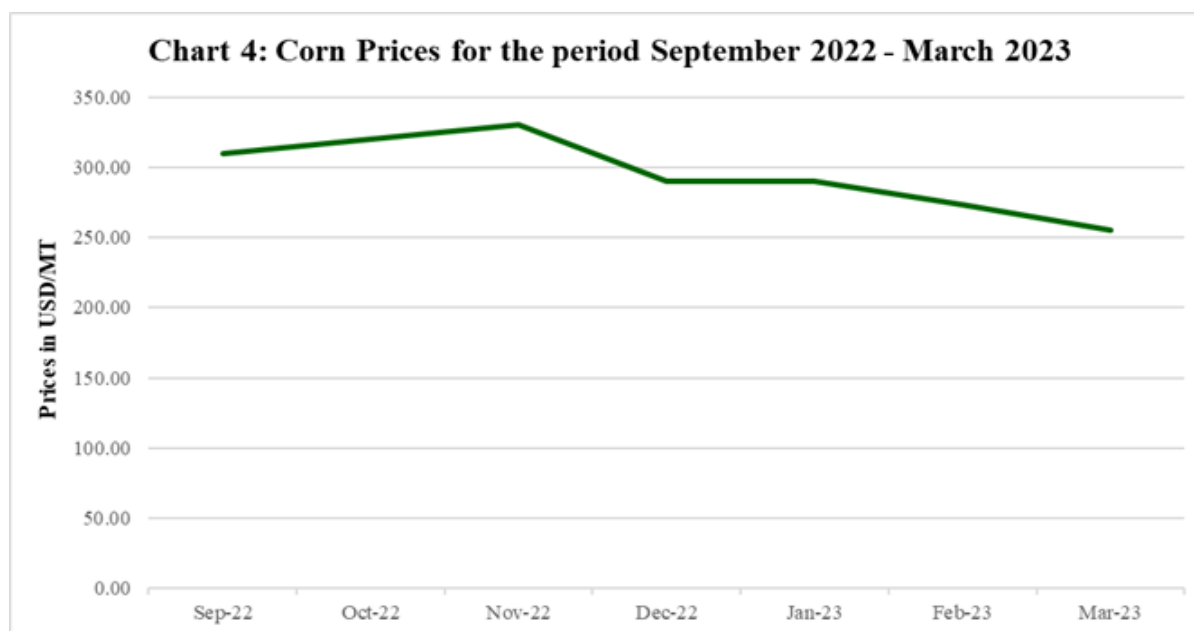


Table 6.
Production, Supply, and Distribution of Corn

Corn Market Year Begins	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Serbia						
Area Harvested (1000 HA)	1020	1020	950	950	0	1000
Beginning Stocks (1000 MT)	939	939	850	945	0	450
Production (1000 MT)	6000	6000	5400	5000	0	6500
MY Imports (1000 MT)	6	6	15	5	0	5
TY Imports (1000 MT)	6	6	15	5	0	5
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0

Total Supply (1000 MT)	6945	6945	6265	5950	0	6955
MY Exports (1000 MT)	1495	1500	1200	1000	0	2300
TY Exports (1000 MT)	1495	1500	1200	1000	0	2300
Feed and Residual (1000 MT)	4300	4200	4200	4200	0	4200
FSI Consumption (1000 MT)	300	300	300	300	0	300
Total Consumption (1000 MT)	4600	4500	4500	4500	0	4500
Ending Stocks (1000 MT)	850	945	565	450	0	155
Total Distribution (1000 MT)	6945	6945	6265	5950	0	6955
Yield (MT/HA)	5.8824	5.8824	5.6842	5.2632	0	6.5

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Barley

Production

MY2022/23 barley was not affected by the spring and summer drought because it was planted in the fall of 2021 and harvested in June 2022. The area planted with barley in MY2022/23 was approximately 110,000 HA or 5 percent higher than in the previous year, mostly due to higher demand. In MY2022/23, barley was planted on 90,000 HA as winter barley, and an additional 20,000 HA was planted as spring barley. At an estimated average yield of 5.1 MT/HA, production is estimated at about 560,000 MT for MY2022/23. The area planted with barley has risen steadily over the last 10 years from 80,000 HA in MY2011/12 to 110,000 HA in MY2022/23.

The area planted with barley in MY2023/24 is expected to be 120,000 HA or 9 percent higher than in the previous year, mostly due to higher demand. In MY2023/24, barley was planted last fall on 90,000 HA as winter barley, and an additional 30,000 HA will be planted as spring barley. For MY2023/24, at an estimated average barley yield of 4.7 MT/HA, production will be around 560,000 MT.

Consumption

Total barley consumption for the past five years has ranged between 350,000 - 450,000 MT of which about half is for animal feed and the latter half is for the brewery industry. Barley consumption in MY2023/24 is estimated at 460,000 MY. Consumption of brewery barley has increased due to consistent demand from breweries. Local breweries have been sold to well-known Belgian, U.S.,

Canadian, German, Austrian, and Turkish companies. Barley planted for brewery use continues to expand year after year.

Trade

With record production estimated at about 545,000 MT for MY2021/22 exports were also significant reaching a record high of export of 120,000 MT of barley. Demand for barley from Serbia was high because it was available when other crops were banned for export. Barley is mainly exported by truck and rail. Most of the Serbian barley was exported to Croatia, Bosnia and Herzegovina, Albania, and Montenegro. From July 2022 until February 2023, Serbia exported 68,353 MT of barley, 6.5 percent lower than in the same period last year when Serbia exported 73,135 MT of barley. Total barley exports for MY2022/23 could reach 80,000 MT. It is estimated that total barley exports in MY2023/24 could reach 150,000 MT.

In MY2022/23 Serbia imported barley in larger quantities than usual, about 20,000 MT from July 2022 until February 2023. It is estimated that in MY2022/23 total barley imports could reach 30,000 MT. In previous years imports of barley reached a maximum of 5,000 MT annually. This is mainly because of high barley prices on the domestic market, Serbian barley was not competitive in the region. In MY2022/23 barley was imported from Hungary, Slovakia, and Austria.

Table 7: Barley exports in MY 2021/22 and MY2022/23

Month	Barley in 2021/22 in MT	Barley in 2022/23 in MT
July	23,640	41,611
August	3,826	12,644
September	25,223	4,473
October	4,313	2,061
November	3,891	1,153
December	2,938	3,121
January	2,323	2,188
February	6,981	1,102
March	8,605	
April	2,103	
May	1,258	
June	34,375	
TOTAL:	119,476	68,353

Source: Serbian Grain Fund

Stocks

Barley beginning stocks in MY2022/23 are estimated at 34,000 MT. Post projection for barley ending stocks in MY2022/23 is high at about 104,000 MT.

Policy

The GoS will continue to support barley production through the same policies outlined in the wheat policy section.

Marketing

The price of barley usually follows the price of wheat. The current market price for barley is 30 dinars/kg (\$272/MT).

Table 8.
Production, Supply, and Distribution of Barley

Barley Market Year Begins Serbia	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	105	17	110	110	0	120
Beginning Stocks (1000 MT)	17	17	33	34	0	104
Production (1000 MT)	545	545	566	560	0	560
MY Imports (1000 MT)	1	2	15	30	0	2
TY Imports (1000 MT)	10	10	4	30	0	2
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	563	564	614	624	0	666
MY Exports (1000 MT)	120	120	150	80	0	150
TY Exports (1000 MT)	125	120	150	80	0	150
Feed and Residual (1000 MT)	230	230	260	220	0	200
FSI Consumption (1000 MT)	180	180	180	220	0	260
Total Consumption (1000 MT)	410	410	440	440	0	460
Ending Stocks (1000 MT)	33	34	24	104	0	56
Total Distribution (1000 MT)	563	564	614	624	0	666
Yield (MT/HA)	5.1905	32.0588	5.1455	5.0909	0	4.6667

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Barley begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Attachments:

No Attachments