Republika e Kosovës - Republika Kosova - Republic of Kosovo
Ministria e Bujqësisë, Pylltarisë dhe Zhvillimit Rural
Ministarstvo Poljoprivrede, Šumarstva i Ruralnog Razvoja
Ministry of Agriculture, Forestry and Rural Developement

GREEN REPORT 2014

December, 2014

Preface

Agriculture and rural development are key sectors that can contribute significantly to the overall economic development of the country. Agriculture and rural diversification are two sectors that offer Kosovo real opportunities in poverty alleviation, creating new jobs and generating income for residents in rural areas.

MAFRD through policies and development strategies is oriented in supporting production factors, in stimulating farmers and creating a more favorable developmental environment. These policies and strategies are creating opportunities to achieve sustainable development and a more efficient use of natural resources.

The development of the agricultural sector plays a special role in improving the trade balance, reducing unemployment, food safety, environmental protection and the improvement of people's lives in general. Therefore, the agricultural sector remains a key priority for the Government.

This is the second edition of the Green Report to be issued by the Ministry of Agriculture, Forestry and Rural Development, which presents a detailed overview of the agricultural sector and situation of rural areas in Kosovo. In particular it reflects the structural changes in this sector including policies and support programs that are being implemented by the Ministry of Agriculture, Forestry and Rural Development to intensify agricultural development and raise living standards in rural areas.

This report combines many dimensions of agrorural sector, including foreign trade, food safety, organic farming, loans and other economic elements which create an information-rich platform.

This document is not only evidence of the work done by the Ministry of Agriculture, Forestry and Rural Development but also of its genuine collaboration with other actors involved in its compilation. Therefore, while recognizing the importance of the Green Report of Kosovo, we will continue to work towards the continuous update of the necessary information required for its yearly publication.

Kapllan Halimi

Sekretar i Përgjithshëm

Kosovo Green Report 2014

Ministry of Agriculture, Forestry and Rural Development, Pristina 2014

Introduction

This is the second edition of annual Green Report of the Republic of Kosovo which presents an overview of developments in sectors whose development is being promoted by the Ministry of Agriculture, Forestry and Rural Development. The Kosovo Green Report is a product of cooperation between different MAFRD departments and agencies as well as other organisations. Also, the Steering Committee (SC) plays a key role in the distribution of responsibilities regarding the content of the report through the contributions of departments and their respective agencies. Its members were the heads of MAFRD Departments: Ekrem Gjokaj, Isuf Cikaqi, Sebahate Haradinaj, Tahir Halitaj, Tahir Ahmeti, Bekim Hoxha, Shefki Zeqiri, Shqipe Dema; cabinet of the Minister, Peonare Caka; Head of the Paying Agency Mr. Elhami Hajdari; Head of the Food and Veterinary Agency Mr. Valdet Gjinovci, respectively Fillojeta Rrustemi; Head of the Agricultural and Environmental Department from the Kosovo Agency of Statistics, Bajrush Qevani, representative from Ministr of Trade and Industry, Arjeta Islami.

The Economic and Statistical Analyses Departament (Skender Bajrami, Belgin Dabiqaj, Mediha Halimi, Delvina Hana, Adelina Maksuti, Donjeta Pozhegu, Hakile Xhaferi, Edona Mekuli, Shkëlqim Duraku) has prepared the main part of the report, coordinated by Ekrem Gjokaj and supported by the Secretary General Mr. Kapllan Halimi and the TAIEX expert Mr. Martin Knipert and Stephan Leeds for proof reading it.

A valuable contribution in the preparation of this report was given by the Austrian Expert Mr. Karl Ortner. On this occasion we would like to thank him for the support given in all preparation stages of the Green Report 2014.

Note that in the publication of the report for 2013, The Agricultural Household Surveys by KAS did not provide data for some products therefore again DEAAS has replaced them with estimates which are displayed in italics.

The data on trade in some cases differ from the last edition's data because of harmonisation with the data from all institutions involved in this field: Statistical Office of Kosovo, Kosovo Custums and Ministry of Trade and Industry. This is a result of countinuig work with the expert engaged from TAIEX.

Ekrem Gjokaj, PhD.

Diretor of Departament for Economic Analysis and Agricultural Statistics

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List of abbreviations

AAC – Annual Allowable Cut

ADA - Agricultural Development Agency

ADA – Austrian Development Agency

AHS – Agricultural Household Survey

AI – Administrative Instruction

APN- Action Plan on Negotiations

APTD - Agricultural Policy and Trade Department

ARDP – Agricultural and Rural Development Plan

AS – Advisory Services

AWR – Administration of Water Resources

BIP - Border Inspection Point

BLK – Beekeeper League of Kosovo

c.w. – carcass weight

CAP - Community Action Plan

CBK – The Central Bank of Kosovo

CEFTA - Central European Free Trade Agreement

CPI – Consumer Price Index

CSP - Country Strategic Paper

DBH - Diameter at breast height

DCA – Development Credit Authority

DEAAS – Economic and Statistical Analyses Department

EAA - The Economic Accounts for Agriculture

EC – European Commission

ECB - European Central Bank

EI – European Integration

EIPCD - European Integration and Policy Coordination Department

ESA - European System of Integrated Economic Accounts

ESCB – European System of Central Banks

EU – European Union

EUR – Euro

FADN – Farm Accountancy Data Network

FAO - Food and Agricultural Organisation

FAV - Faculty of Agriculture and Veterinary

FDI – Foreign Direct Investments

FGSD - Finance and General Services Department

FGT - Faculty of Geoscience and Technology

FVA – Kosovo Food and Veterinary Agency

GDP – Gross Domestic Product

GVA – Gross Value Added

GIS - Geographic Information System

GIZ – The German Society for International Cooperation

ha – Hectare

HACCP - Hazard Analysis and Critical Control Point

HBS – Household Budget Survey

IADK – Initiative for Agricultural Development of Kosovo

IBK - Kosovo Institute of Agriculture

IPA –Instrument for Pre-accession

IPARD – Instrument for Pre-accession Assistance for Rural Development

ISO - International Organization for Standardization

IT – Information Technology

KAOF - Kosovo Association of Organic Farming

KAS - Kosovo Agency of Statistics

KDPA - Kosovo Dairy Processors Association

KFA – Kosovo Forestry Agency

KFA – Kosovo Funding Agency

kg – kilogram

KGMAMF – Kosovo Grameen Missione Arcobaleno Microcredit Fund

KIPA - Kosovo Institute for Public Administration

KNIPH - Kosovo National Institute of Public Health

KRC - Kosovo Rural Credit

KSRFF - Kosovo Sportive and Recreational Fishermen Federation

KTV – Kohavision Television

LAG - Local Action Groups

LFA –Logical Framework Analysis

LFS – Labour Force Survey

LLC – Limited Liability Company

MA - Managing Authority

MAFRD – Ministry of Agriculture, Forestry and Rural Development

MEI – Ministry of European Integrations

MFI - Microfinance institutions

MFI – Microfinance institutions

mil. – Million

MPA - Ministry of Public Administration

MTEF - Medium-Term Expenditure Framework

MTI – Ministry of Trade and Industry

NFI – National Forest Inventory

NGO – Nongovernmental Organisation

NIPH - National Institute of Public Health

NOA – New Opportunities in Agriculture

NPISH - Non-profit institutions serving households

OECD - Organisation for Economic Co-operation and Development

PA – Paying Agency

PTE –Private Trading Enterprise

RDA – Rural Development Agencies

RDPD - Rural Development and Policy Department

RTK – Radio Television of Kosovo

SAA – Stabilisation and Association Agreement

SAPD - The Stabilization and Association Process Dialogue

SC – The Steering Committee

SE – Social enterprise

SME – Small and Medium-Sized Enterprises

SWOT – Strengths, Weaknesses, Opportunities, Threats

t – metric ton

TAIEX – Technical Assistance and Information Exchange

TV21 – Television 21

UN – United Nations Organisation

UNECE - United Nations Economic Commission for Europe

USA - United States of America

USAID – United States Agency for International Development

VAT – Value Added Tax

WB – World Bank

WMU - Work Measuring Unit

WTO – World Trade Organisation

WVI – World Vision International

1 Sources and inputs

1.1 Overall economic environment

1.1.1 The level of socio-economic development

Economic development

Globally, economic development during 2013 has featured positive trends, although the rate of economic increase was slightly lower compared to the previous year. The IMF evaluated global economic growth during 2013 to be 3% compared, to the 3.2% in the previous year. In 2013, the Eurozone faced recession, with a 0.4% negative rate of economic growth.

Table 1: GDP according to economic activities with current prices, 2008-2013 (in 000 €)

	Aktivitetet ekonomike	Gross Value Added (GVA)					
		2008	2009	2010	2011	2012	2013
A	Agriculture, hunting, forestry and fishing	574,441	575,192	598,838	614,262	617,588	638,710
B	Mining and quarrying	119,055	92,225	136,399	124,087	114,049	118,288
C	Manufacturing	429,513	491,251	489,304	493,945	549,265	584,764
D	Electricity supply by gas	83,265	93,106	108,249	12,345	12,828	14,487
E	Water supply	19,684	25,564	29,936	34,287	36,620	52,059
F	Construction	257,919	266,846	283,165	361,886	341,199	352,185
G	Wholesale and retail trade; repair of motors vehicles and motorcycles	448,617	509,468	538,761	535,207	611,578	655,390
H	Transportation and storage	127,920	155,892	171,433	186,582	187,695	193,714
I	Hotels and restaurants	21,629	22,196	27,477	34,843	39,082	89,795
J	Information and communication	30,712	33,330	34,547	42,113	54,359	53,279
K	Financial and insurance activities	127,888	128,666	151,483	173,521	192,621	213,264
L	Real estate activities	425,454	413,718	417,021	416,862	437,190	475,530
M	Professional, scientific and technical activities	43,008	49,880	51,586	62,086	72,106	74,587
N	Public administration	8,275	12,530	12,114	19,635	22,422	21,577
O	Public administration; Obligatory social security	431,462	417,523	434,705	476,976	497,788	495,527
P	Education	101,766	115,900	122,292	154,861	162,005	164,556
Q	Health and social work activities	36,154	44,124	57,919	67,380	72,006	75,251
R	Art, entertainment and recreation	2,583	3,648	11,333	15,394	20,262	23,754
S	Other services	1,491	7,816	10,550	7,484	10,898	8,409
T	Activities of households as employers; Undifferentiated goods and services producing activities of households for own use	4	5	5	5	1	-
	GVA at basic prices	**3,290,837**	**3,458,881**	**3,687,117**	**3,944,864**	**4,167,016**	**4,435,509**
	Taxes on products	663,214	711,461	795,524	949,831	973,592	978,075
	Subsidies on products	-71,289	-100,719	-80,677	-80,159	-81,844	-86,967
	Gross domestic product	**3,882,762**	**4,069,622**	**4,401,964**	**4,814,535**	**5,058,763**	**5,326,617**

Source: KAS (2014)

According to the KAS data for the main macroeconomic development indicators, real economic growth in 2013 amounted to 3.1%. However, compared to the previous year, consumption contributed with a more moderate rate of 0.8%. The investment component in

2013 has also had a positive contribution of 1.1% to economic growth compared to 2012 when the component marked a negative contribution.

Table 2: Gross Domestic Product with prices in 2006-2013 (in mil. Euro)

	2006	2007	2008	2009	2010	2011	2012	2013
GDP at current prices	**3,120.4**	**3,460.8**	**3,882.8**	**4,069.6**	**4,402.0**	**4,814.5**	**5,058.7**	**5,326.6**
Final consumption expenditure	3,466.2	3,810.6	4,344.6	4,301.0	4,557.2	5,019.8	5,256.1	5,539.3
Final consumption expenditure of HHs	2,770.8	3,145.9	3,488.9	3,528.5	3,768.2	4,142.3	4,458.1	4,652.4
Final consumption expenditure of the Government	670.6	641.6	659.8	668.1	722.3	802.1	842.1	863.9
Government of Kosovo	340.8	327.3	358	407.2	495.7	578.4	625	658.8
Donors (salaries)	329.8	314.3	301.8	260.8	226.6	223.7	217.1	205.2
Final consumption expenditure of IJPSHESH	24.8	23.1	23.6	25	26	31.1	20.2	23.0
Gross capital formation	798.3	892.5	1,208.7	1,267.4	1,450.6	1,632.4	1,465.1	1,470.9
Gross fix capital formation	657.1	744.3	1,052.7	1,129.8	1,450.6	1,632.4	1,465.1	1,322.6
Changes in inventory	141.2	148.3	156	137.6	149.4	156.5	148.3	148.3
Net export	-1,144	-1,242	-1,498	-1,419	-1,565	-1,793	-1,727	-1,683
Import of goods & services	1,585.5	1,789.5	2,107.1	2,114.2	2,443.1	2,736.7	2,648.8	2,610.7
GDP per capita (€)	**1,890**	**2,062**	**2,258**	**2,329**	**2,480**	**2,672**	**2,799**	**2,935**

Source: KAS (2014)

The GDP with current prices in Kosovo for the period 2008-2013 has reached 3,882.8 € with 5,326.6 mil. €, or 37%, more in 2013 compared to 2008.

The GDP per capita has marked an increasing trend from 2,258 Euro in 2008 to 2,935 Euro in 2013, respectively 29.9% more in 2013 than in 2008. The final consumption expenditure has marked a positive trend of increase for 5.4% in 2013 compared to 2012.

Investments in 2013 have had a share of 28.1% in GDP, which represents a similar level to the previous year. However, compared to the previous years when the public sector (through capital investments) was considered the main driver of investment growth, the main contribution in 2013 for the increase in this component is attributed to the private sector. The private investment growth with a share of 60% out of total investments is estimated to be a result of foreign direct investments (FDI) and investment loans (CBK estimate 2013).

Net exports in 2013 marked a deficit of 1.68 billion €, which represents a decrease of 2.5% compared to 2012. The greatest increase (13%) was in the category of final consumption expenditure in 2013 compared to 2012. Economic development in 2013 was not sufficient to improve the situation, as far as poverty and unemployment continue to be quite high in Kosovo (30%).

Table 3: Balance of payments (noncumulative), in mil. €

	Current account	Goods and services	Out of which goods	Income	Current transfers	Capital & Financial Account	Out of which capital	Net errors and undeclared
2005	-247.5	-1,086.9	-1,078.5	139.1	700.3	72.7	18.9	174.8
2006	-226.1	-1,144.1	-1,173.1	158.8	759.2	-14.9	20.8	240.9
2007	-214	-1,242.3	-1,352.9	186.3	842	10.7	16.5	203.3
2008	-460.9	-1,498.2	-1,649.7	164	873.2	298.9	10.5	162.0
2009	-374.2	-1,419.4	-1,651.7	61.8	983.4	209.3	100.3	164.6
2010	-515.7	-1,565.2	-1,752.1	67	982.5	297.2	21.3	217.6
2011	-658.4	-1,793.3	-2,059.0	113.8	1,021.10	418.9	42.0	239.6
2012	-380.3	-1,726.7	-2,073.0	154.1	1,192.30	140.3	13.0	236.9
2013	-339.4		-1,992.0	121.8	1,222.40	168.1	34.7	171.3

Source: CBK 2013

The Central Bank of Kosovo (CBK) is not a member of The European System of Central Banks and Kosovo is not officially part of Eurozone, even though it uses Euro as its currency. In general, remittances (labelled as "transfer" in the balance of payments as well as other types of turnover coming from Kosovars, most of whom work in Germany and other countries) are quite sustainable and remain relatively stable.

On the other hand, the financial sector in Kosovo almost completely operates in Euro with around 96% of deposits and loans. The Programme of Technical Cooperation of the European Central Bank with central banks of the Region will provide the CBK with the definition of change in the framework of preparations to join ESCB until the moment when the Republic of Kosovo becomes a member of the European Union. The Programme will strengthen the CBK institutional capacity by identifying legal and organisational requirements as well as resources to achieve compatibility with the standard institutional and organisational framework of ESCB and ECB.

Socio-economic development in rural areas

Kosovo is rich of high quality agricultural land. Agriculture has always been a key sector in the economy of Kosovo despite the recession prior to and in the post-war period (1990-1999). Due to the decline of agricultural production, the agro-nutrition trade deficit of Kosovo has deeply diminished. Continuous efforts are being made by several domestic agricultural producers to successfully run their business despite numerous difficulties and obstacles and unfair competition by countries in the region. They managed to export their products in the neighbouring countries and a small quantity in EU countries. The average agricultural land per capita in Kosovo is low (between 0.15 and 0.18 hectares) which is less than half of the EU average. Fragmentation and small size of agricultural plots represent a continuous problem to further support the agricultural production. The situation is deteriorated further by the continuous conversion of agricultural plots into settlements or industrial zones.

The agricultural sector is accounted for 12.0% of GDP and is estimated to employ around 4.6% of total employees. Kosovo has the potential to compete in the sector of horticulture, meaning the production of fruits and vegetables as well as in the sector of livestock. Demands for local horticulture and livestock products are expected to mark an increase, due to the increase in purchasing power. During the last decade, demands for horticultural products have marked an increase more than any other food category. Although there is a huge potential to increase and enhance the production in agriculture, the sector faces several challenges whose outcome is reduced quantity and quality of agricultural production and the decline of competition in local and foreign markets..

1.1.2 Work and employment

The official unemployment rate during 2013 was 30%, compared to 2012 it was reduced for 2.9%. As far as GDP and employment are concerned, agriculture is an important sector for the economy of Kosovo. However, Kosovo has an extreme fragmentation of farms which shows in farm size and the plot size but also in labour on the farms. Around 90% of population own land for cultivation, 55% own livestock, and 15% of farm production is mainly for domestic consumption.

The agricultural sector is facing several obstacles which reduce competitiveness of farm products within the markets of the region. Subsidised agricultural products from countries which export to Kosovo are putting local producers in an unfavourable position, who therefore are not able compete with imported products. Most troubling is the increase in unemployment among youths and long-term unemployment. Therfore these farms need support from different programs in order to improve the competitiveness of the agriculture sector in Kosovo, to create new jobs and replace the imports with local production.

The most important LFS findings for 2013 are presented below:

Table 4: Comparison of key statistics 2012- 2013

	2012	2013	Change 2013-2012	Change '13/'12 in %
Inactivity rate (%)	63.1	59.5	-3.6	-5.7
Share of labour	36.9	40.5	3.6	9.8
Male	55.4	60.2	4.8	8.7
Female	17.8	21.1	3.3	18.5
Employment rate	25.6	28.4	2.8	10.9
Male	39.9	44.0	4.1	10.3
Female	10.7	12.9	2.2	20.6
Part-time (as % of employed)	11.1	11.9	0.8	7.2
Male	11.3	11.1	-0.2	-1.8
Female	10.3	14.3	4	38.8
Employed temporarily (as % of employed)	73.0	68.8	-4.2	-5.8
Male	73.2	68.9	-4.3	-5.9
Female	72.5	68.7	-3.8	-5.2
Self-employed (as % of employed)	19.8	22.9	3.1	15.7
Male	22.7	26	3.3	14.5
Female	8.3	12.8	4.5	54.2
Unemployment rate (%)	30.9	30.0	-0.9	-2.9
Male	28.1	26.9	-1.2	-4.3
Female	40.0	38.8	-1.2	-3.0
Unemployment rate among youth (% of age-group (15-24)	55.3	55.9	0.6	1.1
Male	52.0	50.4	-1.6	-3.1
Female	63.8	68.4	4.6	7.2
Long-term unemployment (12+ months of unemployed)	59.8	68.9	9.1	15.2
Male	59.1	71.0	11.9	20.1
Female	61.3	68.9	7.6	12.4

Source: Labour Force Survey 2013

Almost two-thirds of Kosovo's population belong to the working age (15-64 years old), and the working-age population is expected to increase rapidly during the next decade, since Kosovo has the youngest population in Europe. Within the working age category, the inactivity rate in Kosovo has been 59.5%, respectively 5.7 % lower compared to 2012.

There is an increase of 15% in the category of self-employment compared to the previous year.

Unemployment rate in 2013 compared to 2012 was reduced for 0.9% or unemployment is now lower by 2.9%.

In 2013 there was an increase of 15% in the category of long-term unemployment (12+ months of unemployed) compared to the same category in 2012.

Out of 40% of economically active population, 30% (144,829 persons) are unemployed. This means that the remaining 70% (338,364) of economically active people are employed, yielding an employment rate of 28.4%. Based on the Labour Force Survey 2013, compared to 2012, the difference between two years is 2.8% and the employment rate has increased by 10.9%.

According the findings of the Labour Force Survey 2013, the unemployment rate is especially high among youth (aged 15-24), with 55.9%, and there is a slight difference of 0.6%of unemployment rate, or 1.1% compared to the findings in 2012.

The data presented in the table show an increase in the category of female employment for 20% compared to 2012. There is also an increase of 38.8% in the category of female employed part-time (% of employed).

Statistics of the labour market for 2013 show that Kosovo is in a difficult labour situation compared to other Western Balkan countries and 28 EU member states. Partially, such differences are due to the fact Kosovo has a young population and a large number of youth is still in school (therefore is classified as inactive). The concern is that over the time, the inactive population category remains high, since about 36,000 young persons are added to the employment age category annually (meaning 14-year olds turn 15), whereas only about 10,000 people are moved from the category of employment age (64 years olds turn 65) into the category of people aged over 65. Regardless of economic growth, the Kosovo economy does not offer sufficient places to absorb new labour market members. The high unemployment rate and the economic development trend make it very difficult for the country to deal with poverty reduction.

Table 5: Type of employer according to gender (%)

Type of employer	Male	Female	Total
Public sector	28.0	42.7	31.8
State-owned enterprises	13.4	13.1	13.3
Private enterprises	50.5	35.8	46.7
NGOs, humanitarian organisation & other	3.3	5.4	3.9
Unpaid family labour	4.8	2.8	4.3
Total	100	100	100

Source: Labour Force Survey 2013

Based on the findings of LFS 2013, the largest category of employed persons is in private enterprises (46%), followed by employment in the public sector (31%) and in state-owned enterprises (13%).

1.1.3 Land use

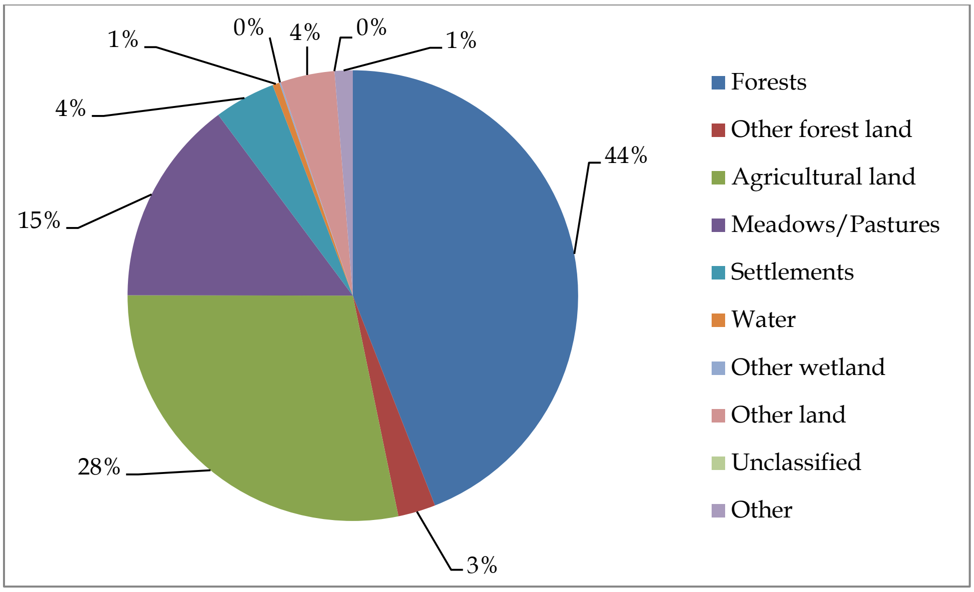
According to the National Forest Inventory data for 2012, the agricultural land use in 2012 has been 470,400 ha (agricultural plots, meadows and pastures). Only 296,830 ha out of this have been used for cultivation (AHS 2013).

Table 6: Land use in Kosovo according to categories

Type	Area/ha	Share (%)
Forests	481,000	44.1
Other forest land	29,200	2.7
Agricultural land	309,000	28.3
Meadows/Pastures	161,400	14.8
Settlements	48,000	4.4
Water	5,200	0.5
Other wetland	800	0.1
Other land	42,400	3.9
Unclassified	0	0.0
Other	13,800	1.3
Total	1,090,800	100.0

Source: National Forest Inventory 2012

Figure 1: Land use categorisation in Kosovo



Source: National Forest Inventory

The total area with cereals according the Agricultural Household Survey by KAS is 141,912 ha, with a share of 47.8%. The wheat culture is dominant (101,846 ha) and strategic in the production of cereals. Although there is an increase of 1% in wheat cultivation in 2013, the domestic demand has not been met yet. Maize is the second widest crop planted (36,122 ha), and serves as a rotation crop for wheat. Recently, maize is being planted in small areas. This is an impact of the reduction of the livestock fund and closure of factories for animal feed processing. There is no major market for the maize, and it is mainly used as feed for the livestock in the maize producer's farm (grain maize and silage). Barley is an arable crop with a long cultivation tradition and is planted (1,363 ha) for the needs of the livestock production sector, as it was used as feed for livestock as grain feed and as an ingredient of compound feed. There is an increase of 140% barley surface planted compared to 2012.

Table 7: Land use according to crop categories

Crop	2010	2011	2012	2013	Change 2013-2012	Share in 2013, %	Change 2013/2012 in %
Cereals	119,871	121,095	137,215	141,912	4,697	47.8	3.4
Forage crops	99,043	98,833	94,444	110,314	15,870	37.2	16.8
Vegetables	16,356	16,196	14,557	16,356	1,799	5.5	12.4
Vineyards	3,140	3,158	3,219	3,159	-60	1.1	-1.9
Orchards	3,438	3,575	3,852	5,183	1,331	1.7	34.6
Other	*29,104*	*26,253*	*24,077*	19,906	-4,171	6.7	-17.3
Agricultural land	*270,952*	*269,110*	*277,364*	296,830	19,466	100.0	7.0

Source: KAS – The Agricultural Household Survey

The cultivation of forage crops is of special importance for the livestock fund. The overall area planted with forage crops was 110,314 ha and had a share of 37% of the total area. It increased by 16% compared to 2012.

Although agricultural and ecological conditions favour the cultivation of sunflower and other oil crops, these crops are planted in symbolic areas due to a lack of interest for purchase from oil producing factories who import oil half-refined.

The vineyard area has had a similar cultivation trend (3,159 ha) with a share of 1.1% of the total planted area. A slight decrease of 1.9% was noticed in 2013 in orchards (5,183 ha) with a share of 1.7% out of the grand total. Orchards marked an increase of 34% in 2013 compared to 2012.

Recent horticulture development trends show the sector is making rapid progress and aims to replace the import with export which has been a trend until the current. Vegetables were planted in an area of 16,356 ha in 2013. Recently, much investment has been done in greenhouses, however, there is also a room to increase capacities mainly through the extension of harvest period.

Based on AHS data the cereals sector is dominated by small farms with areas 0,5 –1,0 ha. Only 1-2 % of agricultural land is used by commercial farms.

Small-scale farmers cultivating cereals have no easy access to loans since the size of arable land they own is limited to produce and to be competitive in the commercial market. Due to the small size of farms and fragmentation of land, the efficiency of machines is limited.

The total agricultural land is continuously decreasing due to the lack of spatial planning and failure to implement the Law on Agricultural Land and regulations foreseen to protect the agricultural land and prevent its change of use into construction land.

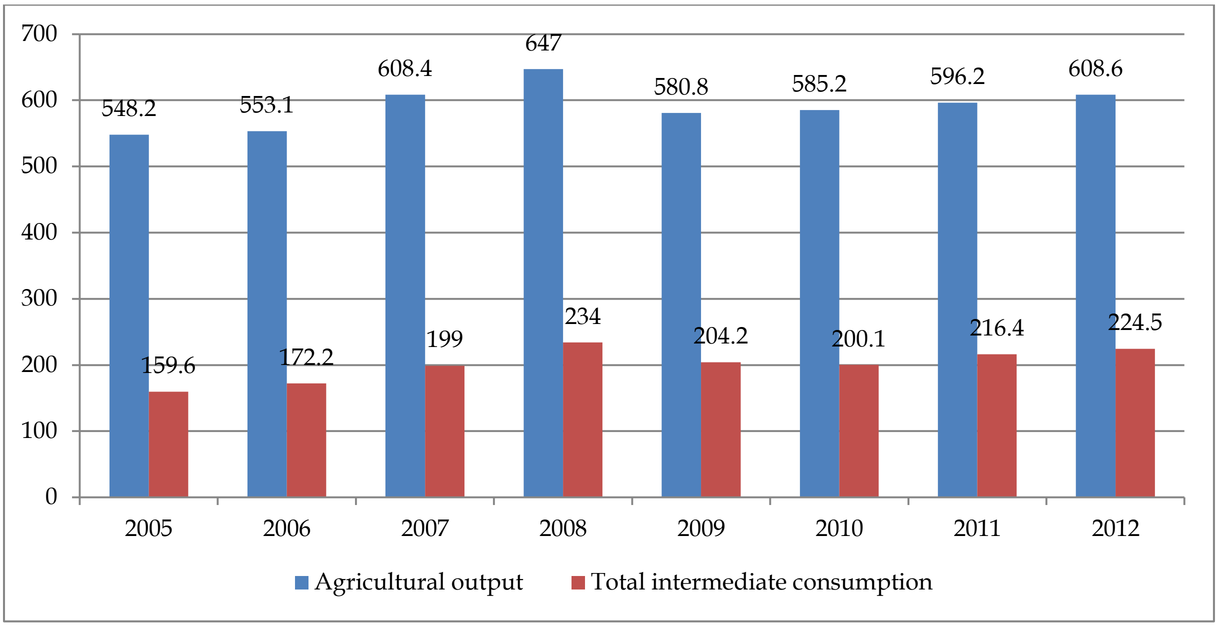
Another problem is the remarkable area of abandoned land which can be resolved only through a strict land consolidation program.

The quality of soil preparation, the overall situation of agricultural machinery, the low inputs level and many other factors mentioned above impede the competitive production among farmers cultivating cereals in Kosovo.

1.2 Inputs and investments in the primary sector

The figure below contains data on the overall intermediate consumption and overall agricultural output for the period 2005 – 2012. In 2012, intermediate consumption was estimated at around 224.5 mil. Euro whereas in 2011 about 216.4, which represents 3.7% increase in 2012 compared to 2011. The agricultural output has marked a slight increase of about 2% in 2012 compared to 2011 (Economic accounts for 2013 have not yet been published by KAS).

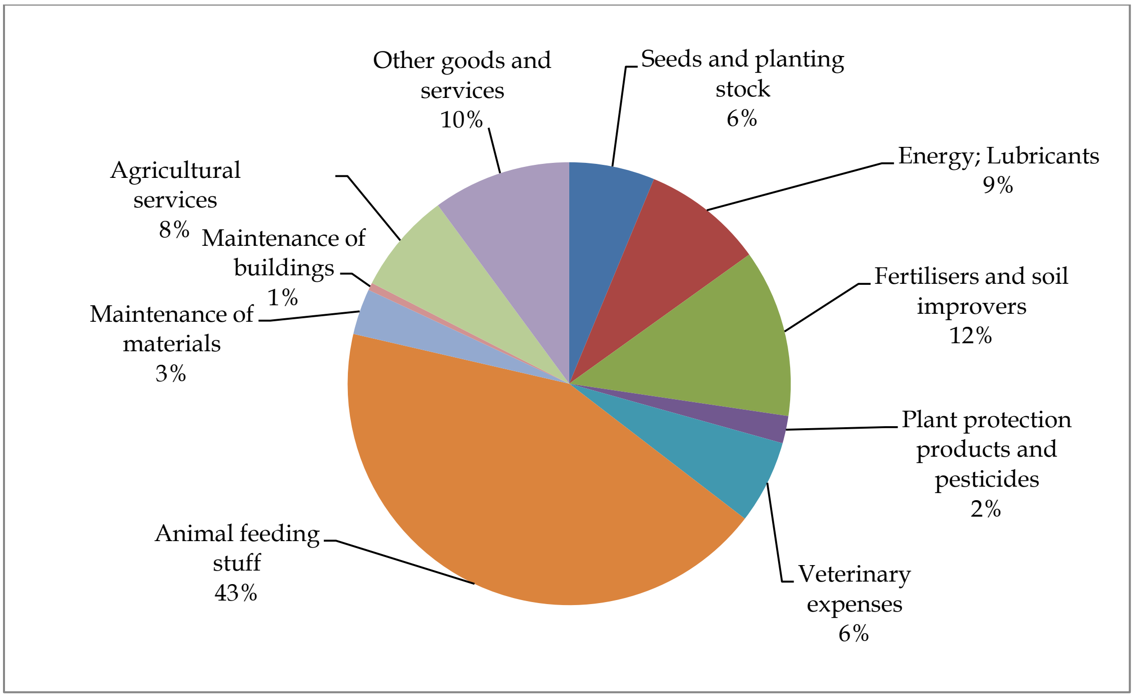
Figure 2: Total intermediate consumption and agricultural output, 2005 – 2012, in mil. €



Source: KAS, Economic Accounts for Agriculture 2013

Gross value added is the difference between the value of output and the value of intermediate consumption. In 2012 gross value added amounted to 390.3 mil. Euro, whereas in 2011 it was equal to 384.3 mil. Euro. From 2011 to 2012, the gross value added increased slightly increase by 1.6%. In 2011 and 2012, the share of gross value added in value production increased sharply to 64% whereas the share of consumption of fixed capital reached 14% of the output value.

Figure 3: Average intermediate consumption in agriculture during 2010 – 2012 (%)



Source: KAS, Economic Accounts for Agriculture 2013

The Figure above represents average agricultural intermediate consumption values from 2010 to 2012. The category of animal feed which includes food purchased by other farmers or the category of food combined with the food material produced in the farm, accounts for 45%, or half of the intermediate consumption. Agrochemicals and soil ameliorative account for 14% of the intermediate consumption, electricity expenditures about 8%, seeds and the transplantation material about 6%, whereas other agricultural services and veterinary expenditures account for 7% and 5% respectively.

Prices of agricultural inputs

The table below shows the annual price index of agricultural inputs. Out of all categories in this table, prices of plant protection products have marked the highest increase of 24% from 2012 to 2013.

Prices of animal feed and fertilizers increased by 4% while prices of goods and services increased by 2.3%. Prices of electricity and seeds have been reduced to 4% and 2% respectively.

A KAS publication (2014) includes data on price indexes in Kosovo from January 2005 to December 2013. Prices of agricultural inputs in this publication are collected from agricultural pharmacies, veterinary pharmacies, companies, markets and other places where prices of agricultural inputs are available. According to KAS, some price indexes for agricultural inputs in this publication are drawn from the KAS consumer price index (CPI). Products which comprise the basis of the input price index are divided in two main groups:

Goods and services currently being consumed in agriculture (intermediary consumption) and goods and services contributing to agricultural investment (capital formation).

Table 8: Price index of inputs used in agriculture in Kosovo, 2006 – 2013

Description	2006	2007	2008	2009	2010	2011	2012	2013	Change 2013/2012 in %
Goods a services currently consumed in agriculture	103.2	113.0	141.9	128.3	121.7	137.9	146.2	149.5	2.26
Seeds, other reproductive material	91.9	103.0	131.2	127.9	128.5	142.0	139.0	136.6	-1.73
Energy, lubricants, fuel	107.2	107.8	121.8	99.5	115.0	133.1	141.6	135.4	-4.38
Fertilizers, soil improvers	109.0	119.4	182.3	174.5	139.5	170.1	187.7	195.5	4.16
Plant protection products	105.5	104.7	99.8	99.4	101.6	100.0	102.4	126.5	23.54
Veterinary services	117.3	115.6	118.2	120.9	121.3	130.3	129.9	132.3	1.85
Animal feed	100.6	140.2	188.4	135.5	125.5	152.0	169.0	176.1	4.20
Maintenance of material	99.3	103.5	114.6	111.3	112.5	113.5	115.4	117.2	1.56
Maintenance of buildings	99.1	102.3	109.6	109.3	108.9	109.4	110.3	108.4	-1.72
Other goods and services	99.8	102.7	108.8	106.8	107.8	109.8	112.3	116.7	3.92
Investment goods and services	98.1	99.0	103.6	104.3	104.1	104.9	104.9	107.5	2.48
Machinery and other equipment	96.7	97.7	103.0	104.3	105.1	106.4	106.4	112.5	5.73
Transport equipment	99.1	100.1	104.1	104.3	103.4	103.8	103.7	103.6	-0.10

Source: KAS (Price index of inputs & prices in agriculture 2005 - 2013); Base year is 2005 (=100)

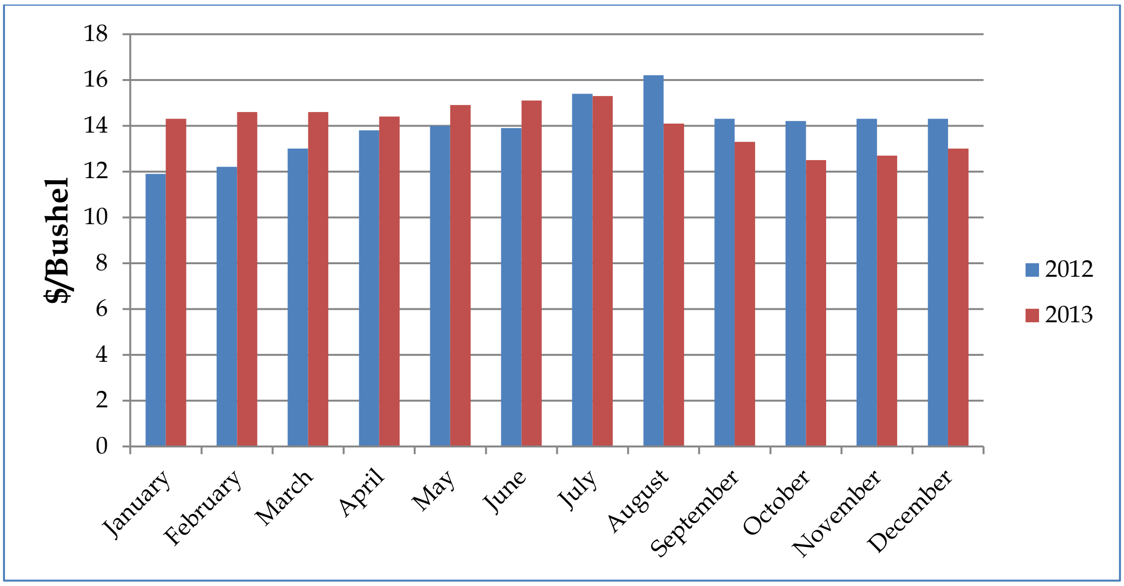
Within the category of goods and services currently being consumed in agriculture, price indexes are calculated for the following groups: seeds and transplantation material, electricity, oil, fertilizers and soil ameliorates, plant protection products, veterinary expenses, animal feed, maintenance of materials, maintenance of buildings, as well as other Goods and services.

The category of prices of goods and services related to agricultural investment (capital formation) is calculated using the material prices (machinery and other equipment), facilities and other non-resident facilities in the farm and other buildings, besides the soil ameliorates (KAS 2014).

The annual inputs index for the intermediate consumption marked an increase of 2.3% from 2012 to 2013, whereas the capital marked an increase of 2.5% from 2012 to 2013. The general inputs index (of intermediate consumption and capital) marked an increase of 2.2% in 2013 compared to 2012.

Since soybean is an important component of animal feed, the increase of its price in the international market causes increase in the animal feed price. According to the above table, the price of animal feed in Kosovo has increased 4.2%. The following figure shows monthly variations of soybean price in United States of America in 2012 and 2013. The USA is the largest soybean producer, and despite the increase of soybean exports from USA, its share in the international market was reduced due to the rapid soybean production in Brazil and Argentina (US Department of Agriculture). The livestock sector is one of most developed sectors in the EU, and for this reason, the EU is the biggest importer of animal feed. According to an article of the Department of Agricultural and Consumption Economics, prices of soybean have been increasing in recent years due to high demand, especially from China. As a result, prices of animal feed have also marked an increase, and, eventually, prices of food consumption may increase as well.

Figure 4: Average price of soybean in the United States of America, $/Bushel



Source: Agricultural Prices (January 2014), DBUSA, National Agricultural Statistics Service

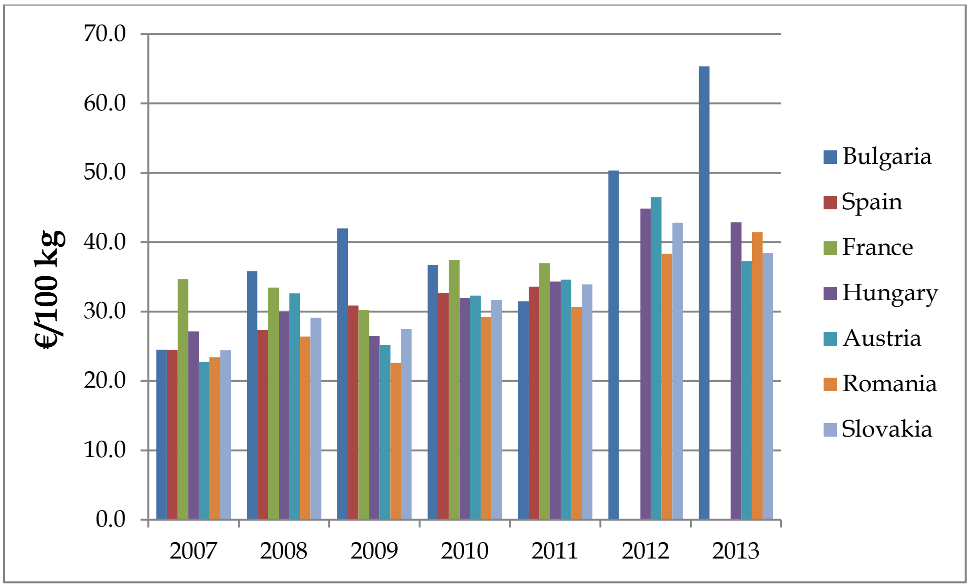
The table below shows soybean prices in some of the EU countries. According to these data, there was a fluctuation of prices between 2007 and 2013, and especially in 2012 with a remarkable increase. Compared to 2012, Bulgaria and Romania in 2013 marked an increase of 30% and 8%, respectively. On the other hand, soybean prices were reduced in Austria for 20%, in Hungary for 4.3%, and in Slovakia for 10%.

Table 9: Price of soybean in several EU countries, €/100 kg

Countries	2007	2008	2009	2010	2011	2012	2013
Bulgaria	24.5	35.8	42.0	36.7	31.5	50.3	65.3
Spain	24.5	27.3	30.9	32.7	33.6	/	/
France	34.6	33.4	30.2	37.5	36.9	/	/
Hungary	27.2	30.0	26.4	31.9	34.3	44.8	42.9
Austria	22.7	32.6	25.2	32.3	34.6	46.5	37.3
Romania	23.4	26.4	22.6	29.2	30.7	38.4	41.4
Slovakia	24.4	29.1	27.5	31.6	33.9	42.8	38.4

Source: Eurostat

Figure 5: Price of soybean in several EU countries, €/100 kg



Source: Eurostat

1.3 Farm structure

According to the KAS Agricultural Household Survey in 2013, 49% of households surveyed had less than 1 ha. The number of farms is approximately stable since 2007, however, the area used was increased by 11.7%. Nevertheless, a remarkable increase of the number of hectares of "Large and specialised farms", is recorded from 3,434 in 2007 to 7,502 in 2013, which represents an increase of 118.5%.

Table 10: Farm structure according to size and type in 2013

	Small farms			Large and specialised farms			Total		
	No. of farms	Area (ha)	Share in %	No. of farms	Area (ha)	Share in %	No. of farms	Area (ha)	Share in %
0.01 - 0.5 ha	40,891	13,042	21.5	6	2	2	40,897.0	13,044.0	21.5
0.51 - 1 ha	52,296	38,947	27.6	8	6	2	52,304.0	38,953.0	27.5
1.01 - 1.5 ha	43,010	52,118	22.7	13	17	4	43,023.0	52,135.0	22.6
1.51 - 2 ha	15,030	26,373	7.9	7	12	2	15,037.0	26,385.0	7.9
2.01 - 3 ha	21,586	52,507	11.4	21	56	6	21,607.0	52,562.0	11.4
3.01 - 4 ha	5,317	18,266	2.8	27	95	8	5,344.0	18,361.0	2.8
4.01 - 5 ha	3,550	15,827	1.9	20	91	6	3,570.0	15,918.0	1.9
5.01 - 6 ha	2,455	13,442	1.3	21	115	6	2,476.0	13,557.0	1.3
6.01 - 8 ha	2,674	18,365	1.4	31	218	9	2,705.0	18,583.0	1.4
8.01 - 10 ha	1,094	9,724	0.6	26	237	7	1,120.0	9,961.0	0.6
Over 10 ha	1,917	30,718	1.0	179	6,653	50	2,096.0	37,371.0	1.1
Total 2007	183,182	259,094	100	104	3,434	100	183,286	262,528	100
Total 2013	189,821	289,328	100	359	7502	100	190,180	296,830	100
Change %	3.6	11.7		245.2	118.5	100	3.8	13.1	100

Source: KAS – The Agricultural Household Survey 2007, 2013

Compared to the number of farms in 2007, in 2013 there was an increase of 3.6% in the number of small farms and an increase of the number of hectares by 11.7%. Variations are obvious even in the category of large and specialised farms, with an increase of 245.5%, as well as an increase in the number of hectares for 118.5%. The total number of farms in 2013 has increased to 3,8% compared to the number of farms in 2007, whereas the area had an increase of 13.1%.

2 Agricultural production and its use

2.1 Gross Domestic Production in the agricultural and forestry sector

The Economic Accounts for Agriculture are satellite accounts of the European System of Integrated Economic Accounts (ESA) system which follows the UN recommendations for national accounts. They cover products and agricultural services produced during the calculating period and sold by the agriculture units, products either held in farm stocks or used for further processing by agriculture producers.

Concepts of Economic Accounts for Agriculture (EAA) match the special nature of agricultural production: for example EAA includes not only grape and olive production, but also, wine and olive oil production from agricultural producers, as well as information on consumption within the unit of plant products used in animal feed, production calculated for drawing self-accounts of fixed capital goods, and final own consumption of agriculture units. The EAA data may be used to calculate the income indicators for the agricultural sector. The EAA reports on values and production costs for both the producers' price and the basic price. For the base price, the EAA includes direct payments (subsidies), which are not included in EAA for the producers' price.

The highest variation of production prices has occurred in the category of industrial crops, with an increase of 180% compared to 2011. Forage crops have also marked an increase of 21%. A significant price increase (11.8%) occurred even in the livestock category which includes different livestock products. Besides the price increases mentioned, the category of payment for employees has also marked a price increase.

A decrease of prices by 40% was observed in potatoes and 13% in vegetables and horticultural products. The category of other plant products (seeds) had a decrease of 10% in 2012, compared to the previous 2011.

In 2012 the income of the agricultural sector in terms of Net Farm Income increased slightly (by 0.7%) to 298.4 mil. Euro but remained lower than in the previous years; in 2007 it had amounted to an all-time high of 332.1 mil. Euro.

Table 11: Economic Accounts for Agriculture with producer prices in mil. Euro

Code	Economic Accounts in Agriculture	2006	2007	2008	2009	2010	2011	2012	Change	Change (%)
1	Cereals (including seeds)	55.8	77.0	90.3	61.9	93.5	107.0	107.1	0.1	0.1
2	Industrial crops	0.06	0.05	0.05	0.05	0.05	0.05	0.14	0.09	180.0
3	Forage crops	48.6	72.6	79.2	55.8	51.2	56.0	67.8	11.8	21.1
4	Vegetables and horticulture products	106.7	121.3	127.6	114.4	123.3	119.6	104.1	-15.5	-13.0
5	Potatoes	22.2	26.8	28.8	23.1	26.6	20.2	12.0	-8.2	-40.6
6	Fruits	34.3	33.6	38.0	28.7	26.0	23.2	32.9	9.7	41.8
9	Other plant products (seeds)	2.5	3.1	2.9	3.4	3.4	3.7	3.5	-0.2	-10.8
10	Plant products (01- 09)	270.2	334.4	366.7	287.4	324	329.7	327.6	-2.1	-0.6
11	Livestock	105.4	96.7	90.2	119.7	97.6	96.0	92.3	-3.7	-3.9
12	Livestock products	162.3	163.0	175.2	158.9	148.8	155.8	174.2	18.4	11.8
13	Livestock and Livestock products (11+ 12)	267.8	259.7	265.4	278.6	246.4	251.9	266.6	14.7	5.8
14	Production of agricultural goods (10 + 13)	537.9	594.1	632.2	566.1	570.3	581.6	594.1	12.5	2.1
15	Provision of agricultural services	15.1	14.3	14.9	14.7	14.8	14.7	14.5	-0.2	-1.4
16	Agricultural production (14 + 15)	553.1	608.4	647.0	580.8	585.2	596.2	608.6	12.4	2.1
19	Total intermediary consumption	172.2	199.0	234.0	204.2	200.1	216.4	224.5	8.1	3.7
20	Gross value added with base prices (18-19)	381.0	409.4	413.1	380.8	390.6	384.3	390.3	6	1.6
21	Fixed capital consumption	67.2	71.5	75.4	75.4	77.9	81.0	84.5	3.5	4.3
22	Net value added with base prices (20 -21)	313.8	337.8	337.7	305.4	312.7	303.3	305.8	2.5	0.8
23	Remuneration of workers	3.7	3.5	4.0	3.2	3.5	3.9	4.2	0.3	7.7
25	Other subsidized products	0.00	0.00	0.00	0.16	0.06	0.10	0.00	-0.1	-100.0
26	Factor income	313.8	337.8	337.7	305.6	312.8	303.4	305.8	2.4	0.8
27	Operational surplus / Mixed income	310.1	334.3	333.7	302.4	309.3	299.5	301.6	2.1	0.7
28	Rent and other liabilities for land use to be paid	1.9	1.4	2.2	2.2	2.2	2.3	2.3	0	0.0
29	Interest paid	0.4	0.8	0.9	1.0	1.0	0.9	0.8	-0.1	-11.1
31	Net farm income	307.8	332.1	330.6	299.2	306.1	296.3	298.4	2.1	0.7

Source: KAS

2.2 Cereals

In 2013, Kosovo had 141,912 ha of cereals planted. Compared to 2012, the area cultivated with cereals increased by 3% which is slightly higher compared to 13% in total in the last three years. Despite the slight increase of the area compared to the average of the three previous years, production was increased by 23%, which is the similar trend of growth in the period 2010-2012. The total cereals production amounted to an all-time high of 540,136 t.

Table 12: Area, production and cereal yields, 2007-2013

Crops	2007	2008	2009	2010	2011	2012	2013	Change 2013/ ('10-'12) in %	Change 2013/2012 in %
Area				ha				%	
Cereals	*102,364*	*114,976*	*119,984*	*119,871*	*121,095*	*137,215*	*141,912*	*13*	*3*
Wheat	61,222	72,131	77,938	78,420	79,928	102,918	*101,846*	*17*	*-1*
Maize	18,207	19,687	19,149	20,784	21,733	22,758	*25,531*	*17*	*12*
Maize (mixed)	17,007	16,432	16,705	14,640	13,475	8,423	*10,591*	*-13*	*26*
Barley	1,329	2,110	1,642	1,102	769	568	*1,363*	*68*	*140*
Barley (beer)	79	242	75	75	75				
Rye	583	689	394	571	607	253	*235*	*-51*	*-7*
Oats	3,937	3,685	4,081	4,279	4,508	2,294	*2,346*	*-36*	*2*
Production				t				%	
Cereals	*294,801*	*437,499*	*411,208*	*430,524*	*435,034*	*438,792*	*540,136*	*24*	*23*
Wheat	207,189	293,064	271,373	294,540	300,203	345,027	*391,727*	*25*	*14*
Maize	37,000	68,424	66,608	70,410	73,624	60,353	*97,964*	*44*	*62*
Maize (mixed)	37,451	58,495	59,256	50,050	46,069	25,951	*38,669*	*-5*	*49*
Barley	3,742	6,393	5,121	3,420	2,386	1,808	*4,415*	*74*	*144*
Barley (beer)	143	848	242	223	223				
Rye	1,447	1,410	834	1,371	1,457	740	*571*	*-52*	*-23*
Oats	7,829	8,865	7,774	10,510	11,072	4,913	*6,790*	*-23*	*38*
Yield				t/ha				%	
Wheat	*3.38*	*4.06*	*3.48*	*3.76*	*3.76*	*3.35*	*3.85*	*6*	*15*
Maize	*2.03*	*3.48*	*3.48*	*3.39*	*3.39*	*2.65*	*3.84*	*22*	*45*
Maize (mixed)	*2.20*	*3.56*	*3.55*	*3.42*	*3.42*	*3.08*	*3.65*	*10*	*19*
Barley	*2.82*	*3.03*	*3.12*	*3.10*	*3.10*	*3.18*	*3.24*	*3*	*2*
Barley (beer)	*1.81*	*3.50*	*3.23*	*2.96*	*2.96*				
Rye	*2.48*	*2.05*	*2.12*	*2.40*	*2.40*	*2.92*	*2.43*	*-6*	*-17*
Oats	*1.99*	*2.41*	*1.90*	*2.46*	*2.46*	*2.14*	*2.89*	*23*	*35*

Source: KAS – The Agricultural Household Survey, calculation by DEAAS

Regarding the area with cereals, all crops in the group of cereals have had a positive trend except rye, which had a decrease of 7%. Barley marked the largest increase of 140% form a low base, the area of maize as mixed culture grew by 26%, maize alone was 12%, and wheat 4%. Oats marked the lowest increase with only 2 and is affected by 36% for the average area compared to the period 2010-2012. Besides oats, rye has also marked a decrease of 51% in the area cultivated in 2013 compared to the period '10-'12, whereas maize mixed with other crops decreased by 13%.

Regarding production, in general there was an increase besides, rye the production of which in 2013 was reduced by 23% compared to 2012. The biggest increase in production was marked by barley with 144%, followed by maize 62%, mixed maize 49%, oats 38%, although wheat production was increased by 14%. In 2013, the highest increase in production was marked by maize 45% which represents a double increase compared to the last three years. The oats increased to 35%.

The total area planted with cereals in 2013 was 141,912 ha from which 72% is planted with wheat. Total domestic production was 391,727 t which covers 74.6% of domestics needs and other part is covered by import. In Kosovo the biggest part of wheat is used for human consumption as flour where the coefficient of conversion is 1.4 and the other part is sold and used for animal feed. The value of production was 91.5 mil. € that is 1.9% lower than in 2012 because eventhough the quantity of production is higher, the price is lower for 0.04 €. The trade balance continue to be negative but the quantity of wheat including the wheat equivalents is 3.9% lower than in 2012.

Table 13: Supply balance for wheat, 2007-2013

Balance items	Unit	2007	2008	2009	2010	2011	2012	2013
Area used for cereals	ha	102,364	114,976	119,984	119,871	121,095	137,215	141,912
Area with wheat	ha	61,222	72,131	77,938	78,420	79,928	102,918	101,846
Share of wheat	%	59.8	62.7	65.0	65.4	66.0	75.0	71.8
Yield	t/ha	3.38	4.06	3.48	3.76	3.76	3.35	3.85
Production	t	207,189	293,064	271,373	294,540	300,203	345,027	391,727
Import of wheat & wheat. equivalents	t	187,144	195,976	174,840	199,570	210,782	178,313	171,356
Supply	t	394,333	489,040	446,213	494,110	510,985	523,340	563,083
Export of wheat & wheat. equivalents	t	11,420	22,657	35,017	37,257	40,213	37,365	38,158
Domestic use	t	382,913	466,383	411,195	456,853	470,772	485,974	524,925
Self-sufficiency ratio	%	54.1	62.8	66.0	64.5	63.8	71.0	74.6
Seeds	t	18,367	21,639	23,381	23,526	23,978	30,875	30,554
Waste	t	6,216	8,792	8,141	8,836	9,006	10,351	11,752
Animal feed	t	32,869	47,274	43,173	47,192	48,099	54,684	62,896
Total human consumption	t	325,462	388,678	336,500	377,298	389,688	390,064	419,724
Domestic uses total	t	382,913	466,383	411,195	456,853	470,772	485,974	524,925
Producer prices (on farm)	€/kg	0.25	0.27	0.17	0.19	0.25	0.26	0.22
Value of production	mil. EUR	55.6	83.7	49.4	59.5	79.8	96.3	91.5
Trade balance for wheat	mil. EUR	-72.7	-63.8	-51.8	-75.5	-74.7	-72.2	-68.8

Source: DEAAS – MAFRD

Maize is the second crop most cultivated in cereals group. About 26% of total area planted with cereals is maize. In 2013 maize area was 15.8% higher compared with 2012 while the production was 17.9%% higher. With this amount of production Kosovo covered 78% of domestic needs, where the biggest part is used as animal feed. To fulfill the total needs Kosovo also import maize and the trade balance remains negative by 9.9 mil. €.

Table 14: Supply balance for maize, 2007-2013

Balance items	Unit	2007	2008	2009	2010	2011	2012	2013
Area used for cereals	ha	102,364	114,976	119,984	119,871	121,095	137,215	141,912
Area with maize	ha	35,214	36,119	35,854	35,424	35,209	31,181	36,122
Share of maize	%	34.4	31.4	29.9	29.6	29.1	22.7	25.5
Yield	t/ha	2.11	3.51	3.51	3.40	3.40	2.77	3.78
Production	t	74,451	126,919	125,864	120,461	119,693	86,304	136,633
Import of maize & maize equivalents	t	11,259	21,346	25,472	36,666	32,063	28,081	38,471
Supply	t	85,710	148,265	151,336	157,127	151,756	114,385	175,104
Export of maize & maize equivalents	t	738	318	195	91	78	54	61
Domestic use	t	84,972	147,948	151,141	157,036	151,678	114,331	175,043
Self-sufficiency ratio	%	87.6	85.8	83.3	76.7	78.9	75.5	78.1
Seeds	t	704	722	717	708	704	624	722
Waste	t	2,234	3,808	3,776	3,614	3,591	2,589	4,099
Animal feed	t	57,210	97,911	97,097	92,911	92,319	66,473	105,449
Total human consumption	t	24,824	45,507	49,551	59,803	55,065	44,645	64,773
Domestic use total	t	84,972	147,948	151,141	157,036	151,678	114,331	175,043
Producer prices (on farm)	€/kg	0.22	0.29	0.20	0.22	0.29	0.30	0.31
Value of production	mil. EUR	20.0	44.0	30.1	31.7	41.5	31.2	50.5
Trade balance for maize	mil. EUR	-3.6	-5.0	-5.5	-8.1	-8.9	-8.6	-9.9

Source: DEAAS – MAFRD

2.3 Vegetables

The area planted with vegetables in 2013 was 16,356 ha, 12% higher compared to 2012.

Among vegetables, the areas planted which marked increases are those with aubergine by 300%, pumpkins by 235%, cucumbers by 33% and peppers by 17%. Cauliflower marked an increase of 123% (and compared to the last three years, the increase is 263%), lettuce 156% (and compared to the last three years, the increase is 76%), mixed pumpkin 40% (compared to the last three years by 18%), melon by 68% (compared to the last three years by 121%), cabbage by 50% (compared to the last three years by 14%). Area planted with parsley in 2013 compared to 2012 was 112% higher; the area with peas compared to 2012 marked a 643% increase, the same for carrots which increased in 2013 for 81% and compared to the last three years, the increase is for 8%, followed by other crops such as mushrooms, leek, onion, bean, mixed beans as well as other legumes presented in the table below (Table 15).

Tomato has had an increase of 31% in 2012 compared to 2011 and 40% increase compared to the average during 2009-2011. In 2013 there was a decrease of about 25% compared to the previous year. From the group of vegetables, in 2013 areas marking decline were those with potato by 22%, stella blue squash by 2%, watermelon by 23%, spinach by 11%, sugar-beet by 82% and radish by 14%

Table 15: Area with vegetables, 2007-2013

Crops	2007	2008	2009	2010	2011	2012	2013	Change 2013/('10-'12) in %	Change 2013/2012 in %
Area				ha				%	
Vegetables	*17,702*	*16,551*	*15,839*	*16,356*	*16,196*	*14,557*	*16,356*	*4*	*12*
Potatoes	4,952	3,746	3,376	3,760	3,746	3,198	*2,777*	*-22*	*-13*
Tomatoes	923	903	821	935	967	1,271	*950*	*-10*	*-25*
Aubergine	14	11	5	6	5	2	*8*	*85*	*300*
Pepper	2,231	2,523	2,955	2,914	2,993	3,153	*3,686*	*22*	*17*
Pumpkin	*52*	*81*	*102*	*103*	*112*	*34*	*114*	*37*	*235*
Pumpkin (mixed)	*1,236*	*954*	*884*	*853*	*768*	*637*	*891*	*18*	*40*
Stella blue squash	*96*	*123*	*74*	*94*	*94*	*106*	*96*	*-2*	*-9*
Mushroom	*1*	*1*	*1*	*1*	*2*	*2*			
Cucumber	*344*	*278*	*316*	*343*	*359*	*255*	*340*	*7*	*33*
Watermelon	901	1,029	954	1,141	1,240	847	*827*	*-23*	*-2*
Melon	213	229	118	175	171	271	*455*	*121*	*68*
Cabbage	620	703	962	836	842	568	*851*	*14*	*50*
Cauliflower	30	8	12	7	4	13	*29*	*263*	*123*
Spinach	87	77	50	71	75	40	*55*	*-11*	*38*
Lettuce	47	33	37	48	51	29	*75*	*76*	*159*
Turnip	31	79	5	40	43	2	*5*	*-82*	*150*
Parsley	9	12	8	11	11	9	*20*	*94*	*122*
Leek	95	85	62	113	121	93	*143*	*31*	*54*
Onion	1,059	1,205	798	1,043	1,074	881	*1,060*	*6*	*20*
Radish	5	1	3	3	3	1	*2*	*-14*	*100*
Garlic	209	173	97	150	152	141	*193*	*31*	*37*
Beans	388	226	221	219	196	178	*374*	*89*	*110*
Beans (mixed)	4,050	3,987	3,891	3,390	3,064	2,776	*3,274*	*6*	*18*
Peas	28	19	33	32	34	7	*52*	*114*	*643*
Other legumes	23	17	11	15	13	16	*30*	*105*	*88*
Carrots	58	48	43	53	56	27	*49*	*8*	*81*

Source: KAS – The Agricultural Household Survey

Regarding production, the total 16,356 ha planted in 2013 yielded with 50,847 tonnes of vegetables.

Aubergine production in 2013 was 21.3 tonnes per hectare, whereas compared to 2012, the increase was 900%. Compared to the previous three years the increase was 105%, production of cauliflower 961%, peas 821% and production of pumpkins 457 %.

Tomato marked a 26% increase in 2013 compared to 2012 whereas compared to the previous three years there was a drop of 62%. Potato production was 18.3 t per hectare in 2013 whereas compared to 2012 there was a 52% increase. Pepper yielded 19.8 t per hectare and production increased by 44% compared to 2012. Same for cucumbers, which yielded 71% more than in 2012, whereas compared to the last three years (2010-2012) there was a drop of 15%. Other crops such as: garlic, parsley, beans, carrot, other legumes, watermelon etc. are presented in (Table 16).

Table 16: Vegetable production, 2007-2013

Crops	2007	2008	2009	2010	2011	2012	2013	Change 2013/('10-'12) in %	Change 2013/2012 in %
Production				t				%	
Vegetables	*211,671*	*275,742*	*202,995*	*338,989*	*345,565*	*163,146*	*235,326*	*-17*	*44*
Potatoes	95,125	103,958	58,687	87,354	87,036	33,407	*50,847*	*-27*	*52*
Tomatoes	14,697	20,587	15,107	60,318	62,358	13,693	*17,291*	*-62*	*26*
Aubergine	187	97	64	134	98	17	*170*	*105*	*900*
Pepper	35,959	51,274	46,669	93,924	96,322	50,744	*72,928*	*-9*	*44*
Pumpkin	663	1,294	1,496	1,415	1,539	431	*2,402*	*113*	*457*
Pumpkin (mixed)	5,025	11,567	5,694	6,202	5,580	8,668	*7,822*	*15*	*-10*
Stella blue squash	1,363	2,872	1,195	1,861	1,846	2,065	*1,963*	*2*	*-5*
Mushroom	5.4	21	6	16	19	19			
Cucumber	7,088	9,032	7,199	12,902	13,502	5,239	*8,975*	*-15*	*71*
Watermelon	15,048	24,736	18,896	25,743	27,975	17,080	*17,641*	*-25*	*3*
Melon	2,083	2,934	1,318	2,138	2,090	2,455	*4,824*	*117*	*96*
Cabbage	15,425	19,041	27,895	22,988	23,154	13,975	*21,924*	*9*	*57*
Cauliflower	838	158	218	131	75	169	*1,793*	*1,334*	*961*
Spinach	531	710	280	859	898	262	*408*	*-39*	*56*
Lettuce	370	281	549	608	635	200	*736*	*53*	*268*
Turnip	231	782	65	389	422	27	*59*	*-79*	*119*
Parsley	57	76	52	67	71	50	*112*	*79*	*124*
Leek	1,435	1,618	814	1,559	1,675	1,293	*2,206*	*46*	*71*
Onion	10,934	15,987	8,697	13,257	13,655	8,601	*15,308*	*29*	*78*
Radish	22	7	18	23	21	6	*8*	*-52*	*33*
Garlic	948	1,323	456	867	878	557	*1,046*	*36*	*88*
Beans	528	635	455	511	456	249	*1,088*	*168*	*337*
Beans (mixed)	2,506	6,173	6,684	5,064	4,577	3,474	*4,804*	*10*	*38*
Peas	53	62	80	96	103	34	*313*	*303*	*821*
Other legumes	109	95	49	75	66	111	*177*	*111*	*59*
Carrots	443	422	352	488	514	320	*481*	*9*	*50*

Source: KAS – The Agricultural Household Survey

Out of the 16,356 ha total area planted with vegetables in 2013, 6% was planted with tomatoes compared to 9% planted last year. The overall production amounted to 17,291 tonnes and covers about 56% of the domestic demand. The import of tomatoes was 13,73 tonnes, whereas 32 tonnes were exported. The overall human consumption in 2013 was 30,311 tonnes, which presents a decline from 36,527 in 2012. The local use of tomatoes was about 31,000 tonnes. The production value of tomatoes in 2013 was 9.3 million Euros with a negative trade balance of 3.3 million Euros, compared to 2012 when production amounted 17.0 million Euros and the trade balance was also negative by 3.0 million Euros.

Table 17: Supply balance for tomato, 2007-2013

Balance items	Unit	2007	2008	2009	2010	2011	2012	2013
Area with vegetables	ha	17,702	16,551	15,839	16,356	16,196	14,557	16,356
Area with tomato	ha	923	903	821	935	967	1,233	950
Share of tomato	%	5.2	5.5	5.2	5.7	6.0	8.5	5.8
Yield	t/ha	15.92	22.80	18.40	63.63	63.40	20.28	18.20
Production	t	14,697	20,587	15,107	59,490	61,312	25,006	17,291
Import of tomato	t	15,969	12,013	13,448	13,583	14,536	12,636	13,756
Supply	t	30,665	32,600	28,555	73,073	75,848	37,643	31,047
Export of tomato	t	891	495	88	649	412	115	32
Domestic use	t	29,775	32,105	28,467	72,424	75,436	37,527	31,016
Self-sufficiency ratio	%	49.4	64.1	53.1	82.1	81.3	66.6	55.7
Waste	t	588	823	604	2,380	2,452	1,000	692
Own final consumption	t	2,681	3,755	2,756	10,851	11,183	4,561	3,154
Total human consumption	t	29,187	31,281	27,863	70,045	72,984	36,527	30,324
Domestic use total	t	29,775	32,105	28,467	72,424	75,436	37,527	31,016
Producer prices (on farm)	€/kg	0.67	0.57	0.61	0.62	0.50	0.71	0.56
Vlaue of production	mil. EUR	9.5	11.3	8.8	35.4	29.4	17.0	9.3
Trade balance for tomatoes	mil. EUR	-5.1	-4.7	-4.7	-5.1	-4.7	-3.0	-3.3

Source: DEAAS – MAFRD

The share of peppers in the total area of 16,356 ha planted with vegetables in 2013 is 22.5%. The share portion is higher this year compared to the previous years. The general local production was 72,928 tonnes which covers 90% of the domestic demand and the rest is covered by imports. The largest quantity of pepper production is used for human consumption and only a small portion is used for household needs, whereas the biggest portion is sold in the market. The production value is 54.6 million Euros, whereas the market balance value is negative by 3.0 million Euros.

Table 18: Supply balance for pepper, 2007-2013

Balance items	Unit	2007	2008	2009	2010	2011	2012	2013
Area with vegetables	ha	17,702	16,551	15,839	16,356	16,196	14,557	16,356
Area with pepper	ha	2,231	2,523	2,955	2,914	2,993	3,153	3,686
Share of pepper	%	12.6	15.2	18.7	17.8	18.5	21.7	22.5
Yield	t/ha	16.12	20.32	15.79	32.23	32.18	16.09	19.79
Production	t	35,959	51,274	46,669	93,924	96,322	50,744	72,928
Import of pepper	t	6,577	6,842	7,007	7,448	7,932	7,721	9,150
Supply	t	42,536	58,116	53,676	101,372	104,254	58,465	82,078
Export of pepper	t	985	2,074	1,653	2,493	2,045	2,053	1,187
Domestic use	t	41,551	56,042	52,023	98,878	102,209	56,412	80,891
Self-sufficiency ratio	%	86.5	91.5	89.7	95.0	94.2	90.0	90.2
Waste	t	1,438	2,051	1,867	3,757	3,853	2,030	2,917
Own final consumption	t	6,559	9,352	8,512	17,132	17,569	9,256	13,302
Total human consumption	t	40,112	53,991	50,157	95,121	98,356	54,382	77,974
Domestic use total	t	41,551	56,042	52,023	98,878	102,209	56,412	80,891
Producer prices (on farm)	€/kg	0.62	0.69	0.63	0.59	0.58	0.58	0.78
Value of production	mil. EUR	21.4	34.0	28.2	53.2	53.6	28.3	54.6
Trade balance for pepper	mil. EUR	-1.9	-3.1	-3.4	-4.1	-3.2	-2.9	-3.0

Source: DEAAS – MAFRD

Potatoes cover 17.0% of the total area planted with vegetables in 2013 which is less compared to the 22.0% coverage in 2012. In 2013, 16,356 ha planed with potatoes yielded 50,847 tonnes. With this quantity of production Kosovo can cover the whole domestic demand. The largest quantity of potato production, about 65%, is sold in the market, and the rest is used for household needs and industrial processing. In 2012, the potato trade balance was negative and the value was lower compared to the previous years due to the differences of import/export prices, whereas in 2013, the trade balance was positive by 0.7 million Euros, where the production value was 20.8 million Euros.

Table 19: Supply balance for potatoes, 2007-2013

Balance items	Unit	2007	2008	2009	2010	2011	2012	2013
Area with vegetables	ha	17,702	16,551	15,839	16,356	16,196	14,557	16,356
Area with potatoes	ha	4,952	3,746	3,376	3,760	3,746	3,198	2,777
Share of potatoes	%	28.0	22.6	21.3	23.0	23.1	22.0	17.0
Yield	t/ha	19.21	27.75	17.38	23.23	23.23	10.45	18.31
Production	t	95,125	103,958	58,687	87,354	87,036	33,407	50,847
Import of potato	t	2,089	1,586	791	2,778	1,380	1,595	2,708
Supply	t	97,214	105,544	59,478	90,132	88,416	35,002	53,555
Export of potato	t	4,493	6,348	3,643	3,095	3,971	5,450	9,690
Domestic use	t	92,721	99,197	55,835	87,037	84,445	29,553	43,865
Self-sufficiency ratio	%	102.6	104.8	105.1	100.4	103.1	113.0	115.9
Waste	t	4,756	5,198	2,934	4,368	4,352	1,670	2,542
Own final consumption	t	27,111	29,628	16,726	24,896	24,805	9,521	14,491
Total human consumption	t	87,965	93,999	52,901	82,669	80,093	27,882	41,323
Domestic use total	t	92,721	99,197	55,835	87,037	84,445	29,553	43,865
Producer prices (on farm)	€/kg	0.30	0.31	0.30	0.29	0.30	0.32	0.43
Value of production	mil. EUR	27.1	30.6	16.7	24.1	24.8	10.2	20.8
Trade balance for potatoes	mil. EUR	0.2	0.2	0.0	-0.2	0.1	0.3	0.7

Source: DEAAS – MAFRD

2.4 Fruits and wine

The total area with fruits in 2013 marked increase by 18% compared to 2012. In 2013 the area planted with fruits was 8,342 ha, dominated by apples, with a total of 2,024 ha planted, plums with a total of 1,843 ha area planted, followed by other crops such as pear, quince, medlar, etc. (**Error! Reference source not found.**).

Table 20: Area and fruit production, 2007-2013

Crop	2007	2008	2009	2010	2011	2012	2013	Change 2013/('10-'12) in %	Change 2013/2012 in %
Area				ha				%	
Fruits	6,812	6,999	6,027	6,578	6,733	7,082	8,342	23	18
Apple	1,068	1,686	1,355	1,661	1,790	1,725	2,024	17	17
Pear	301	429	261	352	354	326	561	63	72
Quince	61	52	28	39	38	52	111	158	113
Medlar	44	20	12	22	22	16	35	75	119
Plum	1,835	1,378	1,060	1,063	1,063	1,404	1,843	57	31
Apricot	47	27	10	16	13	22	47	176	114
Peach	59	65	17	41	42	39	84	107	115
Cherry	78	65	35	50	50	50	88	76	76
Sour cherry	117	84	69	58	58	107	106	43	-1
Walnut	58	84	74	63	75	57	91	40	60
Hazelnut	10	6	12	13	15	2	22	120	1,000
Strawberry	123	59	26	49	45	52	148	204	185
Blackberry	0	1	1	1	0	0	23	4,213	7,567
Raspberry	4	1	10	10	10	10			
Wine grape	2,377	2,417	2,420	2,504	2,510	2,517	2,408	-4	-4
Table grape	630	625	637	636	648	702	751	13	7
Production				t				%	
Fruits	47,588	58,227	49,308	52,419	41,429	59,633	76,702	50	29
Apple	6,307	12,612	11,742	12,545	13,523	8,120	16,786	47	107
Pear	1,809	2,867	1,748	2,495	2,510	1,562	4,259	95	173
Quince	319	425	165	275	265	506	977	180	93
Medlar	145	72	57	90	92	66	138	67	109
Plum	7,963	10,901	8,084	6,957	6,957	17,514	24,433	133	40
Apricot	202	164	47	89	71	83	239	195	188
Peach	235	265	83	177	180	173	441	150	155
Cherry	300	362	161	257	256	167	354	56	112
Sour cherry	398	419	301	255	255	1,175	381	-32	-68
Walnut	264	465	300	314	371	234	483	58	106
Hazelnut	12	14	9	18	21	2	31	127	1,450
Strawberry	750	439	180	294	270	275	465	66	69
Blackberry	0	3	4	2	1	1	105	7,775	10,400
Raspberry	5	8	124	73	73	73			
Wine grape	22,581	22,961	20,570	22,536	12,048	22,656	20,473	7	-10
Table grape	6,300	6,250	5,733	6,042	4,536	7,026	7,137	22	2

Source: KAS – The Agricultural Household Survey / * Vineyard and Winery Department

Apples make up 24% of the total area planted with fruits in 2013, which was 8,342 ha. The total domestic production was 16,786 tonnes, which covers 56% of the domestic demand and the rest is covered by import. The largest portion, about 60%, is used for household needs, whereas the remaining part is sold and processed. The production value was 8.0 million Euros in 2013, which marked an increase compared to 2012 when the value was only 3.9 million Euros. The trade balance value was negative by 4.4 million Euros which is slightly higher compared to 2012, when the balance was negative by 4.1 million Euros.

Table 21: Supply balance for apple, 2007-2013

Balance items	Unit	2007	2008	2009	2010	2011	2012	2013
Area with fruits	ha	6,812	6,999	6,027	6,578	6,733	7,071	8,342
Area with apple	ha	1,068	1,686	1,355	1,661	1,790	1,725	2,024
Share of apple	%	15.7	24.1	22.5	25.3	26.6	24.4	24.3
Yield	t/ha	5.91	7.48	8.67	7.55	7.55	4.71	8.29
Production	t	6,307	12,612	11,742	12,545	13,523	8,120	16,786
Import of apple	t	9,928	9,937	11,161	12,222	11,085	12,590	13,143
Supply	t	16,235	22,549	22,903	24,767	24,608	20,710	29,929
Export of apple	t	3	83	27	7	3	45	15
Domestic use	t	16,231	22,465	22,876	24,760	24,605	20,665	29,914
Self-sufficiency ratio	%	38.9	56.1	51.3	50.7	55.0	39.3	56.1
Waste	t	631	1,261	1,174	1,255	1,352	812	1,679
Own final consumption	t	3,406	6,810	6,341	6,774	7,302	4,385	9,064
Total human consumption	t	15,600	21,204	21,702	23,505	23,253	19,853	28,235
Domestic use total	t	16,231	22,465	22,876	24,760	24,605	20,665	29,914
Producer prices (on farm)	€/kg	0.56	0.60	0.51	0.49	0.49	0.54	0.53
Value of production	mil. EUR	3.2	6.8	5.4	5.5	6.0	3.9	8.0
Trade balance for apple	mil. EUR	-2.4	-2.8	-3.0	-3.4	-3.3	-4.1	-4.4

Source: DEAAS – MAFRD

Plums in 2013 are represented by 22.0% coverage of the total area planted with fruits, compared to 2012, which was about 20%. Plum production was about 24,400 tonnes in 2013, and about 300 tonnes were imported, whereas 8 tonnes were exported. Compared to 2012, there is a huge difference in export in 2013 which had a sharp increase of 700%. Out of the total production, the largest portion is used for domestic needs, about 65% and the rest is sold in the market and used by the industry. The production value was higher in 2013 by 7.7 million Euros, which represents the highest value in the last years. The trade balance was negative for plums, by 0.1 million Euros

Table 22: Supply balance for plum, 2007-2013

Balance items	Unit	2007	2008	2009	2010	2011	2012	2013
Area with fruits	ha	6,812	6,999	6,027	6,578	6,733	7,071	8,342
Area with plum	ha	1,835	1,378	1,060	1,063	1,063	1,404	1,843
Share of plum	%	26.9	19.7	17.6	16.2	15.8	19.9	22.1
Yield	t/ha	4.34	7.91	7.63	6.54	6.54	12.47	13.26
Production	t	7,963	10,901	8,084	6,957	6,957	17,514	24,433
Import of plum	t	469	326	184	313	245	339	311
Supply	t	8,432	11,227	8,268	7,270	7,202	17,853	24,744
Export of plum	t	0	1	0	0	0	2	8
Domestic use	t	8,432	11,226	8,268	7,270	7,202	17,852	24,736
Self-sufficiency ratio	%	94.4	97.1	97.8	95.7	96.6	98.1	98.8
Waste	t	557	763	566	487	487	1,226	1,710
Own final consumption	t	4,813	6,590	4,887	4,206	4,206	10,587	14,770
Total human consumption	t	7,874	10,463	7,702	6,783	6,715	16,626	23,026
Domestic use total	t	8,432	11,226	8,268	7,270	7,202	17,852	24,736
Producer prices (on farm)	€/kg	0.35	0.40	0.32	0.29	0.35	0.40	0.34
Value of production	mil. EUR	2.6	4.1	2.4	1.9	2.3	6.5	7.7
Trade balance for plums	mil. EUR	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1

Source: DEAAS – MAFRD

The share of strawberries is about 2% of the total area planted with fruits, which is 8,342 ha compared to 2012, when the share was only 0.7%. The domestic production was 465 tonnes, which covers about 60% of the demand. The rest is covered by imports. The production value was 0.4 million Euros in 2013, whereas the trade balance was negative by 0.2 million Euros.

Table 23: Supply balance for strawberry, 2007-2013

Balance items	Unit	2007	2008	2009	2010	2011	2012	2013
Area with fruits	ha	6,812	6,999	6,027	6,578	6,733	7,071	8,342
Area with strawberry	ha	123	59	26	174	170	51	148
Share of strawberry	%	1.8	0.8	0.4	2.6	2.5	0.7	1.8
Yield	t/ha	6.10	7.44	6.92	1.97	1.97	11.24	3.14
Production	t	750	439	180	343	335	573	465
Import of strawberry	t	133	159	133	167	164	169	311
Supply	t	883	598	313	510	499	742	776
Export of strawberry	t	1	0	0	2	11	36	0
Domestic use	t	883	598	313	508	487	706	776
Self-sufficiency ratio	%	85.0	73.4	57.5	67.5	68.8	81.2	59.9
Waste	t	53	31	13	24	23	40	33
Own final consumption	t	453	265	109	207	203	347	281
Total human consumption	t	830	567	300	484	464	666	744
Domestic use total	t	883	598	313	508	487	706	776
Producer prices (on farm)	€/kg	0.97	0.97	0.89	0.80	1.23	1.03	0.91
Value of production	mil. EUR	0.7	0.4	0.1	0.3	0.4	0.5	0.4
Trade balance for strawberry	mil. EUR	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.2

Source: DEAAS – MAFRD

The total area with vineyards in 2013 was 3,159 ha and only 751 ha were planted with table grapes. The total production was 7,137 tonnes which covers 99% of the domestic needs, whereas the yield was 9.5 tonnes/ha. The trade balance remains negative by 1.17 million Euros, which is lower compared to 2012 when the value was negative by 0.85 million Euros.

Table 24: Supply balance for table grape, 2007 – 2013

Balance items	Unit	2007	2008	2009	2010	2011	2012	2013
Area with vineyards	ha	3,007	3,042	3,057	3,140	3,158	3,220	3,159
Area with table grape	ha	630	625	637	636	648	703	751
Share of table grape	%	21	21	21	20	21	22	24
Yield	t/ha	10.00	10.00	9.00	9.50	7.00	9.99	9.50
Production	t	6,300	6,250	5,733	6,042	4,536	7,026	7,137
Import of table grape	t	2,288	1,846	2,193	2,251	2,011	1,764	2,762
Table grape supply	t	8,588	8,096	7,926	8,293	6,547	8,790	9,899
Export of table grape	t	257.68	467.46	91.11	212.15	7.88	454.38	39.93
Domestic use	t	8,330	7,629	7,834	8,081	6,539	8,336	9,859
Self-sufficiency ratio	%	76	82	73	75	69	84	72
Domestic use total	t	8,330	7,629	7,834	8,081	6,539	8,336	9,859
Producer prices (on farm)	€/kg	0.88	0.85	0.83	0.80	0.93	0.93	0.81
Value of production	mil. EUR	5.54	5.31	4.76	4.83	4.22	6.53	5.78
Trade balance	mil. EUR	-0.80	-0.95	-1.19	-1.24	-1.47	-0.85	-1.17

Source: DEAAS – MAFRD

The quantity of wine produced in 2013 marked an increase compared to 2012. Quantities were raised from 5,287 litres in 2012 to 7,682 litres in 2013. There is an increase of 45% in wine production in 2013 compared to 2012.

Table 25: Wine production 2008-2013

Production	Unit	2008	2009	2010	2011	2012	2013	Change 2013/('10-'12) in %	Change 2013/2012 in %
Red wine	1000 l	4,995	4,078	2,082	1,118	2,518	3,659	92	45
White wine	1000 l	4,377	2,321	974	403	2,769	4,023	191	45
Total wine	1000 l	9,372	6,399	3,056	1,521	5,287	7,682	134	45

Source: Vineyard and Winery Department

Wine production reached a peak in 2008, with 9,372,000 litres. In 2009 this production decreased by 32%. The decrease was even deeper in 2010, by 52%. The year 2011 saw improper weather conditions, which had an impact on grape yields. Therefore, only a certain quantity of grapes were processed into wine, whereas the largest grape portion was sold in the market for consumption due to the lack of table grape.

Currently in the Republic of Kosovo there are 21 companies licensed by MAFRD. Seventeen of them deal with grape processing and other products of grape and wine. There are other companies as well operating in the Republic of Kosovo which import wine and other products of grape and wine.

According to the an organization consisting of wine producers, the Stone Castle Vineyards & Winery Company is the leader producer, with 5,129,375 litres of wine produced in 2013, followed by PTE Haxhijaha with 976,457 litres and Biopak Company with 722,735 litres. The 17 companies presented in the list of producers, produced a total of 4,023,352 litres of white wine, and a total of 3,659,073 litres of red wine.

Table 26: List of wine producer companies and production in 2013

No.	Company	White wine /l	Red wine /l	Total wine /l	Grape for distillation /l
1	Shpk "Stone Castle Vineyards&Winery"	2,940,105	2,189,270	5,129,375	840,937
2	NTP "Haxhijaha"	144,479	831,978	976,457	21,927
3	NTP "Muja"	22,160	46,142	68,302	7,500
4	"Biopak Shpk"	282,300	440,435	722,735	0
5	NTP "Sefa"	2,850	21,660	24,510	
6	Shpk "AgroKosovo - Holding"	66,000	56,000	122,000	0
7	Shpk "Rahoveci"	0	27,754	27,754	12,860
8	NTP "Rahvera - AB"	2,000	5,000	7,000	1,972
9	NTP "Bahha"	1,118	9,275	10,393	1,900
10	NTP "Agro-alf"	22,173	7,669	29,842	0
11	NTP "Daka"	0	0	0	0
12	Shpk "Dea"	0	2,000	2,000	0
13	NTP " Altini"	0	5,000	5,000	1,600
14	NTP " Sunny Hills"	539,117		539,117	
15	Theranda Wine sh.p.k.	1,050	11,340	12,390	2,500
16	NTSH "Safran & ko"		2,600	2,600	
17	N.P.SH. "ALBATROS"	0	2,950	2,950	
	Total	**4,023,352**	**3,659,073**	**7,682,425**	**891,196**

Source: Vineyard and Winery Department

Kosovo has over 40 varieties of grape planted for different purposes. Vranac is the leader of red varieties, with a total area of 417 ha, Prokupa had 408 ha total area planted, followed by Game with 291 ha, and other varieties make up a total of 493 ha planted with red varieties.

White varieties make up 802 ha of the planted area, and the largest part is planted with Smederevka, covering an area of 361 ha, followed by Italian Reisling covering 218 ha and Shardone covering 105 ha. The remaining 118 ha area is planted with varieties such as R. Rajne, Zhuplanka, Rkacitel, White Pino, Ribier, Semion, Klladovo White and Zhillavka.

Table 27: Wine grape varieties

	Red varieties		White varieties	
No.	**Varieties**	**Area in ha**	**Varieties**	**Area in ha**
1	Vranac	417	Smederevka	361
2	Prokupë	408	R. Italian	218
3	Game	291	Shardone	105
4	Pino Noir	174	R. Rajne	48
5	Zhamet	115	Zhuplanka	24
6	Kabernet Sauvignon	54	Rkacitel	11
7	Game coloured	30	Pino i bardhë	12
8	Frankovke	26	Ribier	11
9	Merlo	37	Semion	6
10	Kabernet Frank	24	E bardha e Klladoves	3
11	Syrah	4	Zhillavka	3
12	Jagodinka	0		
13	Melnik	9		
14	Pllovdin	18		
15	Shaslla	1		
16	Petit Verdo	1		
Total		**1,609**		**802**

Source: Vineyard and Winery Department

Out of total 18 varieties of grapes planted in a total area of 751 ha, the largest part is planted with Muscat Hamburg, covering 256 ha total area, followed by Muscat Italian with a total of 163 ha, and Afuz Ali covering 116 ha.

Table 28: Table grape varieties

Table varieties		
No.	**Varieties**	**Area in ha**
1	Muskat Hamburg	256
2	Muskat Italian	163
3	Afuz Ali	116
4	Kardinal	79
5	Moldavka	15
6	Ribier	11
7	Demir Kapi	8
8	Antigona	8
9	Table grape ekpsr.	8
10	Viktoria	24
11	Black Magic	7
12	Mbretëresha	3
13	Groqanka	1
14	Jagodinka	0
15	Red Globe	1
16	Muskat Korrikut	0
17	Krimson Seedless	1
18	Mishele Palieri	17
19	Other	31
Total		751

Source: Vineyard and Winery Department

2.5 Forage crops and green cereals

The area planted with fodder crops and green harvested cereals in Kosovo in 2013 was 110,314 ha compared to 94,444 ha in 2012. This area has increased by 17%, which is higher compared to the average of 13% in the last three years. In general, there was an increase in the area planted with fodder crops and green harvested cereals starting with vetches which made the highest increase, followed by green wheat, green maize, and trefoil with a moderate increase of 13%. If we compare the area with fodder crops and green harvested cereals with the average area in the last three years, we will see that oats and trefoil have had negative trends. The total production of fodder crops and green harvested cereals reached 393,087 tonnes.

Table 29: Area, production, yields of forage crop and mown green cereals, 2007-2013

Crops	2007	2008	2009	2010	2011	2012	2013	Change 2013/ ('10-'12) in %	Change 2013/2012 in %
Area				ha				%	
Forage crops & green cereals	*108,358*	*104,762*	*91,426*	*99,043*	*98,833*	*94,444*	*110,314*	*13*	*17*
Wheat (green)	277	215	148	154	102	141	*302*	*128*	*114*
Rye (green)	73	403	203	337	390	*390*			
Barley (green)	50	81	89	97	107	*107*			
Oats (green)	5,211	3,646	2,321	2,364	1,835	860	*1,400*	*-17*	*63*
Maize (green)	1,212	1,209	1,094	1,062	1,032	2,511	*4,294*	*180*	*71*
Hay (Meadows)	76,226	77,864	66,875	74,952	76,386	72,048	*81,924*	*10*	*14*
Grass	6,422	4,299	3,860	2,733	1,645	3,677	*5,036*	*88*	*37*
Alfalfa	17,623	14,494	13,188	14,678	14,707	13,330	*15,495*	*9*	*16*
Clover	1,192	2,385	3,529	2,582	2,577	1,328	*1,502*	*-31*	*13*
Vetches	72	166	119	83	52	*52*	*361*	*482*	*599*
Production				t				%	
Forage crops & green cereals	*283,155*	*331,936*	*257,768*	*398,556*	*396,049*	*259,522*	*393,087*	*12*	*51*
Wheat (green)	1,171	942	362	735	486	456	*1,366*	*144*	*200*
Rye (green)	232	1,530	409	1,123	1,299	*1,299*			
Barley (green)	189	412	389	365	402	*402*			
Oats (green)	22,622	14,759	5,789	9,648	7,486	2,904	*9,385*	*41*	*223*
Maize (green)	9,701	21,603	18,209	15,944	15,493	28,006	*82,050*	*314*	*193*
Hay (Meadows)	174,298	216,515	168,607	208,058	212,037	166,519	*217,155*	*11*	*30*
Grass	14,915	12,879	12,043	9,269	5,578	8,980	*14,836*	*87*	*65*
Alfalfa	57,085	55,970	42,416	145,054	145,054	46,828	*60,869*	*-46*	*30*
Clover	2,802	6,819	9,356	8,009	7,994	3,908	*5,889*	*-11*	*51*
Vetches	139	507	188	352	220	*220*	*1,537*	*483*	*600*
Yield				t/ha				%	
Wheat (green)	*4.23*	*4.38*	*2.45*	*4.77*	*4.76*	*3.24*	*4.52*	*6*	*40*
Rye (green)	*3.18*	*3.80*	*2.01*	*3.33*	*3.33*	*3.33*			
Barley (green)	*3.79*	*5.09*	*4.42*	*3.76*	*3.76*	*3.76*			
Oats (green)	*4.34*	*4.05*	*2.49*	*4.08*	*4.08*	*3.38*	*6.70*	*74*	*99*
Maize (green)	*8.00*	*17.87*	*16.64*	*15.01*	*15.01*	*11.15*	*19.11*	*39*	*71*
Hay (Meadows)	*2.29*	*2.78*	*2.52*	*2.78*	*2.78*	*2.31*	*2.65*	*1*	*15*
Grass	*2.32*	*3.00*	*3.12*	*3.39*	*3.39*	*2.44*	*2.95*	*-4*	*21*
Alfalfa	*3.24*	*3.86*	*3.22*	*9.88*	*9.86*	*3.51*	*3.93*	*-49*	*12*
Clover	*2.35*	*2.86*	*2.65*	*3.10*	*3.10*	*2.94*	*3.92*	*29*	*33*
Vetches	*1.93*	*3.05*	*1.58*	*4.25*	*4.25*	*4.25*	*4.26*	*0*	*0*

Source: KAS – Agricultural Household Survey

The overall production under the category of fodder crops and green harvested cereals increased by 51%. In general, the highest increase was marked by the production of vetches, green wheat, green oat, and green maize, whereas the lowest increase of only 30% was marked by hay/meadows and Lucerne/alfalfa. Compared to the average of the last three years in the production rate in 2013, the highest increase was marked by oats, whereas green maize production in 2013 was increased by 193%, and compared to the average of the last three years, the increase was 314%.

2.6 Cattle

Livestock production is the most profitable activity and is of economic importance. There are development resources to support livestock production, which promotes the development of other agricultural activities (plant production, processing industry etc.)

Livestock products are of social and economic importance. These products represent high nutritional values consumed by all categories of the society and age groups. They are rich of high nutritional and biological values.

Apart from production of farm animals, poultry, beekeeping, fisheries and aquaculture are also considered among other livestock categories.

Cattle are sources of milk and meat production in the country. According to the data of the Kosovo Statistics Agency (KAS), the cattle fund of 321,385 heads accounts for over 60% of the livestock animal population.

Small and middle-sized farms are the dominant farms. Cattle farms counting up to 20 heads account for over 90% of farms.

According the KAS (2013), in 2012 the production value from the livestock sector reached 266.6 million Euros, which is 19% lower compared to the value of crop production (327.6 million Euros). Livestock production consumed 67.8 million Euros from fodder crops (Table 1).

Based on data from 2013 (Table 30), the number of cattle has decreased by 2% compared to 2012, whereas compared to the last three years, there was a decline of 8%. Based on the comparative analysis of different categories, the decline of 13% is obvious in the category of bulls and heifers 1-2 years, 4% in the category of bulls, 3% in the category of calves 6 months - 1 year, and 1% calves up to 6 months. The only category which marked increase was bulls and heifers over 2 years old (these categories are mostly for reproduction) by 33%. In general, the last year’s trend is more positive compared to the last three years marked by sharper decline such as bulls decline by 23%, calves up to 6 months decline of 8% etc.

Table 30: Cattle stock, 2007-2013

No. of animals	2007	2008	2009	2010	2011	2012	2013	Change 2013/('10-'12) in %	Change 2013/2012 in %
Cattle stock	*321,624*	*341,608*	*344,078*	*356,727*	*361,878*	*329,213*	*321,385*	*-8*	*-2*
Calves up to 6 months	68,176	75,476	74,167	80,834	83,524	73,336	*72,435*	*-9*	*-1*
Calves 6 months - 1 year	43,090	50,206	45,348	50,277	50,837	43,926	*42,578*	*-12*	*-3*
Bulls and heifers 1-2 years	14,177	17,720	25,890	22,668	23,557	21,722	*18,944*	*-16*	*-13*
Bulls and heifers over 2 years	4,832	5,199	6,077	5,608	5,490	5,439	*7,210*	*31*	*33*
Dairy cows	189,706	191,529	190,216	194,984	196,155	183,340	*178,557*	*-7*	*-3*
Bulls for reproduction	1,368	1,066	2,125	2,125	2,125	1,450	*1,389*	*-27*	*-4*
Buffaloes	275	412	255	231	190	*159*	272	*41*	*71*

Source: KAS – Agricultural Household Survey

Total number of cattle in stock in 2013 was 321,385 compared with 2012 the decrease was 2%. About slaughtering 156,062 heads were slaughtered in 2013, lower than in 2012. Value of total production was 58.6 mil. € while the value of import 27.8 mil. €. With this quantity of production self-sufficiency ratio is 69.8% and consumption per capita is 21.2 kg.

Table 31: Supply balance for beef, 2007-2013

Balance items	Unit	2007	2008	2009	2010	2011	2012	2013
Cattle stock	heads	321,624	341,608	344,078	356,727	361,878	329,213	321,385
Dairy cows	heads	189,706	191,529	190,216	194,984	196,155	183,340	178,557
Total slaughters	heads	155,760	153,216	152,394	165,371	172,433	162,292	156,062
Total domestic prod. in c.w.	mil. kg c.w.	26.1	26.2	25.9	27.8	29.6	27.9	26.7
Total imports	mil. kg c.w.	13.5	14.7	14.7	12.5	10.1	9.2	11.5
Supply in c.w.	mil. kg c.w.	39.7	40.8	40.6	40.2	39.6	37.1	38.3
Total exports	mil. kg c.w.	0.1	0.4	0.2	0.2	0.1	0.0	0.0
Food consumption	mil. kg c.w.	39.5	40.4	40.4	40.1	39.6	37.1	38.3
Value of production in c.w.	mil. EUR	49.7	53.3	54.8	55.0	63.5	60.0	58.6
Total import	mil. EUR	16.7	23.7	27.2	25.5	25.0	24.0	27.8
Trade balance	mil. EUR	-16.3	-22.7	-26.7	-25.1	-24.9	-23.9	-27.7
Self-sufficiency ratio	%	66.1	64.7	64.2	69.3	74.7	75.3	69.8
Consumption per capita	kg c.w.	22.2	22.7	22.7	22.5	22.2	20.7	21.2

Source: DEAAS – MAFRD

Dairy cows represent 55.6% of total number of cattle and in 2013 the number of dairy cows is 2.6% lower than in 2012. From total supply 83.6% was domestic production and other part was covered by imports where the main component was milk equivalents. Total production in 2013 was 122 mil. € that is 3.4% higher than in 2012. Trade balance remains negative with 34 mil. €. Consumption per capita 215 kg per year that means one person consume about 0.6 kg per day including all dairy products.

Table 32: Supply balance for cattle milk and milk products, 2007-2013

Balance items	Unit	2007	2008	2009	2010	2011	2012	2013
Dairy cows	heads	189,706	191,529	190,216	194,984	196,155	183,340	178,557
Milk production	mil. kg	377	381	380	390	393	369	369
Import of milk products	mil. kg	40	39	38	36	38	39	39
Import in milk equivalents (e.q.)	mil. kg e.q.	87	79	71	67	67	74	72
Total supply	mil. kg e.q.	464	460	450	457	460	443	441
Export in milk equivalents	mil. kg e.q.	0	0	1	1	1	0	0
Domestic use	mil. kg e.q.	464	460	449	456	460	443	441
For use on farm	mil. kg	185	187	186	191	193	181	181
Feed consumption for calves on farm	mil. kg	55	56	56	57	58	54	54
Loss (damaged)	mil. kg	8	8	8	8	8	7	7
Food consumption in total	mil. kg e.q.	401	396	386	391	394	381	379
Producer price (on farm)	€/kg	0.29	0.34	0.31	0.29	0.31	0.32	0.33
Milk (UHT)	€/kg	0.70	0.86	0.84	0.83	0.88	0.88	0.91
Import price	€/kg	0.30	0.39	0.44	0.48	0.52	0.48	0.48
Export price	€/kg	0.32	0.40	0.42	0.57	0.50	0.81	0.58
Production	mil. EUR	109	130	118	113	122	118	122
Marketed products	mil. EUR	54	64	58	55	60	58	60
Import of milk products	mil. EUR	27	31	31	32	35	36	34
Trade balance	mil. EUR	-26	-31	-31	-31	-35	-36	-34
Self-sufficiency ratio	%	81	83	85	86	86	83	84
Consumption per capita	kg/year		239	229	229	227	217	215

Source: DEAAS – MAFRD

2.7 Sheep and goats

Sheep and goats production is a livestock activity developed in remote rural areas with meadows available, and is an activity with potential for economic development of the area. It is mainly oriented in milk and meat production. Statistics show that over 70% of commercial sheep and goat farms are located in pasture areas.

The data from 2007 to 2011 are from the Kosovo Agency of Statistics, whereas for 2012 and 2013, estimations are done on the basis of trends in direct payments allocated for sheep and goats in 2011, 2012 and 2013.

In 2013 the number of sheep and goats was reduced by 13%. The same difference in percentage is applied to all categories, since data from 2013 are estimated based on the trend of direct payments.

Compared to the last three years, in 2013 the total number of sheep and goats was reduced by 8%, and the decline follows even in other categories: lambs with 7%, sheep for breeding and rams for reproduction for 9%, as well as the number of goats for 8% (table 33).

Table 33: Number of sheep and goats, 2007-2013

No. of animals	2007	2008	2009	2010	2011	2012	2013	Change 2013/('10-'12) in %	Change 2013/2012 in %
Sheep and goats	*151,813*	*180,128*	*217,167*	*229,157*	*231,209*	*247,901*	*216,577*	*-8*	*-13*
Lambs	18,519	27,552	27,003	27,969	29,509	*31,639*	*27,642*	*-7*	*-13*
Sheep for breeding	108,184	124,129	158,122	163,490	163,490	*175,293*	*153,144*	*-9*	*-13*
Rams for reproduction	12,479	9,672	14,032	13,529	13,529	*14,506*	*12,673*	*-9*	*-13*
Goats	12,631	18,775	18,010	24,169	24,681	*26,463*	*23,119*	*-8*	*-13*

Source: KAS – Agricultural Household Survey, DEAAS – MAFRD

In 2013 production of sheep and goats meat was 13% lower than in 2012. Except total production the quantity of net import was 48 t in carcass weight that results with negative trade balance by 0.2 mil. €. Consumption of sheep and goat meat is 1.8 kg per capita.

Table 34: Supply balance for sheep and goat meat, 2007-2013

Balance items	Units	2007	2008	2009	2010	2011	2012	2013
Sheep stock	heads	139,182	161,353	199,157	204,988	206,528	221,438	193,459
Goat stock	heads	12,631	18,775	18,010	24,169	24,681	26,463	23,119
Slaughters	heads	119,689	154,223	182,030	212,431	217,228	223,448	193,870
Production	t c.w.	1,447	1,786	2,118	2,410	2,455	2,559	2,226
Net Import	t c.w.	57	70	80	63	27	630	48
Consumption	t c.w.	1,500	1,856	2,197	2,473	2,482	3,189	2,274
Value of production	mil. EUR	2.6	3.6	4.6	5.3	5.7	6.2	5.6
Trade balance	mil. EUR	-0.1	-0.1	-0.1	-0.1	-0.1	-0.7	-0.2
Self-sufficiency ratio	%	96	96	96	97	99	80	98
Consumption per capita	kg cw.	n.c.	1.1	1.3	1.4	1.4	1.8	1.3

Source: DEAAS – MAFRD

2.8 Pigs and other farm animals

Pigs are a category of farm animal that are used for meat production mainly for household needs. The current developments in pig meat production are oriented to fulfil household needs and to establish commercial farms at the household level. Currently, there is small number of commercial farms.

Table 35: Other livestock fund (horses and donkeys), 2007-2013

No. of animals	2007	2008	2009	2010	2011	2012	2013	Change 2013/('10-'12) in %	Change 2013/2012 in %
Horses	6,147	4,973	4,213	4,213	4,213	2,139	2,656	*-25*	*24*
Donkeys	5	328	216	216	216		273	*27*	
Pigs	39,591	26,770	50,580	50,580	50,580	55,775	49,198	*-6*	*-12*
Piglets > 6 months	27,895	17,874	35,390	35,390	35,390		27,030	*-24*	
Sows for breeding	10,423	7,312	12,201	12,201	12,201		19,316	*58*	
Boars for reproduction	1,273	1,584	2,989	2,989	2,989		2,851	*-5*	

Source: KAS – The Agricultural Household Survey

The sector of pigs in 2013 marked a decrease of 12% compared to the previous year and a decrease of 6% compared to the last three years. On the other hand, the number of horses marked increase of 24% in 2013 compared to 2012.

2.9 Poultry

Poultry production in Kosovo is oriented towards production of eggs for consumption and the breeding of broilers. Despite big problems, the egg production is a consolidated activity and meets over 70% of the domestic demand, whereas the production of chicken meat is in the process of consolidation.

Small and middle-sized farms are dominant, with a tendency to convert into large farms which are of higher priority because they are much easily supplied with inputs necessary to develop the farm's activity and use of resources.

In 2013, domestic production yielded 276,078,760 eggs for consumption, which accounts for 70% of consumption and 169 eggs, per year, per capita.

The general egg production comes from commercial farms, followed by production in household farms. According the survey conducted, households produced around 100.000.000 eggs.

Along with egg production, broiler production has developed as well, using the existing facilities and equipment along with installed capacities for broilers' production. Broilers are of high quality and mainly placed in the domestic market.

Table 36: Number of poultry and eggs, 2007-2013

No. of animals (1000)	2007	2008	2009	2010	2011	2012	2013	Differ. 2013/('10-'12) in %	Differ. 2013/2012 in %
Poultry	2,278	2,213	2,390	2,347	2,347	2,318	2,244	-4	-3
Chicken	2,059	2,047	2,220	2,220	2,220	2,250	2,107	-6	-6
Other poultry	219	166	127	127	127	68	136	27	101
Eggs*	254,032	*246,326*	*238,854*	*231,608*	*224,582*	218,282	176,078	-22	-19

Source: KAS – Agricultural Household Survey; MAFRD estimate /* '08-'11, MAFRD estimate, '07, '12, SHPUK

There was a 3% decline in the total number of poultry in 2013, compared to the previous year, whereas compared to the last three years, the decline was 4%.

The number of chickens in 2012 was 2,250,000 in total and declined by 6% in 2013. The percentage is the same in the last three years. The number of eggs in 2013 declined by 19% compared to the previous year, whereas compared to the last three years, the decline was 22%.

When it comes to the production of poultry, chicken meat and its products are mostly consumed after beef. The production of chicken meat is based on broilers, chicken released from egg production and chicken from households. According to statistics, 2,000 tonnes of chicken meat are produced per year, out of which 1,560 tonnes are broilers. Broiler carcass and parts can be found in the market.

2.10 Fisheries and Aquaculture

The importance of fish cultivation

Fish cultivation is a very important and profitable activity which is being developed in our country. Fisheries and aquaculture are linked to many specific activities such as: the food processing industry, the animal feed processing industry, employment and trade. All these activities together ensure economic wellbeing in areas where fish is cultivated.

Fisheries

Kosovo has a considerable potential of surface freshwaters with a short distance from markets, therefore, development of fisheries and aquaculture is of huge importance. Below are the resources of surface waters in the country.

Lakes: Gazivoda covers an area of 9.10 km^2, Radoniq 5.96 km^2, Batllava 3.27 km^{2,} and Badovc 2.57 km^2**.**

Rivers: Drini i Bardhë, Ereniku, Ibri, Lumbardhi in Peja, Lumbardhi in Prizren, Drenica, Llapi, Lepenci, Nerodima, Morava e Binçës, Radika, Sitnica, Reqani, Brod, Restelica, etc. (KAS).

A total of about 60 t of fish is procured from sportive-recreational fishing (KSRFF). According to the standards, 40-100 kg of fish may be cultivated in 1 m^3 of water. About 54.4 tonnes of fish per year are produced in fish farms in Kosovo. If the total area of fish holding space 43,782 m^3 is multiplied by the average of cultivation in Kosovo which is 50 kg/1 $m^{3,}$ the result is 2,189,100 kg or 2,189 tonnes fish which may be produced in Kosovo. Thus, there are four times more production capacities compared to the quantity that is actually cultivated. But this is also linked to the quantity of water available in the farm.

Table 37: Area, volume and water amount in basins

Basins	Volume	Amount of water in m3/l
18 participant farms in the questionnaire	41,132	41,132,000
1 farm temporarily closed	150	150,000
10 other small farms (data from other farmers)	2,500	2,500,000
Total	43,782	43,782,000

Source: Agricultural Policy and Trade Department (APTD)

According to analysis of MAFRD, and considering the local fish production, existing ponds, and import of fresh and frozen fish, the average fish consumption is 0.9 kg/per capita. Compared to the region and broader, average consumption in Kosovo is lower compared to the average consumption in the region which is 3 kg/per capita, whereas the average in EU countries is 26 kg/per capita. The average of our country is due to poor economic conditions, lack of knowledge on fish nutritional values, lack of fish and its products in the market, and especially lack of fresh fish.

The most common fish in our waters are: carp, bighead carp, Wels catfish, tench, redeye (*sykuqi*), common nase, *pëllëmba*, pike etc. (KSRFF).

Aquaculture

The sector of intensive fish production has suffered serious loss after the 1990s, therefore some socially-owned fish ponds are unable to reactivate production because of the undefined ownership. As a result, there is a lack of investments for production renewal.

The aquaculture sector in Kosovo compared to countries in the region and Europe is small. The quantity of fish production is minimal, some 614 ton/year, and is mainly consumed in the catering sector, with an expansion tendency of the market through the opening of fresh fish outlets in green markets and grocery markets.

The data show that there are 28 fish ponds, but only one of which cultivates carp whilst the others cultivate trout.

Table 38: Technical data on aquaculture

Title	Trout ponds	Carp ponds
No. of ponds	27	1
Production (t/year)	552	2
Feed uses (t/year)	1,994	7
Number of roe	2,610,000	178,000

Source: Agricultural Policy and Trade Department (APTD)

The amount of feed used for fish breeding needs is estimated at 2,000 ton/year. Feed is mainly imported from Denmark, Holland, Italy and Bulgaria.

Aquaculture also covers the cultivation of fish, alga, clam (shellfish) and crab.

Table 39: Supply balance for fish

Balance items	Unit	2012	2013	Change	Change in %
Fish production in ponds (Aquaculture)	t	496	554	58	12
Recreational-sportive fishing	t	60	60	0	0
Total domestic production	t	556	614	58	10
Import	t	936	1,413	477	51
Consumption	t	1,492	2,027	535	36
Value of domestic production	Mil. EUR	2.1	2.3	0.2	10

Source: Agricultural Policy and Trade Department (APTD)

2.1 Beekeeping

Kosovo has suitable conditions for the development of beekeeping such as: climate, relief and a high number of honey-giving plants (over 164 types) which guarantee good honey production and beekeeping products.

Kosovo has 6,453 beekeepers, with 93,533 beehives with an average production of 15 kg of honey per/beehive or 1,403 t/year. The sector structure is dominated by small-scale farmers who own 1 – 10 beehives.

Apart from honey, there are other products such as pollen, wax, and propolis etc. The price for 1 kg of honey varies between 7 and 10 Euros. The type of bees breed in Kosovo is *Apis Mellifera* and its sub-types.

Honey placed in the market is mainly made of flowers, acacia, chestnuts, etc., and in view of regional flora biodiversity where beekeeping is developed, there is a potential for intensification of honey production, increase of productivity per beehive unit and assortment of beekeeping products.

Honey and other beekeeping products, referring to the production potential, may be exported as well.

Honey consumption is estimated 0.400 kg per capita and is the lowest in Europe. This estimation results from bad economic conditions and poor awareness of its nutritional values, since honey is viewed (by some categories of people) in our society as medicament rather than as food to be consumed. It is worth mentioning that the price of honey in Kosovo is the highest in the region. In some EU countries such as Romania, Bulgaria etc., the price is approximately 2 Euros per kg.

The database of semi-commercial farmers is continuously updated with the data from RDA of MAFRD.

Based on data of BLK for 2013 the average production per beehive is estimated at around 15/kg per unit (beehive). Increase of production in this sector results from the use of new technologies, health care and procuring a good nutritional basis in terms of quantity and quality.

Climate changes such as extremely cold temperatures which have occurred recently represent permanent dangers to normal developments in this sector.

Table 40: Number of bees, 2007-2013

Number of beehives	2007	2008	2009	2010	2011	2012	2013	Differ. 2013/(10-12) in %	Differ. 2013/2012 in %
Beehives	60,952	43,297	43,159	46,958	44,634	46,483	93,533	103	101

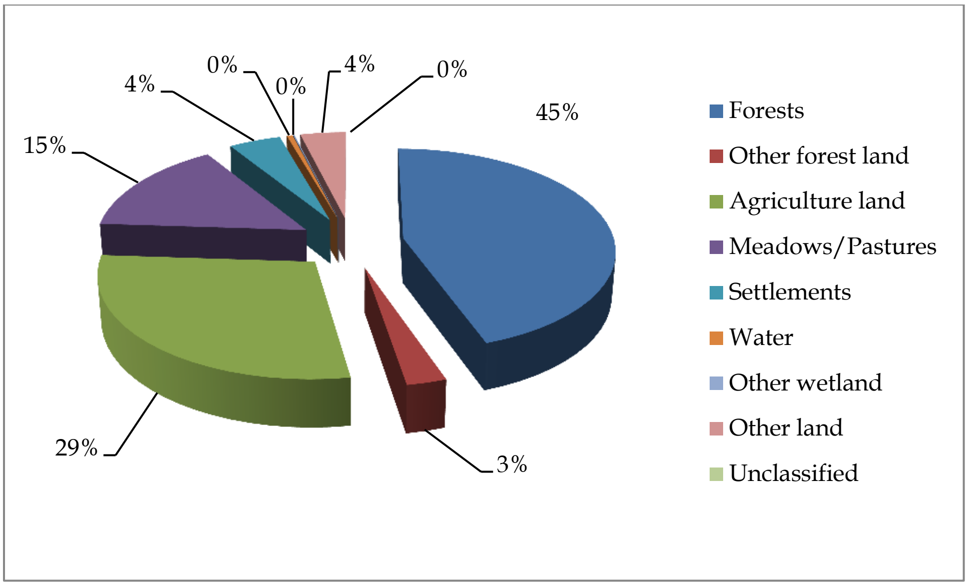
Source: KAS – Agricultural Household Survey

In 2013 the number of beehives was increased by 101% compared to the previous year; compared to the last three years (2010-2012), the increase was 103%.

3 Forestry

The forest area in Kosovo is sustainable with about 481,000 ha (44.7% of the total area). The distribution of land use is calculated based on the classification of 3,453 trial areas for Kosovo. Results are presented in the graph below.

Figure 6: Classes of land use in Kosovo (% of total area of land)



Source: NFI

Table 41: Development of total area according to classes of land use

Classes of land use	2002		2012	
	ha	**%**	**ha**	**%**
Forests	460,800	42.1	481,000	44.7
Agricultural land	342,400	31.3	309,000	28.7
Meadows/Pastures	153,200	14	161,400	15
Settlements	40,000	3.7	48,000	4.5
Water	4,600	0.4	5,200	0.5
Other wetland	0	0	800	0.1
Other land	23,400	2.1	42,400	3.9
Unclassified	41,600	3.8	0	0
Total	1,094,200	100	1,077,000	100

Source: NFI

The official total area of Kosovo is 1,090,800 ha. Discrepancies between this figure and the area presented in **Error! Reference source not found.** are partially due to trial areas located outside Kosovo which were erroneously included in the INP 2002.. Trial areas during NFI 2002 close to the border with Serbia were unsuccessful and are classified only by using orthophotos.

The forest area in Kosovo has increased for 4.4% (20,200 ha) in the period 2002-2012. At the same period, the agricultural area marked decline. This might be due to conversion of agricultural land into forests and inhabited areas. The increase in inhabited areas (8,000 ha) might be a result of the increase of needs for shelter and industrial development.

Table 42: Forest area according to content and structure of stand (ha)

Forest structure	Regeneration	Even-aged	Two-row	Uneven-aged	Total
Coniferous	2,200	6,600	6,200	8,800	23,800
Mixed	0	400	3,200	4,200	7,800
Broad-leaf	45,400	236,000	123,600	44,400	449,400
Total	47,600	243,000	133,000	57,400	481,000

Source: NFI

Kosovo forests are dominated by broad-leaf forests covering 93% of the area (449,400 ha). More than half is considered even-aged. Coniferous forests cover about 5% of the forests areas, i.e. 23,800 ha, and are rather equally distributed over the structure classes. Pine plantations contribute to even-aged areas. In total, 50% of forest areas are considered even-aged.

Table 43: Forest area according to stand and ownership (ha)

Stand origin	Public	Private	Unknown	Total
Natural seeding	58,400	13,600	1,000	73,000
Afforestation and artificial seeding	2,000	800	0	2,800
Coppice	229,000	164,800	4,000	397,800
Coppice with standards	5,800	1,600	0	7,400
Total	295,200	180,800	5,000	481,000

Source: NFI

In total, 180,800 ha (38%) of Kosovo forests is classified private property, whereas 295,200 ha (62%) forestry is classified as public property. Low forests cover 84% of total forests. This results provides for a wide area in which logging can occur, and makes it especially important as a source of heat and energy, in order to use the short rotation of low forests in order to obtain firewood. Forests naturally regenerated are beech (*Fagus spp. forests),* mixed beech and coniferous, coniferous forests and clean forests located in high altitude.

The figures below may support the estimation of standing timber available for the supply of woods in Kosovo. Approximately 50% of standing timber is located in slopes inclined more than 45%. 31% of beech (Fagus) grows in slopes inclined more than 60%. Logging and transport in locations where the inclination of land is > 45% may be difficult and is usually more expensive.

Table 44: Volume of stands in forests according to tree species and the slope class (1,000 m³)

Tree species	Slope in %					Total	Share (%)
	<15	15-30	30-45	45-60	>=60		
Quercus cerris	623	1,245	1,160	957	296	4,282	10.6
Quercus petrae	301	633	923	1,133	679	3,669	9.1
Other *Quercus sp.*	198	516	256	256	66	1,292	3.2
Fagus sp.	206	2,920	4,865	4,819	5,715	18,524	45.7
Other broad-leaf	951	1,292	1,704	1,522	1,280	6,750	16.7
Abies alba	34	157	84	562	736	1,573	3.9
Picea Abies	117	350	297	664	412	1,840	4.5
Pinus sp.	112	393	781	438	779	2,502	6.2
Other coniferous	1	50	2	23	2	77	0.2
Total	2,543	7,556	10,072	10,374	9,965	40,508	100.0
Share (%)	6,3	18,7	24,9	25,6	24,6	100,0	

Source: NFI

Table 45: Damaging areas of low trees according to forest structure and damage cause

Forest structure	Damage cause, low trees, DBH < 7 cm, ha				Total
	Diseases/Mushrooms	Fire	Animals	Human impact	
Coniferous	-	600	-	-	600
Mixed	-	-	-	200	200
Broad-leaf	400	6,400	1,200	3,000	11,000
Total	400	7,000	1,200	3,200	11,800

Source: NFI

Damage of low tree forest represents the recent concerns. The results show that more than 25% of low trees are affected. Damage of forests from fire is also reported as highly concerning.

Table 46: Areas damaged at stand-level, according to forest structure and cause of damage (ha)

Forest structure	Insects	Diseases/ Mushrooms	Fire	Animals	Weather	Human impact	Pressure	Other causes	Total
Coniferous	200	200	2,200	-	400	800	-	800	4,600
Mixed	600	400	-	-	400	200	-	200	1,800
Broad-leaf	3,000	10,200	10,000	1,800	2,400	7,800	5,200	11,400	51,800
Total	3,800	10,800	12,200	1,800	3,200	8,800	5,200	12,400	58,200

Source: NFI

The table above includes areas where more than 25% of low trees are affected or more than 25% of standing timber of measurable woods have been affected. Forest-fire is the only important concern which affects an area of 12,200 ha, or 2.5% of total forestry

Growth and logging (cuts)

The growth volume and thinning of trees are presented in cubic meter above the tree bark.

Table 47: Annual growth of trees with DBH> = 7 cm in forests, according to tree species in (000 m3)

Tree species	**2002**	**2012**
Quercus cerris	258	193
Querus petrea	182	158
Other *Quercus spp.*	5	68
Fagus spp.	501	576
Other broad-leaf	174	329
Broad-leaf undefined	228	0
Abies alba	92	82
Picea abies	51	71
Pinus spp.	70	77
Other coniferous	8	2
Total	1,567	1,556

Source: NFI

* DBH cm> 7 (Diameter at breast height > = 7 cm)

The annual growth in 2012 is similar to the one in 2002, when most of annual growth in inaccessible areas was classified as “undefined broad-leaf forests”. Most of this volume is probably nowadays classified as *fagus sylvatica* or other leafy species. Results show that the annual growth of *Quercus spp*. has slightly decreased and on the other hand the annual growth of coniferous species has increased.

Table 48: Area, volume of stand and main annual growth in forests (ha, m3/ha, %)

Ownership	**Group of tree species**								
	Coniferous			**Broad-leaf**			**Mixed**		
	area	**vol./ha**	**growth**	**area**	**vol./ha**	**growth**	**area**	**vol./ha**	**growth**
Public	21,000	209	3	266,000	80	3	7,000	251	4
Private	2,600	152	4	177,200	68	4	600	342	3

Source: NFI

Of the total area of coniferous forests, 89% is covered by woods DBH cm > 7 (diameter at the height of chest > = 7 cm) and is public property. For broad-leaf forests likewise, the average of standing trees is higher in public forests compared to private ones. The majority of *Fagus* forests in public ownership may contribute to the highest average level of standing trees. A relatively large area of broad leaf forests managed actively with short rotation of low forests may explain that the highest percentage of volume growth is in private forests.

Table 49: **Average annual cut in forests according to the group of tree species and ownership (1,000 m3)**

Group of tree species	Ownership			Total
	Unknown	Public	Private	
Coniferous	0	123	12	135
Broad-leaf	2	496	326	823
Total	2	619	338	959

Source: NFI

* Data based on trial areas, re-measured

These figures are based on re-measurements of woods already measured in 2002. This procedure enabled the field workers to evaluate exactly what woods were cut during the period 2002-2012. These re-evaluated trial areas represent 60% of total forest areas in Kosovo. Assuming the surveyed areas represent the total forest area, 1.6 mil. m^3 have been cut in a year, with 1.0 mil. m^3 woods cut in public forests and 560,000 m3 cut in private forests. Whether this amount is sustainable was assessed in the following table.

Table 50: **Annual allowable cut assessment (AAC) (1,000 m3)1**

Model	Type of forest	DBH limit (cm)	Age	Volume > DBH limit	Growth	AAC
PMP	High	7	80 - 100	16,091	390	631
	Low (Coppice)	7	50 - 60	13,589	440	815
	Total					1,446

Source: NFI

According to the model, a total annual cut of 1,450,000 m^3 is stable with about 630,000 m^3 being high forests and 815,000 m^3 being low forests. Nowadays, the annual cut is estimated to be 1.6 million m^3, which exceeds all recommended levels of long-term cut. The normative logging over 100% may be stable during a period of time if, for example, there is high demand for woods or when logging is done under strictly controlled management regime. (FOREST EUROPE, UNECE and FAO 2011).

Table 51: Forest areas according to class of treatment and origin of stand (ha)

Classes of treatment	Origin of stand				Total
	Natural seeding	Forestation/ Artificial seeding	Coppice	Coppice with standards	
Untreated	45,000	2,400	311,200	3,000	361,600
Regeneration without terrain preparation	1,400	0	2,600	0	4,000
Regeneration without terrain preparation	200	0	400	0	600
Conversion	0	0	2,000	0	2,000
Lightening-Thinning	2,200	0	46,200	1,000	49,400
Thinning	11,800	400	29,800	2,600	44,600
Clear-cutting	0	0	400	0	400
Selective cutting	9,600	0	3,600	600	13,800
Sanitary cutting	2,800	0	1,600	0	4,400
Forested reparation	0	0	0	200	200
Total	73,000	2,800	397,800	7,400	481,000
Total recommended for treatment	28,000	400	86,600	4,400	119,400

Source: NFI

Field workers have evaluated 119,400 ha, which means one fourth of Kosovo forests needs operational cuts. Besides the NFI evaluation, treatment strategies have been designed for each management class at operational level, through the forest management plans.

Regeneration

The natural regeneration of forests can preserve the genotype diversity and maintain the natural composition of tree species as well as the stand structure and the woods' dynamic. The regeneration is critical to effective long-term forest land maintenance. The stable forest management may be identified through the status and changes of regeneration types as time goes by.

Table 52: Forest areas according to structure and origin of stand (ha)

Structure	Natural seeding	Forestation or Artificial seeding	Coppice	Coppice with standards	Total
Coniferous	21,400	2,400	0	0	23,800
Mixed	6,200	0	1,600	0	7,800
Broad-leaf	45,400	400	396,200	7,400	449,400
Total	73,000	2,800	397,800	7,400	481,000

Source: NFI

Table 53: Forest areas according to origin of stand and structure of stand

Origin of stand	Even-aged		Two row		Uneven-aged		Total
	ha	%	ha	%	ha	%	
Natural seeding	22,400	5	26,000	5	24,600	5	73,000
Forestation or Artificial seeding	2,200	0	600	0	0	0	2,800
Coppice	263,400	55	104,800	22	29,600	6	397,800
Coppice with standards	2,600	1	1,600	0	3,200	1	7,400
Total	290,600	60	133,000	28	57,400	12	481,000

Source: NFI

In Kosovo, 0.5% of forests are regenerated through forest cultivation or natural seeding. Approximately 85% of forest area is regenerated with woods of vegetative origin through shoots. In South-East Europe, 80% of total forestry is regenerated naturally.

Table 54: Forest area in Kosovo according to naturalness

Naturalness	Area	
	ha	%
Virgin forests	4,000	0.83
Semi-natural forests	475,400	98.84
Crops	1,600	0.33
Total	481,000	100

Source: NFI

In Kosovo less than 1% of forestry area is considered as virgin forests and only 0.3% of them are classified as crops.

MAFRD Budget

For 2013, the Kosovo Government has allocated a budget of 23,359,230 € for MAFRD, or 10.09% more budget compared to 2012. The MAFRD budget makes up 1.25% of the total central budget. 10.2% of the MAFRD budget was devoted to the development of forestry.

Table 55: MAFRD Budget and expenditure 2010–2013

Description	2010	2011	2012	2013
MAFRD total budget	11,087,255	13,725,746	21,409,230	23,359,230
Total forestry budget	1,923,110	1,752,965	2,356,669	2,389,679
Total forestry expenditure	1,680,549	1,572,441	2,003,974	1,986,466
% share of forestry budget in MAFRD budget	17.4	12.8	11.0	10.2
% of forestry budget spent	87.4	89.7	85.0	83.1

Source: NFI

During this year, the budget provided for the Kosovo Forestry Agency could not be totally spent, and based on the data from the Agency, only 83.1% of the budget for 2013 was spent. The difficult economic situation is making companies compete with lower prices than forecast by the KFA budget, just to remain in the business.

The contribution of the forestry sector in the national economy is not to be ignored, yet after the announcement of the two Parks as being designated as National ones, the revenues from selling woods have declined. Nevertheless, forestry is expected to be a priority in the government agenda.

Regarding the completion of the legal basis and during 2013, it was not possible to ensure the promulgation of the New Law on Forests. The Law is drafted and is consistent with EU legislation, however, its approval by the Parliament of the Republic of Kosovo is pending.

4 Consumption, trade and market prices

4.1 Consumption trends

According to the HHS 2013 findings, there is a 3.9% increase of total consumption compared to 2012, and 1.6% increase of consumption per capita. However, there is a 0.4% decrease in the category of household consumption.

Table 56: Total consumption in Kosovo 2011-2013

	Total in mil. €	Consumption per household (€)	Consumption per capita (€)
Total 2011	1.928	7.010	1.210
2012	2.292	7.657	1.380
2013	2.382	7.625	1.402

Source: Household Budget Survey Results 2013

Consumption distribution by groups

The larger portion of household budgets in 2013 was spent on food and housing (45% on food and 30% on housing, out of the total consumption) followed by 4% expenditures on alcohol and smoking, transport and clothing.

In 2013, own-produced food made up 6% of the total consumption (table 57).

Table 57: Structure of household consumption in Kosovo by categories, 2011 – 2013 in %

Consumption	2011	2012	2013
Food and non-alcoholic beverages	38	45	45
Alcohol and tobacco	4	5	4
Clothing and footwear	5	4	4
Housing	31	30	30
Furniture	3	3	3
Health	2	2	2
Transport	6	4	4
Communication	2	2	2
Recreation	2	1	2
Education	1	1	1
Hotel and restaurants	3	1	2
Other	3	2	2
Homemade food in HHs	7	6	6

Source: Household Budget Survey Results 2013

The largest portion of food consumed is dominated by meat, bread, cereals, milk, cheese and eggs, which contribute with more than half of food consumption (in value). This is followed by fruits, sugar, sweets, other food products and non-alcoholic beverages.

Table 58: Distribution of food consumption in Kosovo, 2011 – 2013 (%)

Consumption	2011	2012	2013
Bread and cereals	21	19	19
Meat	19	20	19
Fish	1	1	2
Milk, cheese, eggs	18	16	16
Oil and fats	5	4	4
Fruits	6	7	7
Vegetables	11	11	12
Sugar and sweets	6	7	6
Other food products	5	5	5
Alcoholic beverages	8	10	10
Total	100	100	100

Source: Household Budget Survey Results 2013

HHS 2013 findings show that there was a 3.9% increase in the category of total consumption and 1.6% increase per capita. However, there was a decrease of 0.4% in the category of household consumption. Households in Kosovo spent most of their family revenues on food, living, alcohol and tobacco, clothing and transport.

The food distribution in the category of consumption in 2013 is dominated by meat, bread and cereals, milk, cheese and eggs. It is important to specify the own-produced food made up 6% of the consumption.

The urban household consumption is dominated by food, living, alcohol and smoking, transport and clothing, whereas in rural areas, consumption has the following order: food, living, transport, clothing, alcohol and tobacco.

According the HHS 2013 findings, important sources of income for households are the salaries paid in the private and public sectors, followed by income from own businesses, pensions and remittances.

The largest portion of income is derived by salaries from regular employment which represents half of the total income and the second source is income from business. Remittances and pensions play an important role as well.

In the category of individual incomes, the primary source of income for people with higher education is the regular employment, whereas people who only completed primary school or less were supported by pensions, remittances, agriculture, own business or wages.

4.2 Trade

Total trade

The permanent challenge of the MAFRD is the increased export of local products and decreased export-import negative balance. Kosovo exports about 34 million Euros and imports 583 million Euros in agricultural products. Kosovo has unutilized capacities to stimulate the local production in order to the local market and decrease the negative balance. Agriculture plays a very important role in the economy of Kosovo, since 60% of the population live in rural areas. The share of agriculture in GDP is 12.0% and contributes more to employment compared to other categories. Agriculture is also part of Total export especially at regional level and contributes with 11.9% in total exports. However agricultural and food products accounted for 23.8% of total imports

Table 59: Total exports and imports, in 1000 €

Period	Export	Import	Trade balance	Export/Import (%)
	1	2	3=1-2	4=1/2
2001	10,559	684,500	-673,941	1.5
2002	27,599	854,758	-827,159	3.2
2003	35,621	973,265	-937,644	3.7
2004	56,567	1,063,347	-1,006,780	5.3
2005	56,283	1,157,492	-1,101,209	4.9
2006	110,774	1,305,879	-1,195,105	8.5
2007	165,112	1,576,186	-1,411,074	10.5
2008	198,463	1,928,236	-1,729,773	10.3
2009	165,328	1,935,541	-1,770,213	8.5
2010	295,957	2,157,725	-1,861,769	13.7
2011	319,165	2,492,348	-2,173,184	12.8
2012	276,100	2,507,609	-2,231,509	11.0
2013	293,919	2,450,363	-2,156,444	12.0

Source: KAS

According to the Kosovo Customs Service, in 2013, Kosovo imported goods in a value of 2,450 million Euros, and exported 293 million Euros. Compared to 2012, there is an increase by 17 million Euros or 6.5%. The 2013 trade balance is (-3.4%) lower compared to 2012, continuing the trend of huge negative trade balance of Kosovo with other states.

Table 60: Exports and imports of agricultural products, in 1000 €

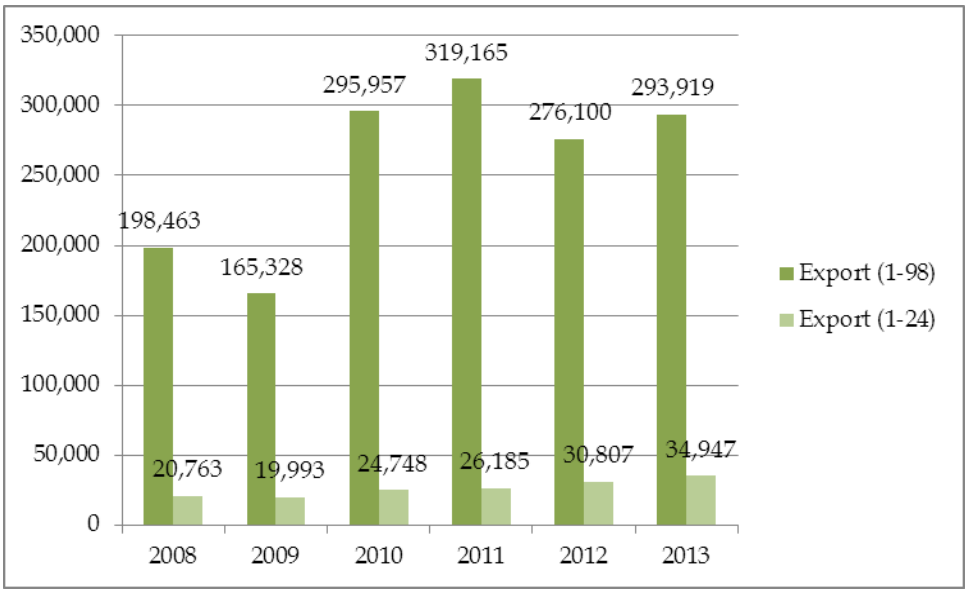
Years	Export (1-98)	Export (1-24)	(%)	Import (1-98)	Import (1-24)	(%)
	1	2	3=2/1	4	5	6=5/4
2008	198,463	20,763	10.5	1,928,236	473,666	24.6
2009	165,328	19,993	12.1	1,935,541	434,809	22.5
2010	295,957	24,748	8.4	2,157,725	482,649	22.4
2011	319,165	26,185	8.2	2,492,348	561,428	22.5
2012	276,100	30,807	11.2	2,507,609	574,974	22.9
2013	293,919	34,947	11.9	2,450,363	583,704	23.8

Source: KAS, processed by DEAAS-MAFRD

During 2008-2013, the lowest share of export in the total export was in 2011, with 8.2% coverage, whereas the highest share was in 2009 (12.1%). The trend of the import share of agricultural products in the total import has remained almost the same. Different from previous years, the highest import share in the total import was in 2008, with 24.6%, whereas the lowest import share in the total import was in 2010 (22.4%).

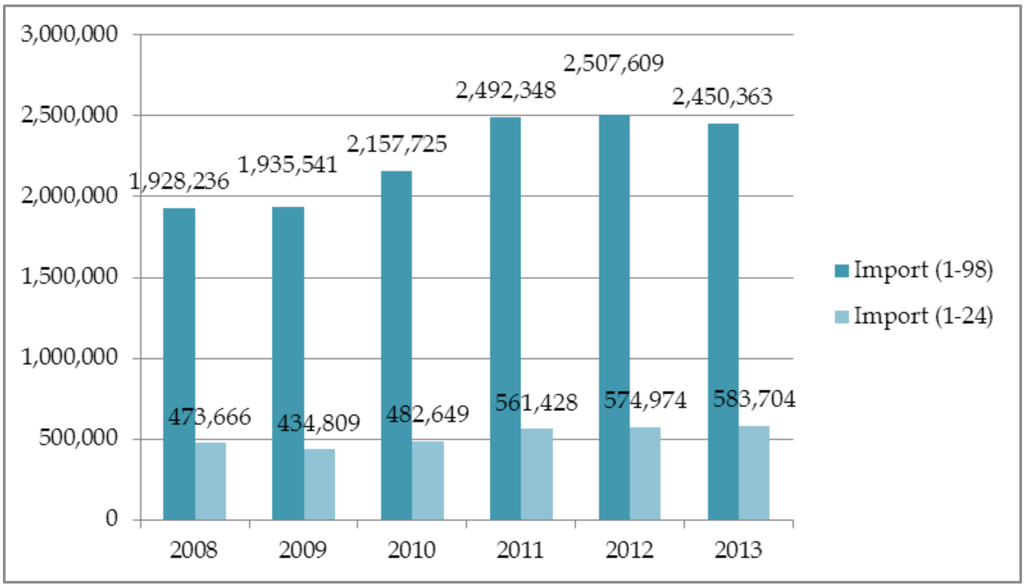
There is a slight increasing trend of export in the period 2008-2013 in the trade of agricultural products. The highest increase of export of agricultural products was in 2013 (34 million Euros). The import trend was also continuously increased. The import peak was reached in 2013 (583 million Euros). The above table shows that in 2013 there was a significant increase of export of agricultural products (13.4%) compared to 2012 and an increase of import for 1.5%.

Figure 7: Export of agricultural products in the total export in 1000 €



Source: KAS, processed by DEAAS-MAFRD

Figure 8: Import of agricultural products in the total import in 1000 €



Source: KAS, processed by DEAAS-MAFRD

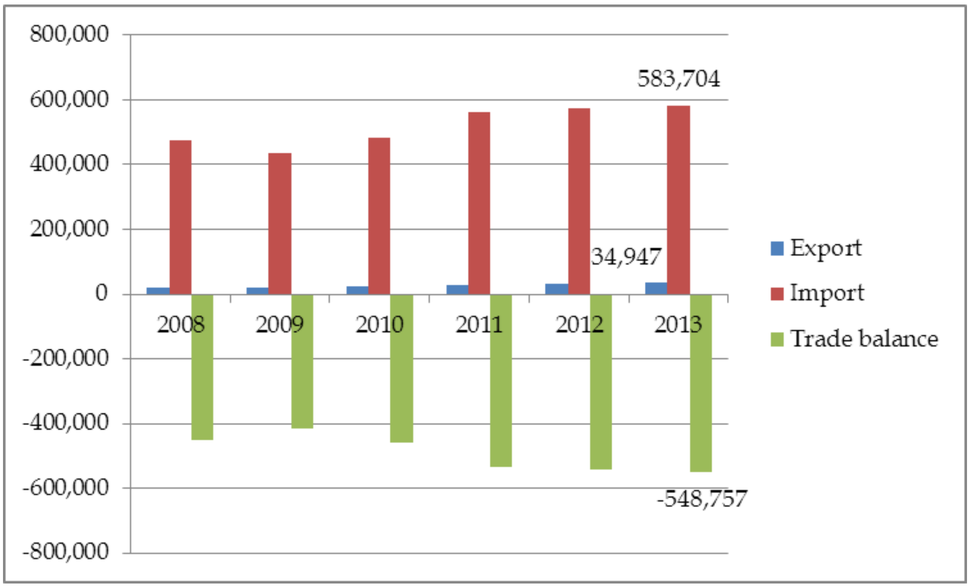
Table 61: Export-Import of agricultural products (1-24) in 1000 €

Year	Export	Import	Trade balance	Export/ Import (%)
	1	2	3=1-2	4=1/2
2008	20,763	473,666	-452,902	4.4
2009	19,993	434,810	-414,817	4.6
2010	24,749	482,649	-457,900	5.1
2011	26,185	561,428	-535,242	4.7
2012	30,807	574,974	-544,166	5.4
2013	34,947	583,704	-548,757	6.0

Source: KAS, processed by DEAAS-MAFRD

The total export of agricultural products (1-24) in 2013 has reached the peak with (34 million Euros), and compared to 2012 export marked 13.4% increase whereas import reached 583.7 million euros, marking thus a light increase of 1.5%. As a result from the abovementioned data it may be concluded that during 2013 there was trade deficit of -548.7 million Euros. The export covered import with only 6.0%. Main trade partners of Kosovo in export and import are regional countries which are also members of the Free Trade Agreement, CEFTA.

Figure 9: Export-import of agricultural products (1-24) in 1000 €



Source: KAS, processed by DEAAS-MAFRD

Import of agricultural products from CEFTA countries

Trade with CEFTA countries

Kosovo is part of CEFTA (Central European Free Trade Agreement) since 2007. By signing the CEFTA Agreement, Kosovo took over the obligation to stimulate free trade in the region by making continuous efforts to eliminate numerous obstacles to trade with member countries of the Agreement.

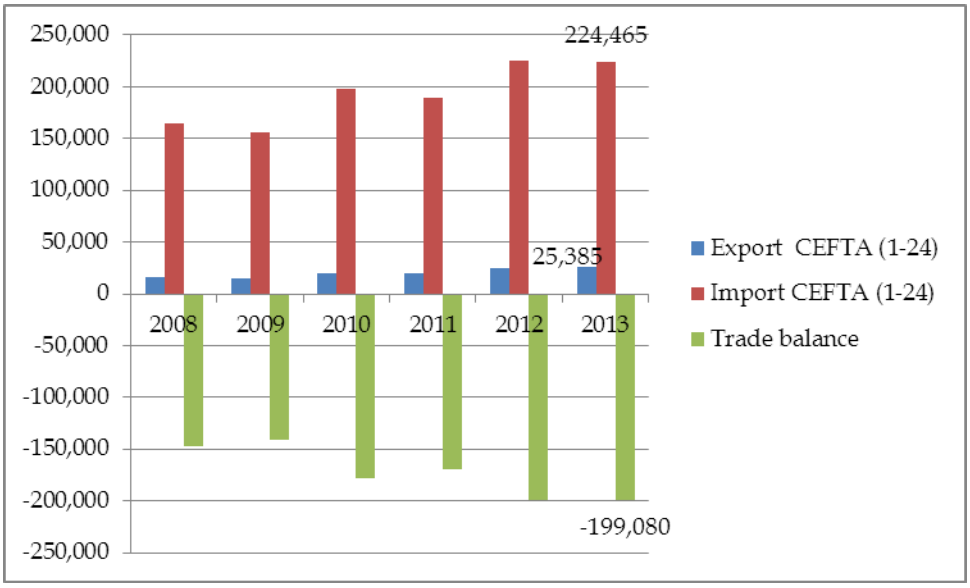
While trade of agricultural products with CEFTA countries has increased continuously in both directions, the share of trade with these countries has almost remained the same. In 2013, 72.6% of agricultural exports were sent to CEFTA countries and 38.5% of agricultural imports originated with these countries.

Table 62: **Export and import of agricultural products with CEFTA countries, in 1000 Euro**

	Export (1-24)	Export CEFTA (1-24)	(%)	Import (1-24)	Import CEFTA (1-24)	(%)
	1	2	3=2/1	4	5	6=5/4
2008	20,763	16,518	79.6	473,666	164,219	34.67
2009	19,993	15,304	76.5	434,810	156,329	35.95
2010	24,749	19,610	79.2	482,649	197,791	40.98
2011	26,185	20,080	76.7	561,428	189,530	33.76
2012	30,807	24,960	81.0	574,974	224,633	39.06
2013	34,947	25,385	72.6	583,704	224,465	38.45

Source: KAS, processed by DEAAS-MAFRD

Figure 10: Trade exchange with CEFTA countries in 1000 €



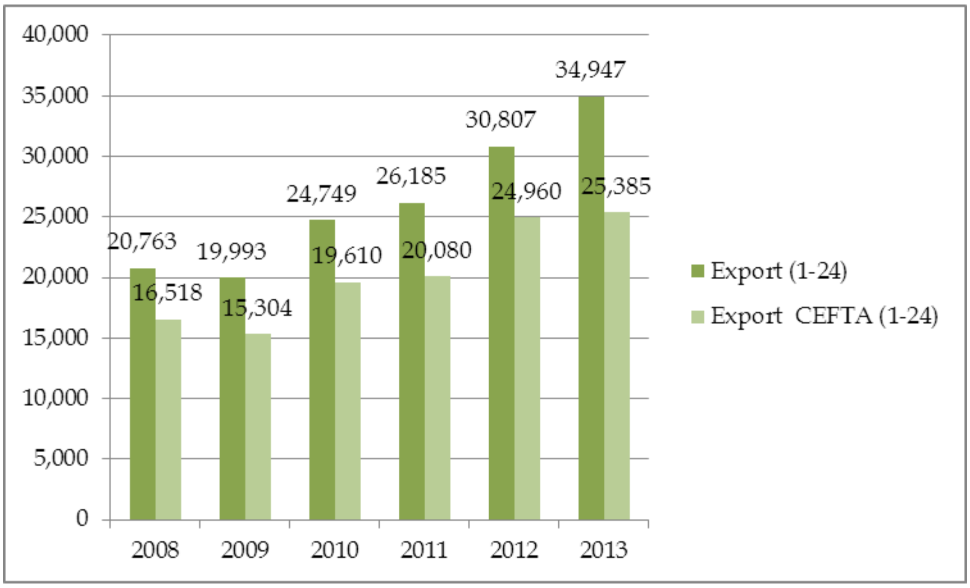
Source: KAS, processed by DEAAS-MAFRD

Trade exchange with CEFTA countries

The highest export value so far was registered in 2013 (25 million Euros), whereas the lowest value was registered in 2009 (15 million euros) when the CEFTA Agreement was first applied. Compared to the export value in 2009 as the lowest value and the value in 2013, there is 65.8% increase.

Imports from CEFTA member countries has marked a continuous rise during 2008-2013. The lowest export value was seen in 2009 (156 million Euros), and the increase is continuous until 2013 (224 million Euros). The highest import value was registered in 2012, for a value of (224.6 million Euros), whereas in 2013, there was decrease of import of -0.07%.

Figure 11: Export of agricultural products in CEFTA countries, in 1000 €



Source: KAS, processed by DEAAS-MAFRD

The highest export of agricultural products in CEFTA countries was registered in 2012 (81%), whereas the lowest share was registered in 2013 (72.6%), which means 72% of products are exported to these countries

Figure 12: Import of agricultural products from CEFTA countries, in 1000 €

Source: KAS, processed by DEAAS-MAFRD

The highest share (in percentages) of agriculture import from CEFTA countries to the total import (1-24), was registered in 2010 (40.98%) and the lowest also in 2011 (33.76%).

Despite the fact that the value of export in 2013 was very low and far from planned, compared to the previous years there was significant increase. If we compare the export in 2012 with the one in 2013 we will notice that export to Albania increased by 1.8%, B. Herzegovina 2.9%, Serbia 55.4.There was a decrease of exports to Macedonia (-3.6%), Croatia (-18.4%) and Montenegro (-25%).

Table 63: Export of agricultural products to CEFTA countries, in 1000 €

CEFTA Countries	2012	2013	Change	Change (%)
Albania	13,989	14,245	256	1.8
B.Hercegovina	990	1,019	29	2.9
Croatia	1,528	1,247	-281	-18.4
Moldavia	0	0	0	
Montenegro	1,645	1,229	-416	-25.3
Macedonia	4,973	4,795	-178	-3.6
Serbia	1,835	2,851	1,016	55.4
Total	24,960	25,386	426	1.7

Source: KAS, processed by DEAAS-MAFRD

During 2013 out of the general import of agricultural products (583 million Euros) from CEFTA countries (224 million Euros) 38.5% were realised. Main countries Kosovo imported from are: Serbia (55.5%), Macedonia (20.7%), Croatia (10.8%), Bosnia/Herzegovina (7.2%), and Albania (4.1%). Most imported products are: tobacco, drinks, cereals products, and milk and dairy products. The value of agricultural products exported from Kosovo in CEFTA member countries is still low, but compared to 2012, there was a slight increase of 1.7% in trade, in 2013.

Table 64: Share of CEFTA countries in export/import (%)

Country	Export	Import	Share of export in (%)	Share of import in (%)
Albania	14,245	9,240	56.1	4.1
B. Hercegovina	1,019	16,060	4.0	7.2
Croatia	1,247	24,226	4.9	10.8
Macedonia	4,795	46,574	18.9	20.7
Montenegro	1,228	3,460	4.8	1.5
Moldavia		414		0.2
Serbia	2,850	124,492	11.2	55.5
Total	25,384	224,466	100	100

Source: KAS, processed by DEAAS-MAFRD

Trade with EU countries

Table 65: Export and import of agricultural products with EU countries, in 1000 Euro

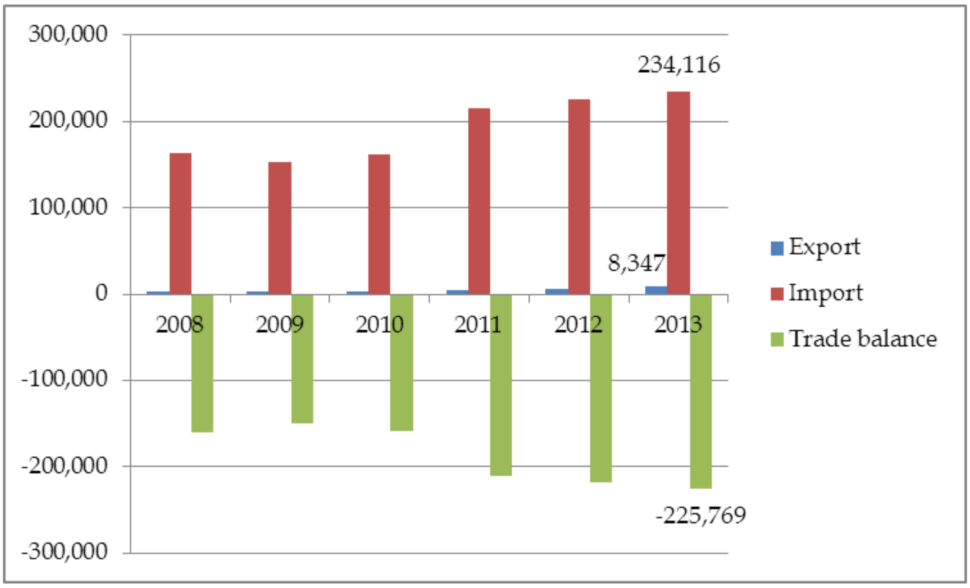
Year	Export	Import	Trade balance	Export/Import (%)
	1	2	3=1-2	4=1/2
2008	3,566	163,178	-159,613	2.2
2009	3,559	153,152	-149,593	2.3
2010	3,214	161,898	-158,684	2
2011	3,865	214,745	-210,880	1.8
2012	6,105	225,039	-218,934	2.7
2013	8,347	234,116	-225,769	3.6

Source: KAS, processed by DEAAS-MAFRD

Starting from 2008, the export trend of agricultural products to EU countries has remained almost the same until 2012. In 2013, the export of agricultural products to EU countries reached the value of 8.3 million Euros. The coverage of import with export in 2013 was 3.6%.

Import trends varied from year to year. The lowest value of products imported from EU was registered in 2009 (153 million Euros), whereas the highest was in 2013, in the amount of 234 million Euros, resulting in a negative trade balance of -225 mil. € but a 4% increase compared to 2012. The import of agricultural products from EU countries had a share of 40% in the total import.

Figure 13: Export-Import of agricultural products with EU countries, in 1000 €



Source: KAS, processed by DEAAS-MAFRD

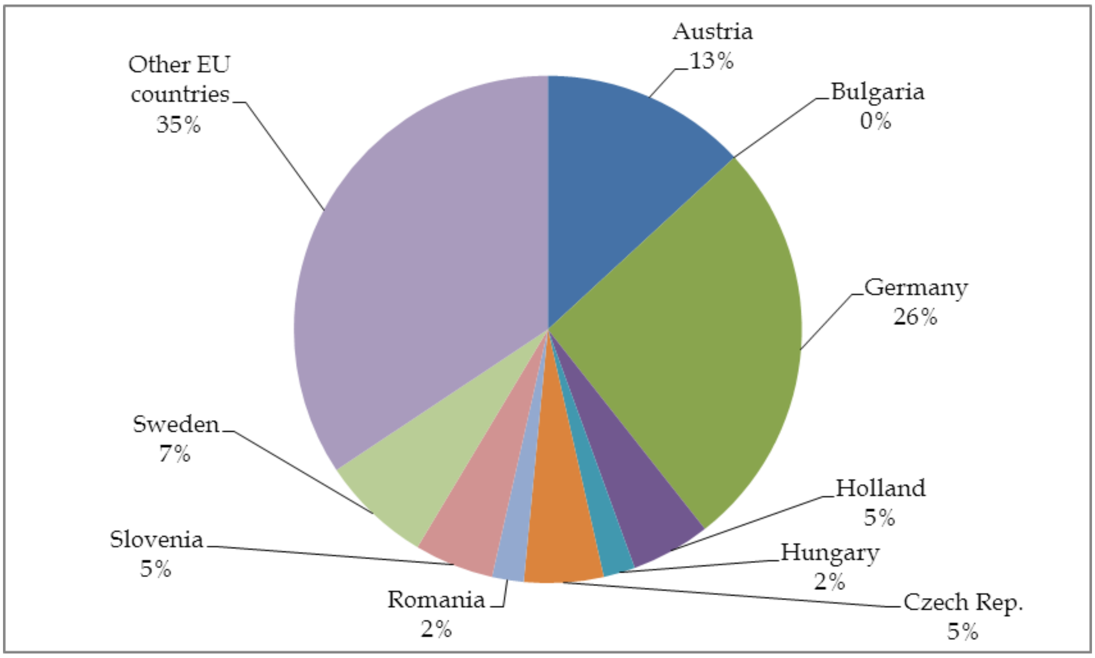
Table 66: Export of agricultural products to EU countries, in 1000 Euro

Countries	2012	2013	Change	Change (%)	Share in 2013 (%)
Austria	727	1,105	378	51.99	13
Bulgaria	13	7	-6	-46.15	0
Germany	2,072	2,185	113	5.45	26
Holland	20	402	382	1,910.00	5
Hungary	4	200	196	4,900.00	2
Czech Rep.	111	458	347	312.61	5
Romania	475	170	-305	-64.21	2
Slovenia	328	447	119	36.28	5
Sweden	214	547	333	155.61	7
Other EU countries	2,141	2,826	685	31.99	34
Total EU 28	6,105	8,347	2,903	36.7	100

Source: KAS, processed by DEAAS-MAFRD

The table above shows that Kosovo exported agricultural products manly to Germany (26%), Austria (13%), Sweden (7%), Slovenia Netherlands and Czech Republic (5% each), Romania and Hungary (2% each). The total export of agricultural products to EU countries was dominated by the same products exported to CEFTA countries such as: drinks, alcohol, grinded industrial products, edible fruits, fruits and edible walnuts, cocoa and cocoa products

Figure 14: Export distribution within EU countries in 2013



Source: KAS, processed by DEAAS-MAFRD

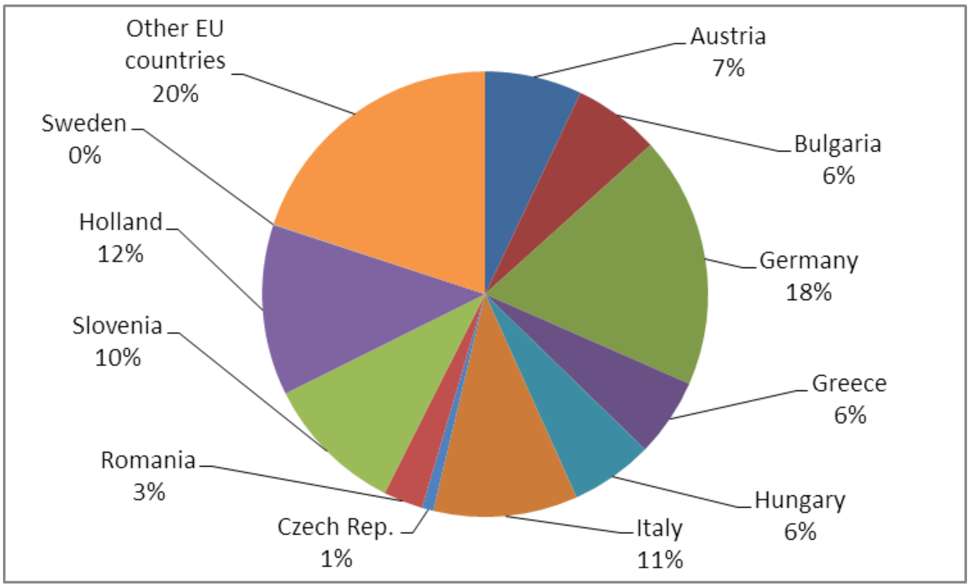
Table 67: Import of agricultural products from EU countries, in 1000 €

Countries	2012	2013	Change	Diff. in %	Share in 2013(%)
Austria	14,372	16,487	2,115	15	7.04
Bulgaria	15,678	14,698	-980	-6	6.28
Germany	62,224	42,763	-19,461	-31	18.27
Greece	10,317	13,305	2,988	29	5.68
Hungary	12,922	14,040	1,118	9	6.00
Italy	20,257	24,519	4,262	21	10.47
Czech Rep.	1,781	1,937	156	9	0.83
Romania	5,986	6,710	724	12	2.87
Slovenia	27,003	23,889	-3,114	-12	10.20
Holland	14,254	29,041	14,787	104	12.40
Sweden	104	100	-4	-4	0.04
Other EU countries	40,141	46,627	6,486	16	19.92
Total EU 27	225,039	234,116	9,077	4	100.00

Source: KAS, processed by DEAAS-MAFRD

Compared to the data from 2012, in 2013 there is a 15% increase of import from Austria, 29% from Greece, 21% from Italy and 12% from Romania. There is also a 16% increase of import from other EU countries. On the other hand, there is 31% decrease of import of agricultural products from Germany and 12% less import from Slovenia. The highest import rate from EU countries is from Germany 18%, Netherlands 12%, Italy and Slovenia 10% each, Austria 7% Bulgaria 6% and Greece 6%.

Figure 15: Import distribution in EU countries in 2013



Source: KAS, processed by DEAAS-MAFRD

The main EU countries from which Kosovo imported agricultural products are: Germany 18%, Netherlands 12%, Italy and Slovenia 10% each, Austria 7% Bulgaria, Hungary and Greece 6% each. Among imported agricultural products are the following: tobacco and processed substitutes, alcoholic drinks, meat and its products, preparations made of cereals, milk and dairy products, vegetables, wheat etc.

Trade with other countries

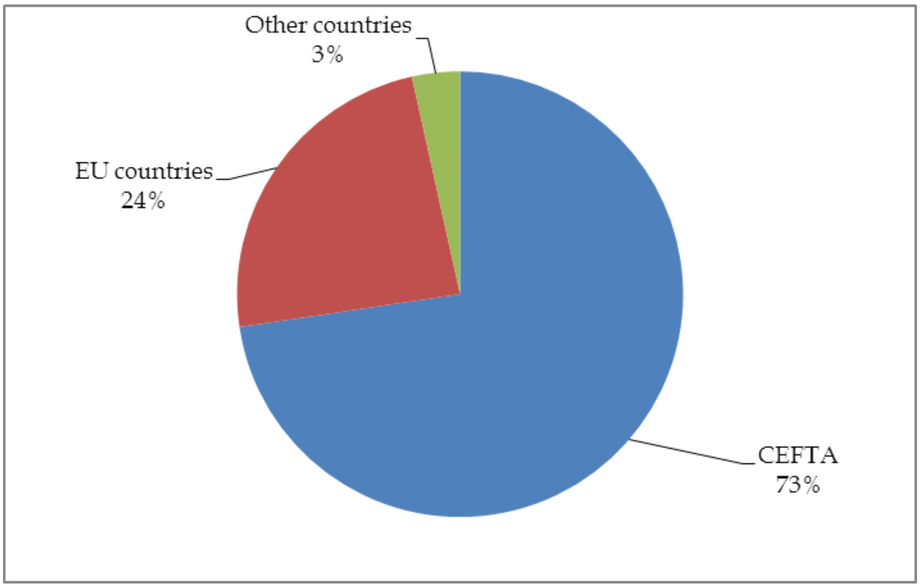
Besides CEFTA and EU member countries, Kosovo had trade relations (mostly import) with other countries as well, such as: Turkey, Brazil, Switzerland, USA, China, Canada etc. Most imported products were: meat and meat products, sweets, preparations of cereals, wine, beverages and other products. The export value in these countries is very low.

Table 68: Agricultural trade of Kosovo by trading blocs, in 2013

	Export	Import	Deficit	Share of export (%)	Share of import (%)
CEFTA	25,386	224,466	-199,080	72.6	38.46
EU countries	8,347	234,116	-225,769	23.9	40.11
Other countries	1,214	125,122	123,908	3.5	21.44
Total	34,947	583,704	-548,757	100	100

Source: KAS, processed by DEAAS-MAFRD

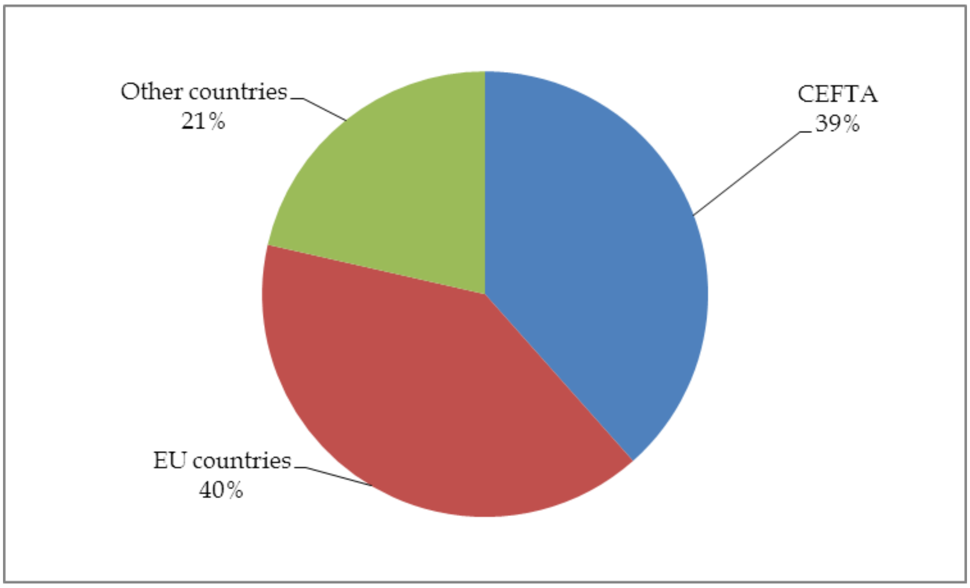
Figure 16: Export of agricultural products (1-24) for 2013



Source: KAS, processed by DEAAS-MAFRD

Results in the chart above show that it is obvious that Kosovo exports different agricultural products, mostly in CEFTA countries (73%).The respective imports are more evenly distributed between CEFTA and EU member states, followed by other countries.

Figure 17: Import of agricultural products (1-24) in 2013



Source: KAS, processed by DEAAS-MAFRD

The following table shows agricultural imports and exports of Kosovo by product categories (i.e. chapters of the HS).

Table 69: Export value of agricultural products 2007-2013, in 1000 €

Chapters	2007	2008	2009	2010	2011	2012	2013
01 Livestock	411	861	441	387	104	65	0
02 Meat and edible meat offals	163	106	53	44	14	5	23
03 Fish, crustaceans, molluscs and other aqu. vertebrates	0	6	29	20	29	120	0
04 Dairy products, eggs, honey	41	185	555	477	289	149	133
05 Products of animal origin n.e.s.	0	0	0	0	0	0	0
06 Trees, plants, flowers	11	8	241	70	8	12	94
07 Vegetables and certain roots and tubers	3,473	3,643	4,175	3,686	2,642	2,946	2,642
08 Fruits and nuts	807	1,212	462	656	1,677	1,609	2,122
09 Coffee, tea, mate, spices	857	757	960	968	573	717	1,371
10 Cereals	117	148	113	154	120	79	32
11 Produce of the milling industry, malt, starch, inulin, gluten	3,781	2,874	3,500	6,180	7,256	8,316	8,448
12 Oilseeds, misc. grains, seeds, fruit, medicinal plants, straw, fodder	66	345	32	502	489	681	691
13 Lac, gum, resins, other veg. saps and extracts	0	0	0	0	0	0	8
14 Vegetable planting materials, veg. products n.e.s.	0	0	0	0	0	0	0
15 Fats and oils	0	23	76	100	45	59	46
16 Preparations of meat, fish, crustaceans, molluscs etc	4	23	25	3	0	6	102
17 Sugar and confectionary	77	123	107	168	141	137	171
18 Cocoa and cocoa preparations	520	1,143	1,134	1,808	295	1,392	1,803
19 Preparations of cereals, flour, starch or milk,	35	112	348	388	705	704	1,021
20 Prepared vegetables, fruits and nuts	3,140	3,031	2,297	3,075	2,854	2,484	1,599
21 Miscellaneous edible preparations	119	148	207	261	139	164	167
22 Beverages, spirits, vinegar	3,728	5,644	4,578	5,313	8,106	10,195	13,300
23 Animal fodder	624	208	146	419	698	899	1,086
24 Tobacco and substitutes	160	164	516	70	0	69	88
Total 1-24	**18,134**	**20,763**	**19,993**	**24,749**	**26,185**	**30,807**	**34,947**

Source: KAS, processed by DEAAS-MAFRD

Table 70: Values of import of agricultural products 2007-2013, in 1000 €

Chapters	2007	2008	2009	2010	2011	2012	2013
01 Livestock	2,611	4,675	4,066	8,042	6,010	8,444	9,315
02 Meat and edible meat offals	30,180	47,267	47,370	45,017	52,802	52,262	57,446
03 Fish, crustaceans, molluscs and other aqu. vertebrates	1,076	782	1,208	1,552	1,796	1,913	2,452
04 Dairy products, eggs, honey	27,026	32,307	31,653	32,575	36,938	37,792	35,682
05 Products of animal origin n.e.s.	316	399	583	722	906	890	873
06 Trees, plants, flowers	706	853	1,769	2,191	2,260	2,596	2,827
07 Vegetables and certain roots and tubers	13,386	16,374	16,377	17,961	18,664	16,424	16,800
08 Fruits and nuts	14,589	17,388	20,378	22,184	23,389	22,169	24,340
09 Coffee, tea, mate, spices	9,817	13,486	13,011	16,388	21,270	28,015	27,409
10 Cereals	25,976	35,960	24,280	30,327	46,946	38,794	30,024
11 Prod. of the milling ind., malt, starch, inulin, gluten	15,194	14,307	9,582	13,661	13,294	18,358	14,790
12 Oilseeds, misc. grains, seeds, fruit, medicinal plants, straw, fodder	3,739	5,216	4,623	5,844	10,933	10,052	8,015
13 Lac, gum, resins, other veg. saps and extracts	21	45	44	54	95	92	141
14 Vegetable planting materials, veg. products n.e.s.	6	4	7	12	26	3	3
15 Fats and oils	17,301	22,719	18,171	19,296	22,023	26,184	25,670
16 Preparations of meat, fish, crustaceans, molluscs etc	13,671	16,851	16,474	16,938	20,192	20,675	23,046
17 Sugar and confectionary	20,114	22,791	24,638	32,031	36,854	35,077	30,042
18 Cocoa and cocoa preparations	14,313	16,677	16,560	16,709	18,538	17,449	19,601
19 Preparations of cereals, flour, starch or milk,	30,044	36,261	36,801	37,260	43,563	44,933	50,800
20 Prepared vegetables, fruits and nuts	16,103	16,679	17,672	15,483	19,337	17,935	20,693
21 Miscellaneous edible preparations	22,331	27,426	30,641	33,514	37,874	41,044	46,697
22 Beverages, spirits, vinegar	48,155	53,267	49,102	55,409	57,900	57,688	59,555
23 Animal fodder	13,671	14,425	11,292	12,578	12,749	16,644	17,366
24 Tobacco and substitutes	43,445	57,505	38,509	46,899	57,067	59,539	60,117
Total 1-24	**383,789**	**473,666**	**434,810**	**482,649**	**561,428**	**574,974**	**583,704**

Source: KAS, processed by DEAAS-MAFRD

4.3 Prices in the value chain

Prices of inputs and agricultural products in Kosovo are mainly determined by import prices. Kosovo exports marked a gradual increase during the last decade, whereas import has risen gradually but obviously much more than export. Compared to the prices of agricultural products in several EU countries, prices in Kosovo are much higher. The table below presents prices of some agricultural products for the period 2009 – 2013.

Table 71: Average annual producer prices 2009-2013 (€/kg)

Products	2009	2010	2011	2012	2013	Change 2013/2012 (€)	Change 2013/2012 (%)
Wheat	0.17	0.19	0.25	0.26	0.22	-0.04	-15
Maize	0.20	0.22	0.29	0.30	0.31	0.01	3
Potatoes	0.30	0.29	0.30	0.32	0.43	0.11	34
Cabbage	0.19	0.18	0.17	0.24	0.17	-0.07	-29
Peppers	0.63	0.59	0.58	0.58	0.78	0.20	34
Beans	2.11	1.80	1.95	2.47	2.63	0.16	6
Tomatoes	0.61	0.62	0.50	0.71	0.56	-0.15	-21
Apple	0.51	0.49	0.49	0.54	0.53	-0.01	-2
Grapes	0.83	0.80	0.93	0.93	0.85	-0.08	-9
Farm chicken	1.92	1.94	2.12	2.12	2.27	0.15	7
Milk	0.31	0.29	0.31	0.32	0.33	0.01	3
Honey	7.21	7.42	8.11	8.52	8.83	0.31	4
Eggs	2.12	2.13	2.51	2.91	2.69	-0.22	-8

Source: KAS (Price index of agricultural products and prices in agriculture, 2005 – 2013), calculation by DEAAS – MAFRD

Based on the data presented above, half of products marked an increase of prices, whereas other products such as tomatoes and cabbage marked a decrease of 29%. Prices of potatoes and peppers rose by 34% in 2013, and there was less increase of price of other products. The price of wheat in 2013 decreased by 15% compared to 2012, the price of grapes decreased by 9%,milk by7%, eggs by 8%, and apples by 2%.

Table 72: Import unit values of agricultural products, 2009-2013 (€/kg)

Products	2009	2010	2011	2012	2013	Change 2013/2012 (%)	Import U.V./ producer price 2013
Wheat	0.15	0.18	0.26	0.33	0.20	-39	0.91
Maize	0.17	0.13	0.20	0.35	0.21	-40	0.68
Potatoes	0.33	0.21	0.26	0.22	0.24	9	0.56
Cabbage	0.11	0.16	0.29	0.07	0.19	171	1.12
Peppers	1.47	1.46	0.28	0.36	0.78	117	1.00
Beans	0.34	0.74	0.87	1.02	0.87	-15	0.33
Tomatoes	0.32	0.38	0.32	0.29	0.23	-21	0.41
Apples	0.27	0.21	0.28	0.71	0.35	-51	0.66
Grapes	0.55	0.56	0.74	1.01	0.46	-54	0.54
Farm chicken	1.24	1.19	1.46	1.92	1.16	-40	0.51
Milk	0.65	0.68	0.68	0.65	0.61	-6	1.85
Honey	3.58	3.82	4.39	4.81	4.71	-2	0.53
Eggs	4.36	1.44	2.50	1.53	2.72	78	1.01

Source: Kosovo Customs, calculation by DEAAS – MAFRD

The table above presents data from import prices. The highest increase of price was marked by the import price of cabbage by 171%, pepper by117% and eggs by 78%. Products which marked huge drops of price are grapes by 54%, apples by 51%, farm chicken and maize by 40%, wheat by 39%, beans by 28% and tomatoes by 21%.

Table 73: Average annual wholesale prices of agricultural products (€/kg)

Products	2009	2010	2011	2012	2013	Change 2013/2012 (%)	Wholesale /producer price 2013
Wheat	0.17	0.20	0.29	0.37	0.29	-22	1.32
Maize	0.16	0.19	0.27	0.34	0.40	18	1.29
Potatoes	0.20	0.23	0.36	0.29	0.36	24	0.84
Cabbage	0.16	0.16	0.25	0.28	0.28	0	1.65
Pepper	0.92	0.97	1.08	1.14	0.86	-25	1.10
Beans	1.67	1.46	1.70	1.93	2.04	6	0.78
Tomatoes	0.67	0.73	0.70	0.82	0.68	-17	1.21
Apple	0.49	0.48	0.70	0.51	0.52	2	0.98
Grape	1.63	1.50	2.04	2.04	1.47	-28	1.73
Farm chicken	2.04	2.25	1.68	1.51	1.60	6	0.70
Milk	0.64	0.66	0.79	0.77	0.79	3	2.39
Honey	5.33	5.71	7.44	7.09	5.07	-28	0.57
Eggs	1.90	1.76	2.22	2.38	2.26	-5	0.84

Source: KAS / SIT, calculation by DEAAS - MAFRD

If average annual wholesale prices are compared, it is noticeable that honey, grapes, pepper and wheat were affected by the largest decline of prices, up to a 28% drop in 2013, compared to 2012. On the other hand, potatoes and maize marked noticeable increase of 24% and 18% respectively.

Table 74: Annual retail average prices of agricultural products (€/kg)

Products	2009	2010	2011	2012	2013	Change 2013/12 (%)	Retail/producer price 2013
Wheat	0.22	0.24	0.33	0.43	0.33	-23	1.50
Maize	0.22	0.24	0.30	0.40	0.44	10	1.42
Potatoes	0.33	0.31	0.45	0.37	0.46	24	1.07
Cabbage	0.26	0.25	0.38	0.36	0.35	-3	2.06
Peppers	1.16	1.22	1.29	1.41	0.99	-30	1.27
Beans	2.08	1.80	1.99	2.28	2.27	-0.4	0.86
Tomatoes	0.88	0.95	0.87	1.00	0.79	-21	1.41
Apples	0.70	0.65	0.87	0.66	0.60	-9	1.13
Grapes	2.00	1.81	2.23	2.45	1.65	-33	1.94
Farm Chicken	2.10	1.17	1.98	1.87	1.94	4	0.85
Milk	0.82	0.81	0.86	0.87	0.88	1	2.67
Honey	6.09	7.20	8.49	8.30	6.75	-19	0.76
Eggs	2.24	2.08	2.59	2.76	2.48	-10	0.92

Source: KAS / SIT, Calculation by DEAAS – MAFRD

Based on the table above, which represents the average annual retail prices, the most noticeable drop from 2012 to 2013 was marked by grapes by 33% followed by pepper, wheat, tomatoes and honey. Products which marked the highest increase of price in 2013 were potatoes by 24% and maize by 10%.

Table 75: Comparison of producer prices of agricultural products in Kosovo and various EU countries, 2013 (€/kg)

Country	Wheat	Maize	Potatoes	Cabbage	Apples	Grapes	Honey	Eggs*
Bulgaria	0.16	0.15	0.24	0.16	0.26	0.46	2.66	6.42
Hungary	0.16	0.16	0.27	0.31	0.28	0.53	2.61	5.82
Czech Republic	0.20	0.19	0.22	0.21	0.37	/	3.53	6.81
Austria	0.12	0.14	0.25	0.26	0.53	/	7.96	14.15
Greece	0.21	0.19	0.53	0.31	0.63	0.65	5.71	18.20
Romania	0.19	0.22	0.40	0.24	0.63	0.86	2.59	7.69
Kosovo	0.22	0.31	0.43	0.17	0.53	0.85	8.83	8.96

Source: Eurostat and KAS
*Unit per 100 pcs

From the table above it is noticeable Kosovo has relatively high prices compared to other EU countries. This is result of low local production, high production costs and high import rate. The price of wheat and maize in Kosovo is the highest in EU countries listed in the table. The price of potatoes in Kosovo is likewise high (0.43 €), but the highest is in Greece (0.53 €) which represents 23% higher price compared to Kosovo. After Bulgaria, the price of cabbage in Kosovo is the lowest. The price of apples in Kosovo (0.53 €) is higher than in the Czech Republic, same as in Austria and 16% lower than in Greece or Romania. After Romania, Kosovo has the highest price of grapes (0.85 €). The price of honey in Kosovo is significantly higher compared to all other countries in the table except Austria, which makes a 10% lower price. The price of eggs in Kosovo is higher than in Greece and Austria.

4.4 Food safety and quality

Institutional and legal framework

Institutions

The main purpose of EU policies on food safety is to protect the interest and health of consumers by guaranteeing a proper functioning of joint policies for consumer protection and this must be an integral part of the social and economic policies in Kosovo. According to the section 1 of the Law on Consumer Protection (Official Gazette of the Republic of Kosovo No. 32 dated 20.11.2012), the basic rights of consumers need to be regulated and protected during the purchase of goods, services and other forms in the free market whereas the seller, producer or supplier must undertake all responsibilities to act in the service of consumers.

The interacting institutions on food safety in Kosovo are the Ministry of Agriculture, Forestry and Rural Development (MAFRD), the Agency of Food and Veterinary, and the Ministry of Health. Within MAFRD, the Kosovo Institute of Agriculture (KIA) and the Agricultural Policies, Markets and Trade Department are also included in designing food policies. Currently the role of MAFRD on food safety is still undefined. However, its role is expected to be defined and approved by a new Law drafted by the MAFRD. Within the Ministry of Health, the National Institute of Public Health is also charged with food testing.

Each distribution of products of animal origin or live animals must be subjected to the veterinary inspection whenever imported in Kosovo. The veterinary inspection is made in all border crossing points and in the customs warehouses. There are (9) Border Inspection Points (BIP) in Kosovo.

The **Food and Veterinary Agency** (FVA) is the main authority to ensure food safety in the Republic of Kosovo. With the adoption of the Law on Food (section 36), the FVA is linked directly to the Office of the Prime Minister. Based on section 38 of the current law, the Agency is the responsible to verify and inspect food and food ingredients at all levels of the food chain. FVA is also responsible to fight and prevent transmittable disease among animals, to adjust the veterinary/medical practice, to inspect products of animal origin, to inspect imports, exports and the transitional passage of live animals and products of animal origin, and to regulate duties and obligations of the public, central and local government institutions and officials appointed to work in the mentioned institutions. The Agency is composed of five Directorates: Public Health, Animal Health and Wellbeing, Inspectorate (veterinary, phyto-sanitary and sanitary), Laboratory, Administration, and six regional offices.

The **Kosovo National Institute of Public Health** (KNIPH) is an educational and scientific multi-disciplinary institution responsible for the development of health strategies in the field of epidemiology, education and health promotion, disease prevention, laboratory diagnosis and health information. The scope of KNIPH is regulated by Law No. 02/L-78 on Public Health.

Within the University of Pristina, the Faculty of Agriculture and Veterinary (FAV), the Faculty of Geoscience and Technology (The Food Technology Department, FGT) and the Faculty of Natural Sciences (Departments of Chemistry and Biology) offer precious expertise regarding food safety.

Market-related veterinary regulations

There are three approved laws which regulate veterinary policies. The Law on Livestock No.04/L-191 (Official Gazette of the Republic of Kosovo No.25/08.07.2013) which is the legal basis for the general functioning of Livestock sector in Kosovo. The second is the Law No. 02/l-10 on Animal Care and the third one is Law No. 2003/26 on Medicine Products and Equipment which was abrogated on 30.09.2010 by the Parliament of the Republic of Kosovo.

Currently the FVA operates based on the Law No.2004/21 on Veterinary and Administrative Instructions MA-NR 07/2005; MA-NR 26/2006 for issues related to the Veterinary Equipment.

The placement of food, animal feed and animal by-products in the market is regulated in the Law on Veterinary which regulates the circulation of live animals, products of animal origin, veterinary inspection for import/export and the transitional transport of live animals. The Law also determines rights and duties of the central government, municipalities and natural persons working in this field. Apart from the Law on Veterinary, this field is also regulated by the Law on Food and Regulations on Hygienic Package.

Regulations on animal feed

The general EU policies on animal feed safety defined by the EU Regulation No.183/2005 on the Hygiene of the Animal feed requires operators of the animal feed business (for basic animal feed production) to undertake all necessary measures to prevent, eliminate and reduce risks associated with animal feed in order to ensure safety during preparation, production, cleaning of food, packaging, storage and transportation of the animal feed.

The Law No. 04/L-191 on Livestock (Official Gazette of the Republic of Kosovo No. 25/ 08.07.2013) requires from animal feed business operators to ensure that animal feed material and compound feeds placed in the market in Kosovo (regardless if they contain additives, are healthy, qualitative, clean and marketable.

Out of the total number of business in this field, most of them are retail operators (93).

It is quite common to produce combined animal feed within the farm for internal or market needs. None of the businesses applies or is in the procedure of obtaining a quality certificate based on international required standards such as ISO, HACCP, or any other.

Phyto-sanitary policies

The Kosovo phyto-sanitary service is obliged to strengthen the local legislation, compliance of local legislation with the EU legislation, import and export inspection, inspection of local inspecting services, conducting diagnostic analysis, inspection/phyto-sanitary survey, issuing of phyto-sanitary certificates, field inspections, study of the plant diseases and harmful organisms and the preparation of the disease list and of harmful organisms quarantine[1], approved in 2013. The main laws related to the phyto-sanitary inspection in Kosovo are the Law No. 03/L-029 on Agricultural Inspection, Law No. 02/L-95 on Plant Protection, Law No. 2003/20 on Pesticides, and Law No. 03/L-042 on Plant Protection Products.

Import in the Republic of Kosovo is regulated by the Administrative Instruction No. 16/2006 and the Law on Plant Protection.

Implementation

Food producers and input suppliers

The FVA has conducted an evaluation of agri-food companies in Kosovo (in the sectors milk, meat, slaughterhouses and cool storages). In 2013 there were 173 active and non-active food business operators who dealt with food products of animal origin. The FVA approved licenses of another 26 producers (until 25.04.2014) in the region to import products of animal origin.

All these businesses have undergone approval procedures as defined by the AI No. 9/2004 on licensing of activities related to food products and non-food industry, production and certification of agricultural products. Businesses are obliged to fulfil conditions determined by Regulation No. 11/2011 on the hygiene of food ingredients and by Regulation No. 12/2011 which ensures special hygiene rules for food of animal origin.

Table 76: Number of businesses in food processing

Type of activity	Number of operators	Status
Cooled storage (refrigerator)	37	Active
Milk processing	39	Active
Milk processing	0	Inactive
Meat processing	42	Active
Meat processing	0	Inactive
Slaughterhouses (Big animals)	46	Active
Poultry slaughtering	7	Active
Poultry slaughtering	3	Inactive
Egg processing	1	Active
Fish processing	1	Active

Source: FVA

In 2013 the number of operators dealing with trade of raw agricultural products increased by 31% compared to 2012 and the majority of them deal with fertilizers (**Error! Reference source ot found.**). The issue is the number of operators distributing raw agricultural material is

[1] TRT 7 Meeting of Food Saety. Presentation on "Phyto-sanitary politicies". Shaqir Rexhepi, AVUK. Janar 2013

higher than the number of identified operators. There are cases of sale of such products especially during the full season in agriculture even in odd places such as food shops or gas stations.

Table 77: Agricultural input suppliers, 2012 and 2013

Type of activity	Number of operators	
	2012	2013
Fertilizer importers	26	30
Fertilizer sales agents	58	70
PPP importers	6	8
PPP distributors	72	105
Total	162	213

Source: FVA

Milk

In 2013 35% of milk processing capacities in Kosovo were certified by HACCP. This was also confirmed by the Kosovo Dairy Processors Association (KDPA), considering the six biggest producers of milk are either certified or will be certified until the end of 2013 since all of them are supported by EU funds. As far as meat and meat products are concerned, there are only (3) companies certified by HACCP.

In 2013, KVA analysed whether 15,979 milk samples met the standards on chemical indicators set for milk quality through scanning of milk. Most of unprocessed milk samples and dairy products were taken from milk and dairy products producers as well as from projects.

Table 78: Activities of the FVA Milk Laboratory

Year	Number of tested samples	
	Bacteria*	Somatic cells
2008	19,034	15,570
2009	11,502	12,475
2010	14,358	12,860
2011	16,805	12,323
2012	15,577	15,577
2013	15,979	15,979

Source: FVA
*Microbial occurrence

Veterinary inspections

Veterinary inspections were conducted based on a Working Plan, a National Sampling Plan and complaints from consumers. In figures, inspections in 2013 included: 43,757 inspections of business operations; 17 court suits; 427 unsealings; 1,980 veterinary certificates for export; 1,894 phyto-certificates for export.

The following activities were accomplished in 2013:

943 certificates issued for storage space; 223 permits issued for import; 82 inspections of animal seizures (425 cattle, 93 sheep, 9,670 chickens and 2 horses); 5,502 samples taken for analysis; 1,883 swabs taken from working areas, equipment, hands, uniforms and personnel,

and 3 suspensions of work activities.

Regarding inspections in 2013, the following have been removed from the food market:

443,129 kg of food items were destroyed (products of animal origin, herbal products); 12,179 litres of liquids; 338 animals because of infectious diseases, and 885 decorative plant seedlings.

Regardless of these accomplishments there is lack of sufficient mechanisms and necessary performance to monitor and inspect food in the market.

Fish

Licensing and inspection of aquaculture in Kosovo: MAFRD in cooperation with KSRFF issues decisions on fishing areas, the quantity of fish, equipment to be used for fishing etc. Through the Fishermen Federation, decisions are circulated to local fishers associations. As far as aquaculture concerns, decisions are issued only by MAFRD and as such are implemented by the Inspectorate. Submission of requests for licensing has begun and first licenses are expected to be issued soon. According to the applicable legislation, licensing in aquaculture at national level is a responsibility of MAFRD whereas licensing of fishers for sportive and recreational fishing is a competency delegated to the KSRFF. KSRFF organises vocational training events and licensing for fishermen. MAFRD participates in the Licensing Commission with one member. KSRFF reports to MAFRD the number of licenses issued.

During 2013 KSRFF issued 1,850 fishing licenses according age-groups/categories. The Federation established contacts with regional (and broader) fishing associations to exchange experiences and organize fishing competitions. During the year, only one competition event was organised at the regional level. It was dedicated to sportive fishermen and was organised by the Sportive Fishermen Association.

Responsibilities of inspectors are defined in the Law on Fishing and Aquaculture, sections 51, 52, 53 and 54. Responsibilities of fishing guards are stipulated by the same Law, sections 44, 45 and 46. Responsibilities of inspectors are the following: inspection of fishing licenses, equipment used for fishing, the quantity of fish collected and of all aquaculture activities.

Sanctions are also defined in the Law on Fishing and Aquaculture. Sections 59-62 of the law regulate fines for physical persons and judicial entities who committed offences. These sections also determine what activities are prohibited in fishing and aquaculture.

Besides fines, there are other penalties such as seizure of equipment and means used for fishing and the quantity of fish collected. Implementation of these measures fall under the authority of fishing guards who are appointed by the users of fishing areas. The user reports such measures to MAFRD. Upon reporting the offence, inspectors verify the offence using a minutes form and recommend the trial proceeding. Based on the inspector's minutes, the MAFRD Legal Office prepares the file and addresses it to the court for further proceeding. Upon review, the court issues a ruling and informs the parties involved.

Organic farming

Control and certification of organic products: The Law on organic agriculture forms the basis for sustainable development of organic products and ensures the efficient functioning of the market by guaranteeing fair competition, consumers' trust and the protection of consumers' interest. The Law defines objectives and principles related to all stages of production, preparation and distribution of organic products, control and use of indicators for labelling and marketing of organic products.

Medicinal plants (16 species) cover an area of 85 ha in Istog; most of them are exported to EU countries such as Germany, Austria and Switzerland.

Table 79: Production of medicinal plants and forest fruits

Cultivation of medicinal plants (15 types)	2009	2010	2011	2012	2013
ip./(ha)	5	15	70	85	
Production (t)	10	30	140	170	
Wild fruits and medicinal plants (31 types)					
Collection (t)	550	600	900	1000	
Value (mil. Euro)	0.8	0.9	3.5	4	

Source: MAFRD

In Kosovo there is one producer certified for organic honey. He started the activity in 2010 and has 40 certified beehives with a capacity of 900 kg honey per year.

The Conversion phase: According to Kosovo Association of Organic Farming (KAOF) data the following are in conversion to organic farming: 4 ha of orchards; 1 ha of vineyards; 0.10 ha greenhouses. There is high interest from companies and clients to purchase organic products. In Mitrovica, IADK initiated a program on the development of Organic Farming in Kosovo (2013-2015).

Certification bodies for Organic Farming Products: two international organisations (controlling institutions) and one National Association (KAOF, providing technical advices) operate in Kosovo. One certification body is BIO inspecta-Switzerland which, in cooperation with Albinspekt-Albania, is inspecting and certifying organic products such as medicinal plants and wild fruits. PROCERT from Macedonia, in cooperation with the Association of Kosovo Organic Farming, certified the organic honey production. Certification of products is supported by Intercooperation, GIZ, USAID, Mercy Corps, etc.

5 Policies, direct payments in agriculture and rural development support

5.1 Overview of aims, programmes, measures, budget, grants and subsidies

Based on the Strategy for Agriculture, Forestry and Rural Development, the MAFRD has continued the support for farmers through subsidies and grants provided through direct payments and the rural development programme.

MAFRD started to support farmers with direct payments in 2009. In 2012 direct payments covered: direct payments for milking cows (heads), sheep and goats (heads), direct payment for areas (ha) planted with wheat, for areas (ha) planted with maize, for areas (ha) planted with wheat seeds, for areas (ha) planted with sunflower, for beehives and oil subsidising for the harvest of cereals. In 2013 the support through direct payments was expanded in order to cover more sectors: direct payments for poultry (head/chickens), for existing vineyards and for seedling material. Subsidising milk according to quality was also planned but not implemented. In 2013 the subsidisation of Diesel for harvest and threshing was suspended.

The direct payments support scheme is awarded based on the following criteria:

- Subsidies for sheep and goat: a minimum of 30 sheep or 20 goats per farm – 10 €/head
- Subsidies for milking cows: a minimum of 5 cows and buffalos per farm – 50 €/ head.
- Subsidies for poultry: farms with 2,400-10,000 chickens - 0.50 €/head, farms with 10,000-20,000 chickens - 0.40 €/head, farms with over 20,000 chicken - 0.30 €/head
- Subsidies for beekeeping - 10 €/beehive
- Wheat production: the minimum area accepted is 2 ha/farmer - 125 €/ha
- Maize production: the minimum area accepted is 1 ha/farmer - 100 €/ha
- Wheat seeds production: area of wheat seeds certified by MAFRD inspectors - 200 €/ha
- Production of sunflower and rape: payments per area with sunflower or rape - 100 €/ha
- Direct payments for vineyards: farmers owning an area of 0.10-100 ha, 500 €/ha; farmers owning over 100 ha 500 €/ha
- Production of seedling material: Payment for seedlings - 0.20 €/piece

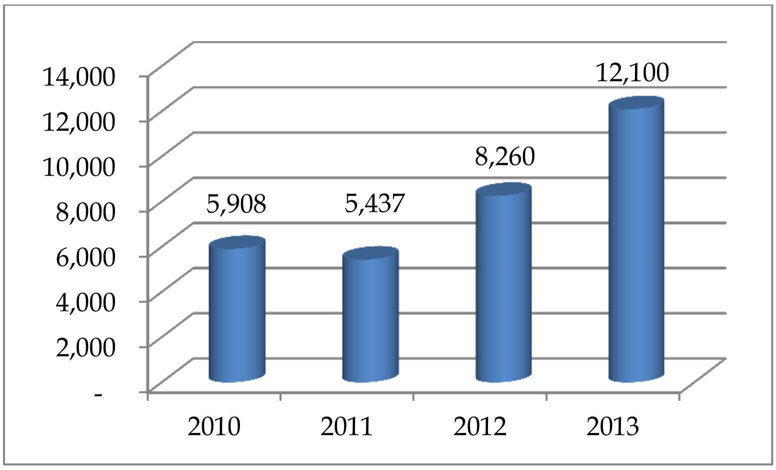
In 2013, the support to the agricultural sector through direct payments amounted to 12.1 mil. Euro, which represents an increase compared to 2012 when it amounted to 8.3 mil. Euro.

Table 80: Direct payments, 2010-2013 in Euro

	2010	2011	2012	2013
Wheat	2,121,010	3,206,956	3,795,094	5,824,268
Wheat seeds	-	-	25,020	63,720
Maize	-	-	575,459	943,028
Sunflower	-	-	73,711	41,439
Wine grapes	1,401,930	-	-	-
Vineyards	-	-	-	1,124,516
Dairy cows	1,108,380	992,340	2,104,800	2,105,950
Sheep and goats	1,276,340	1,238,070	1,327,450	1,159,720
Bees	-	-	358,610	500,660
Chicken	-	-	-	240,305
Seedlings	-	-	-	96,264
Total	5,907,660	5,437,366	8,260,144	12,099,869

Source: Agricultural Development Agency

Figure 18: Direct payments in 2010-2013, in 1000 €



Source: Agricultural Development Agency

The Rural Development Programme is organized by its major objectives into four axes, each of them comprised by specific measures:

Axis 1 - Competitiveness

- Development of vocational training to meet rural needs (**Measure 1**)
- Restructuring physical potential in the agri-rural sector (**Measure 2**)
- Managing water resources for agriculture (**Measure 3**)
- Improving the processing and marketing of agricultural products (**Measure 4**)

Axis 2 Environment and improved land use

- Improving natural resource management (Measure 5)

Axis 3 Rural diversification and quality of life in rural areas

- Farm diversification and alternative activities in rural areas **(Measure 6)**
- Improvement of rural infrastructure and maintenance of rural heritage **(Measure 7)**

Axis 4 Community-based local development strategies

- Support for local community development strategies **(Measure 8)**

In 2013 the following measures were implemented:

Measure 2, Restructuring physical potential in the agri-rural sector which includes the following sub-measures:

- Sub-measure - milk. Building a cow-shed, at least 24,0m x 10,40m, for keeping animals in a free system and in a closed system, with completed infrastructure.
- Sub-measure meat production – calve fattening. Building a new calve-shed for keeping animals in a closed system, at least 24,0m x 10,40m with completed infrastructure. Improvement of farm infrastructure: Manure storage (liquid and solid) according to MAFRD criteria, silage storage room (horizontal system) according to the number of heads, storage for roughage (barn) according to the number of heads, and a weighing machine for weighing live animals.
- Sub-measure - broiler production. Building a new stable with a capacity for at least 3,600 broilers or 270 m² with complete infrastructure or improving the farm infrastructure on farm and equipment as well as systems for manure storage.
- Sub-measure - egg production. Building a new stable with a capacity of at least 3,600 laying hens, with completed infrastructure and equipment and improvement of infrastructure on farm and equipment: egg-grading machines, refrigerators, manure (dropping) storage systems.
- Sub-measure - beekeeping. Beehive with antivaro floor, honey extraction line, wax-melting equipment for beehives, special trailer for beehive transportation, beehive area fences, acidity agents and packing machine.
- Sub-measure - greenhouse. Construction of new greenhouses and expanding production capacities with new greenhouses: greenhouses type "Tunnel" from poly-ethylene and greenhouses type "Block" from poly-ethylene 500–2,000 m² or 2 x 1,000 m², dripping irrigation system with equipment for fertilization (crystal fertilisers).

- Sub-measure open field vegetable production. Dripping irrigation system with equipment for fertilization (crystal fertilisers), plastic folium for mulching and plastic nets for a support system, support columns (only for tomato, cucumber and beans) and plastic folium for mini tunnels (watermelon and melon).
- Sub-measure - fruits. Raising new orchards with apple for intensive production (seedling costs, preparation of the soil for planting, planting costs etc.). Investments in infrastructure up to 1 ha: dripping irrigation system, holding system, fences, and hail protection system (nets).
- Sub-measure – soft fruits. Investments in raising new orchards with soft fruits (strawberries, raspberries and blackberries) as follows:
  - For strawberries: seedlings, dripping irrigation system and black folium;
  - For raspberries and blackberries: seedlings, dripping irrigation system
- Sub-measure - vineyards. For raising new plantations: raising new table grape vineyards (seedling material, costs of land preparation, standard/conventional support system or T-type support system etc.), dripping irrigation system (if there is a water source). Investments in infrastructure for existing vineyards not older than 2 years: Standard/conventional support system or T-type support system; dripping irrigation system (if there is a water source).
- Sub-measure – medicinal plants. Driers, refrigerators, cleaning machinery, cutting (chopping) machine.
- Sub-measure – agricultural machinery. Machinery for the cereal, livestock, fruit and vegetable sectors.

Measure 3 - Management of water resources for agriculture

- Sub-measure - irrigation of agricultural land. Rehabilitation and modernisation of existing irrigation infrastructure; opening of wells; building water reservoirs for irrigation; connection to public supply channels; purchase of pumps and respective equipment; laying down the pipe network for the water distribution system; opening and building secondary channels for irrigation; water measurement facilities, equipment for flow control; environment impact mitigation works, drainage (terraces, land levelling, mud & silt collectors – depending on project type).

Measure 4 - Support to agro-processing and marketing of agricultural products

- Sub-measure - agro-processing and marketing of agricultural products. Constructing centres for the collection, packaging and storage of agricultural products in three centres identified as having potential for agricultural products.
- Sub-measure - fruit and vegetable processing. Fruit and vegetable processing and marketing including wine production.
- Submeasure – milk processing. Investments dealing with collection and storage of milk and milk processing.
- Submeasure – meat processing. Slaughterhouses, meat processing lines and meat storage.

Measure 8 - Support to local community development strategies

- Support to public and private projects that improve living conditions for the rural population. Aim: Local Action Groups registered in Kosova.

Special measure for less developed areas

- Sub-measure - livestock, milk/meat production. Building a cow-shed, at least 24.0m x 10.40m, for keeping animals in a free system and in a closed system, with completed infrastructure.
- Sub-measure – non-wood forest products/fruits, mushrooms and medicinal and aromatic plants. Machine for cleaning, grading, drying, cooling, freezing, peeling, packaging, labelling. Machinery/equipment may also be used for cultivated production.

5.2 Amount and distribution of direct payments

In 2013, MAFRD subsidised farmers with direct payments through its programme. Farmers who benefited were those growing wheat, maize, wheat seed, sunflower and oilseeds, as well as farmers with existing vineyards and wine-stocks. Starting from this year, poultry is also subsidised, in addition to milking cows, sheep, goats and bees. Regarding inputs, seedling material is now being subsidised, whilst the harvesting is not being subsidised any longer.

5.2.1 Direct payments for crops

In 2013, the following crops were subsidised through direct payments: wheat, maize, wheat seeds, sunflower, oilseeds and grapes. The payment was made for the number of ha planted, and in total it amounted 7,996,971 €.

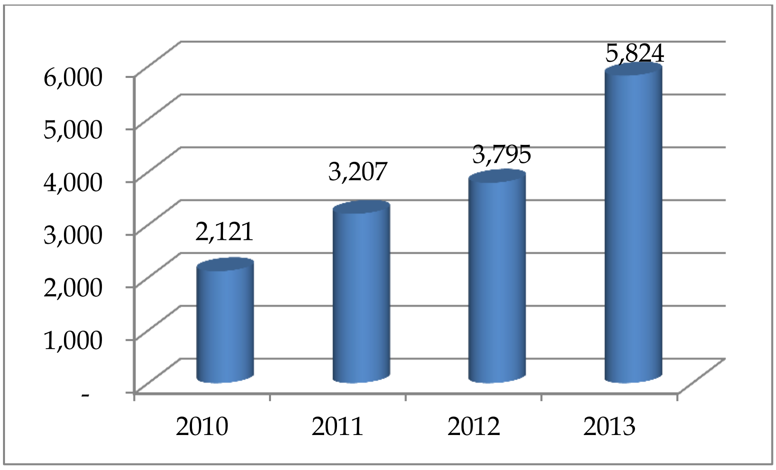
Table 81: Direct payments by sectors, 2010-2013

		2010	2011	2012	2013	Change 2013/2012 in %
Wheat	No. of applicants	5,467	10,953	9,604	11,758	22
	No. of beneficiaries	5,145	8,364	8,841	10,686	21
	Number of ha paid	23,566	32,070	37,951	46,594	23
	Payment per ha	90	100	100	125	25
	Total amount paid	2,121,010	3,206,956	3,795,094	5,824,268	53
Wheat seeds	No. of beneficiaries	-	-	10	27	170
	Number of ha paid	-	-	250	850	240
	Payment per ha	-	-	100	75	-25
	Total amount paid	-	-	25,020	63,720	155
Maize	No. of applicants	-	-	2,346	3,858	64
	No. of beneficiaries	-	-	2,209	3,626	64
	Number of ha paid	-	-	5,755	9,430	64
	Payment per ha	-	-	100	100	0
	Total amount paid	-	-	575,459	943,028	64
Wine grape	No. of applicants	2564	-	-	-	-
	No. of beneficiaries	2564	-	-	-	-
	Number of ha paid	1402	-	-	-	-
	Payment per ha	1000	-	-	-	-
	Total amount paid	1,401,930	-	-	-	-
Vineyards	No. of applicants	-	-	-	2,579	-
	No. of beneficiaries	-	-	-	2,556	-
	Number of ha paid	-	-	-	2,791	-
	Payment per ha	-	-	-	500/200	-
	Total amount paid	-	-	-	1,124,516	-
Sunflower	No. of applicants	-	-	32	31	-3
	No. of beneficiaries	-	-	29	29	0
	Number of ha paid	-	-	737	414	-44
	Payment per ha	-	-	100	100	0
	Total amount paid	-	-	73,711	41,439	-44

Source: Agricultural Development Agency

Direct payments for wheat in 2013 amounted 5.8 mil. Euro which compared to 2012 was an increase by 53%. This increase resulted for two reasons: increase of payment rate per ha planted with wheat by 25%, i.e. from 100 €/ha in 2012 to 125 €/ha, and the increase of the number of ha subsidised by 23%. Even though in 2013 the percentage is almost the same in terms of the number of applicants as well as in the number of beneficiaries, there was a slight increase (1.2%) in the number of farmers rejected compared to 2012. In 2013 the percentage of change compared to one year before is higher in both, the number of farmers supported, as well as in the total area subsidised.

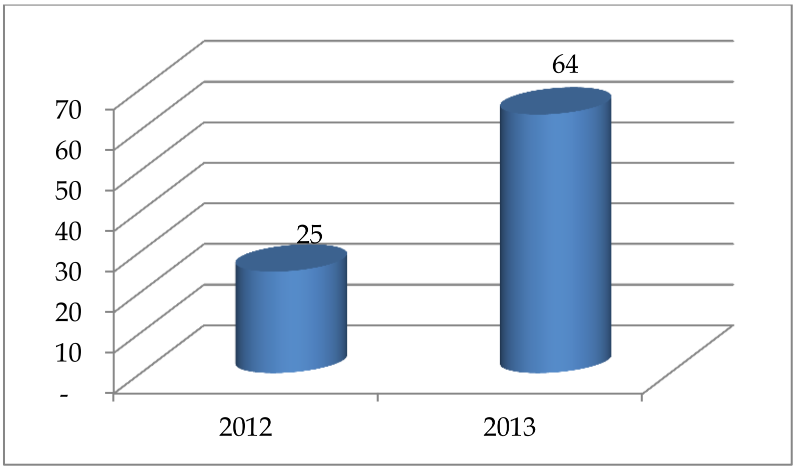
Figure 19: Direct payments for wheat in 2010-2013, in 1000 €



Source: Agricultural Development Agency

The production of wheat seeds was subsidies for the first time in 2012. In 2013, the number of applicants increased significantly compared to the previous year (by 170%). The payment for wheat seeds was 200 €/ha; the table below shows only 75 €/ha because 125 €/ha is paid as a subsidy for wheat. For this reason the payment rate per ha decreased by 25% compared to the previous year when the payment for seeds was 100 €/ha.

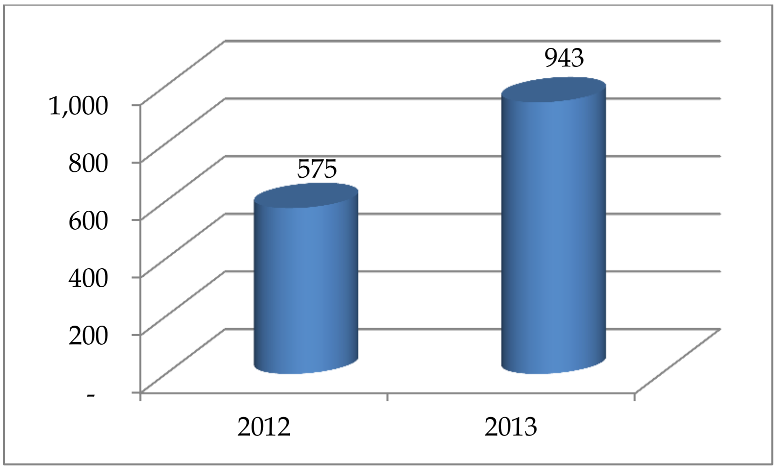
Figure 20: Direct payments for wheat seeds in 2012-2013, in 1000 €



Source: Agricultural Development Agency

In 2013 as in the previous year, maize has continued to be subsidised with 100 €/ha. The total payments for maize were 0.9 million Euros, which compared to 2012, was higher by 64%. The number of applicant farmers and the number of farmers subsidised was also increased by 64%, taking into account that the percentage of farmers rejected has remained almost the same, at around 6%.

Figure 21: Direct payments for maize in 2012-2013, in 1000 €

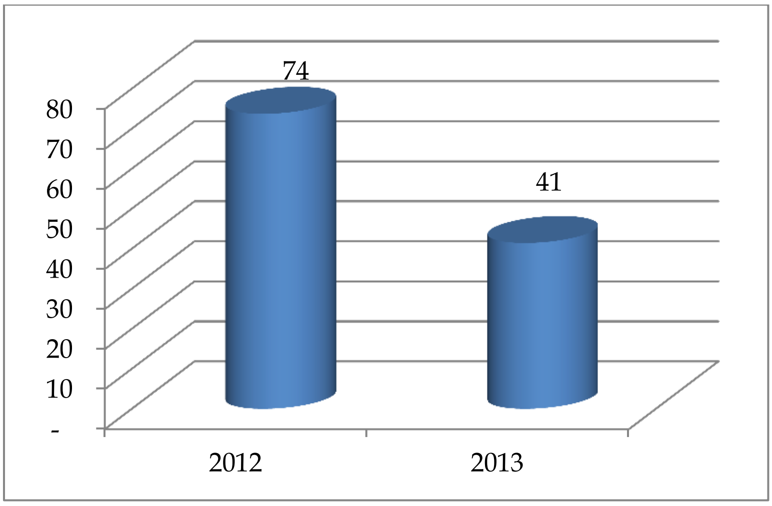


Source: Agricultural Development Agency

In 2013, for the first time there were subsidies for existing vineyards. The payments for hectare varied, depending on the area's size for which farmers applied. Farmers applying areas between 0.10-100 ha were paid 500 €/ha, and farmers applied for areas over 100 ha were paid 200 €/ha. The number of ha subsidised was 2,791 ha, and the total amount paid was 1.1 million Euros. Out of the total number of farmers who applied, only 0.9% or 23 were rejected.

In 2013 the area subsidised with sunflower was reduced by 44%, even though the number of beneficiary farmers has not changed. The total amount paid was 41,439€, whereas the payment per hectare remained the same. Of all crops subsidised, only subsidies for sunflower were decreased, because the areas cultivated were decreased. Compared to 2012 in municipalities of Podujeva, Ferizaj and Lipjan, areas planted with sunflower were decreased, in Graçanica they were increased, whilst in some municipalities such as Drenas, Istog, Junik, Mitrovica and Shtime, there were no applications at all. This year, areas with sunflower were also planted in Skenderaj municipality.

Figure 22: Direct payments for sunflower in 2012-2013, in 1000 €



Source: Agricultural Development Agency

The following tables shows direct payments for crops by regions.

Wheat: In 2013 direct payments for wheat (125 €/ha) were paid to 10,686 farmers or around 91% of the farmers who applied. Of the total amount of direct payments for wheat (5.8 mil. Euro), Prishtina and Peja regions together received a share of 53.1%, Mitrovica 15%, Prizren 13.2%, Ferizaj 10% and Gjilan only 8.7%.

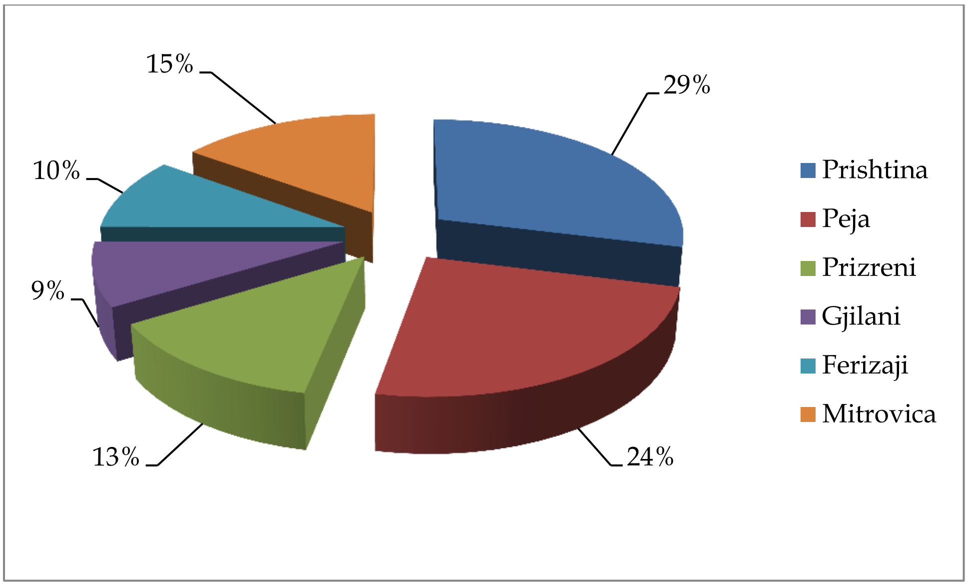
The highest number of farmers rejected (17.8%) was in Prizren region and the lowest (5.3%) in Ferizaj region.

Table 82: Direct payments for wheat by regions, in 2013

No.	Region	No. of applicants	No. of beneficiary farmers	Area subsidised (ha)	Amount paid in €
1	Prishtina	3,447	3,109	13,445	1,680,645
2	Peja	2,335	2,197	11,287	1,410,821
3	Prizren	1,829	1,503	6,160	769,949
4	Gjilan	1,170	1,064	4,071	508,898
5	Ferizaj	973	915	4,647	580,893
6	Mitrovica	2,004	1,898	6,985	873,063
	Total	11,758	10,686	46,594	5,824,268

Source: Agricultural Development Agency

Figure 23: Area subsidised for wheat by regions, in 2013



Source: Agricultural Development Agency

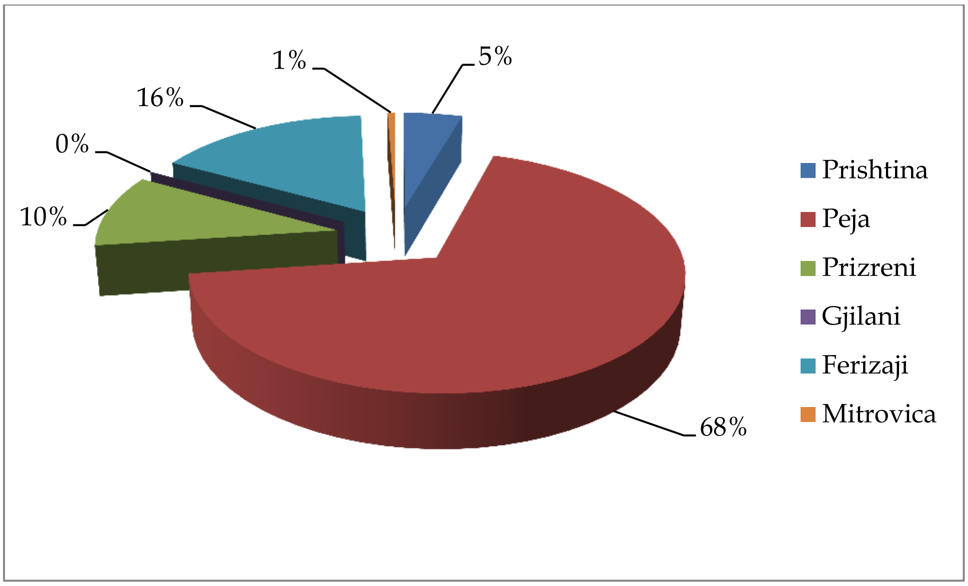
Wheat seeds: Applications for direct payments for wheat seeds were submitted from all parts of Kosova except Gjilan. Total payments were 63,720€, and all applicants were paid. The highest support was in the region of Peja with 68%, followed by Ferizaj 16%, Prizren 10%, Pristina 5% and Mitrovica 1%.

Table 83: Direct payments for wheat seeds by regions, in 2013

No.	Region	No. of beneficiary farmers	Area subsidised (ha)	Amount paid in €
1	Prishtina	2	38	2,873
2	Peja	19	581	43,560
3	Prizren	2	86	6,458
4	Gjilan	-	-	-
5	Ferizaj	3	139	10,448
6	Mitrovica	1	5	383
	Total	27	850	63,720

Source: Agricultural Development Agency

Figure 24: Area subsidised for wheat seeds by regions, in 2013



Source: Agricultural Development Agency

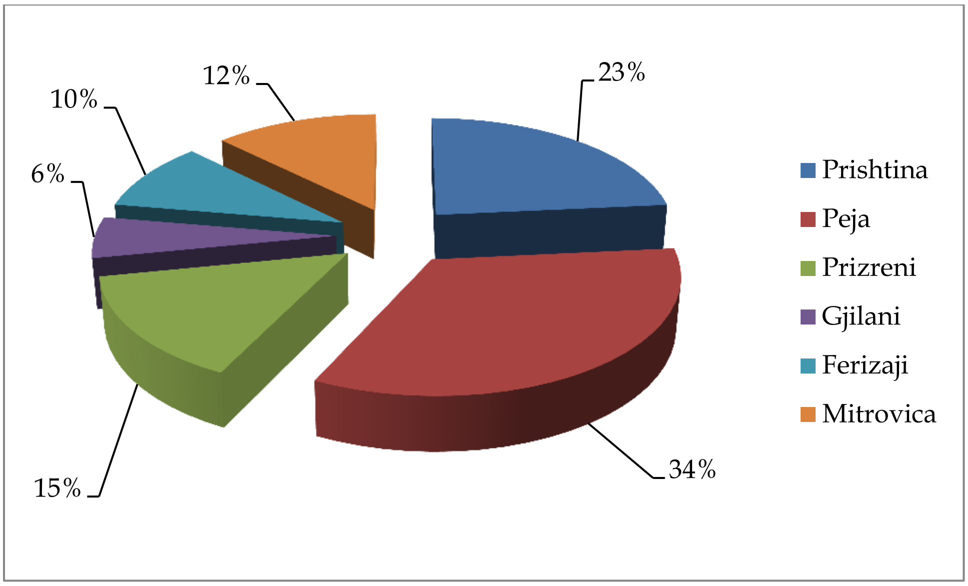
Maize: In 2013 9,430 ha planted with maize were subsidised with 100 €/ha. The number of farmers rejected was 232 of which 33% were from Prishtina region, 24% from Prizren, 17% from Peja, 13% from Mitrovica, 9% from Ferizaj and 4% from Gjilan region. From the total amount of support for maize, 34% went to Peja region, 23% to Prishtina region, 15% to Prizren and the remaining 28% to the regions Gjilan, Ferizaj and Mitrovica.

Table 84: Direct payments for maize by regions, in 2013

No.	Region	No. of applicants	No. of beneficiary farmers	Area subsidised (ha)	Amount paid in €
1	Prishtina	908	831	2,216	221,640
2	Peja	1,115	1,076	3,175	317,515
3	Prizren	593	538	1,390	138,961
4	Gjilan	256	247	544	54,384
5	Ferizaj	329	308	918	91,816
6	Mitrovica	657	626	1,187	118,712
	Total	3,858	3,626	9,430	943,028

Source: Agricultural Development Agency

Figure 25: Area subsidised for maize by regions, in 2013



Source: Agricultural Development Agency

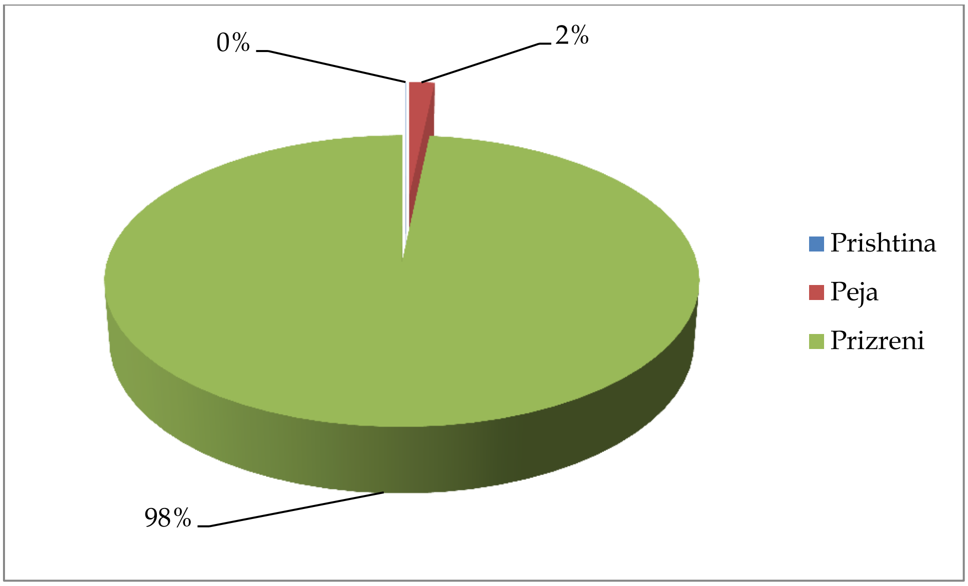
Vineyards: Subsidies for vineyards through direct payments within the regular support scheme started in 2013. The total amount of direct payments for existing vineyards was 1,124,516€ for 2,556 beneficiary farmers, covering a total of 2,791 ha. 98% of the area subsidised was in Prizren region where grape production is concentrated, 1.6% in Peja region, and a very low percentage in Pristina region.

Table 85: Direct payments for vineyards by regions, in 2013

No.	Region	No. of applicants	No. of beneficiary farmers	Area subsidised (ha)	Amount paid in €
1	Prishtina	1	1	1	325
2	Peja	82	79	46	22,770
3	Prizren	2,496	2,476	2,744	1,101,421
4	Gjilan	-	-	-	-
5	Ferizaj	-	-	-	-
6	Mitrovica	-	-	-	-
	Total	2,579	2,556	2,791	1,124,516

Source: Agricultural Development Agency

Figure 26: Area subsidised for vineyards by regions, in 2013



Source: Agricultural Development Agency

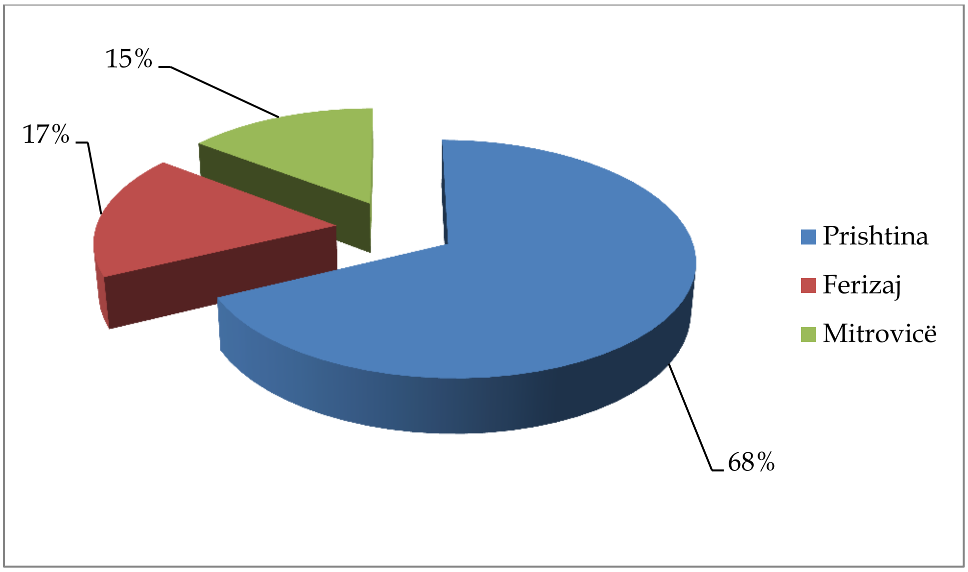
Sunflower: In 2013, the number of applicants for direct payments for sunflower was 31 farmers of which 29 farmers received payments for a total of 414 ha. The only three regions covered were Prishtina with 68% of total support, 17% Ferizaj and 15% Mitrovica.

Table 86: Direct payments for sunflower by regions, in 2013

No.	Region	No. of applicants	No. of beneficiary farmers	Area subsidised (ha)	Amount paid in €
1	Prishtina	24	22	281	28,125
2	Peja	-	-	-	-
3	Prizren	-	-	-	-
4	Gjilan	-	-	-	-
5	Ferizaj	6	6	72	7,242
6	Mitrovica	1	1	61	6,072
	Total	31	29	414	41,439

Source: Agricultural Development Agency

Figure 27: Area subsidised for sunflower by regions, in 2013



Source: Agricultural Development Agency

5.2.2 Direct payments for the livestock sector

In 2013 direct payments were paid to support the production of dairy cows, sheep, goats, bees and poultry. Payments were made by the number of heads kept by a farmer; in total they amounted to 4,006,635 €. From the total amount 53% were paid to the dairy cows, 29% to sheep and goats, 12% to bees and 6% for chickens.

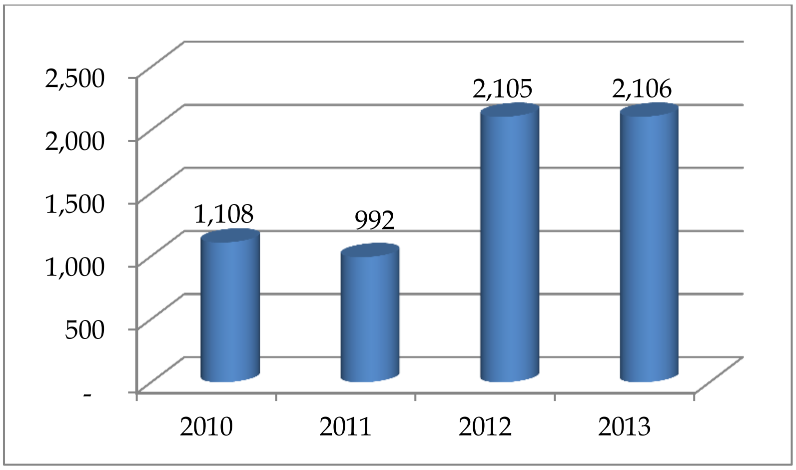
Table 87: Direct payments according to sectors, 2010-2013

		2010	2011	2012	2013	Change 2013/2013 in %
Dairy cows	No. of applicants	4,882	4,366	5,584	5,803	*4*
	No. of beneficiaries	4,287	4,162	5,231	5,075	*-3*
	No. of heads paid	36,946	33,078	42,096	42,119	*0*
	Payments per head	30	30	50	50	*0*
	Total amount paid	1,108,380	992,340	2,104,800	2,105,950	*0*
Sheep and goats	No. of applicants	1,905	1,422	1,533	1,370	*-11*
	No. of beneficiaries	1,559	1,343	1,449	1,252	*-14*
	No. of heads paid	127,634	123,807	132,745	115,972	*-13*
	Payments per head	10	10	10	10	*0*
	Total amount paid	1,276,340	1,238,070	1,327,450	1,159,720	*-13*
Bees	No. of applicants	-	-	1,120	1,086	*-3*
	No. of beneficiaries	-	-	779	985	*26*
	No. of beehives paid	-	-	35,861	50,066	*40*
	Payment per beehive	-	-	10	10	*0*
	Total amount paid	-	-	358,610	500,660	*40*
Poultry	No. of applicants	-	-	-	61	-
	No. of beneficiaries	-	-	-	58	-
	No. of heads paid	-	-	-	567,996	-
	Payments per head	-	-	-	0.5/0.4/0.3	-
	Total amount paid	-	-	-	240,305	-

Source: Agricultural Development Agency

Within the livestock sector, dairy cows continued to be subsidized in 2013, with 50 € per head. If we observe the changes occurred, compared to the previous year, there was an increase of the number of applicants by 4%, whilst the number of beneficiaries was reduced by 3%. The percentage of farmers rejected was increased to 13% from 7% in 2012. Despite the fact that the number of beneficiary farmers is reduced, the number of cows subsidised has marked a slight increase of 0.05%. The total amount of money paid as direct payments for dairy cows was 2.1 million Euros.

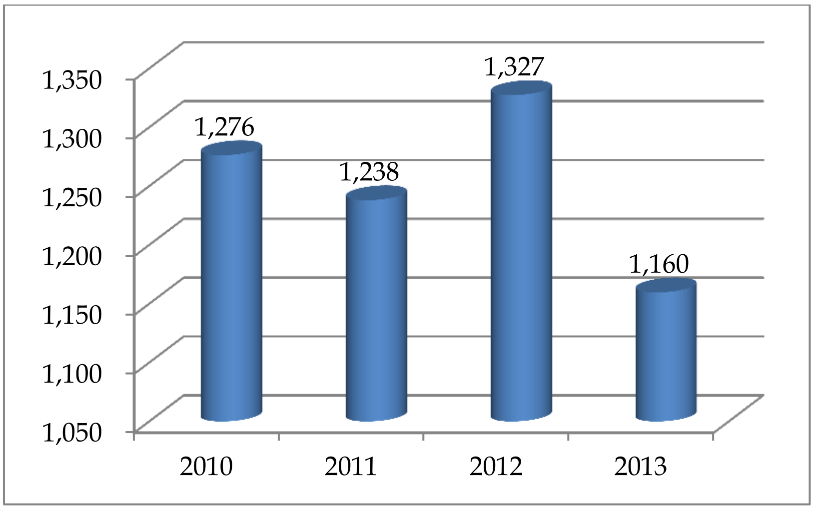
Figure 28: Direct payments for dairy cows in 2010-2013, in 1000 €



Source: Agricultural Development Agency

In 2013 sheep and goats were supported through direct payments with a total of 1,159,720 € an amount lower for 13% compared to 2012. The number of applications was reduced for 11% whilst the number of beneficiaries for 1%. The percentage of rejected farmers in 2013 is higher than in 2012 for 3%. Out of the total payments for small animals, 92% are direct payments for sheep whilst 8% are goats which in proportion are almost similar as in the previous year.

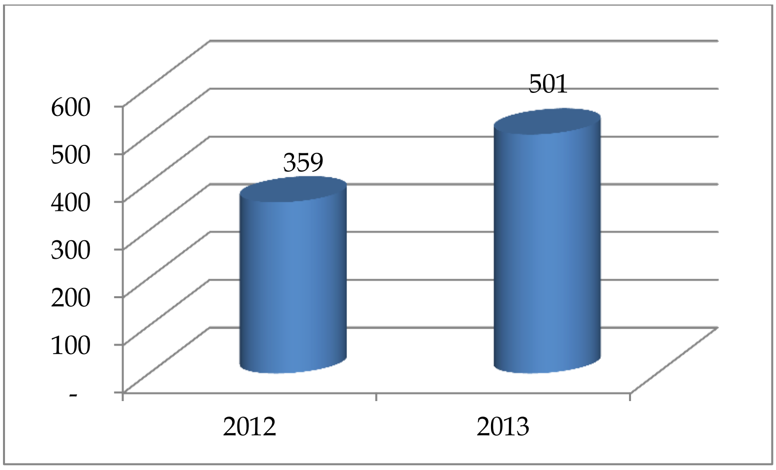
Figure 29: Direct payments for sheep and goats in 2010-2013, in 1000 €



Source: Agricultural Development Agency

The beekeeping sector continued to be supported also in 2013 through direct payments with 10 € per beehive. In the second year of support the number of applicants was reduced for 3% whilst the number of beneficiaries was increased by 26%. This year, the situation has significantly improved during the process of applications and control, and the tendency fraud was much lower. This resulted with a much lower percentage of rejected farmers (9%), which - compared to the first year when the beekeeping sector was supported - was 30%. The amount of direct payments paid for bees was 500,660 €.

Figure 30: Direct payments for bees 2012-2013, in 1000 €



Source: Agricultural Development Agency

In the poultry sector, direct payments were used to subsidize chicken farms. The payment per unit varied depending on the number of chicken on each farm. Applicants with 2,400-10,000 chickens on their farms were supported with 0.50 €/head, those with 10,000-20,000 with 0.40 €/head, and those with over 20,000 with 0.30 €/head. A total of 61 farmers had applied and only 4.9% were rejected.

Below are the direct payments for the livestock sector according to regions:

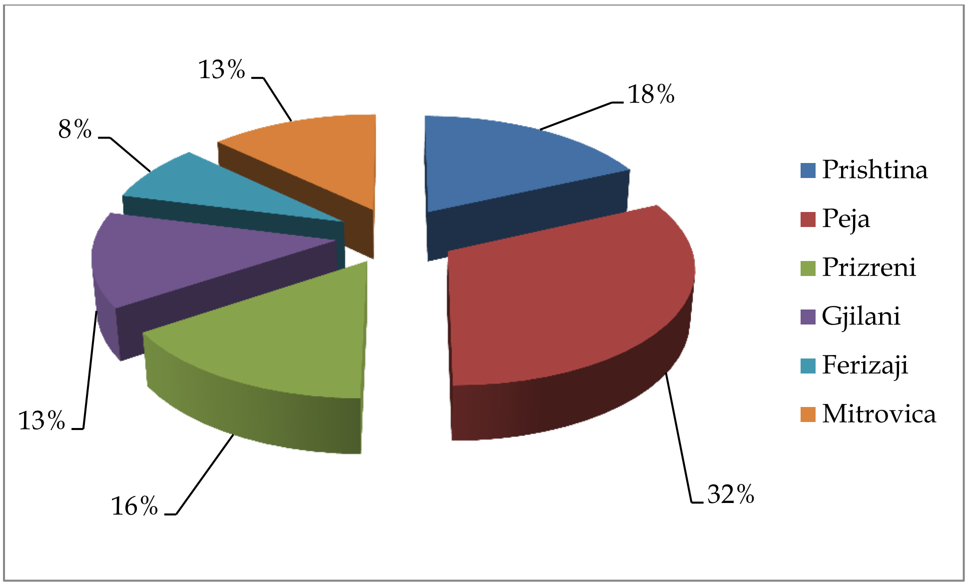
Dairy cows: Direct payments for dairy cows were distributed to 5,075 farmers with a total of 42,119 heads. The highest percentage of dairy cows was supported in the Peja region, respectively 32%, Pristina region 18%, Prizren region 16% and the remaining 34% was for three other regions: Gjilan, Ferizaj and Mitrovica. Most of the rejected farmers were in the Prizren region (18%) and Pristina region (17%), whilst the lowest percentage was in Mitrovica region, with only 3%, despite the fact that the number of beneficiary farmers was 69% higher than in Ferizaj region, where the percentage of rejected farmers was 9%.

Table 88: Direct payments for dairy cows by regions, in 2013

No.	Region	No. of applicants	No. of beneficiary farmers	Number of heads subsidised	Amount paid in €
1	Prishtina	1,142	947	7,668	383,400
2	Peja	1,836	1,589	13,447	672,350
3	Prizren	908	746	6,537	326,850
4	Gjilan	704	641	5,604	280,200
5	Ferizaj	469	428	3,414	170,700
6	Mitrovica	744	724	5,449	272,450
	Total	5,803	5,075	42,119	2,105,950

Source: Agricultural Development Agency

Figure 31: Number of dairy cows subsidised by regions, in 2013



Source: Agricultural Development Agency

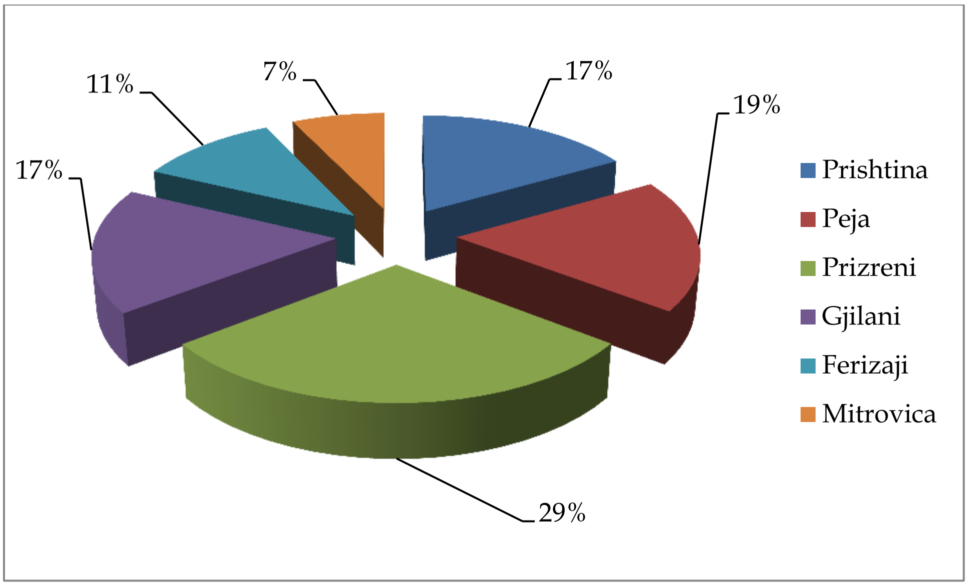
Sheep: Direct payments for sheep were paid to 1,081 farmers, or 87% of the total number of applicants. The payment was 10 €/head and the amount paid was 1,066,630 € in total. The region leading with the highest percentage (29%) is Prizren region, whilst the least supported region is Mitrovica, with only 7%.

Table 89: Direct payments for sheep by regions, in 2013

No.	Region	No. of applicants	No. of beneficiary farmers	Number of heads subsidised	Amount paid in €
1	Prishtina	247	230	17,872	178,720
2	Peja	237	223	19,778	197,780
3	Prizren	266	248	31,267	312,670
4	Gjilan	198	176	18,617	186,170
5	Ferizaj	108	102	11,495	114,950
6	Mitrovica	105	102	7,634	76,340
	Total	1,161	1,081	106,663	1,066,630

Source: Agricultural Development Agency

Figure 32: Number of sheep subsidised by regions, in 2013



Source: Agricultural Development Agency

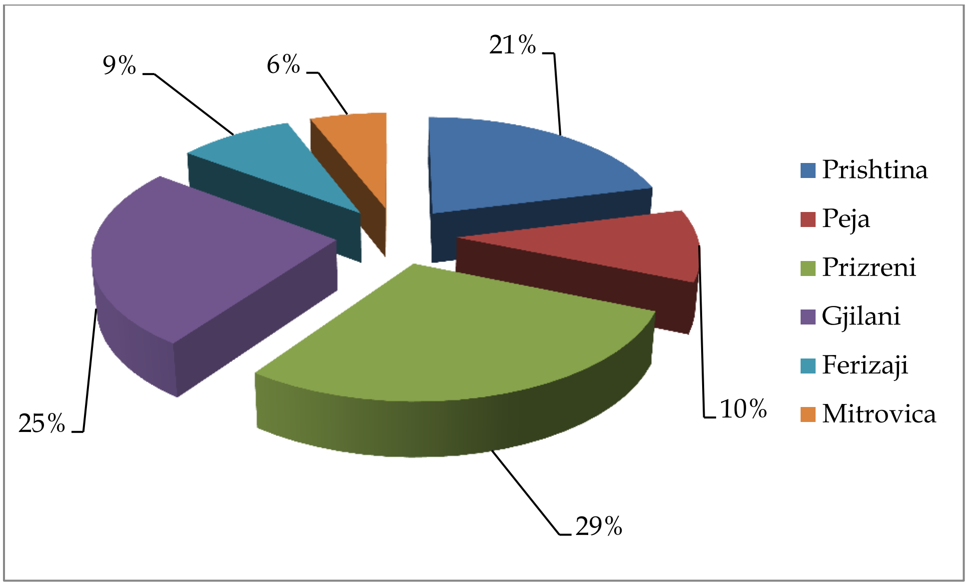
Goats: In 2013, the amount of direct payments for goats paid was 93,090 €. Prizren and Gjilan regions benefited 54% of the total direct payments for goats, whilst the remaining 46% was distributed to four other regions, where the lower share of 6% went to Mitrovica region. The total number of farmers applied was 209, out of which 18% were rejected. The number of farmers who benefited was 171, whilst the number of heads subsidised with 10 €/head was 9,309.

Table 90: Direct payments for goats by regions, in 2013

No.	Region	No. of applicants	No. of beneficiary farmers	Number of heads subsidised	Amount paid in €
1	Prishtina	54	39	1,960	19,600
2	Peja	26	20	941	9,410
3	Prizren	42	35	2,672	26,720
4	Gjilan	52	47	2,359	23,590
5	Ferizaj	20	16	826	8,260
6	Mitrovica	15	14	551	5,510
	Total	209	171	9,309	93,090

Source: Agricultural Development Agency

Figure 33: Number of goats subsidised by regions, in 2013



Source: Agricultural Development Agency

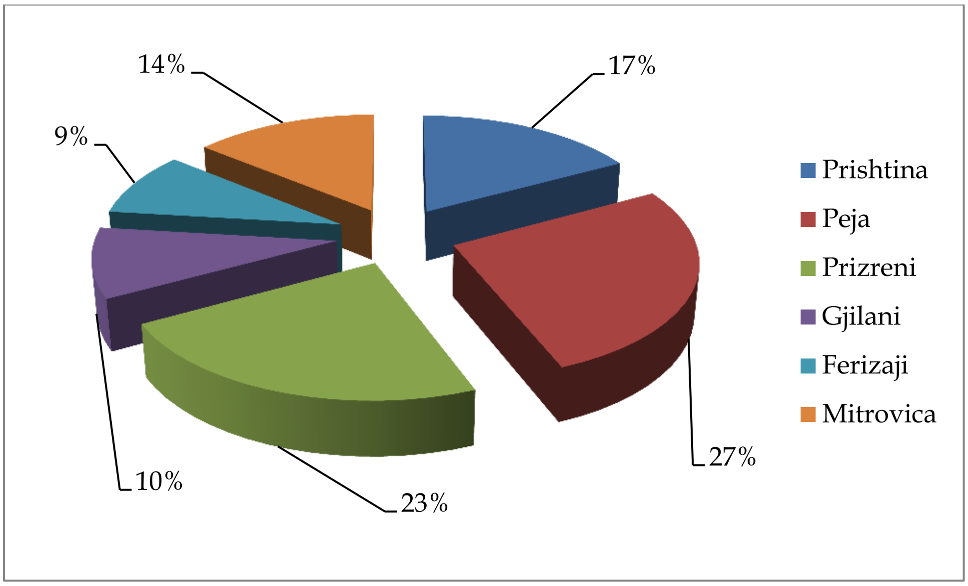
Bees: The region which benefited the most from subsidies for beekeeping is Peja with 27%, followed by Prizren with 23%, whilst the least subsidised in beekeeping was Ferizaj region with only 9%. Direct payments were made per beehive and the number of beehives subsidised was 50,066.

Table 91: Direct payments for beehives by regions, in 2013

No.	Region	No. of applicants	No. of beneficiary farmers	Number of beehives subsidised	Amount paid in €
1	Prishtina	206	183	8,578	85,780
2	Peja	294	270	13,465	134,650
3	Prizren	229	210	11,541	115,410
4	Gjilan	117	102	4,907	49,070
5	Ferizaj	95	83	4,522	45,220
6	Mitrovica	145	137	7,053	70,530
	Total	1,086	985	50,066	500,660

Source: Agricultural Development Agency

Figure 34: Number of beehives subsidised by regions, in 2013



Source: Agricultural Development Agency

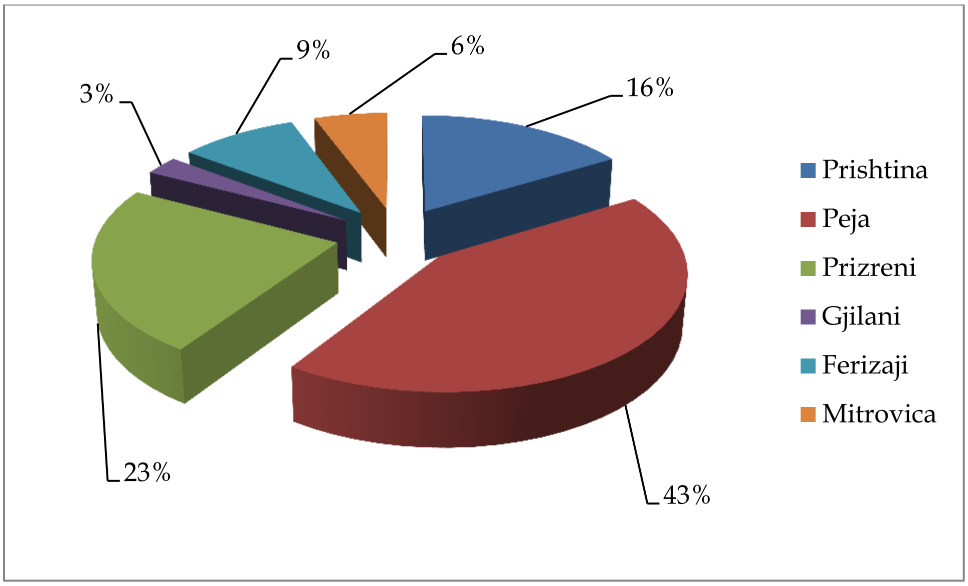
Poultry: The total amount of direct payments for the poultry sector was 240,305 €. Based on the number of heads, the region which benefited the most in the poultry sector is Peja with 43%, followed by Prizren with 23%, Pristina 16% and the remained 18% in other regions.

Table 92: Direct payments for poultry by regions, in 2013

No.	Region	No. of applicants	No. of beneficiary farmers	Number of heads subsidised	Amount paid in €
1	Prishtina	15	14	92,932	44,616
2	Peja	17	16	244,102	90,757
3	Prizren	18	17	132,455	62,358
4	Gjilan	2	2	15,081	6,261
5	Ferizaj	5	5	51,466	22,334
6	Mitrovica	4	4	31,960	13,980
	Total	61	58	567,996	240,305

Source: Agricultural Development Agency

Figure 35: Number of chicken subsidised by regions, in 2013



Source: Agricultural Development Agency

5.2.3 Support for agricultural inputs

Direct payments for seedlings

In 2013 seedling material was subsidised for the first time and the payment was 0.20 €/pieces. Farmers applying had to meet the following criteria:

- to be citizens of the Republic of Kosovo
- to have at least 0.50 ha of agricultural land (owned or rented)
- the land lease contract should be for at least two (2) years

- the farmer must have produced, during 2013, a minimum of 5,000 seedlings and a maximum of 100,000 seedlings of fruit trees on vegetative rootstocks.

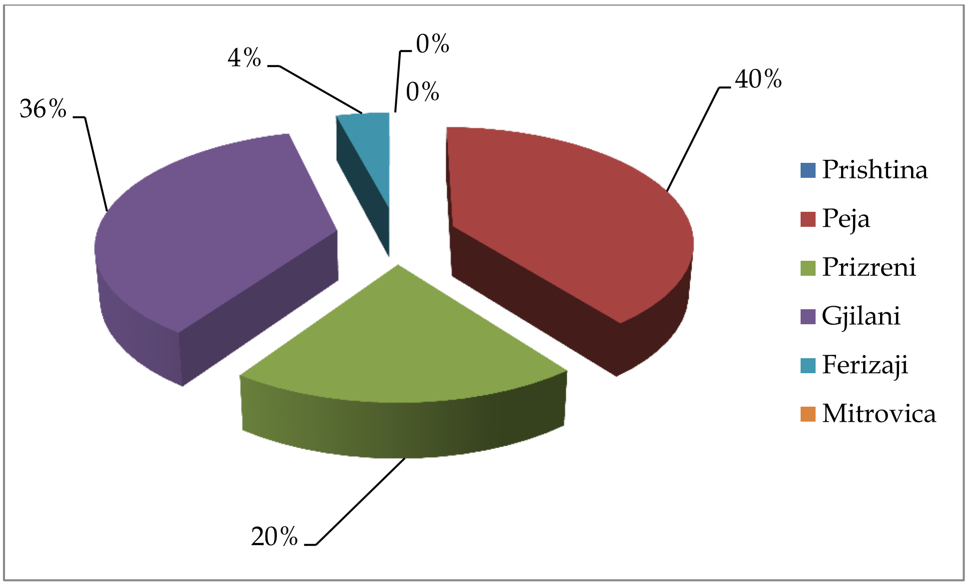
Table 93: Direct payments for seedlings by regions, in 2013

No.	Region	No. of applicants	No. of beneficiary farmers	Number of seedlings subsidised	Amount paid in €
1	Prishtina	-	-	-	-
2	Peja	5	4	190,120	38,024
3	Prizren	3	2	97,000	19,400
4	Gjilan	10	10	174,400	34,880
5	Ferizaj	2	2	19,800	3,960
6	Mitrovica	-	-	-	-
	Total	20	18	481,320	96,264

Source: Agricultural Development Agency

The number of farmers applied was 20 from 4 regions, whilst there were no applicants Pristina and Mitrovica regions. The percentage of rejected farmers was 10%. The total amount of support was 96,264€ where the highest support was for Peja region with 40%, Gjilan 36%, Prizren 20% and Ferizaj with only 4%.

Figure 36: Number of seedlings subsidised by regions, in 2013



Source: Agricultural Development Agency

Agri-loans and the Guarantee Fund

Agriculture in Kosovo is facing many difficulties in the post-war period. It took years to recover, and even nowadays, agriculture is still in transition. The agricultural sector -- despite being favoured and even considered a priority for the economy -- is quite low, compared with high demands and trends existing in EU countries.

Interest rates for loans in the agricultural sector are quite high compared to loans in other sectors and compared to regional countries, where the 3% risk interest of the post-conflict period is still being paid. Lending continues to have a high cost, because for Banks and Microfinance Institutions (MFI), agri-loans are non-performing loans.

Agriculture is one of the most important sectors of the economy and thus there is a great need for agri-loans in order to finance investments such as purchasing equipment and agricultural machinery of the latest technology, purchase of inventory, expansion of farms, land plots, purchase of livestock for breeding, agricultural inputs, animal feed, farm adjustments, artificial fertilisers for increasing land yields, all of which support increases of productivity and preparations for the agricultural season to build the agri-economy.

Banks providing loans for the agricultural and livestock sectors in Kosovo are: Bank for Business, Banka Ekonomike, Raiffeisen Bank, Procredit Bank, TEB, NLB Pristina, and National Trade Banka (Al), whereas microfinance institutions are: Qelim Kosovë; Timi Invest, Start, Perspektiva 4, Mështekna, Kosovo Rural Credit, KosInvest Word Vision, KGMAMF, KEP Trust, Finca, the Financing Agency of Kosovo.

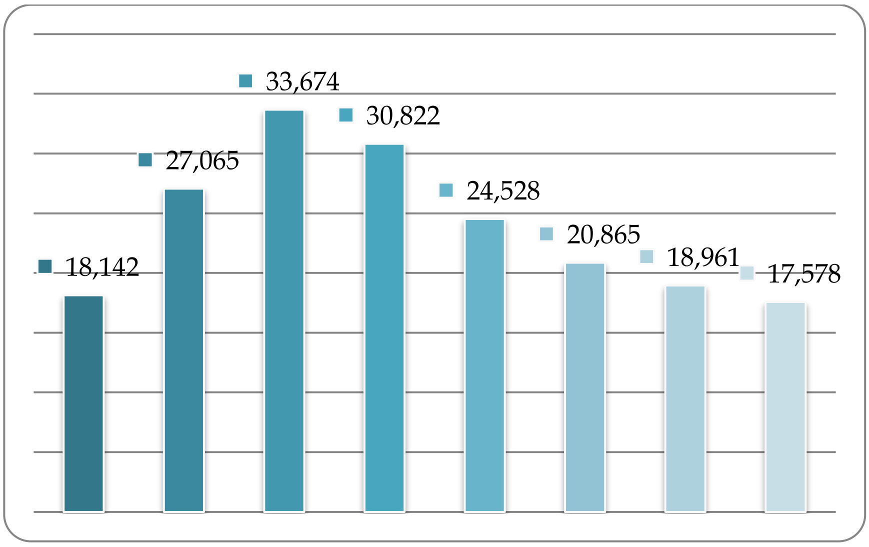
The leaders in the number of agri-loans disbursed are ProCredit Bank (PCB) and Raiffeisen Bank (RBKO) followed by MFIs: Kosovo Rural Credit (KRC) and the Financing Agency of Kosovo (AFK). According to the data in the table, most loans (quantitative data) have been disbursed in 2008, whereas a small number was disbursed in 2013. The number of loans disbursed from the beginning of 2006 to 2013 is about 191,635, for a total value of 444.6 million Euros. Thus, in 8 years, some 2,000 loans were disbursed every month for an average value of 4.6 million Euros.

Table 94: Agri-loans, 2006-2013

Banks & MFIs Agri-loans	Loans disbursed	No. of loans disbursed	Minimum loans (€)	Maximum loans (`000 €)	Amount of loans disbursed (`000 €)	Total Amount of loans disbursed (mil. €)	Loans repayment (months)	Average interest rate (%)	Share of agri-loans in total loans (%)
2006	5 - 8,073	18,142	50 - 2,000	2 - 650	35 - 17,299	34.5	Dec-39	8.0 - 48.0	0.66 - 76.19
2007	12 - 14,598	27,065	50 - 3,500	2 - 100	57 - 26,378	48.6	Dec-33	9.0 - 35.2	0.27 - 72.32
2008	21 - 17,864	33,674	50 - 1,000	3 - 200	42 - 31,814	67.7	27-Dec	12.0 - 33.8	0.22 - 74.00
2009	11 - 14,417	30,822	50 - 2,000	3 - 100	37 - 26,997	62.1	27-Dec	12.0 - 34.3	0.41 - 71.03
2010	4 - 10,772	24,528	50 - 3,300	3 - 149	38 - 28,606	58.0	Dec-45	12.0 - 32.6	0.06 - 67.02
2011	3 - 7,198	20,865	50 - 3,000	3 - 380	9 - 27,396	56.2	16 - 33	12.0 - 32.8	0.02 - 60.83
2012	7 - 5,645	18,961	50 - 1,000	3,7 - 300	11 - 27,563	57.2	16 - 27	12.0 - 28.1	0.01 - 59.00
2013	3 - 3,608	17,578	50 - 50,000	3 - 220	15 - 24,623	60.2	15 - 45	10.5 - 26.2	0.02 - 64.00
Total		**191,635**				**444.6**			

Source: Commercial banks and MFIs in Kosovo

Figure 37: Number of disbursed loans

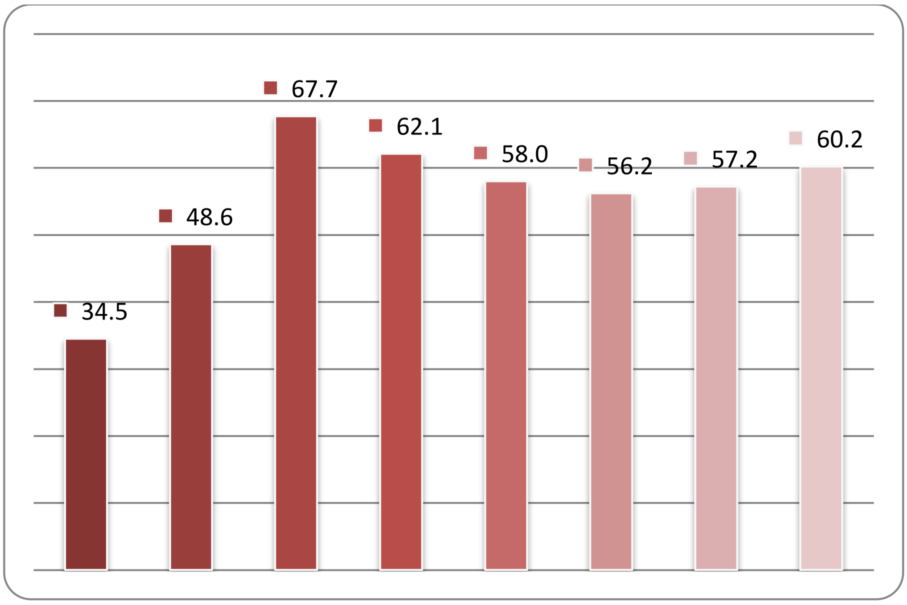


Source: Commercial banks and MFIs in Kosovo

The leading banks in the value of loans disbursed are (**Error! Reference source not found.**): CB, RBKO, and TEB, whereas from MFIs, KRC, KEP and AFK were the leaders. The table and the chart show 2008 as the year of loans disbursed, whereas 2006 counts about half less (about 44%), or the portfolio for agri-loans is more than doubled.

Out of the two charts presented, although the number of loans remains the same in 2006 and 2013, the value of loans in 2013 has doubled compared to 2006, thus the loans have doubled in recent years.

Figure 38: Total disbursed loans (in mil. Euro)



Source: Commercial banks and MFIs in Kosovo

The repayment period for agricultural loans varies between 12 and 45 months depending on the loan destination. The maximum loan maturity was between 15 and 45 months in 2013, whereas the minimal maturity between 12 and 27 months in 2008.

The interest rates for agricultural loans vary between 8% and 48% a year, depending on the amount of loan and the repayment period. The interest rates in 2006 are of special importance. In 2013 interest rates were stabilised. Agricultural producers are still unsatisfied with the high interest rates which hinder the development of this sector.

Farmers also complain about the collaterals required for equipment, agricultural machinery, livestock or home equipment and mortgages for real estate. Collateral is usually not required for small loans, whereas for medium and high loans, banks and MFIs require collateral ranging from 100% up to 388% of the loan amount. 2006 was a year with low collateral rates, whereas 2012 had higher collateral rates. However, a standard required collateral ranges between 100% and 150% of the loan value.

The grace period varies between 3-12 months. From 2006 the grace period was minimal, with further increases in recent years. Most loans are repaid during the season.

The interest rate varies among banks and microfinance institutions depending on the value and maturity of the loan. The higher the value of the loan and the shorter the period of repayment, the interest rate is lower, and vice-versa.

The following is a summary of loans disbursed in years from finance institutions:

In 2006, the highest number and the amounts of loans disbursed were achieved by PCB and KRC. The highest share of agri-loans compared to other loans was achieved by KGMAMF, KRC, Qelim and WVI. .

In 2007, the highest number and the amounts of loans disbursed were achieved by PCB, KRC and KEP. The highest share of agri-loans compared to other loans was achieved by KRC, KGMAMF, Qelim, Perspektiva and WVI.

In 2008, the highest number of loans disbursed was achieved by PCB, than KRC and KEP. With the total amounts of loans disbursed PCB, KRC and RBKO. The highest share of agri-loans compared to other loans was achieved by KRC, Qelim, KGMAMF and Perspektiva.

In 2009, the highest number of loans disbursed was achieved by PCB, KRC, KEP and KGMAMF. With the total amounts of loans disbursed: PCB, KEP, KRC and RBKO. The highest share of agri-loans compared to other loans was achieved was the same as in the previous year.

In 2010 the highest number of loans disbursed was achieved by PCB, KRC and KEP. With the total amounts of loans disbursed: PCB, KEP, RBKO and KRC. The highest share of agri-loans compared to other loans was achieved by KRC, Perspektiva, Qelim and KGMAMF.

In 2011, the highest number of loans disbursed was achieved by PCB, KRC and RBKO. With the total amounts of loans disbursed: PCB, RBKO and KRC. The highest share of agri-loans compared to other loans was achieved by KRC, KGMAMF and WVI.

In 2012, the highest number of loans disbursed was achieved by PCB, KRC and AFK. With the total amounts of loans disbursed: PCB, RBKO, KRC and AFK. The highest share of agri-loans compared to other loans was achieved by Perspektiva, Mështekna, KRC dhe Qelim.

In 2013, the highest number of loans disbursed was achieved by KRC, PCB, AFK. With the total amounts of loans disbursed: PCB, RBKO, KRC and TEB. The highest share of agri-loans compared to other loans was achieved by Perspektiva, KRC and KGMAMF.

Bad loans in agriculture are at an acceptable level and within limits set by most banks and financial institutions.

Through the years, the maximum share of bad loans was 5.38% whereas among MFIs, this percentage varies between 9.38% and 23.77%, except one MFI which counts about 85% of bad loans in the last eight years.

It is worth mentioning the initiative of the Development Credit Authority (DCA) of the USAID and the Ministry of Agriculture, Forestry and Rural Development (MAFRD) to lower the interest rate (up to 3%) by the end of 2012 by guaranteeing a 50% of the value of agri-loans.

In order to offer loan guarantees in agreement with six main banks in Kosovo, by disbursing loans and at the same time increasing access to agri and agri-business loans, this Fund contributes with a total value of 26 mil. $ (20.1 mil. €) and MAFRD has a share of 2.5 mil. €.

Farmers and agricultural SMEs are offered easier procedures for borrowing loans once they have secured a risk guarantee fund of 50% for loans of 12-60 months duration and for loans between 5,000€ and 250,000€ for qualified farmers and agri-business. The Program is designed to increase lending in the agricultural sector.

For each bank, an analysis of several loan indicators is conducted according to the four banking periods. Apart from the initial data, indicators for application in the guarantee fund are also considered.

Data from the ProCredit Bank without DCA show the average loan amount at around 15,000€ during the periods, whereas with DCA this amount doubles or is even higher. The difference is noticeable even in the average loan duration which starts from 36 months without DCA to 48 months with DCA.

Having a guarantee fund, banks issue loans with lower interest rates. Consequently, they varied from 14.6% without DCA to 11.2% with the Guarantee Fund for the period calculated.

For loan insurance, banks require collateral for amounts over 25,000€ (with DCA). For example, in the period April-September 2013, the average loan was around 15,500 € whereas the collateral was 55,000 €, with DCA applied. The relation between the average loan amount and the collateral is lower (40,166 € with 55,211 €).

NLB, on the other hand, is a bank lending less, compared to PCB, which has similar relations between indicators before and after the DCA. Even in the case of this bank, the amount of the average loan is much higher after DCA is applied, the loan repayment period is extended, and there is a lower average interest rate (by 3%) out of the standard interest rate.

From the factors mentioned above, it may be concluded that applying the DCA is a positive step which makes lending easier for the development of agriculture and agri-businesses.

There is lack of data for years 2006 and 2007 from Raiffeisen Bank Kosovo; whereas from TEB Sh.A. data are included only for the year 2013.

5.3 Support policies for forestry and fisheries

5.3.1 Support for forestry

The total budget spent on the forestry sector during 2013 was 350,220 € which was 28% less than in 2012 when the total budget spent was 483,908 €. Types of trees planted are Pinus nigra (black pine) 133.80 ha, Pinus pinea (stone pine, umbrella pine) 117.00 ha, Picea abies (Common spruce) 108.00 ha. Seedlings afforestation with Pinus pinea (stone pine, umbrella pine) 173.00 ha, Pinus nigra (black pine) with 147.00 ha and Picea abies (Common spruce) 127.60 ha. Other details are shown in table below which is about projects and support related to the forestry sector

Table 95: Projects and support related to the forestry sector in 2013

Submeasure	Regular afforestation (ha)	Afforestation Maintenance - Completing (ha)	Project areas (ha)	Support (€)
Regular afforestation	368.80	447.60	816.40	350,220
Types of trees planted				
1.Pinus nigra (black pine)	133.80	-	133.80	-
2.Pinus pinea (stone pine, umbrella pine)	117.00	-	117.00	-
3.Fir (*Abies*)	0	-	0.00	-
4.Picea abies (Common spruce)	108.00	-	108.00	-
5.Oak tree (Quercus)	10.00	-	10.00	-
6.Acacia (Common or Falsa acacia)	0	-	-	-
Seedlings afforestation				
1.Pinus nigra (black pine)	-	147.00	147.00	-
2.Pinus pinea (stone pine, umbrella pine)	-	173.00	173.00	-
3.Picea abies (Common spruce)	-	127.60	127.60	-
Construcion of greenhouses	-	-	-	-
Supply with seedlings	-	-	-	-
Support and associations	12.50	-	12.5	-
1.Pinus nigra (black pine)	7	-	7	-
2.Pinus pinea (stone pine, umbrella pine)	5.5	-	5.5	-
3. Decorative (Other)	-	-	-	-
Total				350,220.00

Source: KFA

5.3.2 Support for fisheries

In 2013 there was no support for fisheries, except one for recreation in support of the Kosovo Sportive and Recreational Fishermen Federation in a value of 1,250 €.

5.4 Investment grants

For the period 2007-2013, the MAFRD implemented rural development Measures 1, 2, 3, 4, 5 and 8 through investment grants, capital investment and advisory services, initially through commissions/tendering procedures at the Ministry level and further through the Paying Unit, which was later upgraded into a Department and then to an Agricultural Development Agency,. Measures 6 and 7 were not implemented due to the lack of budget.

The rural development projects in Measures 2, 4 and 8 were supported through investment grants. The level of support has varied from year to year. In 2008 investment grants reached 20%, whereas in 2013 they reached 60-75%. The Ministry has also invested in capital projects such as Measure 3, which deals with the rehabilitation of irrigation systems. This Measure is supported through investment grants at the farm level, such as the Measure 5 (Reforesting) whereas Measure 1 was supported by providing professional-advisory services for farmers and farmers groups.

5.4.1 Restructuring of the physical potential

Investments in agricultural households aim to improve the agricultural sector in Kosovo by supporting farmers to achieve higher standards of living, improving the quality of their produce and increasing the income from their activities. Therefore, this measure aims to achieve the overall objective, “Improvement of the agricultural household structure by increasing production and improving the quality”.

Subsectors supported under Measure 2:

-Horticulture with the sectors (fruits, vegetables, table grape, forest fruits, medicinal plants and agricultural machinery);

- Milk producing agricultural households;

- Egg producing agricultural households;

- Meat (calves and broilers) and

- Beekeeping

The level of support varied through the years: it started with 20% in 2008 and reached 60-65% in 2013.

Table 96: Investment support trends for measure 2, in the period 2008-2013

Years	2008	2009	2010	2011	2012	2013
%	20	30	50	50	50	60 - 65
€	1,416,935	615,001	1,989,630	1,754,854	4,847,454	4,605,815

Source: MAFRD, Monitoring and Evaluation Report 2012

This measure is supported by the World Bank, Danida and the National Budget. Table 977 presents Measure 2, broken down in budget, number of beneficiaries and amounts paid for each measure.

Table 97: Budget and amount paid for Measure 2

	Submeasure	No. of beneficiaries	Amount paid
WB Budget	Fruits	9	233,402
	Greenhouses	43	857,097
	Milk	7	155,033
	Machinery	11	353,030
	Total	**70**	**1,598,563**
National Budget	Fruits	25	156,076
	Soft fruits	15	210,657
	Vineyards	35	126,383
	Forest fruits	13	163,670
	Beekeeping	30	200,688
	Milk	32	474,979
	Vegetables	75	73,803
	Machinery	12	82,381
	Total	**237**	**1,488,640**
Danida Budget	Fruits	10	228,359
	Soft fruits	7	105,000
	Vineyards	1	38,871
	Greenhouses	4	80,000
	Milk	36	736,829
	Machinery	15	329,553
	Total	**73**	**1,518,613**
Total		**380**	**4,605,816**

Source: Agricultural Development Agency

5.4.2 Development of the processing sector

The development of quality and trade of agricultural processed products (including fresh products) and the adjustment of the food processing sector in order to meet EU standards was the aim of this sector, respectively Measure 4 "Investments in the processing and marketing of agricultural products" and "Investments in the processing and marketing of agricultural products (Storage constructions)".

Objectives of the Measure 4 were;

- To increase the processing capacities and the productivity through the use of modern technologies;
- To improve the hygiene and domestic standards of processing agri-food products
- To encourage the use of new environmentally-friendly technologies;

The EU Office in Kosovo was responsible for the implementation of this measure. Projects implemented under the EU Office in Kosovo were subjected to procedures applied in EU countries, and MAFRD was directly included in process of preparation and selection of applicants since the Call for applications.

Most investments under this measure were made for modernisation, restricting of the agricultural processing sector, development of high value added products, food safety, control laboratories and marketing. The table below shows the break-down of the budget, the number of beneficiaries and the amounts paid. Payments for three collection centres, from the national budget in a value of 600,000.00 € are included.

Table 98: Budget and amount paid for Measure 4

		No. of beneficiaries	Amount paid
Measure 4	World Bank budget	28	1,817,914
	National budget	3	600,000
	Danida budget	25	1,462,150
Total		**56**	**3,880,064**

Source: Agricultural Development Agency

5.5 Capacity improvement and development

5.5.1 Education, Training and Advisory Services

The Advisory Services Department in MAFRD had initiated the implementation of the vocational training Measre in 2008. Private training companies in close cooperation with the Municipal Agricultural Directorates have been contracted to conduct training events.

Training events were focused on new agriculture technology, environmentally-friendly production techniques and cooperation among farmers. In the period 2007-2011 a total of 19,000 farmers have participated in training events and about 900 farmers have participated in study visits in order to obtain information on best practices. Apart from farmers, municipal advisors have also been trained through the ‘training of trainers’ approach. In addition to organising training events through Measure 1, the publication of information material was also supported. The topic of publications topics were relevant for modern farm management. Total support by this measure in 2013 was 126,550.8 €. During this period, advice was offered to 3,855 farmers and 48,000 brochures for farmers have been printed and distributed. The level of financial support through Measure 1 amounted to 497,060.5 € for the period 2007-2013. Vocational training in the field of advisory services has contributed to the increase of agricultural production, improvement of agricultural products use and specialisation of agricultural activities.

5.5.2 Local Action Groups (LAG)

LAGs offer the opportunity to identify and promptly resolve local problems since the needs of the rural population are addressed immediately through these LAGs. Thirty LAGs which have been established and registered as NGOs had the opportunity to apply for support from different funds. In 2013 support was provided to 15 LAGs at an amount of 231,104.70 €.

The total financial support for LAGs in the period 2007-2013 amounted to 523,329 €. The number of LAGs which benefited from support on an annual basis is 13-15. It should be mentioned that the total amount applied for has not matched the support.

Regarding investments, rural and agricultural infrastructure projects have been supported through this measure, such as:

- Improvement of schoolyards;
- Improvement of parks;
- Improvement of graveyards;
- Improvement of riverbeds;
- Improvement of bridges of common interest;
- Improvement of rural roads, etc.

Table 99: Allocation of funds to LAGs, disbursement, attraction, contributions and results

	2009	2010	2011	2012	2013
Min.-max. cost in € per project	5,000	5,000-10,000	5,000-10,000	5,000-10,000	1,000-25,000
Budget planned €	42,300	100,000	100,000	150,000	200,000
Support rate in % of eligible cost	50	50	70	70	70

Source: Department of Advisory Services – MAFRD

The budget planned for the implementation of Measure 8 remains low although in increased by 33% in 2013 to 200,000 €. Since 2011 LAG projects have been supported at a rate of 70% of project costs; in 2009 and 2010 the support rate was 50%.

Table 100: Number of applications, approved projects and budget spent on LAGs

Description	2009	2010	2011	2012	2013
No. of applications	21	19	18	15	39
No. of projects paid	11	13	15	13	15
Funds spent in €	40,295	60,287	100,663	90,979	231,105

Source: Department of Advisory Services - MAFRD

The interest among applications to apply in 2013 increased by 160% compared to the previous year, whereas compared to the number of projects approved, there is 15% increase compared to 2012. The fund spent in 2013 was 154% higher compared to the previous year.

Table 101: Number of applicants and payments to LAGs by regions

Region	Description	2009	2010	2011	2012	2013
Prishtina	No. of applications	7	5	3	4	13
	No. of projects paid	3	2	3	4	5
	Budget spent in €	10,300	9,993	19,209	28,000	75,723
Peja	No. of applications	2	2	4	5	8
	No. of projects paid	1	1	4	3	4
	Budget spent in €	3,500	4,816	25,718	21,000	69,985
Prizren	No. of applications	2	4	4	1	8
	No. of projects paid	1	3	3	1	2
	Budget spent in €	4,085	14,000	20,977	7,000	34,934
Gjilan	No. of applications	7	5	4	3	6
	No. of projects paid	4	4	2	3	2
	Budget spent in €	14,825	19,622	13,976	20,979	35,000
Mitrovica	No. of applications	3	3	3	2	3
	No. of projects paid	2	3	3	2	2
	Budget spent in €	7,585	11,856	20,783	14,000	15,462

Source: Department of Advisory Services - MAFRD

5.5.3 Promotion, efficiency and structural development

As part of the Agriculture and Rural Development Plan 2010-2013, Measure 1 deals with the Development and Vocational training to fulfil rural needs. Considering the main obstacles the sector is struggling with such as low efficiency level, agricultural land fragmentation and the low quality of production there is a need to further develop human resources. Technical training, business training and IT as specified under Measure 1 aim to support farmers (and especially the young farmers) in order to:

- Modernise their actions in order to incite competition among businesses;
- Restructure their activities in order to improve the farm business viability;
- Ensure that farms are complying with EU requirements;
- Establish new profitable farms;
- Present improved breeds and seeds;
- Implement quality and hygiene standards;
- Improve tracking, storage and hygienic production;
- Fulfil environmental needs;
- Reorient agricultural production towards organic foods;
- Improve of animal wellbeing;
- Improve maintenance and storage of farm waste;
- Establish Producers' Associations and
- Give access and use market information (offers, demands, quality and price).

Whilst the aim of the vocational training is to increase the number of financially sustainable farms, the increase of their competitiveness will make some inefficient farmers leave the agricultural sector. For this reason, it is deemed necessary to offer training to farmers in order for them to be able to create alternative businesses and employment opportunities. Creating employment opportunities should be done though farm diversification and the surroundings, development of micro-enterprises and SMEs, agri-processing of new products, rural tourism and development of other rural development based services including forestry, fisheries and hunting.

Measure 1 is directed towards the improvement of the human potential capacity in the agri-rural sector, especially young farmers establishing new businesses. The support includes preparing and delivering vocational training from the Kosovo Rural Extension Services and other accredited organisations providing advice (input suppliers, consultants and NGOs). Training covers the improved farm management, accounting and business procedures. Moreover, Measure 1 helps farmers in less favourable areas and assists them to convert subsistence farms into semi-commercial and these into commercial farms.

Regarding vocational training under Measure 1, training is designed to prepare farmers for: reorientation towards good quality production, application of production practices compatible with landscape maintenance and improvement; environment protection, hygiene standards and animal wellbeing and economically sustainable farm management. Vocational training courses include but are not limited to:

- New technologies in agricultural production;
- The business economy, management and financial accounting;
- Environment protection and environmentally-friendly agriculture / organic agriculture; alternative businesses in rural areas, such as diversification (multi-variety);
- Farmers' cooperatives, market linkages and business development;
- IT and
- Language skills.

In 2013 the following activities have been undertaken:

1. The project "Development of rural areas through the improvement of extension services".
   - 43 municipal advisors are active in organising and providing advice to Kosovo municipalities where these activities were implemented;
   - 257 advisory events with farmers' groups. About 3,855 farmers supported,
   - 16 visits for farmers' groups within Kosovo to exchange experiences. 400 farmers supported. Visits included distinguished farmers in different sectors where experiences were exchanged between farmers of the same sector.

- 14 messages for farmers broadcasted in three national TV stations (RTK, KTV and TV21) as well as in the Farmers Show. Messages were brief and clear and aimed to raise of awareness among farmers,
- 12 titles of brochures prepared and distributed to farmers, 4,000 copies for each title, for a total of 48,000 copies. Brochures were prepared based on field requests and were distributed to all Kosovo municipalities.
- Two study visits in regional countries (Albania and Macedonia) for municipal advisors. 34 municipal advisors have benefitted. The aim was to build capacities and exchange experiences with fellow regional advisors.
- A study visit for the management staff in Italy (EU countries). The aim was to exchange of experiences. 10 officials from AS (MAFRD) have participated. This visit was successful and in addition, long-term contacts for cooperation have been established.

2. The project "Training on efficiency improvement of the Extension staff (the Extension Methodology)"
   - In this period 90 training days on capacity building have been organised for all municipal advisors of agriculture and rural development, MAFRD officials and the private sector in 5 regions.

3. Capacity building for leader farmers and advisors of agriculture and rural development" in cooperation with NOA Project
   - Three training days have been organised for the capacity building of leaders and municipal advisors on the following topics: Management of orchard crops after harvesting; animal nutrition and stable hygiene; main pests and diseases of fruits after harvesting. 71 leader farmers and extension advisors attended the training. Training will continue in 2014 according to the joint planning with projects: NOA, WB and ATI-ADA.

4. The Project "Training of potential applicants for grants "(in 34 municipalities):
   - Participants have been selected for the second phase and the Training Plan has been prepared.

5.6 Market and trade policies and international policy developments

As mentioned in Chapter 4.2, the trade exchange of agricultural products in Kosovo marked a very negative trade balance. Considering the production potential in Kosovo (see chapters 1 and 2), it is clear that dependency on imports is not necessary and export opportunities can be developed. This is supported by different studies in the agricultural sector and the food processing industry.

Traditional trade policies deal with application of tariffs, quotas or export subsidies. These are no longer considered an option regarding sustainable production development and potential trade. In accordance with the general development of international trade policies, the agricultural and trade policies of Kosovo of the Ministry of Trade and Industry and the Ministry of Agriculture, move towards the systematic integration of agriculture oriented towards the world trade market. With the integration of agriculture in the WTO-Agreement of Marrakesh in 1994, the support mechanisms are separated from trade products and optional, re-associated for the support of echo-system services, rural development etc. Nowadays, a current activity in trade politics is resolution of trade disagreements, application of counter-balance measures in cases of anti-dumping, and the general promotion of trade. Licensing and accepting the mutual phyto-sanitary and other technical standards are the focus of discussions in trade politics nowadays.

The current trade regime covers:

- The Principle of Tariffs on Import reaches 10%. Yet this affects only 26% of all agricultural products imported in 2013, since the import from EU and CEFTA countries is excluded by respective agreements.
- The Stabilisation and Association Agreement offers opportunities for trade with EU countries in accordance with other Western Balkan countries.
- CEFTA: In 2006 different trade agreements were incorporated into a joint agreement.
- The Free Trade Agreement signed with Turkey in 2013, enables free trade and gradual elimination of fees for all industrial products as well as 846 fees for agricultural products for a period of 10 years.

The Ministry of Agriculture, Forestry and Rural Development and the Ministry of Trade are committed to the following activities:

- Improvement of availability of data and analysis of trade flow for a better monitoring of market developments.
- Establishment and support of special committees dealing with aspects of agricultural production and trade.

- Support of international competition of agricultural and processing industry with measures linked to trade such as strengthening of brands, labelling, improvement of phyto-sanitary measures etc.
- Monitoring and supporting antidumping cases.
- Different application of VAT such as exclusion of insecticides, trailers, whereas VAT is applied in the specific planting material.
- Support to the Improved Trade Census and Administration Capacities (e.g. Trade Instructions on Kosovo).

The following are the legal basis for the above mentioned:

- The Law on Foreign Trade No.04 / L-048
- The Law on Internal Trade No.04 / L-005
- The Law on Import Protection Measures No. 4-L / 047
- The Law on Antidumping measures and counter-balance No. 03-l / 097
- The Law on trade brands No. 02-L / 54
- The Law on VAT No.2008 / 03-L-114

The following Kosovo Regulations No. 2004/13, No. 2004/35, No. 2006/4, No.2007 12 and No. 2007/31, and Administrative Instruction No. 05/2013 on the Application of the Flat Rate VAT for agricultural producers present the legal basis for the agricultural and trade policies of Kosovo.

The final objective of Kosovo agricultural and trade policies is in line with its general agricultural policy: the optimal use of agricultural production, by ensuring employment and income and at the same time allowing a broad variety of the healthy food affordable for consumers. This leads to the harmonization of EU Common Agricultural Policies (CAP) and full membership in the WTO. This includes full implementation of safety and quality standards. This will be supported by the establishment of procedures for the registration, licensing and certification of the National draft Legislation on the Agricultural Products Market Organisation.

6 Farm income and cost of production

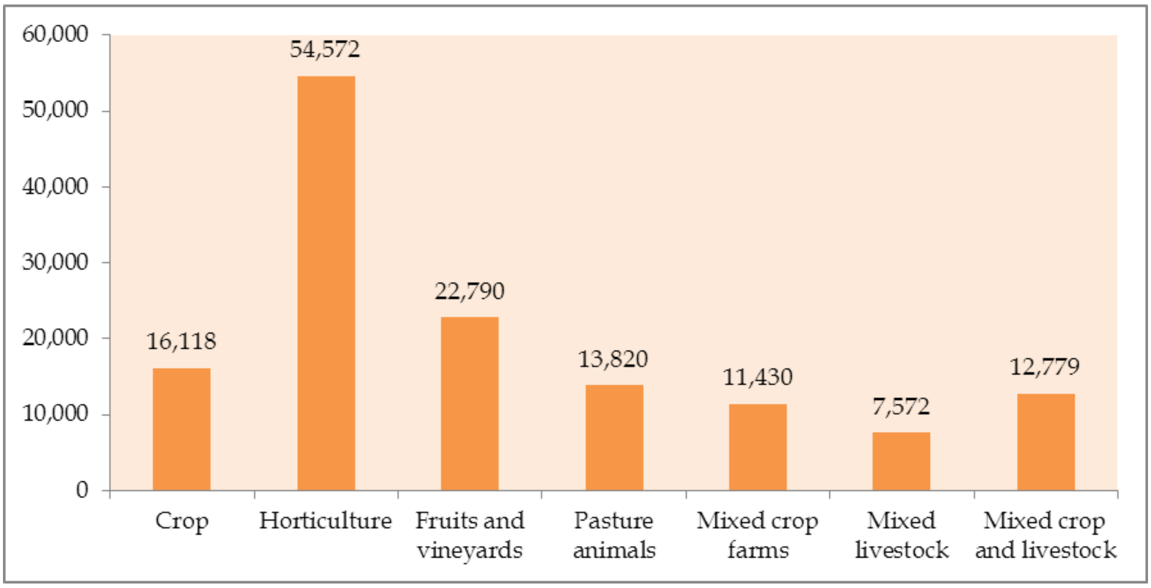
The table below provides data on farm income according to the type of farm. According to this table, the highest family income derives from horticulture (49,793 €) as the main activity. Compared to FADN findings from 2010, where horticulture was also the most profitable activity yielding 42,145 € family income, in 2013 this activity, yielded an 18% increase of income. After horticulture, permanent crops are featured with higher income (17,704 €). The lowest farm income is in the mixed livestock farms (3,069 €). Income in the mixed farms (crops and livestock) which in 2010 was 10,586 €, in 2013 decreased by 14%.

Table 102: Main variables by farm type, €/Farm

Type of farm	Total output SE131	Total Farm income SE410	Farm net added value SE415	Farm family income SE420
Crop	16,118	12,258	10,693	8,987
Horticulture	54,572	51,507	50,013	49,793
Fruits and vineyards	22,790	20,186	19,417	17,704
Pasture animals	13,820	11,197	10,387	10,193
Mixed crop farms	11,430	8,865	7,674	7,613
Mixed livestock farms	7,572	4,256	3,406	3,069
Mixed farms (crops – livestock)	12,779	10,098	9,284	9,075

Source: MAFRD based on FADN

Figure 39: Total output according to type of farms, €/ha



Source: MAFRD based on FADN

Table 103: Main variables according to size of farms, €/Farm

Average value	SE code	Very small	Small	Medium small	Medium large	Very large	Average
		< 4000	< 8000	< 15000	< 25000	> 25000	
Structure of the sample	%	9.18	29.78	35.24	14.64	11.17	100
Total UAA (ha)	SE025	4	6	7	13	26	8
Total animal heads	SE080	2	3	6	7	23	5
Total output	SE131	5,413	16,488	13,382	18,523	43,763	14,713
Total output of plant products	SE135	2,657	11,208	7,580	8,989	24,019	8,591
Total output of animal products	SE206	1,813	3,497	4,521	5,852	17,686	4,598
Other output	SE256	943	1,782	1,281	3,683	2,058	1,525
Intermediate consumption	SE275	1,776	2,483	3,987	5,362	10,444	3,472
Farm specific expenditures	SE281	850	1,207	1,909	2,059	5,762	1,709
Farm total fixed expenditures	SE336	926	1,276	2,079	3,303	4,682	1,764
Depreciation	SE360	368	835	1,039	1,750	2,629	940
External factors	SE365	269	98	313	458	10,260	1,162
Total farm incomes	SE410	4,156	14,328	9,823	16,155	34,717	11,906
Farm net added value	SE415	3,788	13,493	8,784	14,404	32,088	10,966
Family incomes in the farm	SE420	3,519	13,444	8,503	14,052	22,102	9,856

Source: MAFRD based on FADN

The category of very small farms have significantly lower income (4,156 €) compared to the category of small farms (14,328 €). Income in very large farms is quite high (34,717 €) and represents 115% higher income compared to the medium large farms (16,155 €). In the category of very small farms, the intermediate consumption is low (1,776 €) compared to the medium small farms (3,987 €). Whereas in the category of very large farms the intermediate consumption is significantly high (10,444 €).

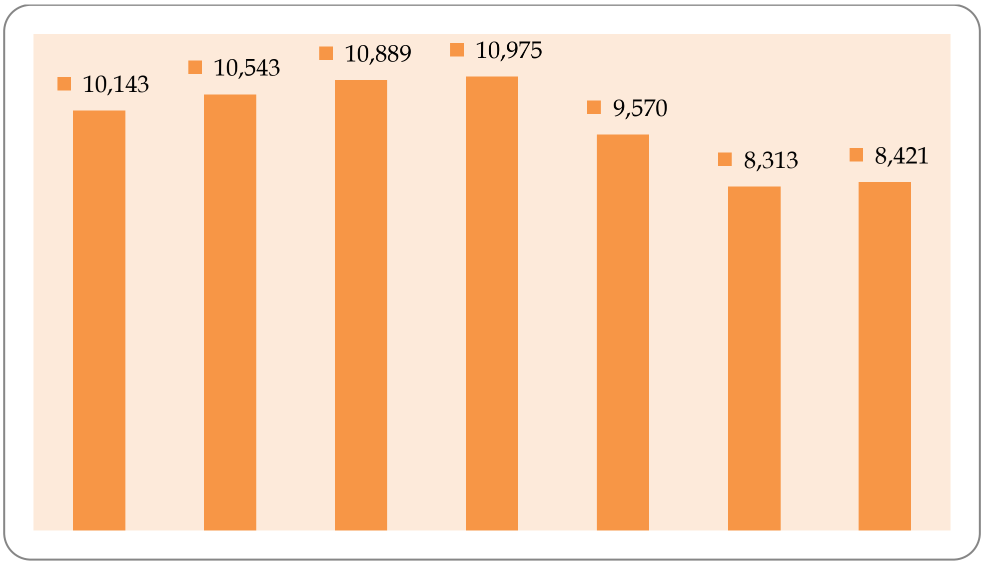
Table 104: Main FADN variables by regions, €/Farm

Region	Total output SE131	Total farm income SE410	Net farm value added SE415	Farm Family income SE420
Prishtina	14,607	11,595	10,544	10,143
Mitrovica	18,782	14,713	13,783	10,543
Peja	14,821	12,273	11,331	10,889
Gjakova	15,640	12,440	11,259	10,975
Prizren	13,271	10,741	9,989	9,570
Ferizaj	10,164	9,370	8,597	8,313
Gjilan	10,663	9,180	8,428	8,421

Source: MAFRD based on FADN

The lack of a statistically representative sample affects the accuracy of FADN findings. Due to the low farm participation rate form certain regions in the sample, data in the above table may have been distorted. In order to improve the accuracy of FADN results and ensure more representative estimations of farm income by region, the number of farms in the sample should be higher and more equally distributed throughout Kosovo.

Figure 40: Farm family income by region



Source: MAFRD based on FADN

Table 105: Comparison of the financial indicators in Kosovo and some EU member states €/Farm

Countries	Gross Farm Income SE410	Farm Net Value Added SE415	Farm Net Income SE420	Average Standard output/farm	**Economic size of holding average[2]**
Austria	48,922	33,488	29,994	68,400	VII
Bulgaria	20,006	16,197	7,614	26,520	VII
Estonia	46,118	33,577	22,156	81,600	VII
Hungary	35,646	29,978	19,945	49,920	VII
Italia	35,576	28,503	22,494	69,720	VII
Kosovo	11,906	10,966	9,856	10,597	IV
Portugal	18,248	14,625	12,410	39,480	VII
Romania	7,911	6,745	5,527	10,320	IV

Source: EU FADN; MAFRD based on FADN

According the data presented in the above table, FADN farms in Kosovo have reached an income of 9,856 € which is 78% higher compared to farm income of Romania (5,527 €) and 30% higher than in Bulgaria (7,614 €).

Austria has the highest farm income (29,994 €), followed by Italy (22,494 €) and Estonia (22,156 €). Compared to these three states, Kosovo has significantly lower farm income due to the small size of farms. For this reason, Kosovo is ranked by the EU in group IV, together with Romania, based on their standard output.

Table 106: Annual work units, utilized agricultural area and livestock units per farm according to type of farms

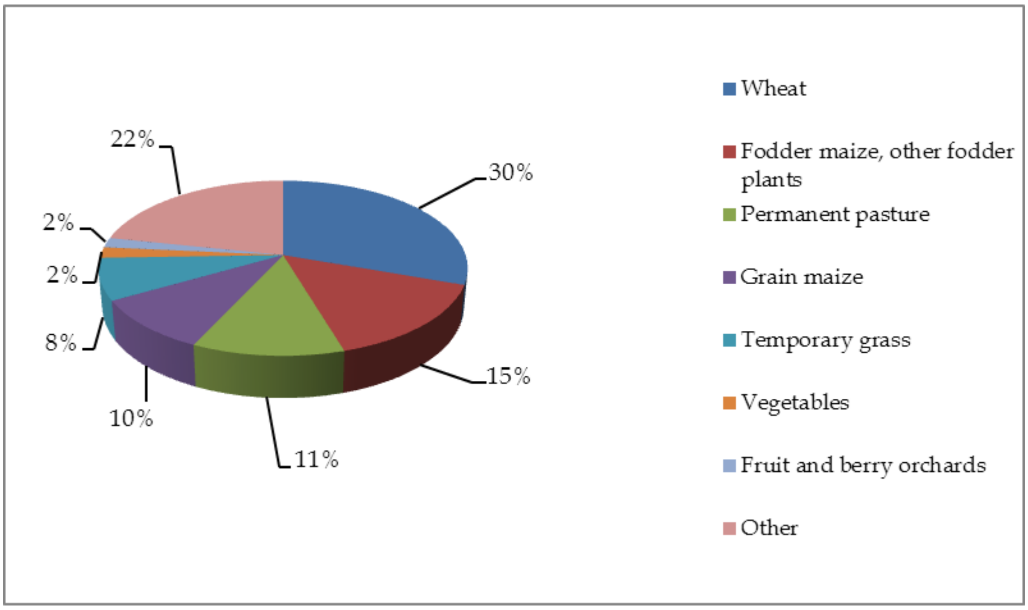
Type of farm	No. of FADN farms	No. of farms in the field of observation	Annual Work Units per farm	Utilized Agricultural Area per farm	Livestock Units per farm
Crop	56	5,568	2.50	9.64	2.00
Horticulture	6	2,352	3.30	2.49	0.48
Fruits and vineyards	5	936	3.53	4.69	0.06
Pasture animals	136	19,824	2.58	8.68	9.51
Mixed crop farms	9	5,592	2.91	9.45	1.65
Mixed livestock	4	3,600	2.22	4.17	8.37
Mixed crop and livestock	185	24,480	2.13	7.09	3.96

Source: MAFRD based on FADN

Production and agricultural yields in Kosovo are very low due to the small size of farms. Agricultural holdings are very small and the big part of output is usually used for self-consumption, and the remaining products are to be sold. In Kosovo the number of specialised and commercial farms is low. Highly fragmented land structure represents an obstacle for the development of commercial agriculture. The weighted average, of the utilized area for agriculture is 7.7 ha per farm and is typically fragmented into 6 or 8 plots. Agricultural economies are usually mixed and deal with several activities for example; farms in the category of crops as shown in Table 4 also contain a number livestock.

The size of livestock farm herds in the sample is lower by 9 heads per farm on average. The Table above shows that farms whose main activities are the permanent crops (fruits and vineyards), have highest work input in farm with 3.53 annual work units per farm. The annual work unit (AWU) is a work measuring unit; one annual work unit is equal to 1,800 hours of work per year for a full time working employee.

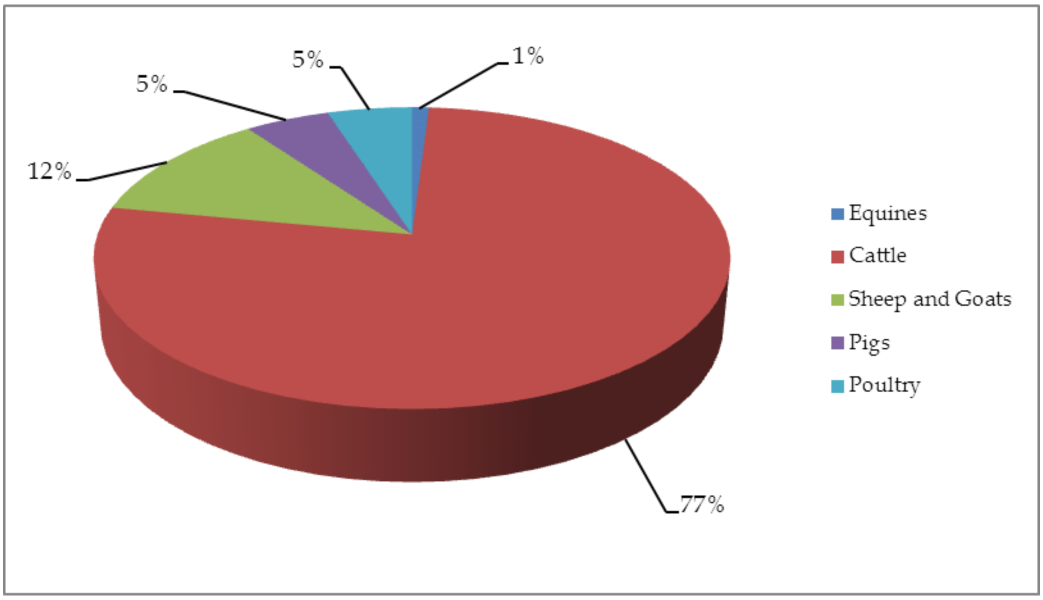
Figure 41: Share of crops in terms of cultivated area



Source: MAFRD

Most of the cultivated land in Kosovo is made out of cereals and fodder crops followed by vegetables. Based on figure above as far as the cultivated area and production is concerned, wheat and maize dominate as the two most important crops in Kosovo. Other important crops are beans especially as a mixed crop with maize, potatoes, cabbage, peppers etc.

Figure 42: Share of livestock in terms of livestock units



Source: MAFRD based on FADN

Calculations are made based on the weighted average of farms included in the sample of FADN. Findings reflect the participation in percentage of crop and livestock farms in the research sample. Cattle represent the majority of domestic animals (77%) in the sample and 66% of total cattle are dairy cows. The average number of dairy cows is 1.6 heads in small farms, and the standard output is between 2,000 and 4,000 €. In thr case of farms specialised with grazing livestock, the average number of dairy cows is 4.3 heads, whereas the average number of sheep is 73 heads.

7 References

KAS (2014): Labour Force Survey 2013

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KAS (2014): Output Price Index and Prices in Agriculture Kosovo 2005-2013 Prishtina.

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KAS (2014): Gross Domestic Product by Expenditure Approach 2008-2013

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Cadastre Agency

Kosovo Forestry Agency (2013): Forest inventory 2012. Prishtina

MAFRD (2014): FADN Report 2013. Prishtina

Agricultural Development Agency (2013): Report on the implementation of direct payments rural development measures in 2009, 2010, 2011, 2012 and 2013. Prishtina

MAFRD (2013): Monitoring and Evaluation reports 2011, 2012 and 2013 (unpublished). Prishtina

8 Expert Opinions on first edition of Kosovo's Green Report 2013

In adishen you might find som of the opinions on the first edition of the Green Report Kosovo 2013.

From: Michaela Pichler <rta.kosovo@gmail.com>
Date: 2014/1/22
Subject: 1st Green Report

Dear Ekrem, dear colleagues,

Yesterday Skender provided me with the print out of the 1st Kosovo Green Report and what shall I say? The only words possible are: WOW & CONCRATULATION!!!!

It's so great to see that only within this short period of time when establishing your department, you are ready to publish such an important and comprehensive report for the agriculture sector - some other countries still do not have this after years and years.

Many thanks also to mention my name in your report, even though I see my role rater small on your success. Keep on going like this!!!!

Michi

From: Greg Vaut <gregvaut@gmail.com>
Date: Thu, Dec 19, 2013 at 3:47 PM
Subject: Re: Green Report Kosovo 2013
Dear Ekrem and Team:
Happy holidays to you and your team!

I want to congratulate all of you on this Green Report. I believe that this is the first comprehensive one that MAFRD has published. Is that correct? It is very well done and very comprehensive. This is a tremendous accomplishment for your department!

Best regards,

Greg

From: Erjavec, Emil <Emil.Erjavec@bf.uni-lj.si>
Date: 3 May 2014 at 11:37
Subject: RE: Green Rerport

Dear Mr. Ekrem,

Thank you for provided information. It is for sure for the moment one of the best (if not the best) Green Report in the region. Congratulation! The informations are transparent and understandable and based on professional standards. I am really encouraging you to work on green report also in the future!

All the best and kind regards,

Emil Erjavec

—

From: Stephen <stevekyiv@hotmail.com>
Date: 31 December 2013 at 17:17
Subject: RE: Raport i Gjelbert per printim

Hi again, Ekrem

Today I have read your report, and I think that you and your staff should certainly feel very very proud of having accomplished this difficult task -- first of all, to prepare the report (which is full of useful and important information which will be useful to many organizations, and for policy-making, and also for providing a baseline for other kinds of analysis), and second of all, to establish a process through which future Green Reports (and other important reports) can be prepared. I am proud to call you my friend.

Steve

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9 Annexes

9.1 List of laws and bylaws on Agriculture, Forestry and Rural Development

9.1.1 National applicable legislation

1. Law No. 04/L-127 on Agricultural Census (Official Gazette of the Republic of Kosovo No.01/17 January 2013) with the Decree No. DL-063-2012, on 27.12.2012 by the President of the Republic of Kosovo Atifete Jahjaga.

2. Law No.04/L-191 on Livestock (Official Gazette of the Republic of Kosovo No.25/08 July 2013) with the Decree No.DL-030-2013, on 28.06.2013 by the President of the Republic of Kosovo Atifete Jahjaga.

Administrative Instructions approved by MAFRD:

1. Administrative Instruction No. 01/2013 on measures and criteria for supporting less developed rural areas, on 15.01.2013. Abrogation of: Article 5 paragraph 2, Article 6 paragraph 1, subparagraph 1.4 and 1.5 and Article 8 of the Administrative Instruction No.01/2013 on measures and criteria for supporting less developed rural areas, on 15.1.2013.

2. Administrative Instruction No. 02/2013 on setting the ceiling of payment for services conducted in the field of vineyards and wineries provided by the Vineyard and Winery Institute, 20/03/2013

3. Administrative Instruction No. 03/2013 on measures and criteria for supporting Agriculture and Rural Development for 2013, 22.03.2013.

4. Administrative Instruction No. 04/2013 on direct payments in agriculture for 2013, 22.03.2013.

5. Administrative Instruction No. 05/2013 on the organisation, responsibilities, rights and obligations of Advisory Services at the central and local levels, as well as the reporting form and method, 23/04/2013.

6. Administrative Instruction No. 06/2013 on the registration of grape growers, wine producers and other products from grape and wine, 15.04.2013.

7. Administrative Instruction MAFRD No. 07/2013 on the standard for flour enrichment, safety control and the quality of flour enrichment, 02.09. 2013.

8. Administrative Instruction No. 08/2013 on the amendment of Administrative Instruction No. 01/2013 on measures and criteria for supporting less developed rural areas, 14.03.2013.

9. Administrative Instruction No.09/2013 o Uniforms, Logos, Identification Cards and Holding Official Weapons, 27.06.2013.

10. Administrative Instruction No.10/2013 on tasks, responsibilities and the composition of the Committee for Organic Agriculture, 22.07.2013.

11. Administrative Instruction No. 11/2013 setting price tariffs for services of control conducted in the Laboratory of Kosovo Institute of Agriculture in Peja, 23.07. 2013.

12. Administrative Instruction MAFRD-No. 12/2013, 02.09.2013 on the amendment of Administrative Instruction No.04/2013 on direct payments in agriculture for 2013, 22.03.2013.

13. Administrative Instruction MAFRD-No. 13/2013, 02.09.2013 on the amendment of Administrative Instruction No.03/2013 on measures and criteria for supporting Agriculture and Rural Development for 2013, 22.03.2013.

14. Administrative Instruction MAFRD-NO.14/2013 on the amendment of Administrative Instruction No. 03/2013 on measures and criteria for supporting Agriculture and Rural Development for 2013, 23.10.2013.

15. Administrative Instruction MAFRD-NO.15/2013 on the amendment of Administrative Instruction No. 01/2013 on measures and criteria for supporting less developed rural areas, 23.10.2013.

16. Administrative Instruction MAFRD–NO.16/2013 for farm animal reproduction, 11.12.2013.

9.2 Statistics on the farm structure according to sectors

Table 107: Land rented or used by others

Kosovo	Total number of households	Households owning or using land	Total land rented or used by others	
			In money or in kind	Free
	297,090	195,124	9,871.94	5,565.47

Source: Municipal agricultural data

Table 108: Population according to gender, number of HH and the average number of HH members

Kosovo	Total	Male	Female	Number of buildings	Number of flats/houses	Number of households	Average number of people in households
	1,739,825	875,900	863,925	340,945	293,443	297,090	5.9

Source: Municipal agricultural data - KAS

Table 109: Number of households owning agricultural machinery

Total households	Single steering axis tractor		Double *steer* axis tractor		Combine for cereals		Lorries	
	No.	Hp	No.	Hp	No.	Hp	No.	Hp
297,090	39,808	4,639,289	14,548	1,663,302	964	65,504	2,550	337,133

Source: Municipality data – KAS

Table 110: Largest soybean producers

Net exporters	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
	('000 Metric Ton)								
Argentina	6,665	7,574	10,885	4,349	13,087	9,192	10,800	12,662	12,749
Brazil	24,909	23,636	24,403	28,463	28,873	33,700	32,750	35,782	34,957
Canada	977	1,449	1,444	1,630	1,872	2,700	2,280	1,996	1,970
India	6	1	12	55	10	10	10	10	10
Paraguay	2,001	3,892	4,570	2,212	5,330	6,365	5,780	6,277	6,345
USA	25,489	30,141	31,269	34,455	40,389	40,470	35,653	36,827	39,938

Source: OECD

Table 111: Area and production of soybean in the EU

Years	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
Area cultivated ('000 ha)	403	494	342	237	308	375	420	394
Yield (Metric ton per ha)	2.91	2.49	2.11	2.70	2.71	2.79	2.90	2.91
Production ('000 Metric ton)	1,174	1,228	723	639	836	1,048	1,220	1,148

Source: OECD

Table 112: Export-import of fish in Kosovo, 2005-2013

Year	Export/t	Export/€	Import/t	Import/€
2005	0.00	0.00	1,473	948,
2006	0.00	0.00	1,279	912,
2007	0.00	0.00	1,478	1,004
2008	0.00	0.00	809	590
2009	6	28,	1,055	1,074
2010	0.00	0.00	932	1,406
2011	6	28	935	1,634
2012	37	77	935,	1,752
2013	0.00	0.00	1,413,	2,329

Source: KAS processed by DEAAS

9.3 Statistics on prices

Table 113: Prices in the value chain 2009, €/kg

Products	Domestic price	Import price	Change domestic / import price (€)	Change domestic / import price (%)
Wheat	0.17	0.15	-0.02	-12
Maize	0.20	0.17	-0.03	-15
Potatoes	0.30	0.33	0.03	10
Cabbage	0.19	0.11	-0.08	-42
Pepper	0.63	1.47	0.84	133
Beans	2.11	0.34	-1.77	-84
Tomatoes	0.61	0.32	-0.29	-48
Apple	0.51	0.27	-0.24	-47
Grape	0.83	0.55	-0.28	-34
Eggs	2.12	4.36	2.24	106
Milk	0.31	0.65	0.34	110
Honey	7.21	3.58	-3.63	-50
Farm chicken	1.92	1.24	-0.68	-35

Source: KAS, Kosovo Customs, processed by DEAAS – MAFRD

Table 114: Prices in the value chain 2010, €/kg

Products	Domestic price	Import price	Change domestic / import price (€)	Change domestic / import price (%)
Wheat	0.19	0.18	-0.01	-5
Maize	0.22	0.13	-0.09	-41
Potatoes	0.29	0.21	-0.08	-28
Cabbage	0.18	0.16	-0.02	-11
Pepper	0.59	1.46	0.87	147
Beans	1.80	0.74	-1.06	-59
Tomatoes	0.62	0.38	-0.24	-39
Apple	0.49	0.21	-0.28	-57
Grape	0.80	0.56	-0.24	-30
Eggs	2.13	1.44	-0.69	-32
Milk	0.29	0.68	0.39	134
Honey	7.42	3.82	-3.60	-49
Farm chicken	1.94	1.19	-0.75	-39

Source: KAS, Kosovo Customs, processed by DEAAS – MAFRD

Table 115: Prices in the value chain 2011, €/kg

Products	Domestic price	Import price	Change domestic / import price (€)	Change domestic / import price (%)
Wheat	0.25	0.26	0.01	4
Maize	0.29	0.20	-0.09	-31
Potatoes	0.30	0.26	-0.04	-13
Cabbage	0.17	0.29	0.12	71
Pepper	0.58	0.28	-0.3	-52
Beans	1.95	0.87	-1.08	-55
Tomatoes	0.50	0.32	-0.18	-36
Apple	0.49	0.28	-0.21	-43
Grape	0.93	0.74	-0.19	-20
Eggs	2.51	2.50	-0.01	0
Milk	0.31	0.68	0.37	119
Honey	8.11	4.39	-3.72	-46
Farm chicken	2.12	1.46	-0.66	-31

Source: KAS, Kosovo Customs, processed by DEAAS – MAFRD

Table 116: Prices in the value chain 2012, €/kg

Products	Domestic price	Import price	Change domestic / import price (€)	Change domestic / import price (%)
Wheat	0.26	0.33	0.07	27
Maize	0.30	0.35	0.05	17
Potatoes	0.32	0.22	-0.1	-31
Cabbage	0.24	0.07	-0.17	-71
Pepper	0.58	0.36	-0.22	-38
Beans	2.47	1.02	-1.45	-59
Tomatoes	0.71	0.29	-0.42	-59
Apple	0.54	0.71	0.17	31
Grape	0.93	1.01	0.08	9
Eggs	2.91	1.53	-1.38	-47
Milk	0.32	0.65	0.33	103
Honey	8.52	4.81	-3.71	-44
Farm chicken	2.12	1.92	-0.2	-9

Source: KAS, Kosovo Customs, processed by DEAAS – MAFRD

Table 117: Prices in the value chain 2013, €/kg

Products	Domestic price	Import price	Change domestic / import price (€)	Change domestic / import price (%)
Wheat	0.22	0.20	-0.02	-9
Maize	0.31	0.21	-0.1	-32
Potatoes	0.43	0.24	-0.19	-44
Cabbage	0.17	0.19	0.02	12
Pepper	0.78	0.78	0	0
Beans	2.63	0.87	-1.76	-67
Tomatoes	0.56	0.23	-0.33	-59
Apple	0.53	0.35	-0.18	-34
Grape	0.85	0.46	-0.39	-46
Eggs	2.69	2.72	0.03	1
Milk	0.33	0.61	0.28	85
Honey	8.83	4.71	-4.12	-47
Farm chicken	2.27	1.16	-1.11	-49

Source: KAS, Kosovo Customs, processed by DEAAS – MAFRD

9.4 Comparison statistics

Table 118: Main source of income for households in Kosovo

Source of income	2012	2013
Salaries and wages in the public sector	23	23
Salaries and wages in the private sector	23	28
Agriculture	5	5
Income from wages[1]	9	7
Other HH businesses	15	11
Pensions	8	11
Remittances from abroad	10	8
Remittances from Kosovo	0	0
Social assistance - Category I	4	4
Social assistance - Category II	1	1
Other[2]	2	2
Total	100	100

Source: Household Budget Survey Results 2013

1 Income from temporary activities.

2 Other – Source of income undetermined in above categories.

Table 119: Average annual income according to gender with 12 months employment, in €

Income	Average annual salary of males with 12 month employment	Average annual salary of females with 12 month employment	Share of employed with 12 month employment
Income for 12 month employment	4,016	4,038	50%
Employees with primary education 12 months	2,892	2,547	52%
Employees with secondary education 12 months	3,730	3,513	51%
Employees with high education 12 months	5,561	5,008	51%

Source: Household Budget Survey Results 2013

Table 120: Sources of individual income in Kosovo, 2013

Source of income	Male	Female	Total
Salaries and wages earned in Kosovo, before tax	50	61	52
Income from wages	6	0	5
Rent, dividend, interest (bank savings)	2	1	2
Social welfare benefits	1	2	1
Pensions from Kosovo	5	13	6
Pensions from abroad	3	4	4
Cash remittances from Kosovo	0	1	1
Net income from own business in Kosovo	16	2	13
Cash remittances from abroad, current members/(salaries, transfers, etc.)	1	1	1
Cash remittances from abroad, from other persons	6	11	7
Income from agriculture	9	2	7
Other	1	2	1
Total	100	100	100

Source: Household Budget Survey Results 2013

Table 121: Ownership according to gender, in %

House (flat) owner	2012	2013
Male	96	95
Female	4	5

Source: Household Budget Survey Results 2013

Table 122: Main source of income for HH in Kosovo, % of HH

Source of income	2012	2013
Salaries and wages in the public sector	23	23
Salaries and wages in the private sector	23	28
Agriculture	5	5
Income from wages	9	7
Other HH businesses	15	11
Pensions	8	11
Remittances from abroad	10	8
Remittances from Kosovo	0	0
Social assistance - Category I	4	4
Social assistance - Category II	1	1
Other	2	2
Total	100	100

Source: Household Budget Survey Results 2013