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GREEN REPORT 2018

A photograph of a single, large, rounded tree standing on a grassy hill. The sky is filled with dramatic, dark green and yellow clouds, suggesting a storm or sunset. The foreground is a lush green field.

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Foreword

As one of the most important state institutions in Kosovo, the Ministry of Agriculture, Forestry and Rural Development considers it very important to inform interested readers and the people of Kosovo on the reforms, initiatives, activities and results achieved in 2017.

The Green Report 2018 will provide all the relevant data generated or collected by MAFRD which demonstrate the rapid development of the agricultural sector in Kosovo.

MAFRD, following the EU market values and taking into account the Common Agricultural Policy (CAP), guarantees advantages to citizens by providing food safety and clear and equal rules within Kosovo market and, in the near future, within the EU market as well. Kosovo's citizens will gradually become aware that applying EU rules will add value to their lives and will also enable their participation as producers in the common market. MAFRD pays particular importance to food quality, food safety, animal welfare and traceability of each product produced in Kosovo.

As the newest nation in Europe with the youngest population, Kosovo is very likely to adopt new technologies and to utilize them for faster development. The agriculture sector has picked up on such a trend and MAFRD provides great support in the digitalization process. Within this goal, the digitalization of the rural economy, including agriculture and food production, constitutes a key challenge but also a great opportunity for a small economy such as Kosovo. Digital technologies are already changing the way our food is produced, the way the land is managed, how we eat and how we consume food, as well as the way we do research. Thus, to be a leader in the use of new technologies in agriculture and to offer products and solutions to the EU market is a rare opportunity and it should not be wasted.

MAFRD, with the support from partners and counterparts, is drafting laws and policies that will modernize the entire agricultural sector. Albeit all parties might not be satisfied, but it is the duty of each participant to look to the future and adapt. This is the only way we can develop a sustainable agricultural sector that will ultimately bring food to the table and this is what counts the most.

Nenad Rikalo

Minister



Introduction

The Green Report is published for the 6th time in a row, and like in the previous years, it is prepared in close cooperation with MAFRD's departments and agencies, other governmental and non-governmental agencies and organizations, and in cooperation with the Steering Committee which gives significant contribution to the drafting of the report.


The Green Report as a standardized report provides an outlook on the agriculture sector and serves as a roadmap for drafting various sector policies and development strategies. Moreover, the results and data presented in the report give us the opportunity for new changes and proposals regarding investments in the agriculture sector.

The 6th edition of the Green Report, same as the other editions, aims to report on the state of the agriculture sector, the positive developments that have taken place within the sector, with particular emphasis on investment growth, production growth, creation of jobs, welfare growth, as well as on many other factors contributing to the improvement of conditions in the agriculture sector.

Our goal is to always provide accurate and valuable information so that the Green Report is easily accessible to users and serves them as an instrument for drafting various policies, research or studies depending on their needs.

The report was prepared with a great dedication by the Department of Economic Analysis and Agricultural Statistics, composed of Delvina Hana Bakija, Hakile Xhaferi, Adelina Maksuti, Edona Mekuli, Skender Bajrami, Belgin Dabiqaj, Shkëlqim Duraku dhe Shqipe Tërshnjaku. We also express our gratitude to everyone who supported us and contributed to the finalization of the Green Report 2018.

Delvina Hana Bakija



Acting Director of the Department of Economic Analysis and Agricultural Statistics

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List of abbreviations

HBS	Household Budget Survey
AHS	Agricultural Holdings Survey
AFK	Agency for Finance in Kosovo
LFS	Labour Force Survey
PAK	Privatization Agency of Kosovo
KEPA	Kosovo Environmental Protection Agency
KFA	Kosovo Forestry Agency
KAS	Kosovo Agency of Statistics
FVA	Food and Veterinary Agency
AAD	Agency for Agriculture Development
MAP	Medicinal and Aromatic Plants
EU	European Union
BPB	Banka Private për Biznes
GDP	Gross Domestic Product
ECB	European Central Bank
CBK	Central Bank of the Republic of Kosovo
CEFTA	Central European Free Trade Agreement
CETEP	Creating employment through export promotion
CIHEAM	Mediterranean Agronomic Institute of Bari
CNVP	Connecting Natural Values and People
COSIRA	Competitiveness of the private sector in rural areas
DCA	Development Credit Authority
DMWAE	Directorate for management of wild animals and ecotourism
RMD	Risk Management Division
DAPM	Department of Agriculture Policies and Markets
DRDP	Department of Rural Development Policy
DTAS	Department of Technical Advisory Services
DFT	Department of Food Technology
ECARO	Regional Office for Europe and Central Asia
CCHF	Crimean–Congo haemorrhagic fever
ESA	European System of Integrated Economic Accounts
EU	European Union
FAO	Food and Agriculture Organization
FAV	Faculty of Agriculture and Veterinary
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
LAG	Local Action Groups
HACCP	Hazard Analysis and Critical Control Point
I&R	Identification and Registration
IADK	Initiative for Agriculture Development of Kosovo
KAI	Kosovo Agriculture Institute
IFC	International Finance Corporation
FDI	Foreign Direct Investments
HMIK	Hydro Meteorological Institute of Kosovo
NPISH	Non-profit Institutions Serving Households
IKC	Initiative for Kosovo Community
NIPH	National Institute of Public Health
NIPHK	National Institute of Public Health of Kosovo
MFI	Micro Finance Institutions
IPPC	International Plant Protection Convention
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature

EC	European Commission
KEK	Kosovo Energy Corporation
KEP	Kosovo Enterprise Program
KOSAGRI	Strengthening the Kosovo Ministry of Agriculture, Forestry and Rural Development for the improvement of the vegetable production according to EU standards
KRC	Kosovo Rural Crediting
FVL	Food and Veterinary Laboratory
EEA	Economic Accounts for Agriculture
MAFRD	Ministry of Agriculture, Forestry and Rural Development
CSF	Classical Swine Fever
MESP	Ministry of Environment and Spatial Planning
FTA	Free-Trade Agreements
TNB	Total Number of Bacteria
SOE	Socially-Owned Enterprise
SME	Small and Medium Enterprises
AWU	Annual Work Unit
BO	Business Operators
WTO	World Trade Organization
FAF/FBO	Food Agricultural Facilities/Food Business Operators
OIE	World Organization for Animal Health
NGO	Non-Governmental Organization
ARDP	Agriculture and Rural Development Plan
PCB	Procredit Bank
BIP	Border Inspection Points
PPP	Plant Protection Products
NTFP	Non-Timber Forest Products
PPSE	Promoting Private Sector Employment
NAPOA	National Action Plan for Organic Agriculture
RDP	Rural Development Plan
IAC	Information and Advisory Centre
SC	Somatic Cells
RBKO	Raiffeisen Bank
KRDN	Kosovo Rural Development Network
APS	Agricultural Pricing Statistics
HUCSK	Hospital and University Clinical Service of Kosovo
LDS	Local Development Strategy
TAIEX	Technical Assistance and Information Exchange
TBC	Tuberculosis Disease
TEB	Türk Ekonomi Bankası
USAID	United States Agency for International Development
MAA	Maximum Allowed Amount
WHO	World Health Organization
WVI	World Vision International

1 Resources and inputs

1.1 Overall economic environment

Kosovo Agency of Statistics (KAS) is responsible for publishing the data on Gross Domestic Product on a quarterly and annual basis. GDP is the most important economic indicator in the System of National Accounts that presents the performance of a country's economy over a given period.

There are three approaches to measuring GDP: the output approach, the income approach and the expenditure approach.

The data for measuring GDP is obtained from various surveys conducted by KAS and the respective Institutions' administrative resources.

The global economic activity continued to grow in 2017, which was mainly driven by growth in Europe and Asia. The Eurozone economy has continued to grow steadily. The GDP's annual growth rate for 2017 is estimated to be 2.4% according to Eurostat, mainly driven by private consumption and investments, and the improved net export position as a result of global economic recovery. Growth in consumption and investments was largely a result of favourable financing conditions driven by the ECB's stimulating monetary policies, the optimistic expectations of economic agents and financial markets, as well as the decline in political uncertainty in the Eurozone countries. The strengthened domestic demand in the Eurozone during 2017 has been positively reflected in the economic developments of the Western Balkan countries. The economic activity in this region was characterized by growth during this period driven by the increased domestic demand and the strengthened external demand.

According to economic activities at current prices and based on data provided by the Kosovo Agency of Statistics, our country's gross domestic product for 2017 amounted to € 6,413.8 mil. The real growth rate for 2017 was 4.2¹ indicating that Kosovo's economy has increased by about 3.7%² in real terms. In terms of domestic demand, the country's overall activity was driven by the strengthened investment position, whereas the overall consumption was characterized by a decline according to KAS. A positive contribution to the real GDP growth was provided by the position of net exports, which resulted from the significant annual growth with which the export of goods and services was characterized.

Real growth in 2017 compared to 2016 was 4.23%. There is also a GDP growth per capita in 2017, amounting to € 3,566 compared to € 3,386 in 2016. The real growth in 2017 by economic activities is presented below:

Of the economic activities that marked the largest increase, financial and insurance activities were characterized by an increase of 31.4%, followed by construction with an increase of 8.6%,

¹ Source: Gross Domestic Product 2008 - 2017

² Source: CBK, Annual Report 2017; June 2018

wholesale and retail trade, repair of vehicles and motorcycles with 4.5%, information and communication with 3.4%, extractive industry with 3.1%, processing industry with 3.0%, professional, scientific and technical activities with 2.8%, transport and storage with 2.8%, agriculture, hunting, forestry and fishing with 2.7%, real estate activities with 2.6%, energy and gas supply with 2.5%, administrative and support activities with 2.5%, hotels and restaurants with 2.4%, art, entertainment and leisure with 1.9%, other services with 1.2%, health and social welfare activities with 1.1%, water supply with 1.1%, as well as public administration and protection; compulsory social insurance with 0.9%.

On the other hand, in 2017 there was a decrease in education by (-0.6%).

Table 1: Gross Domestic Product by economic activities at current prices (in '000 €)

	Economic activities	Gross Value Added (GVA)						
		2011	2012	2013	2014	2015	2016	2017
A	Agriculture, hunting, forestry and fishing	614,262	617,588	638,710	661,820	599,608	635,044	586,136
B	Extractive industry	124,087	114,049	118,288	116,411	118,447	126,698	146,914
C	Processing industry	493,945	549,265	584,764	575,830	625,841	665,852	700,160
D	Energy and gas supply	123,450	128,280	144,870	156,739	191,221	211,821	230,777
E	Water supply	34,287	36,620	52,059	47,078	48,344	44,870	48,380
F	Construction	361,886	341,199	352,185	335,153	397,314	395,438	513,474
G	Wholesale and retail; repair of vehicles and motorcycles	535,207	611,578	655,390	688,580	712,234	746,731	801,309
H	Transport and storage	186,582	187,695	233,714	197,360	209,275	220,501	237,855
I	Hotels and restaurants	34,843	39,082	49,795	52,093	60,094	71,861	80,517
J	Information and communication	42,113	54,359	53,279	109,251	108,965	111,556	115,841
K	Financial and insurance activities	173,521	192,621	213,264	221,158	212,086	175,836	197,336
L	Real estate activities	416,862	437,190	475,530	499,116	499,305	483,836	489,038
M	Professional, scientific and technical activities	62,086	72,106	74,587	76,593	90,861	93,868	96,113
N	Administrative and support activities	19,635	22,422	21,577	34,082	33,859	37,189	43,212
O	Public administration and protection; mandatory social insurance	476,976	497,788	495,527	499,169	454,493	465,893	476,617
P	Education	154,861	162,005	164,556	217,134	234,071	242,634	244,741
Q	Health and social welfare activities	67,380	72,006	75,251	97,600	107,790	112,584	115,566
R	Art, entertainment and leisure	15,394	20,262	23,754	22,932	23,653	24,955	26,395
S	Other services	7,484	10,898	8,409	9,353	12,744	12,871	13,000
T	Activities of households as employers; Undifferentiated goods and services produced by activities of households for own use	5	1	-	-	-	-	-
	GVA at basic prices	3,944,864	4,167,016	4,435,509	4,617,451	4,740,205	4,880,038	5,163,379
	Taxes on products	949,831	973,592	978,075	971,540	1,097,282	1,220,098	1,300,192
	Subsidies on products	-80,159	-81,844	-86,967	-21,497	-30,479	-30,023	-49,710
	Gross Domestic Product	4,814,535	5,058,763	5,326,617	5,567,494	5,807,009	6,070,113	6,413,861

Source: KAS, Gross Domestic Product 2011-2017

According to the GDP's main elements, with the expenditure approach, the real growth for 2017 was as follows: Exports of goods increased by 22.2%, export of services 15.3%, import of services 6.3%, import of goods 5.2%, gross fixed capital formation 5.7%, inventory changes

3.8%, final consumption expenditure of households 1.8%, and final consumption expenditures of NPISH 0.6%.

The Eurozone economy continued its steady growth during 2017, while inflation continues to be below the ECB's target despite the sharp increase it experienced compared to previous years. GDP's annual growth rate in 2017 was 2.4%, compared to 1.8% in the previous year. Economic growth was mainly driven by private consumption and investments, as well as the improved net export position as a result of global economic recovery. There was a decrease in the activity of the government's final consumption expenditures 0.5%.

The growth in economic activity was mainly generated by investment growth of 10.7% (mainly the growth in FDI and investment loans) and the increased export of goods and services by 23.8% against the increased import of goods and services by 5.5%. The increased external demand and the increased metal prices in international markets in 2017 have been translated into an increase in the value of the country's total exports in 2017.

The table below shows data on the Gross Domestic Product with the expenditure approach for 2011-2017.

Table 2: Gross Domestic Product at current prices 2011-2017 (in million €)

	2011	2012	2013	2014	2015	2016	2017
GDP at current prices	4,815	5,059	5,327	5,568	5,808	6,070	6,414
Final consumption expenditure	4,976	5,320	5,539	5,731	5,859	6,146	6,254
Final consumption expenditure of Households	4,003	4,282	4,446	4,802	4,943	5,268	5,370
Final consumption expenditure of the Government	802	842	864	910	894	854	863
Government of Kosovo	578	625	659	724	772	730	752
Donors (salaries)	224	217	205	187	122	124	111
Final consumption expenditures of NPISH	31	20	23	19	22	24	22
Gross capital formation	1,632	1,465	1,471	1,435	1,601	1,650	1,820
Gross fixed capital formation	1,476	1,317	1,323	1,294	1,499	1,550	1,729
Inventory changes	157	148	148	141	102	100	91
Net export	-1,793	-1,727	-1,684	-1,599	-1,652	-1,726	(1,660)
Imports of goods and services	2,737	2,649	2,611	2,852	2,926	3,072	3,369
GDP per capita (Euro)	2,672	2,799	2,935	3,084	3,277	3,386	3,566

Source: KAS, Gross Domestic Product 2011-2017

However, in the same period, the growth of the economic activity in the country, namely the growth of private investment, was accompanied by a growth in the value of intermediate goods and capital goods. Consumption is estimated to have marked an annual decrease of 1.6%.

Regarding the fiscal sector, budget incomes in 2017 amounted to € 1.68 billion, indicating an annual increase of 5.3%. Budget expenditures amounted to € 1.74 billion, indicating an annual increase of 5.0%. Consequently, Kosovo's budget recorded a primary budget deficit of € 59.0

million compared to the deficit of € 61.1 million in 2016, while as a percentage of GDP, the primary deficit has declined from 1.0% to 0.9%.

Kosovo's external sector was characterized by a decline in the current and capital account deficit amounting to € 425.1 million, an annual decline of 9.0%, mainly due to the increased positive balance of services and primary and secondary revenues account. On the other hand, in spite of the accelerated growth of exports of goods and services during 2017, the increased import value was translated into annual growth of goods deficit of 7.6%, namely € 2.7 billion in 2017.

Table 3: Balance of payments (noncumulative) in million €

Year	Current account	Goods and services	Out of which goods	Revenues	Current transfers	Capital and financial account	Out of which capital	Net errors and nondisclosures
2004	-208.3	-1,001.5	-983.1	138.3	654.9	79.5	21.9	128.8
2005	-247.6	-1,087.0	-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	-214.0	-1,242.4	-1,352.9	186.3	842.0	10.7	16.5	203.3
2008	-460.9	-1,498.1	-1,649.7	164.0	873.2	299.0	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	67.0	982.5	297.2	21.3	217.6
2011	-658.4	-1,793.3	-2,059.0	113.8	1,021.1	418.8	42.0	239.6
2012	-380.2	-1,726.6	-2,072.8	154.1	1,192.3	143.3	13.0	236.9
2013	-339.4	-1,683.6	-1,992.0	121.8	1,222.4	168.1	34.7	171.3
2014	-437.0	-1,722.7	-2,058.6	113.8	1,171.9	-123.8	21.2	270.8
2015	-541.1	-1,767.9	-2,109.3	77.5	1,149.3	-236.0	25.8	253.5
2016	-548.8	-1,725.8	-2,290.8	80.9	1,096.1	-106.1	14.2	414.3
2017	-413.2	-1,660.0	-2,464.2	84.9	1,161.9	-341.8	-11.8	95.0

Source: CBK-Annual Report 2017, Prishtina, June 2018

Balance in trade of services amounted to € 804.2 million, marking an increase of 25.9% compared to the previous year. The value of export of services recorded an annual increase of 17.7%, amounting to € 1,330.9 million. The value of import of services increased by 7.1% and amounted to € 526.8 million. Within the export of services, travel services and computer services were characterized by an annual increase of 19.5% and 33.5% respectively, while the category of construction services and production services decreased by 28.1% and 14.6% respectively. As regards import of services, travel services increased by 2.7% while transport services decreased by 4.7%.

Remittances received in Kosovo, which also represent the largest category within the secondary income account, amounted to € 759.2 million, representing an annual increase of 9.9%. Within the financial account, Foreign Direct Investment (FDI) in Kosovo marked an annual increase of 30.8% and amounted to € 287.8 million.

1.1.1 Socio-economic development rate

Agriculture sector as a very important and strategic economic activity for our country participates with 9% in the Gross Domestic Product. Although it has a fairly high participation in the GDP, Kosovo's agriculture is characterized by structural problems such as land fragmentation, resulting in low labour efficiency and high production costs. As a result of structural changes in agriculture, there is a slower pace of development (transition from traditional family to commercial farms).

Particular attention has been paid to the protection of agricultural land from illegal construction, especially in lands protected by law. For purposes of protecting agricultural land, municipal inspectorates have initiated cases in the competent municipal courts against legal and natural persons who have violated the provisions of the laws in force for changing the use of agricultural land into land for non-agricultural purposes without permission from authorized municipal bodies. During 2017, over 100 requests have been submitted to MAFRD for changing the use of agricultural land, of which 83 have been approved, 13 have been rejected and 9 are under review procedure.

Agricultural land's total area that could be irrigated was 43,574 hectares in 2017 and 43,536 hectares in 2016, whereas the area irrigated at least once during the reference period was 32,294 hectares in 2017 and 32,237 in 2016³.

With the start of the implementation of the Agriculture and Rural Development Program through the support provided from investment subsidies and grants for this sector, it is estimated that the future of Kosovo's agriculture is oriented in the right direction, aiming for our country to be stable in food production, both in terms of quantity and quality.

With the implementation of this program, there is noticed a greater revival year after year in the improvement of competition in various agriculture activities such as in products intended for both domestic market and international market. Taking into account the large percentage of the population living in rural areas and the great potential of agricultural lands, and relying on our farmers' experiences that are the cornerstone of the past and the future, support of the Government by subsidizing this sector is continuing. According to the data from Kosovo Agriculture Census, there are 362,700 persons working in the agricultural sector or, calculated in annual work units, 86,620 AWUs (1 AWU = 1800 hours of work per year). In relation to the total number of employees, agriculture accounts for about 25%⁴. On average, the agricultural work accounts for 0.7 AWU per Agricultural Economy; 0.2 AWU per hectare of the utilized area of agricultural land and 0.31 per livestock unit⁵.

³ Agricultural Household Survey 2016-2017, KAS

⁴ Calculation was done by comparing AWU from AC 2014 with the total number of employees reported in LFS

⁵ AC 2014

In 2017, the Kosovo Government allocated a budget of € 48 million for direct payments (€ 25 million) and for investment grants (€ 23 million).

This support is also aimed at preventing migration of the population in the absence of jobs and prospects for a better life in these areas, knowing that investments in agriculture and other non-agricultural activities can generate new jobs.

Great efforts are also being made to stimulate young people to engage in agriculture and other non-agricultural activities such as the development of agro-tourism and other activities. This is being done through setting the age criterion for farm owners, favouring youngsters within the scheme of payments such as investment subsidies and grants, provision of training and access to different information.

Rural development policy is an important component of the Common Agricultural Policy both in the EU and Kosovo. The Leader approach, as an innovative approach aimed to improve the quality of life in rural areas, is functioning even in Kosovo, albeit with some slight difficulties. It is a very effective way to support the sustainable and inclusive rural areas, encouraging rural residents to explore new forms of competitiveness, to cooperate in producing quality goods and services in their local area.

Although organic farming in our country is at an early stage, importance is being given recently to cultivating organic products as a production system that safeguards the well-being of land, ecosystems and people. A good legal infrastructure has been established and other steps necessary to certify the production of potential producers. Foreign donors have also contributed in this regard, bringing experiences of experts from different countries to be applied in our country.

In this regard, Kosovar producers, especially those of medical and aromatic herbs, are currently targeting the foreign market due to the possibility of contracting their production with international partners and at more favourable prices. This is done especially through the large collection points found in different parts of the country. This type of production is generating fairly good family incomes and new jobs especially for women and young people.

In general, although there is an increase marked in the export of agricultural products every year, it can be said that it is still very low taking when considering the high potential of Kosovo. The highest share of agricultural products' exports in total exports was in 2017, namely a share of 16%. In the trade exchange of agricultural products, it is noted that there is a slight trend of export growth. Exports amounted to € 61.3 million in 2017, recording an increase of 35.5% compared to 2016.

1.1.2 Work and employment

Data obtained from the Labour Force Survey is important to generate data on labour market indicators, whereby the main objective is the development of a database with administrative

data that helps decision-makers and researchers in formulating policies for the labour force, and in planning social and economic development programs in a country's society.

Data on labour market indicators were obtained from the 2017 Labour Force Survey, where among the main indicators are included: detailed data on employment and unemployment by age, sex, employment status, economic activities, occupations and other related issues related to the labour market.

Table 4: Key labour market indicators by variables, year and gender

Indicators	2015			2016			2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Rate of participation in the labour force	56.7	18.1	37.6	58.3	18.6	38.7	65.3	20.0	42.8
Inactivity rate	43.3	81.9	62.4	41.7	81.4	61.3	34.7	80.0	57.2
Employment-to-population ratio (employment rate)	38.7	11.5	25.2	43.0	12.7	28.0	46.6	12.7	29.8
Unemployment rate	31.8	36.6	32.9	26.2	31.8	27.5	28.7	36.6	30.5
Unemployment rate among young people (15-24 years of age)	54.2	67.2	57.7	47.2	65.4	52.4	48.4	63.5	52.7
Percentage of young people NEET among youth population (15-24 years of age)	28.3	34.9	31.4	26.5	34.2	30.1	23.8	31.4	27.4
Percentage of unstable employment to total employment	24.0	18.8	22.8	24.1	18.8	22.9	24.4	18.3	23.1

Source: KAS - Labour Force Survey (LFS) 2017

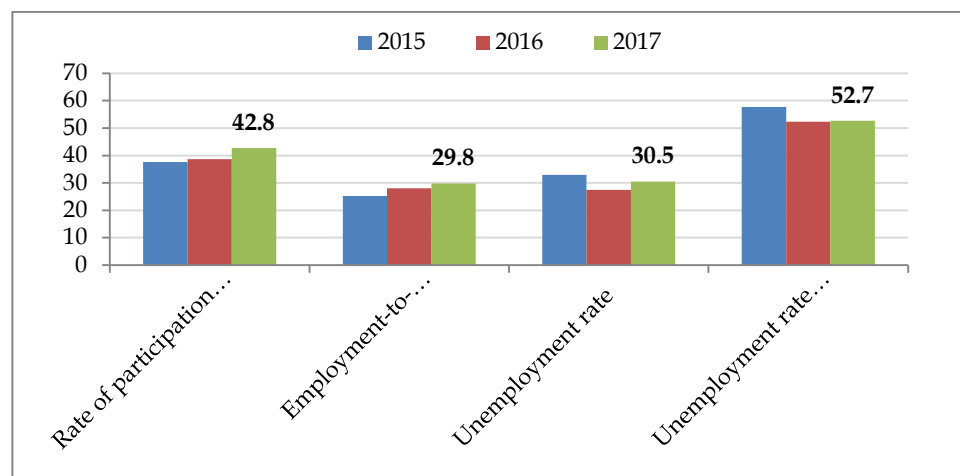
In accordance with the results presented in this publication, it turns out that two-thirds of Kosovo's population are working-age population. The working age population is defined as those aged 15 to 64.

Within the working age population, the rate of participation in the labour force is 42.8%. The employment rate according to the Labour Force Survey (LFS) for 2017 is 29.8%.

The highest employment rate is among men (46.6%), while among women is 12.7%. Women are employed mainly in the sectors of education, health care and trade with 48.4%, while men are mostly employed in the sectors of construction, trade and manufacturing with 45.9%.

The economic sectors with the largest employment continue to be: trade with 14.7%; production with 13.2%; construction with 12.9%; and education with 9.5%. Meanwhile, other sectors participate with a lower percentage of employment.

Figure 1: Key labour market indicators by variables, total (%)



Source: KAS - Labour Force Survey (LFS) 2017

Unemployment is more pronounced among women with 36.6% compared to men with 28.7%. The unemployment rate is more pronounced among the group age 15-24 with 52.7%.

Table 5: Unemployment rate (%) for 2012-2017

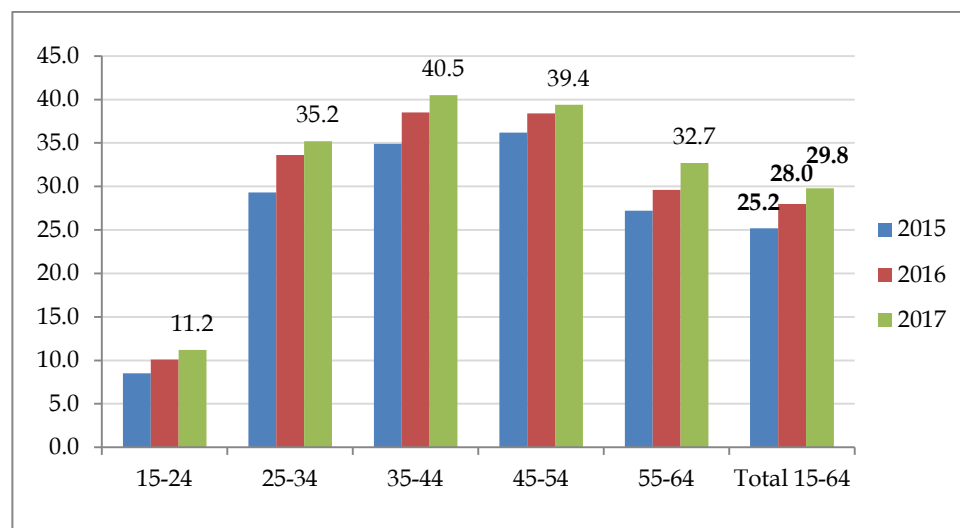
Age	2012	2013	2014	2015	2016	2017
15-24	55	56	61	58	52	53
25-34	35	33	40	40	34	41
35-44	27	26	31	27	21	24
45-54	18	19	24	21	15	18
55-64	10	10	15	13	12	11
15-64	31	30	35	33	28	31

Source: KAS - Labour Force Survey (LFS) 2017

Regarding employment by gender, the employment rate was higher for men than for women: the employment rate for working-age men was 46.6% compared to 12.7% for working-age women.

Compared to the LFS 2016 results, employment rate in Kosovo increased by 1.8%, whereby there was an increase of 3.6% in the employment rate for men, and no change was marked in the employment rate for women.

Figure 2: Employment rate by year (%)



Source: KAS - Labour Force Survey (LFS) 2017

Employment by age group and education level was the highest among people aged 35-44 (40.5%) and the lowest among young people (15-24 years) by 11.2%.

The employment rate for women in the age group 25-54 ranges from 14.9% to 16.9%.

The employment rate for the age group 25-34 is 14.9%, namely an increase of 1.9% and for the age group 35-44 years it is 16.8%, also with an increase of 0.1% compared to the age group 45-54 years (16.9%). The employment rate for women in the age group 15-24 was only 5.2%, whereas for the age group 55-64 it was 12.4%.

The employment rate for men was the highest among the age group 35-44 (66.2%) and the lowest among the young people (16.7%).

If we analyse employment data by activity, it can be said that the sectors of trade, production, construction and education have employed more than half of the employees employed in 2017. Of all persons employed in Kosovo, 14.7% of them work in trade, 13.2% in production, 12.9% in construction, and 9.5% in education.

The sectors of education, health care and trade were the three main employers for women (employing 48.4% of women employed). Construction, manufacturing and trade are the most common sectors of employment for men (employing 45.9% of men employed).

In regard to net monthly salary, most of them were between € 400 and € 500, among those who provided answers. There were noted very small gender differences with a slight tendency for men to receive higher salaries.

1.1.3 Use of agricultural land

Land use and changes occurring during our operations have important economic and environmental implications for the production and trade of agricultural products, land and

water conservation, air quality and greenhouse gas concentrations. The use of agricultural land is characterized by the forms of use, activities and inputs that people undertake to use the land to produce, change, store or conserve it.

In order to have a realistic forecast for agricultural production and food security and the real situation of the possibility of production in agriculture, data on the use of agricultural land are needed.

The used area of agricultural land refers to the total area of arable land - fields, meadows and pastures, perennial crops and gardens used by the agricultural economy, regardless of the type of ownership. Data on forest land, unused agricultural land and non-agricultural land are not included.

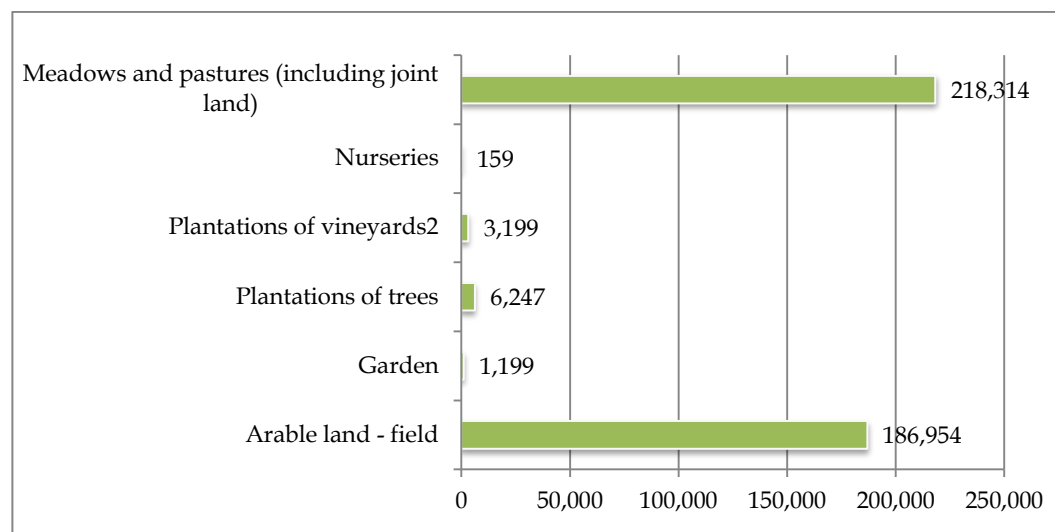
Table 6: Used area of agricultural land 2015-2017, (ha)

Utilized area of agricultural land	2015	2016	2017	Difference 2017-2016	Difference (%) 2017/2016	Participation (%) 2017
Arable land - field	185,386	187,223	186,954	-269	-0.14	44.9
- from which the vegetables in the open field (first crop)	6,859	7,864	8,033	169	2.15	-
- from which the vegetables in greenhouses (first crop)	398	457	467	10	2.19	-
Garden	587	994	1,199	205	20.62	0.3
Fruit tree	4,727	5,493	6,247	754	13.73	1.5
Vineyard	3,068	3,112	3,199	87	2.80	0.8
Seedlings	178	196	159	-37	-18.88	0.0
Meadows and pastures (including joint land)	216,481	218,808	218,314	-494	-0.23	52.5
Total area of agricultural land in use	410,479	415,826	416,072	246	0.06	100

Source: Results of the Agricultural Holdings Survey (AHS) 2017; *The cluster of crops is as in the AHS of KAS and there may be changes with the second Chapter in this Report because there are differences in the grouping of crops

Based on the Agricultural Holdings Survey 2017, the total used area of agricultural land is 416 thousand ha, the majority of which are meadows and pastures (including the common land) i.e. 218.3 thousand ha or 52.5%, whereas arable land (excluding vegetables) is 186.9 thousand ha or 44.9%.

Figure 3: Used area of agricultural land, 2017 (ha)



Source: Results of the Agricultural Holdings Survey (AHS), 2017

In 2017, the area of arable land-fields (excluding vegetables) of 178.4 thousand ha and with participation of 44.9% of the total used area of agricultural land has changed compared to 2016 for (-448 ha) or has marked a decrease of 0.3%. Vegetables in open field as the first crop have had an area of 8 thousand ha, with an increase of 169 ha, which is an increase of 2.1% in 2017, compared to the previous year.

In addition to open field vegetables, the category of vegetables cultivated in greenhouses (first crop) had an increase in surface area for 10 ha or an increase of 2.2%. Out of all categories of land use, the category of gardens marked the largest increase, namely out of a total of 994 ha in 2016, it reached 1,199 ha in 2017, which means that this category had an increase of 205 hectares more than in the previous year or 20.6%.

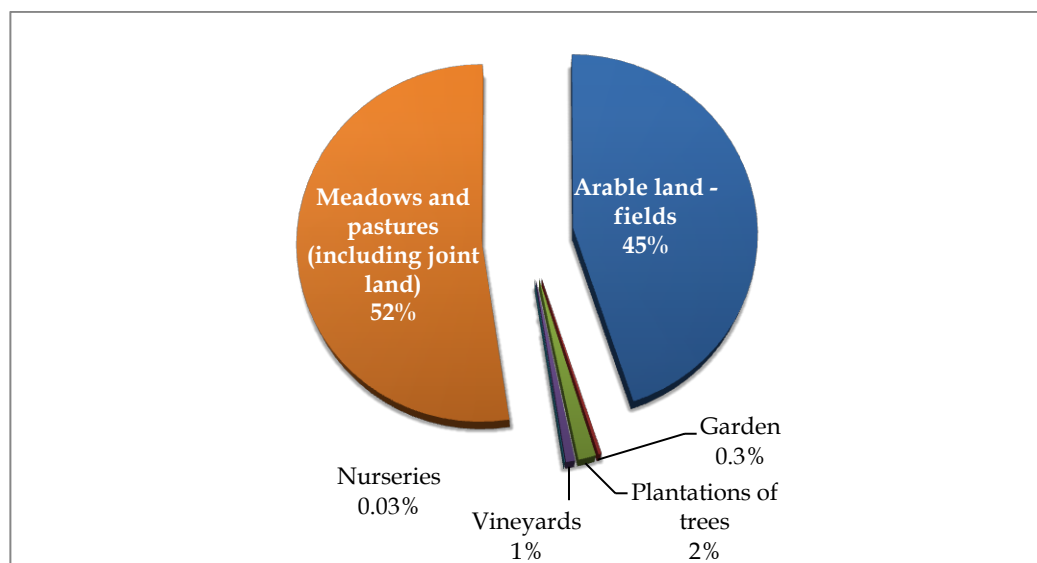
The fruit trees have a share of 6.2 thousand hectares, which compared with 2016 is an increase of 754 ha, or an increase of 13.7%.

Vineyards participate in the total used area of agricultural land with around 1%. Also, the area with vineyards in 2017 has expanded for 87 ha, or an increase of 2.8% more than in 2016.

The area planted with nurseries was 159 ha in 2017, marking a decrease of 18.8% compared to 196 ha planted in 2016.

The category of land used as meadows and pastures (including joint land) has a participation of 52.5%. In 2017 there is a reduction of area for 494 ha or expressed in percentage, there was 0.2% less surface than in 2016.

Figure 4: Used area of agricultural land, 2017 (%)



Source: Results of the Agricultural Holdings Survey (AHS), 2016

The above figure shows the division of agricultural land by percentage in 2017, according to the manner of use or utilization. As described above, we can notice that the largest participation of 52.5% was marked by the category of meadows and pastures including joint land. This is followed by the arable land-fields with 44.9%, out of which 4% are open field vegetables (first crop) and 0.2% are greenhouse vegetables (first crop). As regards the share, following the arable land are fruit trees with 1.5%, vineyards with 0.8%, gardens with 0.3%, and nurseries with 0.03%.

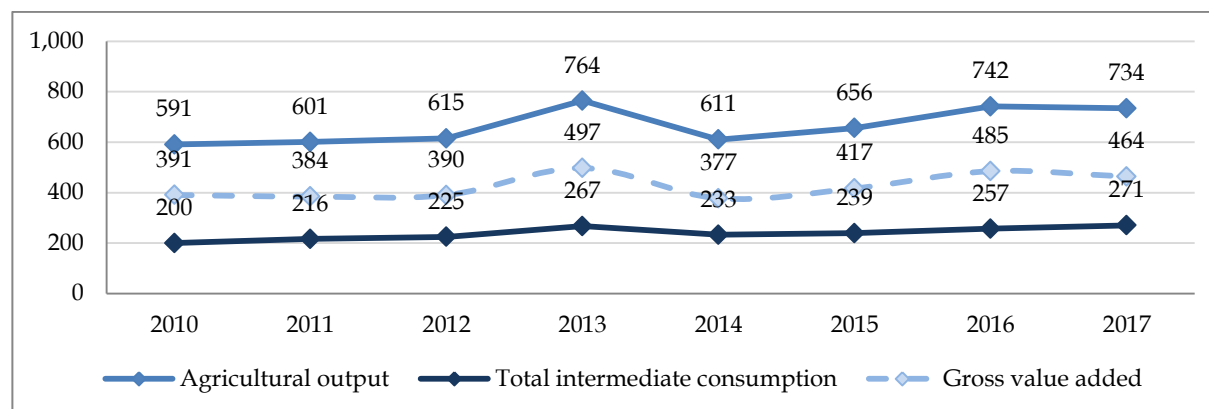
1.2 Economic accounts and agriculture input prices

Economic Accounts for Agriculture provide a detailed overview of income from agricultural activities. They represent a wide range of indicators related to economic activities in the field of agriculture and aim at analysing the agricultural production process and the primary income generated from this production. Data from EAA serve as indicators of the economic development in the agricultural sector and for the evaluation of agricultural policies.

The figure below shows the data on intermediate consumption, agricultural industry output and gross value added for the period 2010-2017. Regarding intermediate consumption, compared to the previous year, there was an increase of 5%, while the agricultural industry output decreased by 1%.

The gross value added, which represents the difference between the value of agricultural industry output and the intermediate consumption value, in 2017 amounted to € 463.7 million, which compared to 2016 has marked a decrease of 4.4%. During 2017, the gross value added amounted to 63% of the value of production, whereas in 2016 it was 65%.

Figure 5: Intermediate consumption, agricultural industry output and gross value added, in mil. €

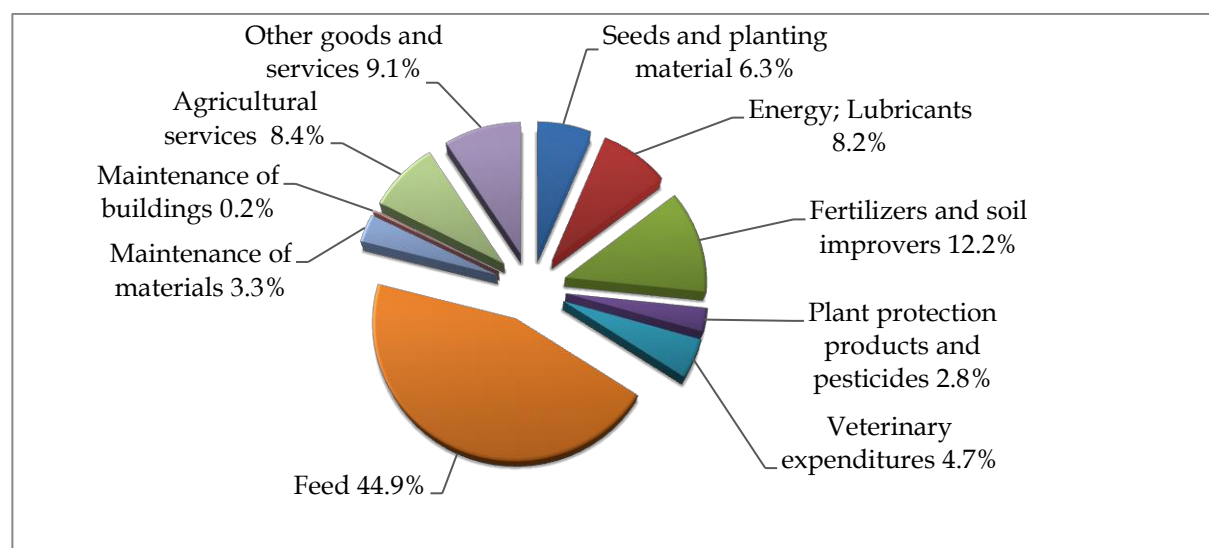


Source: KAS, Economic Accounts for Agriculture, processed by DEAAS – MAFRD

* In the chapter Economic accounts and agriculture input prices, there may be slight differences with the data published last year because KAS, in the absence of data sources for specific items, used expert estimates. New data available for 2016 are included in the 2017 publication.

According to the figure below, which presents the structure of agricultural intermediate consumption as the average for 2016 and 2017, we note that the category of animal feed which includes feed material that the farmer buys from other farmers or raw materials and feed that the farmer produces on the farm, contributes with 45%, representing almost half of the intermediate consumption. Fertilizers and soil improvers participate with 12% in intermediate consumption, energy expenditures with 8%, seeds and planting materials with 6%, other goods and services with 9%, agricultural services with 8%, veterinary expenditure with 5%, and maintenance of materials and products for plant protection and pesticides with 3%.

Figure 6: Intermediate consumption structure, the average for 2016-2017

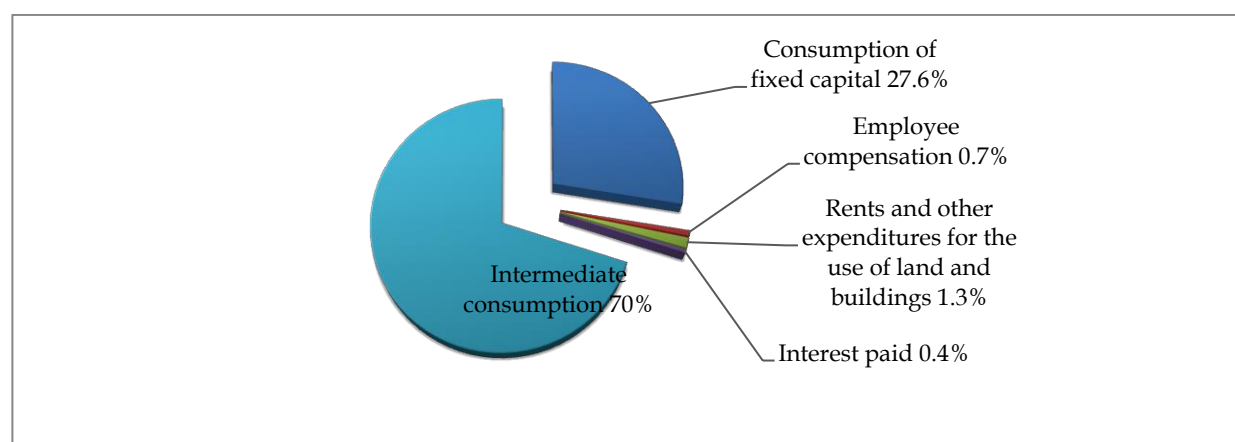


Source: KAS, Economic Accounts for Agriculture 2016, processed by DEAAS – MAFRD

The figure below shows the expenditures in the agriculture sector as the average for 2016 and 2017. Intermediate consumption is the main category with a participation of 70%, followed by consumption of fixed capital with 28% while employee compensation, rents and other

expenditures for the use of land and buildings and interest paid have a very small participation.

Figure 7: Inputs in agriculture according to category, 2016-2017



Source: KAS, Economic Accounts for Agriculture 2016, processed by DEAAS – MAFRD

Prices of agricultural inputs

Annual price index of the agricultural inputs includes data on price index in Kosovo for the period January 2012 - December 2017. Prices of agricultural input products in this publication are gathered in agricultural pharmacies, veterinary pharmacies, companies, markets, and other places where prices of agricultural inputs are available.

Products that make up the basis of input price index participate in one of two main groups: goods and services currently consumed in agriculture (intermediate consumption) and goods and services contributing to agricultural investment (capital formation).

The following table shows information about the annual price index of agricultural inputs. Of all the categories in this table, the prices that have increased are in the category of fuel (8.6%), energy - lubricants (7.7%) and compound raw food (7.2%). Significant decline by 11.8% is observed in the category of Seeds and Planting Material, followed by Fertilizers and soil improvers with 8.3% drop in price and Animal Feed by 5.3%.

The annual price index of inputs in 2017 decreased by 2.8% for Input 1 compared to the same period of 2016. The Input 2 index increased by 1.0% between 2017 and 2016. Total input index (Input 1 + Input 2) compared to 2016 has decreased by 1.1%.

Table 7: Annual price index of agricultural inputs 2015-2017, (2015=100)

Description	2015	2016	2017	Change 2017/2016 in %
GOODS AND SERVICES CURRENTLY CONSUMED IN AGRICULTURE (INPUT 1)	100.0	98.1	95.4	-2.8
SEEDS AND PLANTING MATERIAL	100.0	98.9	87.2	-11.8
ENERGY; LUBRICANT	100.0	93.7	100.9	7.7
Electric energy	100.0	98.8	106.1	7.4
Fuel	100.0	92.3	100.2	8.6
Lubricant	100.0	93.8	92.6	-1.3
FERTILIZERS AND SOIL IMPROVERS	100.0	97.6	89.5	-8.3
Simple fertilizers	100.0	93.9	87.7	-6.6
Compound fertilizers	100.0	99.7	90.6	-9.1
PLANT PROTECTION PRODUCTS AND PESTICIDES	100.0	104.2	103.8	-0.4
VETERINARY EXPENSES	100.0	98.7	98.0	-0.7
ANIMAL FEED	100.0	109.5	103.7	-5.3
Simple raw food	100.0	111.5	103.4	-7.3
Compound raw food	100.0	97.9	104.9	7.2
MAINTENANCE OF MATERIALS	100.0	100.1	99.9	-0.2
MAINTENANCE OF BUILDINGS	100.0	98.2	98.8	0.6
OTHER GOODS AND SERVICES	100.0	100.0	100.8	0.8
GOODS AND SERVICES CONTRIBUTING TO AGRICULTURAL INVESTMENT (INPUT 2)	100.0	102.2	103.2	1.0
TRACTOR	100.0	106.9	107.7	0.7
OTHER	100.0	98.1	99.3	1.2
OVERALL INPUT (INPUT 1 + INPUT 2)	100.0	100.0	98.9	-1.1

Source: KAS (Input Price Index and Prices in Agriculture), processed by DEAAS – MAFRD

1.3 Farm structure

Results for the farm structure are obtained by the Kosovo Agency of Statistics (KAS), which carries out the Agricultural Holdings Survey (AHS) on an annual basis, which since 2004 is carried out according to the Eurostat methodology.

In this publication, data are presented in summary form on the use of agricultural land: Surface area (ha), participation in (%) and the number of agricultural holdings, their participation in (%).

In 2017, there were 185,130 ha of arable land - fields⁶ in Kosovo. Land used by farms in our country in the year concerned accounted for about 45% of the total used surface of agricultural land, including the open field vegetables (first crop) and greenhouse vegetables (first crop).

Based on the size of the surface of arable land, the farm structure is classified into four main categories:

⁶ Throughout the text, within the farm structure is not included the surface in the four municipalities in the northern part and thus differs from the surface presented in subchapter - Land Use

- I. Farms with very small size of less than 1 ha constitute 10% of farms and had a surface of 18,560 ha.
- II. Farms with a size of 1 to less than 5 had a share of 48.4%, and represent about 89,594 ha.
- III. Farms with size ranging from 5 to less than 20 ha, had a representation of 29.5% involving a surface area of 54,677 ha, and
- IV. Farms with a size of 20 and more hectare participated with 12.1% covering the area of 22,299 ha.

Below is the table showing the data for the size of agricultural holdings in 2017 according to the surface of arable land, participation in (%), and the number of agricultural holdings and their participation in (%).

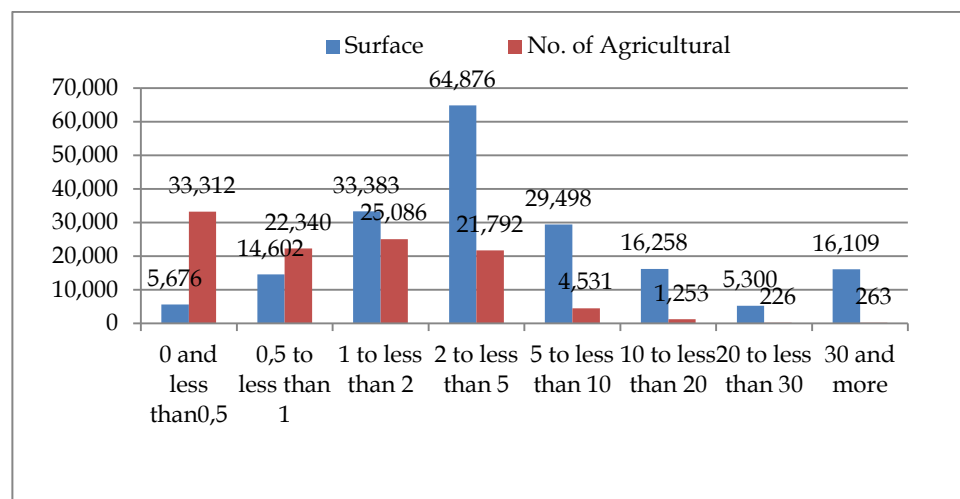
Table 8: Size of holdings by surface of arable land, 2017

Farm size	Surface (ha)	Participation (%)	No. of Agricultural holdings	Participation (%)
0 and less than 0,5	5,976	3.23%	39,251	36.31%
0,5 to less than 1	12,584	6.80%	18,543	17.15%
1 to less than 2	29,898	16.15%	22,323	20.65%
2 to less than 5	59,696	32.25%	20,460	18.93%
5 to less than 10	37,458	20.23%	5,712	5.28%
10 to less than 20	17,219	9.30%	1,331	1.23%
20 to less than 30	5,332	2.88%	226	0.21%
30 and more	16,967	9.16%	263	0.24%
Total	185,130	100%	108,108	100%

Source: Agricultural Holdings Survey, 2017

According to the ranking presented in the table above, it results that about 58.4% of all farms in Kosovo had less than 5 ha of utilized agricultural area and together these small farms account for 108,154 ha of utilized agricultural land. On the other hand, only 20.23% of farms with size 5 to less than 10 ha owned utilized land area of 37,458 ha. When talking about the largest farms ranging from 10 ha and more, they had only 39,518 ha of agricultural land with a participation of 21.3%.

Figure 8: Number of agricultural holdings by surface of arable land, 2016



Source: Agricultural Holdings Survey, 2017

Regarding the number of agricultural holdings, about 39,251 or 36.3% of total agricultural holdings have farms with a size of 0 and less than 0.5 ha of arable land. The next largest group is represented by farm size from 0.5 to less than 1 and 1 to less than 2 consisting of 40,866 agricultural holdings or 37.8% of the total number of agricultural holdings. The farm size of 2 to less than 5 is 20,460 holdings or 18.9%.

In general, we can say that as far as agricultural holdings in Kosovo are concerned in 2017 they are characterized by three main categories of farm size:

Approximately 93.03% of agricultural holdings or 100,576 belong to farm size categories of less than 0.5 to less than 5 ha.

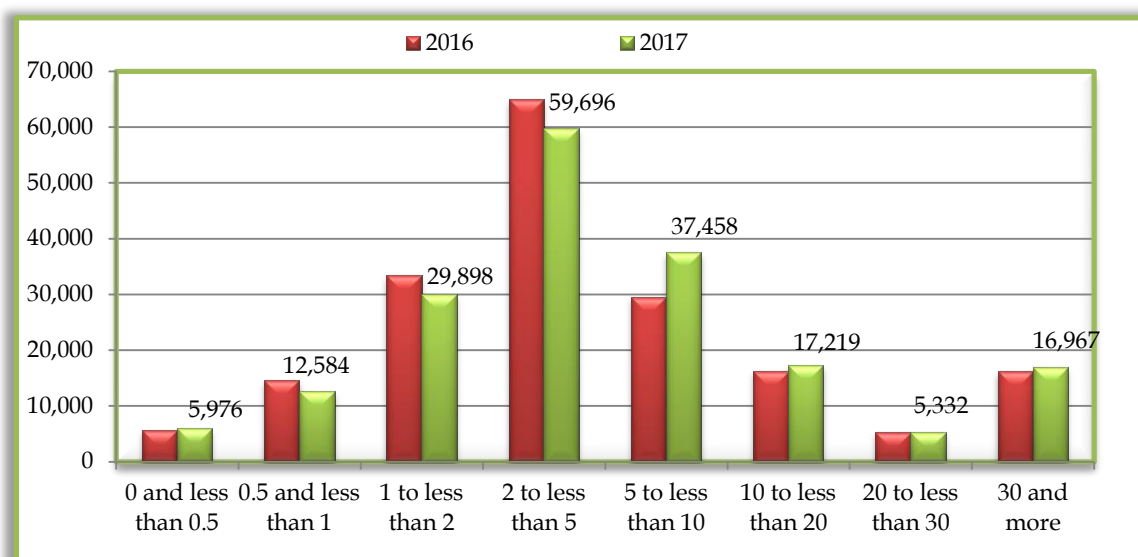
When it comes to farms with a larger size of the surface of arable land, it is found that only 5.3%, or 5,712 agricultural holdings have farms with a size of 5 to less than 10 ha.

Only 1.7% or 1,820 agricultural holdings have farms with a size of 10 ha and more.

Table 9: Farm size by surface of arable land, 2016-2017

Farm size	Difference 2017-2016			
	2016	2017	Difference (2017-2016)	Difference 2017/2016 (%)
0 and less than 0.5	5,677	5,976	298.86	5.3
0.5 and less than 1	14,603	12,584	-2,018.59	-13.8
1 to less than 2	33,384	29,898	-3,486.06	-10.4
2 to less than 5	64,877	59,696	-5,181.28	-8.0
5 to less than 10	29,498	37,458	7,959.95	27.0
10 to less than 20	16,258	17,219	960.69	5.9
20 to less than 30	5,300	5,332	32.37	0.6
30 and more	16,109	16,967	857.60	5.3
Total	185,705	185,130	-575.45	-0.3

Source: Agricultural Holdings Survey, 2016, 2017

Figure 9: Farm size by surface of arable land, 2016-2017

Source: Agricultural Holdings Survey, 2016,2017

From the results of the AHS 2017, we see that the number of agricultural holdings in 2017 was almost similar to that of 2016, with a slight decrease from 108,803 in 2016 to 108,109 in 2017, namely a decrease of 0.6%.

The changes and movements that have occurred in the number of agricultural holdings in 2017 compared to 2016 are presented in the following figure.

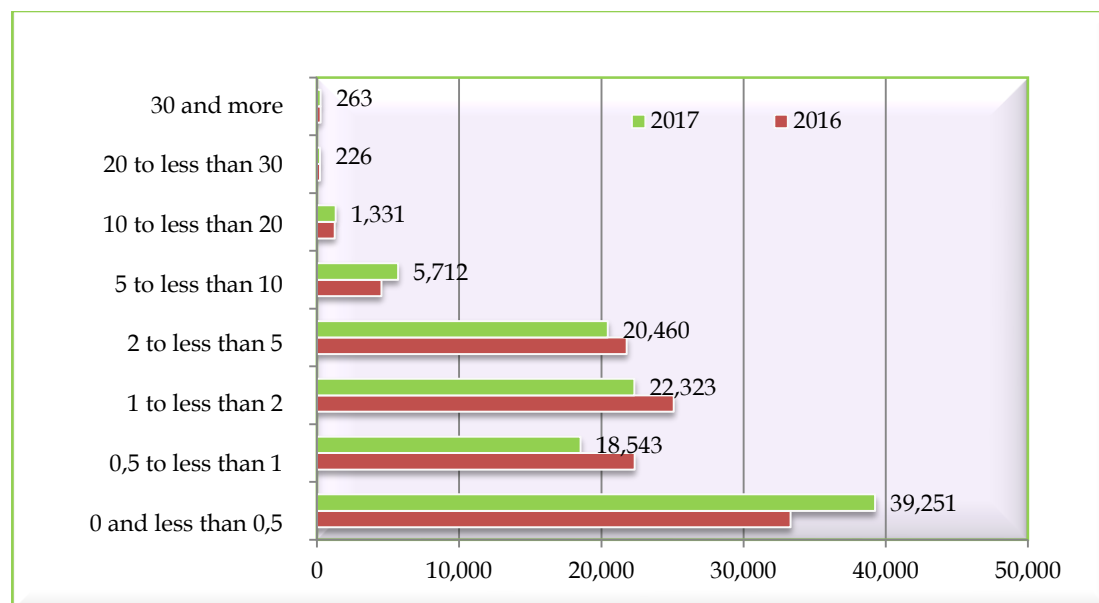
The major changes have occurred in the category of holdings with farm sizes ranging from 5 ha to less than 10 ha, which marked an increase of 27% in 2017 compared to 2016.

An increase of 17.8% compared to 2016 appears also in the category of farms with the size of less than 0.5 ha.

Moreover, unlike 2016, in 2017 there was an increase of 6.2% in the number of agricultural holdings in the category of farms with the size from 10 ha to less than 20 ha.

While the category of agricultural holdings the size of which ranges from 0.5 to less than 1 ha marked a decrease of 17%. Farms with a size ranging from 2 to less than 5 ha, decreased by 11% compared to 2016, as well as agricultural holdings the size of which ranges from 2 to less than 5 ha decreased by 6% compared to 2016.

Figure 10: Number of holdings according to the size of arable land 2016-2017



Source: Agricultural Holdings Survey, 2016,2017

1.4 Agricultural land privatisation

Kosovo has a surface of 10 thousand and 905⁷ km² and a population density of 164 inhabitants per km², while the agricultural surface is 512,000 ha (with a total of 130,662 agricultural holdings). Agriculture census data indicate that in 2014, the agriculture surface area used was 413,635 ha (with 129,884 agricultural holdings).

It is estimated⁸ that 53% of the land in Kosovo is agricultural land. It was estimated that 88% of the agriculture surface area used is privatized land, while 12% is social land, within agricultural enterprises and cooperatives.

Regarding the social property management, the Privatization Agency of Kosovo as a successor to the former KTA has been established by the Assembly of the Republic of Kosovo with a clear mandate for the transformation of social property registered on behalf of former socially owned enterprises.

⁸ Statistical Yearbook of the Republic of Kosovo 2018

The purpose of the privatization process in Kosovo, besides being the transition to a market system, it was also to change the company's business objective through privatization, in order that in contemporary conditions to provide a higher level of enterprise efficiency.

The privatization of socially owned enterprises in Kosovo started in 2003, however, it can be said that it was accompanied with many problems and interruptions. This process has already entered the final stage. Numerous difficulties have often affected the slowdown and the temporary interruptions of certain stages of this process, thus the expected positive impacts of privatization were significantly reduced.

The privatization process is carried out by the Privatisation Agency of Kosovo, which has been established pursuant to Kosovo Assembly Law no. 04/L-034 on PAK, as an independent public body exercising its functions and responsibilities in a completely independent manner. The privatization of socially owned enterprises continues to be carried out through two methods: Spin-off and Voluntary Liquidation. PAK, during the preparation process of enterprises regarding the agricultural land privatization, besides legal requirements of KAP, it was intended to preserve the entirety of agricultural lands, specifically considering the initiatives and requirements of the Ministry of Agriculture to consolidate agricultural lands or not to further fragment them.

So far, there has been continued privatization through the spin-off and liquidation method, and the remaining agricultural lands were announced for privatization along with the basic assets, whereby investors were invited through the tender form and an open competition.

The privatization of agricultural lands in Kosovo provided an opportunity for new investors to purchase consolidated agricultural lands of large surfaces with road access and defined property titles. Consolidated surfaces of such lands have given the opportunity to new investors to continue their commercial agriculture activities. There are many new enterprises privatized by the group of former agricultural and food processing enterprises that have shown progress and became widely known for their products not only in the market of the Republic of Kosovo but also abroad.

Since the privatization process is almost ending, it has been evaluated that less than 15,000 ha of agricultural land remains to be privatized, which are still being offered for sale through Liquidation Asset Sale by the Privatization Agency of Kosovo.

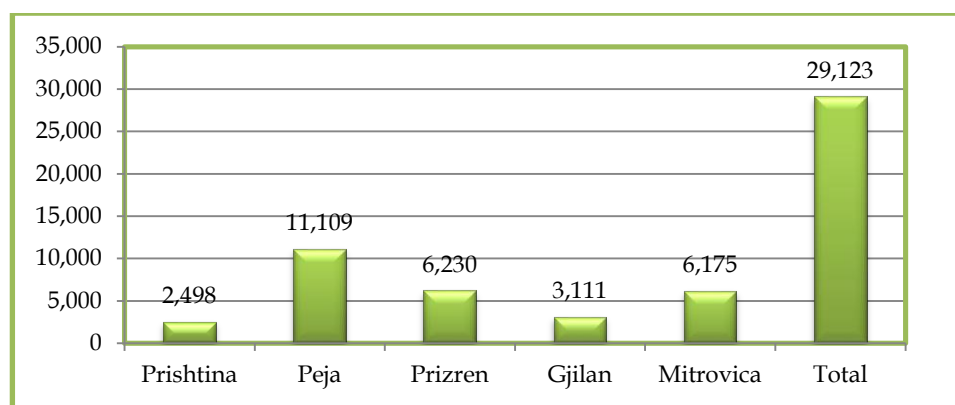
These lands have different surface size, ranging from small-sized surfaces of only a few ares to those of 5 ha, which provide good opportunities for creating favourable conditions for commercial agriculture activities.

Table 10: Overview of agriculture land sales in Kosovo

Region	Surface in ares	Surface in ha	Surfaces sold by region (%)	The average selling price per are	The average selling price per ha	Total sales value	Sales by region (%)
Prishtina	249,775	2,498	9%	148	14,813	36,999,053	35%
Peja	1,110,813	11,109	38%	22	2,163	24,030,476	23%
Prizren	622,971	6,230	21%	32	3,195	19,906,369	19%
Gjilan	311,122	3,111	11%	48	4,837	15,050,056	14%
Mitrovica	617,587	6,175	21%	14	1,418	8,758,077	8%
Total	2,912,267	29,123	100%	€ 36	€ 3,597	€ 104,744,031	100%

Source: Privatization Agency of Kosovo

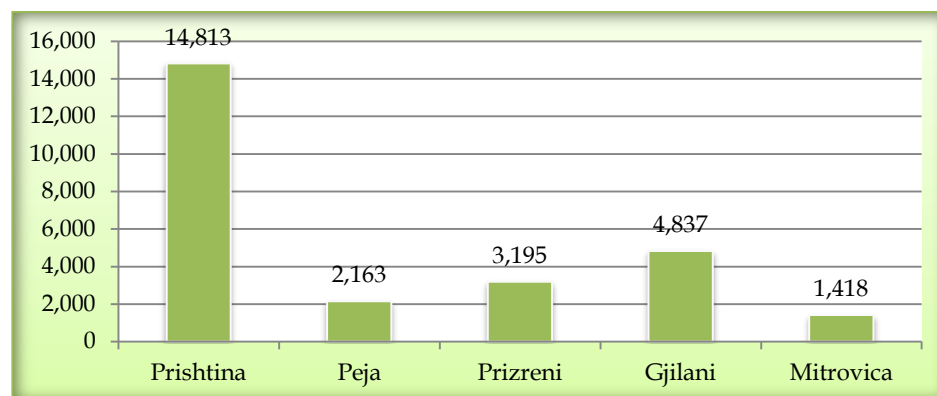
The table above shows the surface area of agricultural land privatized from 2004 until 2017. Up until now, 29,123 ha have been privatized, with the average selling price per are of € 36, whereas the average selling price per ha was € 3,597. Most of the agricultural land was privatized in the Peja region (11,109 ha), then in Prizren region (6,230 ha), Mitrovica (6,175 ha), Gjilan (3,111 ha), and the least in the region of Pristina (2,498 ha).

Figure 11: Summary report of agricultural land sales in ha

Source: Regional Coordination Department

The total sales for all privatized agricultural surfaces reach the amount of € 104,744,031. The average selling price of agricultural land in 2017 was € 3,597 per ha, while the highest sale price was in the region of Prishtina with € 14,813 per ha, followed by Gjilan (€ 4,837), Prizren (€ 3,195), Peja (€ 2,163), and Mitrovica (€ 1,418).

Figure 12: Average selling price by region, €/ha



Source Regional Coordination Department

Table 11: Summary report of agricultural land sales in the regions of Kosovo

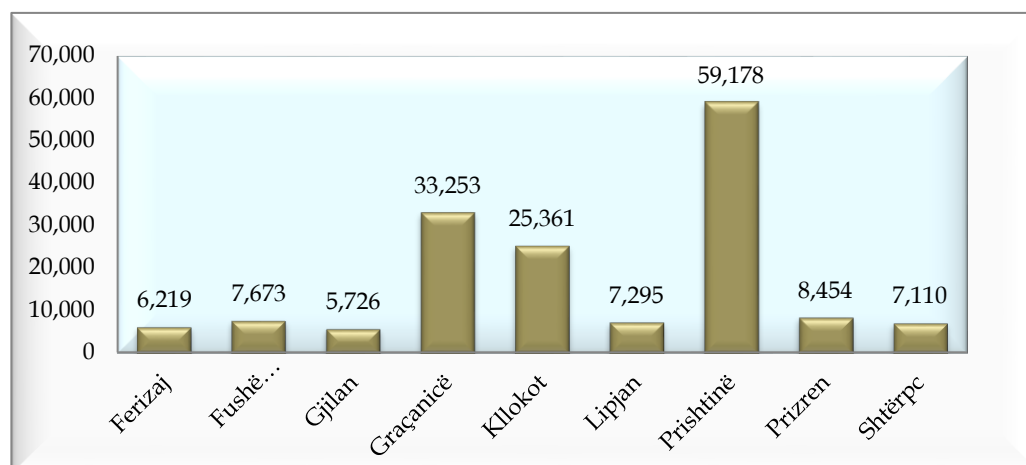
Years	No of sales	Surface in ares	Surface in hectare	Sales/€	Price/are	Price/hectare	Percentage of hectares/total
2005	4	143,638	1,436	2,330,300	16.2	1,622	4.9%
2006	20	537,170	5,372	10,976,727	20.4	2,043	18.4%
2007	28	544,032	5,440	9,058,458	16.7	1,665	18.7%
2008	12	219,813	2,198	7,054,321	32.1	3,209	7.5%
2009	45	678,960	6,790	27,310,237	40.2	4,022	23.3%
2010	24	231,804	2,318	6,565,458	28.3	2,832	8.0%
2011	37	163,975	1,640	19,321,796	117.8	11,783	5.6%
2012	43	153,885	1,539	6,109,522	39.7	3,970	5.3%
2013	53	79,436	794	5,518,674	69.5	6,947	2.7%
2014	49	139,613	1,396	5,502,417	39.4	3,941	4.8%
2017	51	19,944	200	4,996,121	250.5	25,043	0.7%
Total	366	2,912,270	29,123	104,744,031			

Source: Regional Coordination Department

In 2006, 5,372 ha were privatized, in 2007, 5,440 ha, and in 2009, 6,790 ha, which was also the largest privatized surface within a year. In addition to the above mentioned years, other years have been characterized by less privatization of agricultural lands, however, 2017 has been marked as the year with the least agricultural land privatized, with a total of only 200 ha.

Regarding agricultural land prices, there have been many changes, where one of the main factors was agricultural land bonitet. The highest price per hectare of agricultural land was marked in Prishtina municipality, namely € 59,178 per ha, followed by the municipality of Graqanica with € 33,253 per ha, and the municipality of Klllokot with € 25,361 per ha. Whereas in other municipalities presented in the following figure, the price per ha was much lower.

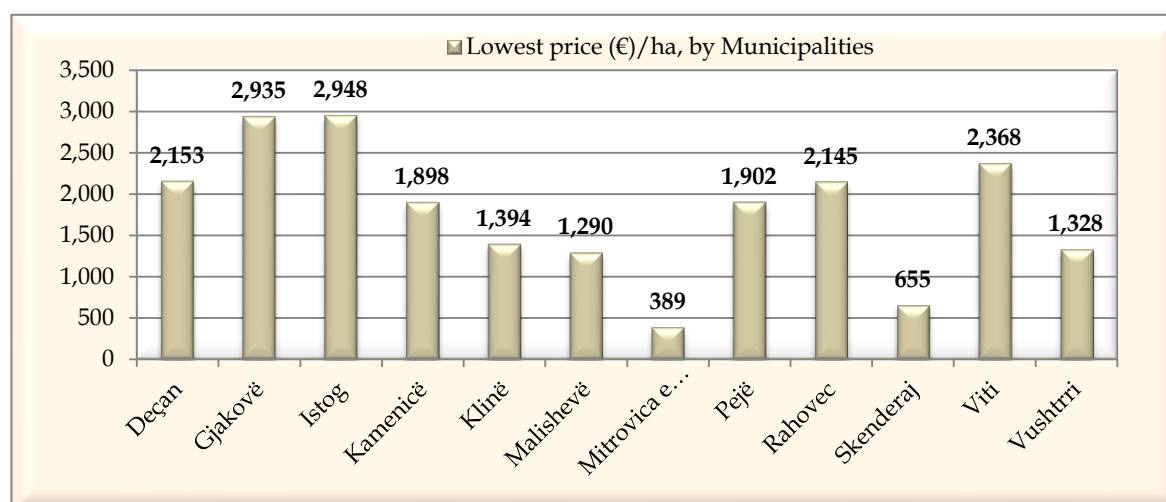
Figure 13: Price of agricultural land by municipalities, €/ha, (municipalities with the highest price)



Source: Regional Coordination Department

In other municipalities, this price was significantly lower: the average price per ha in the municipality of Deçan, Gjakova, Istog, Rahovec, and Vitia, was approximately € 2,509. Meanwhile, the average price per ha for the municipality of Kamenica, Klina, Malisheva, Peja, and Vushtrri, was € 1,562. The lowest price was marked in the municipality of Skenderaj, namely € 655 per ha, and in South Mitrovica, € 389 per ha.

Figure 14: Price of agricultural land by municipalities, €/ha, (municipalities with the lowest price)



Source: Regional Coordination Department

1.5 Agricultural businesses – Agro-industry

Agriculture and industry are traditionally considered as two separate sectors, both by their characteristics and their role in economic growth. One of the sectors that can assist in promoting socio-economic development in the upcoming years is agriculture and agro-processing industries.

As in other countries, also in Kosovo, the development of agro-industry is given special attention through the Development Program Policies, considering it as an industry sector that creates new jobs, and on which a large number of people depend directly or indirectly for their wellbeing. This especially holds true for our country, where many other industry branches require huge amounts of investment for their revitalization.

Investing in the agro-industry development does not only increase farmers' income, but also creates new employment opportunities in rural areas.

For this reason, many advances have been made in the agro-food industry technology, since out-dated technologies could not be used because of their destruction during the war but also due to them being worn out. Based on KAS data, it can be noted that from 2012 to 2014 the average share of agricultural activities registered in the business register against other activities was 7.6%. Starting from 2015, there was an increase in share of 9.6%, followed by an increase of 10.4% in 2016. While in 2017, the share was 8.9%.

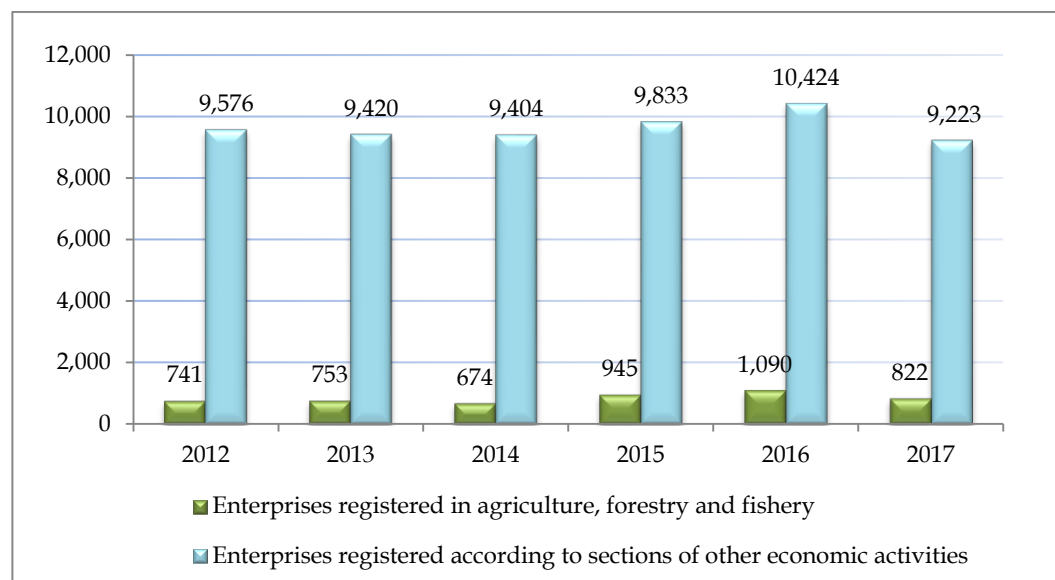
Table 12: Number of registered enterprises by economic activities

Years	Enterprises registered in Agriculture, Forestry and Fishery	Enterprises registered by sections of other economic activities	Participation (%)
2012	741	9,576	7.7
2013	753	9,420	7.9
2014	674	9,404	7.1
2015	945	9,833	9.6
2016	1,090	10,424	10.4
2017	822	9,223	8.9
Average	838	9,647	8.7

Source: KAS, processed by DEAAS-MAFRD

With regard to the increase of the number of agricultural activities, the most rapid growth was marked in 2015, with 945 agricultural activities or 40.2% more than in 2014, continuing with growth in 2016 to 1,090 activities, or 15.3% more than in 2015. While in 2017 there were 268 fewer businesses compared to 2016, or a decrease of 24.6%.

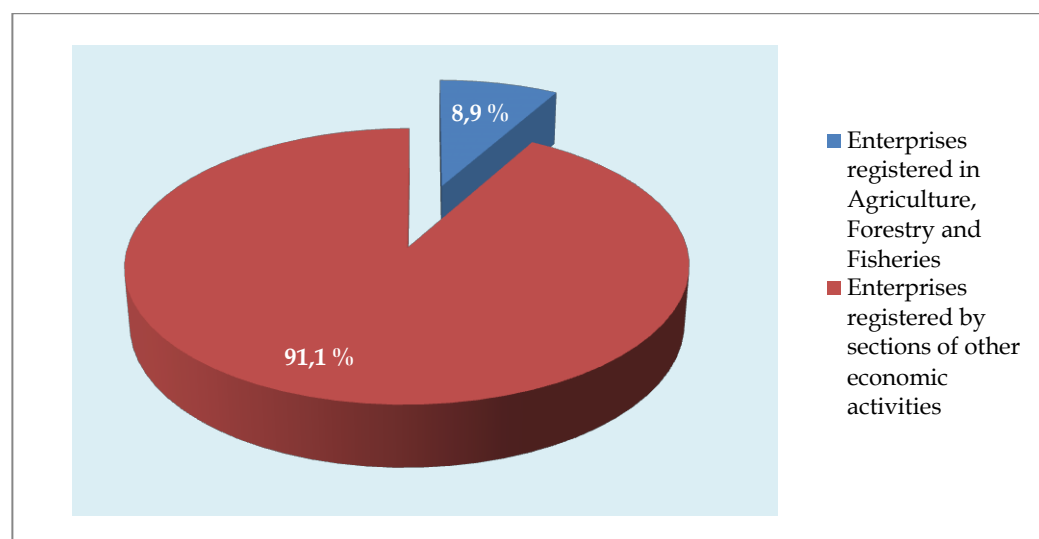
Figure 15: Number of registered enterprises by economic activities



Source: KAS, processed by DEAAS-MAFRD

In 2017, there were 822 enterprises registered in the economic activities section of agriculture, forestry, and fisheries, while the number of total enterprises registered by sections and activities were 9,223. The share of agricultural activities is 8.9% from the general total of other economic activities registered during this year, whereas 91.7% were other economic activities.

Figure 16: Participation of enterprises registered in Agriculture, Forestry, and Fishery activities (%), against other economic activities, in 2017



Source: KAS, processed by DEAAS -MAFRD

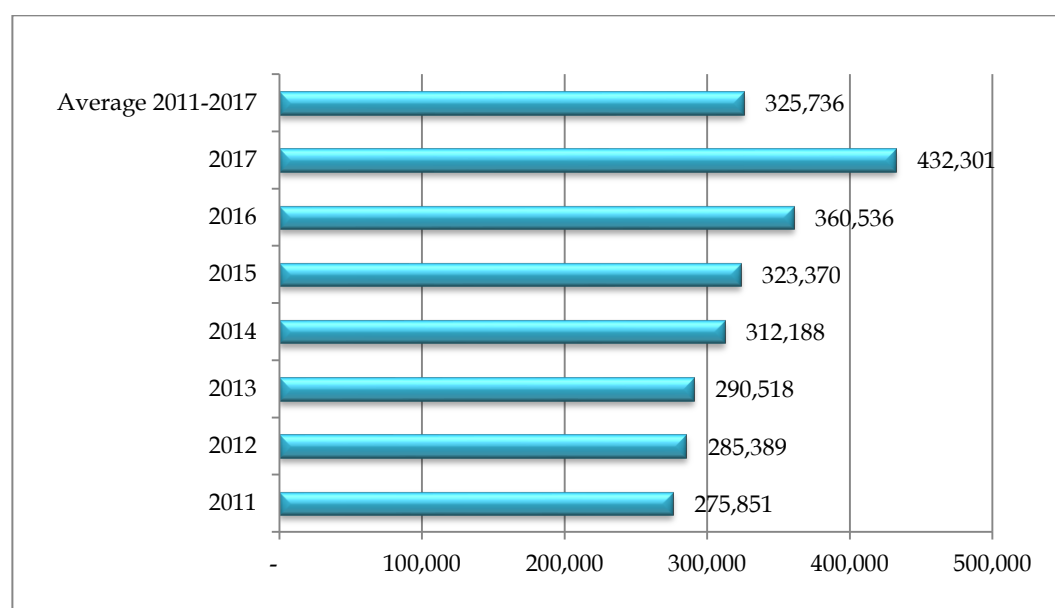
The table below presents the data on the monetary turnover in the registered agribusiness enterprises for 2011-2017: annual monetary turnover, number of employees, as well as the number of active businesses.

Table 13: Registered agribusiness enterprises, 2011-2017

Years	Turnover (000,€)	Number of employees	Number of active businesses
2011	275,851	6,046	1,742
2012	285,389	6,778	1,819
2013	290,518	7,130	1,896
2014	312,188	8,004	2,055
2015	323,370	8,790	2,130
2016	360,536	10,024	2,314
2017	432,301	10,449	2,398
Average	325,736	8,174	2,051

Source: KAS, processed by DEAAS -MAFRD

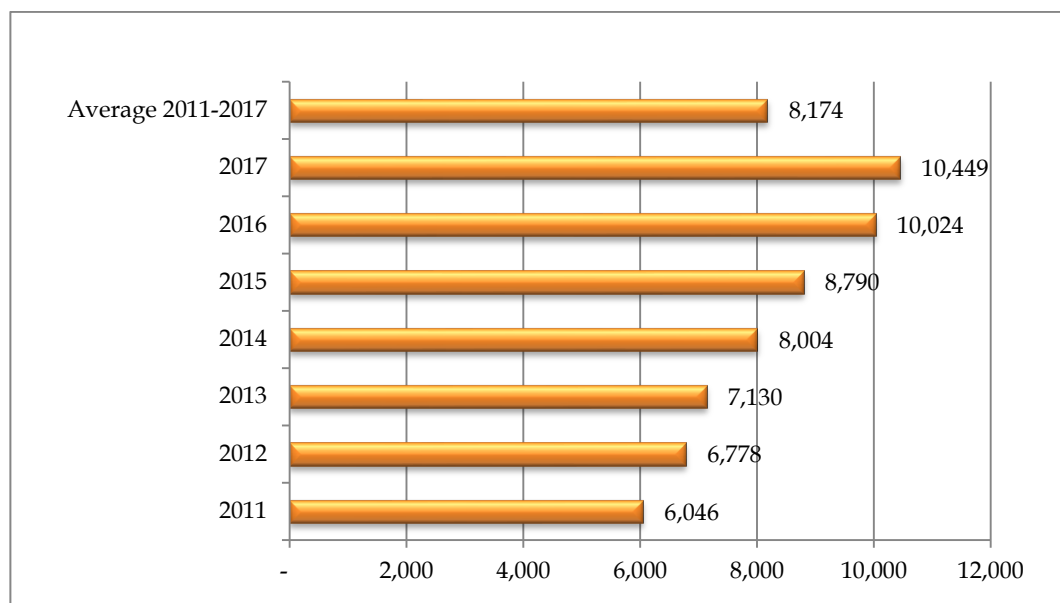
Based on the data provided by the Kosovo Agency of Statistics, agribusinesses have marked an increase from year to year. In 2011-2016, overall turnover for these years was, on average, € 307 million, continuing with an increase of 19.9% in 2017, compared to the average of six years (2011-2016).

Figure 17: Monetary turnover of enterprises registered in Agriculture, Forestry and Fishery activities, 2011-2017

Source: KAS, processed by DEAAS -MAFRD

Also, the number of employees has increased starting from 2011, when this number was about 6,046. The average of employees in agriculture businesses since 2011, compared to 2017 was 8,174. In 2017, there was an increase of 4.2%, unlike in 2016.

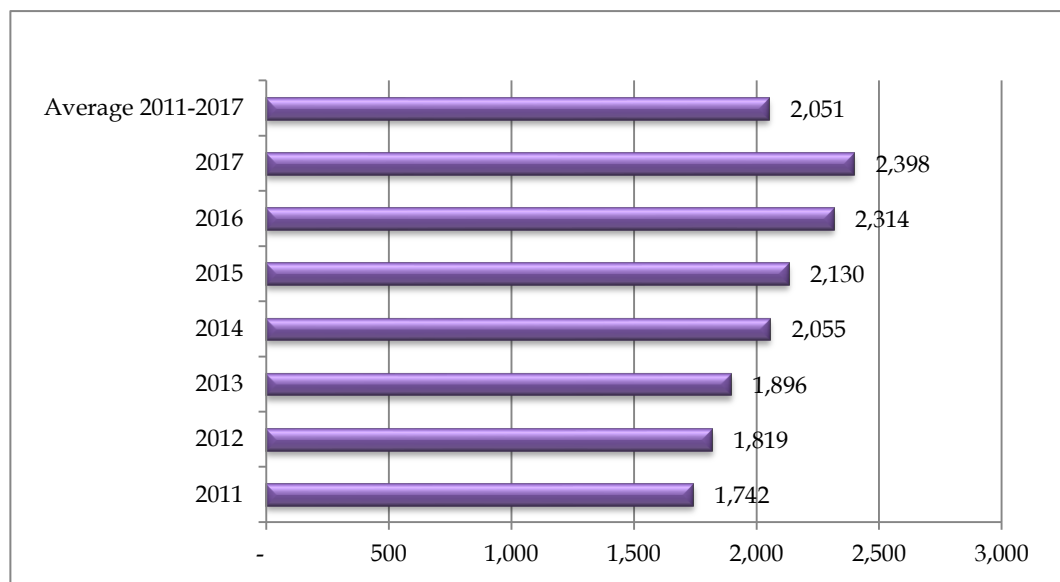
Figure 18: Number of employees in agribusinesses for 2011-2017



Source: KAS, processed by DEAAS -MAFRD

Regarding the active businesses, there has also been a gradual increase in those dealing with agricultural activities or those that use agricultural and forestry products as raw materials. The average number of these active businesses for 2011-2013 was 2,051.

Figure 19: Number of active businesses for 2011-2017



Source: KAS, processed by DEAAS -MAFRD

Within the agricultural businesses or agro-industry activities in 2017, the largest turnover was marked in the processing of food products, amounting to € 227.4 million. From the other branches of agro-industry that are presented in the table, the production of beverages marked a turnover of € 95.7 million, followed by plant and animal products, hunting and related services, with a turnover of € 48 million. The industry of wood and wood products had an

approximate annual turnover of € 35.1 million. A low turnover was marked in the production of paper and paper products with € 20.5 million; forestry and wood cutting with € 4.4 million. A much lower turnover is marked in the following activities: fishery and aquaculture € 576 thousand, tobacco production had no turnover during 2017 and the production of leather and its products had a turnover of € 22 thousand.

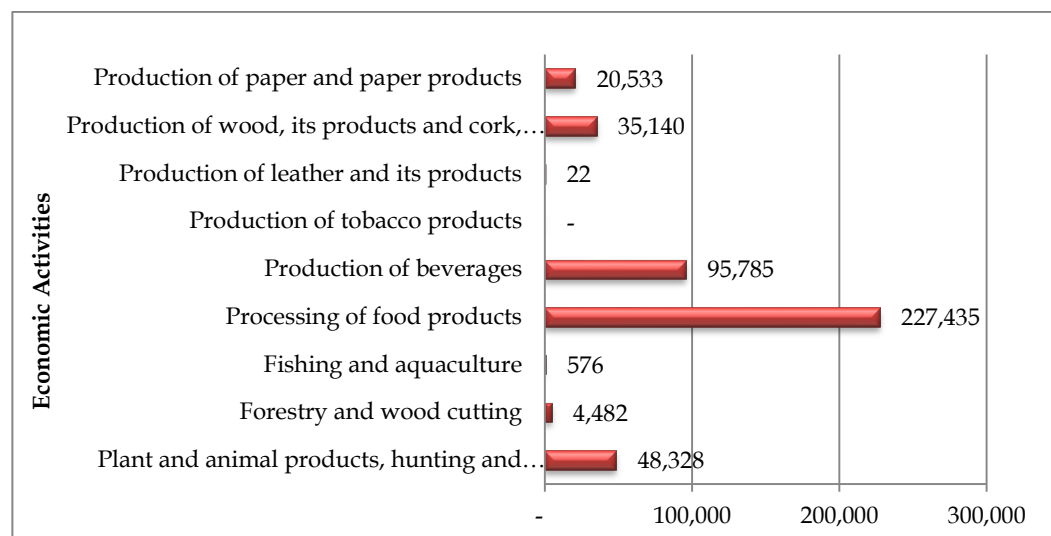
Table 14: Participation of enterprises registered in Agriculture, Forestry and Fishery activities, 2017

Activities	Turnover (000,€)	Number of employees	Number of active businesses
Plant and animal products, hunting and related services	48,328	1,427	575
Forestry and wood cutting	4,482	74	37
Fishing and aquaculture	576	19	3
Processing of food products	227,435	5,703	1,208
Production of beverages	95,785	1,675	73
Production of tobacco products	-	-	-
Production of leather and its products	22	1	2
Production of wood, its products and cork, excluding furniture	35,140	1,172	430
Production of paper and paper products	20,533	378	70
Total	432,301	10,449	2,398

Source: KAS, processed by DEAAS -MAFRD

The largest turnover was in the food processing sector in the amount of € 227.4 million, production of beverages € 95.7 million, production of wood, its products, and cork, excluding furniture, production of articles from straw, plaiting materials amounted to € 35.1 million, production of paper and paper products, € 20.5 million, forestry and wood cutting, € 4.4 million. A small turnover was marked in fishing and aquaculture in the amount of € 576 thousand, and production of leather and its products in the amount of € 22 thousand.

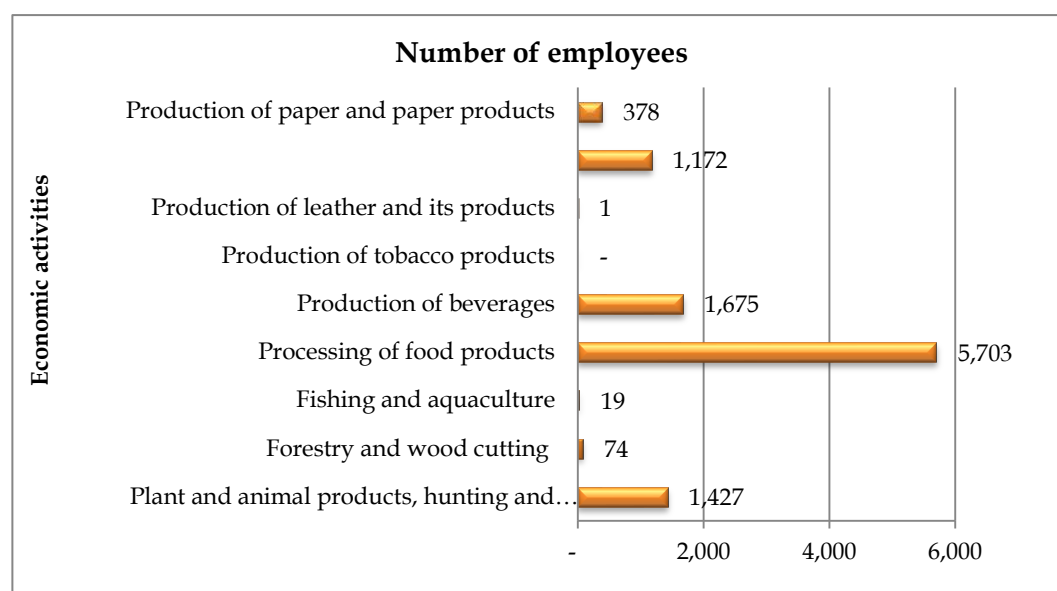
Figure 20: Turnover (000,€) by agricultural activities 2017



Source: KAS, processed by DEAAS -MAFRD

The largest number of employees belongs to the food processing sector with 5,703 employees engaged, followed by the sector of beverage production with 1,675 employees, the plant and animal production industry, hunting and related services with 1,427 employees, production of paper and paper products with 378 employees and production of leather and its products with only 1 employee registered.

Figure 21: Number of employees by agricultural activities 2017

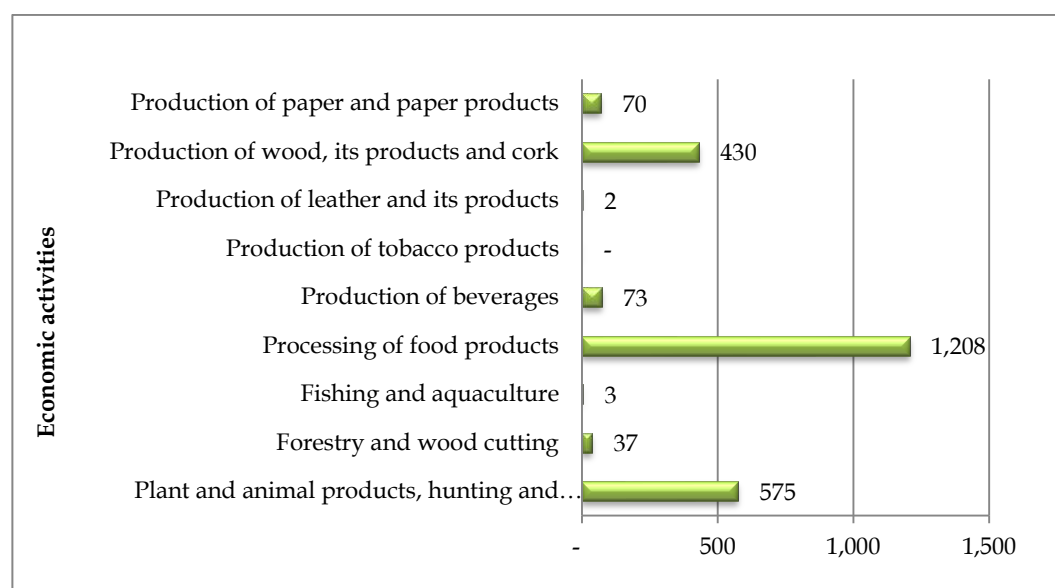


Source: KAS, processed by DEAAS -MAFRD

When referring to data on the number of active businesses, it can be noted that the largest number of such businesses was in the food processing sector with approximately 1,208 or 50% of businesses dealing with agricultural activities; the number of businesses dealing with plant and animal products is 575, and the number of businesses dealing with the production of wood

and wood products is 430, and also other activities with a smaller number of businesses, presented in the figure below.

Figure 22: Number of active businesses in 2017



Source: KAS, processed by DEAAS -MAFRD

Turnover by region

The overall annual turnover in 2016, of the enterprises registered in Agriculture, Forestry and Fishery activities, described above by categories amounted to € 432.3 million, the number of employees reached 10,449, while the number of active businesses was 2,398.

The following figures and table present the turnover of businesses and participation of enterprises registered in Agriculture, Forestry and Fishery activities in 2017, as well as the number of employees and the number of active businesses by regions of Kosovo.

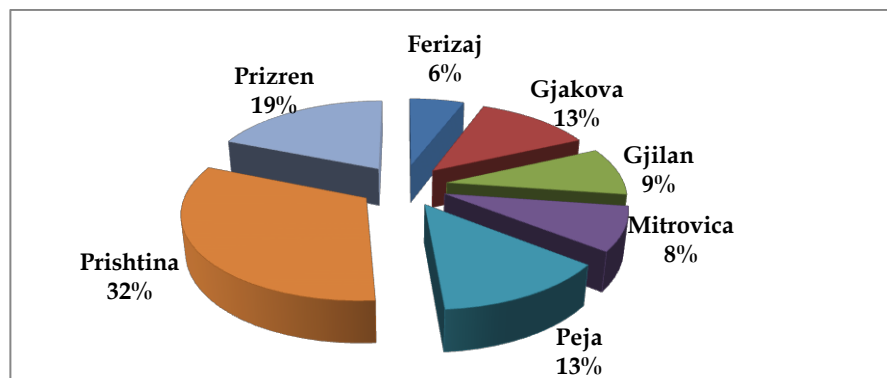
Table 15: Participation of enterprises registered in Agriculture, Forestry and Fishery activities by region in 2017

Region	Turnover	Participation (%)	No of employees	Participation (%)	No of active businesses	Participation (%)
Ferizaj	25,252	6	959	9	253	11
Gjakova	53,401	12	1,156	11	294	12
Gjilan	39,088	9	1,128	11	285	12
Mitrovica	35,948	8	941	9	232	10
Peja	57,370	13	1,302	12	286	12
Prishtina	139,390	32	2,929	28	565	24
Prizren	81,851	19	2,034	19.47	483	20
Total	432,301	100	10,449	100	2,398	100

Source: KAS, processed by DEAAS -MAFRD

Prishtina region marked the largest share of annual turnover with 32%, followed by Prizren region with 19%, and the 5 other regions are ranked with the lowest amount: Peja 13%, Gjakova 12%, Gjilan 9%, Mitrovica 8%, and Ferizaj 6%.

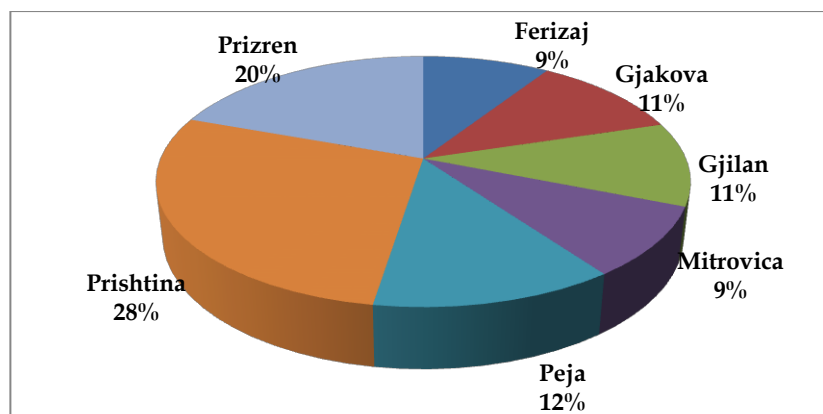
Figure 23: Participation of businesses turnover by region, 2017(%)



Source: KAS, processed by DEAAS -MAFRD

The overall number of employees in enterprises registered in Agriculture, Forestry and Fisheries was the highest in the Prishtina region with a share of about 28%, followed by Prizren region 20%, Gjakova and Gjilan region 11%, Peja region 12%, and the lowest participation in the number of employees in this sector appears in Ferizaj and Mitrovica region with 9%.

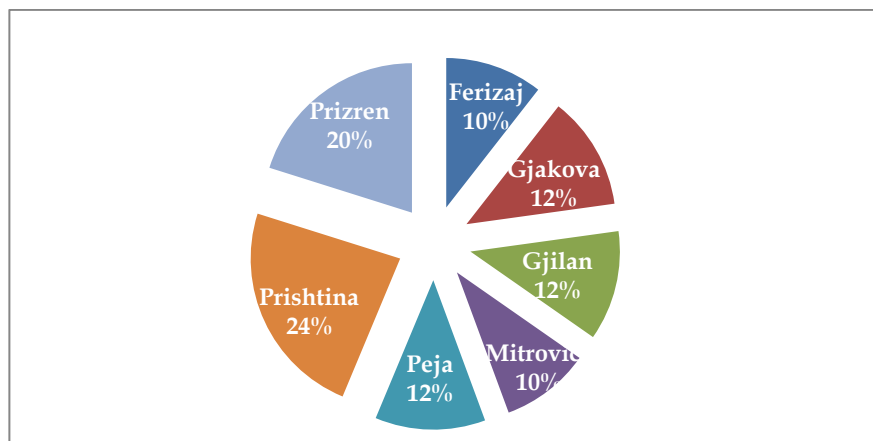
Figure 24: Number of employees by regions, 2017 (%)



Source: KAS, processed by DEAAS -MAFRD

Prishtina region leads with the number of activities registered within the year, with a share of 24%, followed by Prizren region with 20%, and three other regions: Gjilan, Gjakova and Peja have the same percentage of 12%. The lowest share in the total number of registered agricultural business activities was marked by Mitrovica and Ferizaj region with only 10% in total.

Figure 25: Number of active businesses registered by region, 2017 (%)



Source: KAS, processed by DEAAS -MAFRD

2 Agricultural production and its use

2.1 GDP in the agriculture and forestry sector

Economic Accounts for Agriculture (EAA) are satellite accounts of the European System of Integrated Economic Accounts (ESA). They have been published by the Statistical Office of the European Communities (Eurostat) since 1964. The basic concepts and calculation rules are identical to those laid down in the ESA, the specific characteristics and requirements in agriculture are also taken into account in the EEA.

Economic Accounts for Agriculture are based on Regulation (EC) No 138/2004 of the European Parliament and of the Council of 5 December 2003 on the Economic Accounts for Agriculture in the Community.

EAA data can be used to calculate income indicators for the agricultural sector. EAAs represent the data in monetary values: value at production prices, value at current prices and value at constant prices. EAAs at current prices include the value at production prices along with subsidies by deducting taxes.

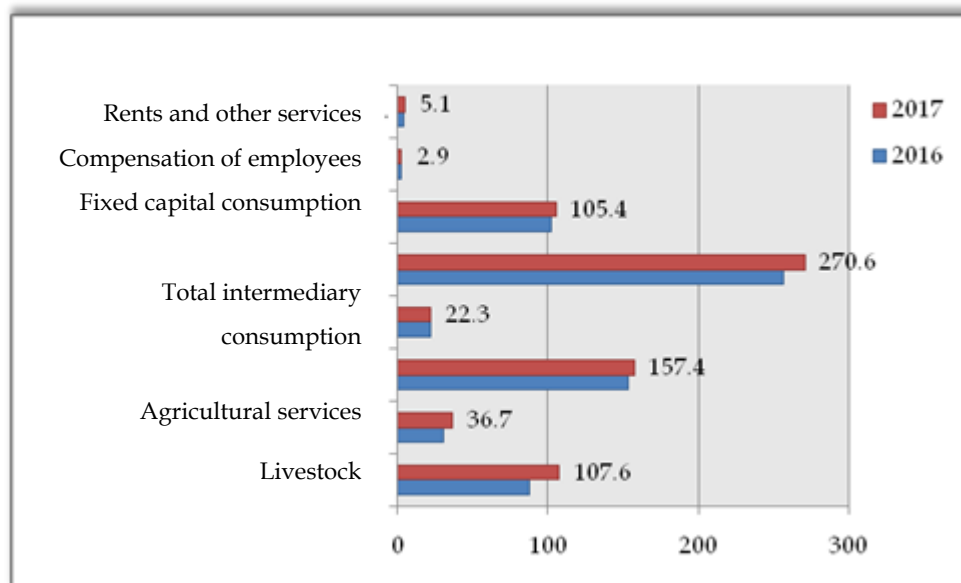
The main data sources for the compilation of Economic Accounts for Agriculture are the two surveys conducted at KAS: Agricultural Household Survey (AHS) and Agricultural Price Statistics (APS). Other data sources include Agriculture Census, FVA and administrative data from the MAFRD. In the absence of data sources for specific items, expert assessments have been used.

Based on these statistical data, it can be noted that the plant products in 2017 marked a decrease of 2.4% compared to 2016. The decrease in the value of plant products can be explained by the decline of cereals and fruit production.

Within the plant production, the production of potatoes marked an increase of 20.3% and forage plants marked an increase of 22.9%. The following agricultural activities were also characterized with an increase in 2017 as compared to 2016: Livestock 2.4%, Agricultural Services 0.9%, Intermediate Consumption 5.3%, fixed capital Consumption 2.73%, Employee Compensation 26.1% as well as Rents and other costs for the use of real estate 10.8%.

Unlike plant products, in 2017 livestock products marked an increase of 0.1% compared to 2016. The growth can be explained by the increase in the value of livestock products. Therefore, total plant and livestock products have decreased by 1.3% in 2017, compared with 2016.

Figure 26: Value of certain categories at current prices (mil. €), which marked an increase in 2017

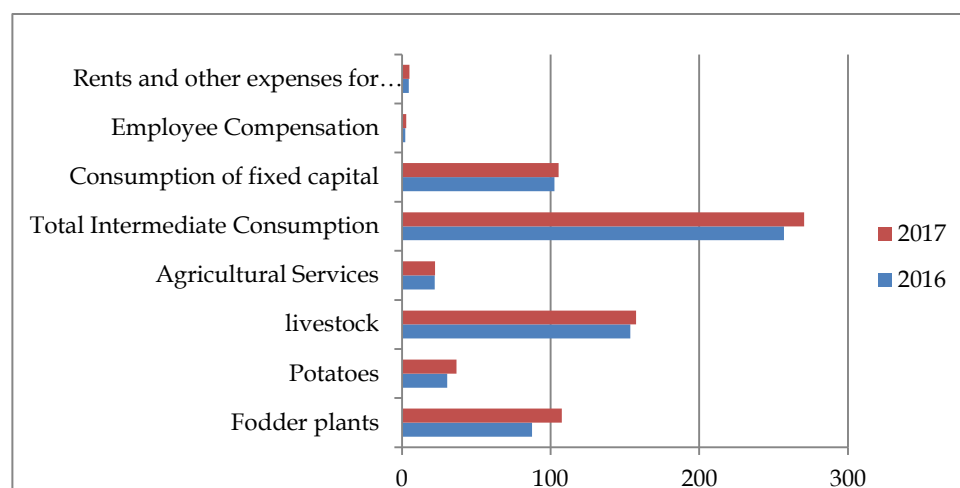


Source: Economic Accounts for Agriculture 2017

Although some of the agricultural activities marked an increase in 2017, most of activities presented in the table marked a decrease in the value of the products. Below you will find some of the agricultural activities that have experienced a decline in production value during 2017 compared to 2016:

Cereals-including seeds 19.6%, industrial plants 66.6%, vegetables and garden products 1.5%, fruits 21.3%, total plant products 2.3%, livestock products 5.1%, and the category of livestock products marked a decrease of 1.3% in total.

Figure 27: Value of certain categories at current prices (mil. €), which marked a decrease in 2017



Source: Economic Accounts for Agriculture 2017

Plant products in 2016 amounted to € 412.3 million, while in 2017 they amounted to € 402.5 million, thus a decrease of 2.3% was marked in 2017. Whereas, the value of livestock products increased by 0.1% in 2017, namely amounting to € 298.4 million, compared to € 298 million in

2016. The growth can be explained by the increase in the value of livestock products. Hence, the total plant and livestock products have decreased by 1.3% in 2017, compared to 2016.

The share of agricultural crops in total plant output for 2016-2017 was as follows: cereals, industrial plants, forage plants, vegetables and garden products, potatoes and fruits. Vegetables and garden output are the most important category and constitute about 29.8% of total plant products, followed by forage plants by 24%. Cereals constitute 23%, fruits 14%, and potatoes 8.2%.

While in the total livestock products for 2016-2017 the following livestock products were included: milk, eggs, honey and crude wool. Milk is the most important product which in 2017 contributed with 109.8 out of the total of € 141 million in livestock products, marking an increase of 1.1% in 2017 compared with 2016.

The category of animals mainly includes the sale of meat from cattle, pigs, sheep, goats, poultry and other animals.

If expressed in percentage, the lead category in plant products are vegetables and garden output with 29.8%, followed by forage plants with 24%, cereals 23%, fruits 14%, potatoes 8.2%, and other products 1.1%.

In the livestock sector, the distribution by type of animals in livestock products in 2016-2017 has the following share, including mainly the sale of meat from cattle 58.1%, poultry 13.2%, sheep and goats 12.5%, pigs 9.3%, and other animals with 7%.

Whereas, regarding the distribution of livestock products in the total livestock products for 2016-2017, which have a share of 47%, they include: milk, eggs, honey, and crude wool.

According to the data of economic accounts for agriculture, calculated under the codes presented in the following table, we can say that the average plant output for 2016-2017 was € 407.4 million, livestock products € 298.2 million, and agricultural services € 22.2 million.

Table 16: Economic Accounts for Agriculture at current prices, in € million

Code	Economic Accounts for Agriculture	2012	2013	2014	2015	2016	2017	Difference ('17-'16)	Difference (%)
1	Cereals (including seeds)	107.1	102.1	92.1	89.5	103.7	83.3	-20.4	-19.67
2	Industrial plants	0.14	0.12	0.26	0.17	0.3	0.1	-0.2	-66.67
3	Forage plants	67.8	95.2	67.3	71.7	87.5	107.6	20.1	22.97
4	Vegetables and garden products	104.1	154.4	82.9	107	122.2	120.3	-1.9	-1.55
5	Potatoes	12	19.6	23	23	30.5	36.7	6.2	20.33
6	Fruits	32.9	51.9	54.6	55.2	63.7	50.1	-13.6	-21.35
9	Other plant products (seeds)	3.5	4.2	4.5	4.1	4.3	4.3	0	0.00
10	Total plant products	327.6	427.6	324.7	350.7	412.3	402.5	-9.8	-2.38
11	Livestock	92.3	117.3	85.9	120.3	153.7	157.4	3.7	2.41
12	Livestock products	174.2	181.1	173	158.6	148.7	141.0	-7.7	-5.18
13	Total livestock products	266.6	298.4	258.9	278.9	302.4	298.4	-4	-1.32
14	Total livestock and plant products	594.1	726	583.7	629.7	714.6	700.9	-13.7	-1.92
15	Agricultural services	14.5	20.4	20.2	18.5	22.1	22.3	0.2	0.90
16	Total agricultural products	608.6	746.3	603.9	648.2	736.7	723.2	-13.5	-1.83
19	Total intermediate consumption	224.5	250	233.2	239.3	256.9	270.6	13.7	5.33
20	Gross added value at base price	390.3	305.8	377.3	416.8	489.3	463.7	-25.6	-5.23
21	Fixed capital consumption	84.5	93.7	90.6	95.5	102.6	105.4	2.8	2.73
22	Net added value at base price	305.8	403.6	286.8	321.3	386.7	358.3	-28.4	-7.34
23	Compensation of employees	4.2	4.6	4.6	2.7	2.3	2.9	0.6	26.09
25	Other subsidies on production	0	1.02	0.6	0.6	1	0.1	-0.9	-90.00
26	Factor revenue	305.8	404.6	287.4	322	387.6	358.4	-29.2	-7.53
27	Operational surplus/mixed revenues	301.6	400.1	282.7	319.3	385.4	355.5	-29.9	-7.76
28	Rents and other costs for the use of real estate	2.3	3.3	3.1	4.5	4.6	5.1	0.5	10.87
29	Paid interest	0.8	0.6	0.4	1.4	1.6	1.3	-0.3	-18.75
31	Entrepreneurial revenues	298.4	396.2	279.2	313.2	379.1	349.1	-30	-7.91

Source: KAS, Economic Accounts for Agriculture, developed by DEAAS-MAFRD

2.2 Cereals

In 2017, in Kosovo, the cereal planted area was 120,746 ha, if compared with 2016 and with the average of the last three years, it is seen that the total agricultural surface planted with cereals decreased by 10%. The largest surface has been cultivated with wheat and maize, where these two crops, namely wheat with 67% and maize with 30% occupy for a long time the largest agricultural area, while the remained surface has been cultivated with rye, barley, oat, and other crops. In comparison with 2016, in 2017 out of all crops, barley marked an increase of 34% in the cultivated surface area, while other crops marked a decrease. The largest decrease was marked by rye with 23% followed by maize with 13% and wheat with 10%.

Table 17: Area, production and yield of cereals, 2012-2017

Crop	2012	2013	2014	2015	2016	2017	Difference 2017/(14-16) in %	Difference 2017/2016 in %
Area	ha						%	
Cereal	137,215	141,912	131,949	134,886	134,571	120,746	-10	-10
Wheat	102,918	101,846	90,728	89,942	89,122	80,519	-10	-10
Maize	31,181	36,122	35,038	41,492	41,524	35,951	-9	-13
Barley	568	1,363	1,487	1,141	1,196	1,605	26	34
Rye	253	235	588	396	415	318	-32	-23
Oat	2,294	2,346	3,940	1,790	2,156	2,320	-12	8
Other cereal	-	-	168	125	157	33	-78	-79
Production	t						%	
Cereal	438,792	540,136	463,581	443,584	562,899	477,880	-2	-15
Wheat	345,027	391,727	331,296	304,443	365,651	320,136	-4	-12
Maize	86,304	136,633	116,209	131,486	186,592	147,200	2	-21
Barley	1,808	4,415	4,716	3,061	3,669	4,687	23	28
Rye	740	571	1,521	809	991	866	-22	-13
Oat	4,913	6,790	9,840	3,415	5,428	4,862	-22	-10
Other cereal				371	568	129	-73	-77
Yield	t/ha						%	
Wheat	3.35	3.85	3.65	3.38	4.10	3.98	7	-3
Maize	2.77	3.78	3.32	3.17	4.49	4.09	12	-9
Barley	3.18	3.24	3.17	2.68	3.07	2.92	-2	-5
Rye	2.92	2.43	2.59	2.04	2.39	2.72	16	14
Oat	2.14	2.89	2.50	1.91	2.52	2.10	-9	-17
Other cereal				2.96	3.62	3.87	18	7

Source: KAS – Agricultural Holdings Survey ('12,'13,'15,'16, '17); Agricultural census ('14)

In 2017 the total cereal production was 477,880 tons, which marked a decrease of 15% if compared to 2016. Also, in 2017, compared to 2016, wheat production decreased by 12% resulting from both the reduction of surface and yield. Besides wheat, a significant decrease in production was marked by maize with 21% followed by rye and oat with a smaller percentage.

Total cereal planted area in 2017 was 120,746 ha, out of which 67% was planted with wheat. The total domestic production was 320,136 tons, covering 67.1% of local consumption needs and the rest is covered by import. In Kosovo, most of the wheat is used for human consumption as flour and the rest is sold and used for feed. The wheat production value was € 51.2 million, which compared to 2016 is lower by 17.7% as a result of the production quantity decline and due to the price that was 0.01 € cheaper. Trade balance remains negative, in 2017, the imported wheat quantity including wheat products has decreased by 4.7% compared to 2016.

On a surface of 80,519 ha, 320,136 tons of wheat were produced, and if we use the conversion coefficient (1.4) it results that in Kosovo by this wheat production can be produced 228,668 tons of flour, or 127kg flour per capita.

Table 18: Supply balance for wheat, 2012-2017

	Unit	2012	2013	2014	2015	2016	2017
Area with cereals	ha	137,215	141,912	131,949	134,886	134,571	120,746
Area with wheat	ha	102,918	101,846	90,728	89,942	88,122	80,519
Share of wheat	%	75.0	71.8	68.8	66.7	65.5	66.7
Yield	t/ha	3.35	3.85	3.65	3.38	4.15	3.98
Production	t	345,027	391,727	331,296	304,443	365,651	320,136
Import of wheat and wheat equivalent	t	178,313	171,387	178,782	204,015	188,497	179,593
Supply	t	523,340	563,114	510,078	508,458	554,148	499,729
Export of wheat and wheat equivalent	t	37,365	38,158	33,132	27,765	30,806	22,700
Domestic use	t	485,974	524,956	476,946	480,693	523,342	477,030
Self-sufficiency rate	%	71.0	74.6	69.5	63.3	69.9	67.1
Wheat seed	t	30,875	30,554	27,218	26,983	26,437	24,156
Losses	t	10,351	11,752	9,939	9,133	10,970	9,604
Feed	t	55,515	63,029	53,306	48,985	58,833	51,510
Industrial use	t	8,864	8,756	9,044	10,417	10,737	8,895
Processing	t	229,689	262,006	223,688	208,086	233,830	231,652
Human consumption	t	150,681	148,859	153,751	177,089	182,535	151,213
Producer prices (on farm)	€/kg	0.26	0.22	0.20	0.19	0.17	0.16
Production value	mil. EUR	89.7	86.2	66.3	57.8	62.2	51.2
Wheat trade balance	mil. EUR	-72.2	-68.8	-73.8	-81.9	-68.2	-72.8

Source: KAS – Agricultural Holdings Survey ('12/'13, '15/'16, '17); Agricultural Census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

Maize is the second most cultivated crop in the cereal group. In 2017, 29.8% of the total area planted with cereals was planted with maize. In 2017 the maize surface area was 13% lower, and production was 21% lower compared to 2016. With this amount of production, Kosovo can cover 72% of the domestic needs, most of which is used as feed. In order to meet the general needs, Kosovo also imports maize and the trade balance remains negative, in the amount of € 11.9 million.

Table 19: Supply balance for maize, 2012-2017

	Unit	2012	2013	2014	2015	2016	2017
Area with cereal	ha	137,215	141,912	131,949	134,886	134,571	120,746
Area with maize	ha	31,181	36,122	35,038	41,492	41,524	35,951
Share of maize	%	22.7	25.5	26.6	30.8	30.9	29.8
Yield	t/ha	2.77	3.78	3.32	3.17	4.49	4.09
Production	t	86,304	136,633	116,209	131,486	186,592	147,200
Import of maize and its equivalents	t	28,081	38,471	45,921	56,760	55,044	58,329
Supply	t	114,385	175,104	162,130	188,246	241,636	205,529
Export of maize and its equivalents	t	54	61	312	221	275	277
Domestic use	t	114,331	175,043	161,818	188,025	241,362	205,252
Self-sufficiency rate	%	75.5	78.1	71.8	69.9	77.3	71.7
Maize seed	t	624	722	701	830	830	719
Losses	t	2,589	4,099	3,486	3,945	5,598	4,416
Feed	t	66,473	105,449	89,618	101,369	144,131	113,652
Industrial use	t	2,066	2,975	3,177	3,841	3,002	3,110
Processing	t	7,456	11,222	10,834	12,750	16,734	13,201
Human consumption	t	35,123	50,575	54,003	65,291	71,067	70,154
Produce prices (on farm)	€/kg	0.30	0.31	0.28	0.23	0.24	0.23
Production value	mil. EUR	25.9	42.4	32.5	30.2	44.8	33.9
Maize trade balance	mil. EUR	-8.6	-9.9	-10.4	-11.3	-10.4	-11.9

Source: KAS – Agricultural Holdings Survey ('12/'13/'15/'16/'17); Agricultural Census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

2.3 Vegetables

During 2017, the area planted with vegetables in Kosovo is estimated to be 19,643 ha, unlike 2016, where this surface area was 17,395 ha, i.e. the vegetable surface area increased by 13% in comparison to the previous year.

Among the vegetable crops, which are the lead category with the largest surface area for 2017, are potatoes with 4,290 ha, beans 3,406 ha, pepper 3,035 ha, as well as pumpkin 2,270 ha, in the meantime it is worth mentioning that pumpkin surface area increased over 100% compared to the previous year, and out of all vegetable crops this one was exemplary for 2017. Among other crops with large surface area are also onion 1,465 ha, watermelon 1,201 ha, cabbage 917 ha, tomato 862 ha, followed by other crops such as maize pumpkin, cucumber, carrot, etc.

Table 20: Vegetable surface area, 2012 - 2017

Crops	2012	2013	2014	2015	2016	2017	Difference 2017/(14-16) in %	Difference 2017/2016 in %
Area	ha						%	
Vegetables	14,557	16,356	15,854	14,656	17,395	19,643	23	13
Potatoes	3,198	2,777	3,695	3,353	3,795	4,290	19	13
Tomato	1,271	950	558	791	866	862	17	-1
Eggplant	2	8	-	5	4	8	68	78
Pepper	3,153	3,686	2,553	3,090	3,363	3,035	1	-10
Pumpkin	671	1,005	1,354	551	1,017	2,270	133	123
Maize pumpkin	106	96	232	229	490	684	116	40
Mushroom	2	-	1	-	-	-	-	-
Cucumber	255	340	193	317	259	305	19	18
Watermelon	847	827	781	781	1,127	1,201	34	7
Melon	271	455	167	193	301	388	76	29
Cabbage	568	851	556	594	807	917	41	14
Cauliflower	13	29	-	32	83	47	-17	-43
Spinach	40	55	139	204	181	161	-8	-11
Lettuce	29	75	-	59	96	92	20	-3
Beet	2	5	58	19	11	-	-	-
Radish	1	2	-	2	1	-	-	-
Parsley	9	20	-	9	13	10	-9	-21
Leek	93	143	44	78	70	73	13	4
Onion	881	1,060	1,041	1,079	1,228	1,465	31	19
Garlic	141	193	85	114	140	138	22	-1
Beans	2,954	3,648	3,959	2,945	3,317	3,406	0	3
Peas	7	52	241	134	96	99	-37	3
Other legumes	16	30	59	19	30	54	50	81
Carrot	27	49	76	57	99	107	38	8
Other vegetables	-	-	64	-	-	32	-50	-

Source: KAS – Agricultural Holdings Survey ('12/'13/'15/'16/'17); Agricultural Census ('14);

Regarding production for 2017, the vegetable production is estimated at 358,394 tons for a total surface area of 19,643 ha, which compared to 2016 marked an increase of 20%.

Referring to vegetable crop production data for 2017, we can say that, crops such as potatoes, pumpkin, sugar pumpkin, melon, onion, and legumes have marked a significant increase compared to 2016.

Among the crops with a lower production level, referred to the following table, it is noted that compared to 2016 a decrease was marked in crops such as cauliflower, pepper, tomato, parsley, beans, etc.

Table 21: Vegetable production, 2012 - 2017

Crop	2012	2013	2014	2015	2016	2017	Difference 2017/(14-16) in %	Difference 2017/2016 in %
Production	t						%	
Vegetable	163,146	235,326	221,330	246,096	335,467	358,394	34	7
Potato	33,407	50,847	64,027	70,678	98,583	118,250	52	20
Tomato	13,693	17,291	17,386	24,333	27,215	24,698	7	-9
Eggplant	17	170	-	165	123	204	42	66
Pepper	50,744	72,928	57,921	55,469	68,849	62,934	4	-9
Pumpkin	9,099	10,224	14,363	6,141	14,894	25,564	117	72
Maize pumpkin	2,065	1,963	4,604	4,811	13,670	16,220	111	19
Mushrooms	19	-	7	-	-	-	-	-
Cucumber	5,239	8,975	5,428	17,365	10,428	10,204	-8	-2
Watermelon	17,080	17,641	16,669	17,404	29,997	28,740	35	-4
Melon	2,455	4,824	1,778	2,966	5,558	6,113	78	10
Cabbage	13,975	21,924	14,426	16,694	25,957	25,184	32	-3
Cauliflower	169	1,793	-	218	1,571	911	2	-42
Spinach	262	408	1,199	1,892	2,031	1,546	-9	-24
Salad	200	736	-	884	1,392	1,186	4	-15
Beet	27	59	678	240	276	-	-	-
Radish	6	8	-	12	12	-	-	-
Parsley	50	112		103	186	143	-1	-23
Leek	1,293	2,206	640	1,942	1,831	1,671	14	-9
Onion	8,601	15,308	12,812	13,795	19,814	22,436	45	13
Garlic	557	1,046	431	705	1,063	971	32	-9
Beans	3,723	5,892	5,831	9,018	10,267	8,687	4	-15
Peas	34	313	1,117	392	250	348	-41	39
Other legumes	111	177	353	124	119	219	10	84
Carrot	320	481	779	743	1,381	1,838	90	33
Other vegetables	-	-	881	-	-	326	-63	-

Source: KAS – Agricultural Holdings Survey ('12/'13, '15/'16, '17); Agricultural Census ('14);

Based on the total surface area of vegetables for 2017 which was 19,643 ha, tomato share is 4%, while tomato production for 2017 is estimated at 24,698 tons, and reaches 61% of self-sufficiency rate for consumption. The import of tomato was 15,564 tons, while export only 80 tons. The total human consumption was 38,408 tons, while total domestic use was 39,195 tons. The production value was € 10.7 million while trade balance remained negative in the amount of € 5.2 million.

Table 22: Supply balance for tomatoes, 2012-2017

Balance sheet items	Unit	2012	2013	2014	2015	2016	2017
Area with vegetables	ha	14,557	16,356	15,854	14,656	17,395	19,643
Area with tomato	ha	1,233	950	558	791	866	862
Share	%	8	6	4	5	5	4
Yield	t/ha	20.3	18.2	31.2	30.8	31.4	28.7
Production	t	25,006	17,291	17,386	24,333	27,215	24,698
Import of tomato	t	12,636	13,756	16,814	15,110	16,687	15,564
Supply	t	37,643	31,047	34,199	39,444	43,902	40,262
Export of tomato	t	115	32	64	63	414	80
Domestic use	t	37,527	31,016	34,135	39,381	43,488	40,183
Self-sufficiency rate	%	67	56	51	62	63	61
Losses	t	1,000	692	695	973	1,089	988
Processing	t	240	166	167	234	261	237
Final own consumption	t	4,561	3,154	3,171	4,438	4,964	4,505
Total human consumption	t	36,527	30,324	33,440	38,408	42,399	39,195
Total domestic use	t	37,527	31,016	34,135	39,381	43,488	40,183
Producer prices (on farm)	€/kg	0.71	0.56	0.55	0.41	0.50	0.45
Production value	mn €	17.0	9.3	9.2	9.6	13.1	10.7
Tomato trade balance	mn €	-3.0	-3.3	-5.2	-5.4	-5.5	-5.2

Source: KAS – Agricultural Holdings Survey ('12,'13,'15,'16,'17); Agricultural Census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

In the total surface area cultivated with vegetables, pepper share is 15%. Production pertaining to pepper crops for 2017, reaches 62,934 tons, and meets 88% of consumption needs.

Out of the total domestic production of 71,785 tons, 69,267 tons are used for general consumption and 2,517 tons are accounted as a loss, while 604 tons are destined for processing.

The value of pepper production for 2017 was € 21.1 million, which is 47% lower than that of 2016.

Pepper price for 2017 was 0.35 €/kg. Trade balance remains negative; in 2017 the quantity of imported pepper was 9,692 tons while exported was 841 tons.

Table 23: Supply balance for pepper, 2012-2017

Balance sheet items	Unit	2012	2013	2014	2015	2016	2017
Area with vegetables	ha	14,557	16,356	15,854	14,656	17,395	19,643
Area with pepper	ha	3,153	3,686	2,553	3,090	3,363	3,035
Share	%	22	23	16	21	19	15
Yield	t/ha	16.1	19.8	22.7	17.9	20.5	20.7
Production	t	50,744	72,928	57,921	55,469	68,849	62,934
Import of pepper	t	7,721	9,150	10,489	9,246	11,734	9,692
Supply	t	58,465	82,078	68,409	64,715	80,582	72,626
Export of pepper	t	2,053	1,187	994	602	1,113	841
Domestic use	t	56,412	80,891	67,416	64,114	79,470	71,785
Self-sufficiency rate	%	90	90	86	87	87	88
Losses	t	2,030	2,917	2,317	2,219	2,754	2,517
Processing	t	487	700	556	533	661	604
Final own consumption	t	9,256	13,302	10,565	10,118	12,558	11,479
Total human consumption	t	54,382	77,974	65,099	61,895	76,716	69,267
Total domestic use	t	56,412	80,891	67,416	64,114	79,470	71,785
Producer prices (on farm)	€/kg	0.58	0.78	0.65	0.70	0.60	0.35
Production value	mn €	28.3	54.6	36.1	37.3	39.7	21.1
Pepper trade balance	mn €	-2.9	-3.0	-4.1	-4.0	-4.2	-3.8

Source: KAS – Agricultural Holdings Survey ('12,'13,'15,'16,'17); Agricultural Census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

The potato planted area is 4,290 ha, out of the total vegetables planted area with 19,643 ha, compared to 2016 the potato planted area has increased by 13%.

Potato production is estimated to be 118,250 tons, and by this production quantity, it covers 100% of domestic needs of consumption. Domestic use is estimated to be 110,958 tons, out of which 105,045 tons have been used for general consumption while 5,912 tons are accounted as losses. Furthermore, 5,617 tons were destined for processing, and 33,701 tons for final consumption.

The trade balance continues to be negative in the amount of € 0.5 million, since the price per unit imported is almost 3 times higher than the price per unit exported. The production value is € 39.3 million, with a price of € 0.35 per kg. The quantity of potato imports is estimated to be 5,530 tons while exports 12,822 tons.

Table 24: Supply balance for potatoes, 2012-2017

Balance sheet items	Unit	2012	2013	2014	2015	2016	2017
Area with vegetables	ha	14,557	16,356	15,854	14,656	17,395	19,643
Area with potatoes	ha	3,198	2,777	3,695	3,353	3,795	4,290
Share	%	22	17	23	23	22	22
Yield	t/ha	10.4	18.3	17.3	21.1	26.0	27.6
Production	t	33,407	50,847	64,027	70,678	98,583	118,250
Import of potato	t	1,595	2,708	4,503	4,822	4,868	5,530
Supply	t	35,002	53,555	68,530	75,500	103,451	123,780
Export of potato	t	5,450	9,690	12,673	12,294	14,629	12,822
Domestic use	t	29,553	43,865	55,858	63,206	88,822	110,958
Self-sufficiency rate	%	113	116	115	112	111	107
Losses	t	1,670	2,542	3,201	3,534	4,929	5,912
Processing	t	1,587	2,415	3,041	3,357	4,683	5,617
Final own consumption	t	9,521	14,491	18,248	20,143	28,096	33,701
Total human consumption	t	27,882	41,323	52,656	59,673	83,893	105,045
Total domestic use	t	29,553	43,865	55,858	63,206	88,822	110,958
Producer price (on farm)	€/kg	0.32	0.43	0.31	0.33	0.35	0.35
Production value	mn €	10.2	20.8	18.9	22.2	32.8	39.3
Potato trade balance	mn €	0.3	0.7	-0.2	-0.4	-0.2	-0.5

Source: KAS – Agricultural Holdings Survey ('12/'13/'15/'16/'17); Agricultural Census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

2.4 Fruits

In 2017, 6,422 ha of fruit trees were planted in Kosovo, compared to 2016, the fruit trees area increased by 13%, while if compared to the average of the last three years, the increase is estimated to be 35%.

Among crops that marked an increase in their surface area during 2017 are, apple, walnut, raspberries, and blueberries, while crops that marked an increase compared to the average of the last three years are blueberries, raspberries, and walnut with over 100%, cherry by 55%, pears by 38%, medlar by 28%, plums by 22%, peach by 20%, hazelnut and blackberry 17% as well as sour cherry by 7%.

Crops that have marked a decrease on the fruit tree area compared to the average of the last three years are: apricot 31% and strawberries 9%.

If compared to the previous year, a decrease of fruit production has been marked almost with the majority of crops, excluding blueberries, hazelnuts, raspberries and strawberries, which marked an increase, unlike other crops.

Table 25: Area and production of fruits, 2012 - 2017

Crops	2012	2013	2014	2015	2016	2017	Difference 2017/(14-16) in %	Difference 2017/2016 in %
Area	ha						%	
Fruits	3,862	5,183	3,720	4,930	5,668	6,422	35	13
Apple	1,725	2,024	1,973	1,972	2,076	2,155	7	4
Pears	326	561	210	367	416	456	38	10
Quince	52	111	26	58	31	39	1	25
Medlar	16	35	21	-	43	41	28	-5
Plums	1,404	1,843	699	1,518	1,518	1,524	22	0
Apricot	22	47	23	12	15	11	-31	-21
Peach	39	84	28	12	26	26	20	3
Cherry	50	88	51	27	73	78	55	7
Sour cherry	107	106	125	147	148	149	7	1
Walnut	57	91	48	177	186	340	148	83
Hazelnut	2	22	88	65	91	95	17	4
Strawberries	52	148	201	203	175	175	-9	0
Raspberries	0	23	141	324	797	1,231	192	54
Blackberries	10	-	15	19	20	21	17	6
Blueberries	-	-	14	14	15	33	126	119
Other fruits	-	-	56	14	39	48	31	23
Production	t						%	
Fruits	29,951	49,092	25,903	44,674	54,836	34,207	-18	-38
Apple	8,120	16,786	13,519	18,352	27,485	13,159	-33	-52
Pears	1,562	4,259	1,363	3,189	3,966	2,083	-27	-47
Quince	506	977	224	294	329	255	-10	-23
Medlar	66	138	87	-	181	129	-3	-28
Plums	17,514	24,433	7,525	17,543	12,722	7,393	-41	-42
Apricot	83	239	110	75	85	59	-35	-31
Peach	173	441	130	61	211	130	-3	-38
Cherry	167	354	211	99	405	298	25	-27
Sour cherry	1,175	381	793	810	696	599	-22	-14
Walnut	234	483	229	323	470	405	19	-14
Hazelnut	2	31	111	13	16	17	-64	7
Strawberries	275	465	965	1,498	1,328	1,328	5	0
Raspberries	1	105	529	1,748	6,250	7,747	173	24
Blackberries	73	-	107	284	237	181	-14	-24
Blueberries	-	-	-	276	189	271	16	43
Other fruits	-	-	-	109	268	153	-19	-43

Source: KAS – Agricultural Holdings Survey ('12/'13, '15/'16, '17); Agricultural Census ('14);

The surface area planted with apples accounts for 34% of the total fruit planted surface area that was 6,422 ha.

Apple production for 2017 is estimated to be 13,159 tons, covering 48% of domestic needs for consumption. The quantity imported in 2017 was 14,256 tons, while exported 57 tons.

Domestic use of apple crop was 27,357 tons, out of which 26,041 tons were destined for general consumption, while 1,316 tons are accounted as losses, and 1,184 tons were destined for processing.

The production value was € 5.3 million, while trade balance remains negative also for the last year in the amount of € 4.9 million.

Table 26: Supply balance for apples, 2012-2017

Balance sheet items	Unit	2012	2013	2014	2015	2016	2017
Area with fruits	ha	3,862	5,183	3,720	4,930	5,668	6,422
Area with apples	ha	1,725	2,024	1,973	1,972	2,076	2,155
Share	%	44.7	39.1	53.0	40.0	36.6	33.6
Yield	t/ha	4.71	8.29	6.85	9.30	13.24	6.11
Production	t	8,120	16,786	13,519	18,352	27,485	13,159
Import of apple	t	12,590	13,143	15,808	14,909	12,384	14,256
Supply	t	20,710	29,929	29,326	33,261	39,869	27,414
Export of apple	t	45	15	7	17	119	57
Domestic use	t	20,665	29,914	29,319	33,243	39,750	27,357
Self-sufficiency rate	%	39.3	56.1	46.1	55.2	69.1	48.1
Losses	t	812	1,679	1,352	1,835	2,749	1,316
Processing	t	731	1,511	1,217	1,652	2,474	1,184
Final own consumption	t	4,385	9,064	7,300	9,910	14,842	7,106
Total human consumption	t	19,853	28,235	27,968	31,408	37,001	26,041
Total domestic use	t	20,665	29,914	29,319	33,243	39,750	27,357
Producer price (on farm)	€/kg	0.54	0.53	0.49	0.44	0.40	0.45
Production value	mn €	3.9	8.0	6.0	7.3	9.9	5.3
Apple trade balance	mn €	-4.1	-4.4	-4.6	-4.9	-4.0	-4.9

Source: KAS – Agricultural Holdings Survey ('12,'13,'15,'16,'17); Agricultural Census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

Out of the total 6,422 ha of surface area cultivated with fruits, plum share is 24%.

The total domestic production was 7,988 tons, covering 93 of domestic needs for consumption, while the rest is covered by imports.

About 7,470 tons of plums are used for human consumption; 1,375 tons are destined for processing, while 517 tons are accounted as losses. Plum production value was € 3.1 million.

Trade balance remains negative; the quantity of plum imports is 596 tons, while the quantity of plum exports was 1 ton only, which is significantly lower than previous years.

Table 27: Supply balance for plum, 2012-2017

Balance items	Unit	2012	2013	2014	2015	2016	2017
Fruit area	ha	3,862	5,183	3,720	4,930	5,668	6,422
Plum area	ha	1,404	1,843	699	1,518	1,518	1,524
Share	%	36.4	35.6	18.8	30.8	26.8	23.7
Yield	t/ha	12.47	13.26	10.76	11.56	8.38	4.85
Output	t	17,514	24,433	7,525	17,543	12,722	7,393
Plum import	t	339	311	474	237	425	596
Supply	t	17,853	24,744	7,998	17,780	13,147	7,988
Plum export	t	2	8	0	81	8	1
Domestic use	t	17,852	24,736	7,998	17,700	13,139	7,988
Self-sufficiency rate	%	98.1	98.8	94.1	99.1	96.8	92.6
Losses	t	1,226	1,710	527	1,228	891	517
Processing	t	3,258	4,545	1,400	3,263	2,366	1,375
Final own consumption	t	10,587	14,770	4,549	10,605	7,690	4,469
Total human consumption	t	16,626	23,026	7,472	16,472	12,249	7,470
Total domestic use	t	17,852	24,736	7,998	17,700	13,139	7,988
Producer prices (at farm gate)	€/kg	0.40	0.34	0.78	0.43	0.47	0.45
The value of production	€ mil	6.5	7.7	5.5	7.0	5.6	3.1
The trade balance of plums	€ mil	-0.1	-0.1	-0.2	-0.1	-0.2	-0.2

Source: KAS - Agricultural household survey ('12,'13'15'16'17); Agriculture Census ('14) Foreign Trade Statistics; calculations by DEAAS - MAFRD

Strawberry is cultivated in an area of 175 ha, out of the total area planted with fruit trees of 6.422 ha.

Strawberry output was 1,328 tons, and covers 79% of domestic consumption needs and the rest is covered by import. For human consumption, 1,587 tons were used, out of the total domestic use, 247 tons are destined for processing, while 93 tons are accounted as losses.

The value of strawberry output was € 0.6 mil., while the price for 2017 was 0.50 € / kg.

The strawberry trade balance continues to be negative. During 2016 the imported strawberry quantity was 388 tons, while the export volume was 36 tons.

Table 28: Supply balance for strawberry, 2012-2017

Balance items	Unit	2012	2013	2014	2015	2016	2017
Fruit area	ha	3,862	5,183	3,720	4,930	5,668	6,422
Plum area	ha	52	148	201	203	175	175
Share	%	1.3	2.9	5.4	4.1	3.1	2.7
Yield	t/ha	5.29	3.14	4.81	7.38	7.58	7.58
Output	t	275	465	965	1,498	1,328	1,328
Strawberry import	t	169	163	4	150	297	388
Supply	t	444	628	968	1,648	1,626	1,716
Strawberry export	t	36	0	2	3	48	36
Domestic use	t	408	628	967	1,645	1,578	1,680
Self-sufficiency rate	%	67.4	74.1	99.8	91.0	84.2	79.1
Losses	t	19	33	68	105	93	93
Processing	t	51	86	179	279	247	247
Final own consumption	t	166	281	583	905	803	803
Total human consumption	t	389	595	899	1,540	1,485	1,587
Total domestic use	t	408	628	967	1,645	1,578	1,680
Producer prices (at farm gate)	€/kg	1.03	0.91	1.05	0.58	0.58	0.50
The value of production	€ mil.	0.3	0.4	0.9	0.8	0.7	0.6
The trade balance strawberry	€ mil.	-0.1	-0.2	0.0	-0.2	-0.2	-0.3

Source: KAS - Agricultural household survey ('12,'13'15'16'17); Agriculture Census ('14) Foreign Trade Statistics; calculations by DEAAS - MAFRD

2.5 Vineyards

The total area of vineyards in 2017 was 3,199 ha, which compared with 2016 marked an increase of only 3%. Out of the total area of vineyards in 2017, 25% of the surface was planted with table grapes, while 75% with wine grapes. The total grape production in 2017 is estimated to be 15,364 tons, 35 % lower compared to 2016, due to the climatic conditions during the year. Table grape production declined by 28%, while for wine grapes the decline in production was higher, ie 54%, compared to 2016.

Table 29: Surface, production and grape yield, 2012-2017

Crop	2012	2013	2014	2015	2016	2017	Difference 2017/(14-16) in %	Difference 2017/2016 in %
Surface	ha						%	
Vineyards	3,219	3,159	3,201	3,068	3,117	3,199	2	3
Table grape	702	751	781	747	769	799	2	2
Wine grape	2,517	2,408	2,420	2,321	2,348	2,400	4	4
Production	t						%	
Grape	29,682	27,610	19,970	25,422	23,666	15,364	-33	-35
Table grape	7,026	7,137	4,869	6,996	6,866	3,187	-27	-28
Wine grape	22,656	20,473	15,101	18,426	16,800	12,177	-49	-54
Yield	t/ha						%	
Table grape	10.01	9.50	6.23	9.37	8.93	3.99	-51	-55
Wine grape	9.00	8.50	6.24	7.94	7.16	5.07	-29	-29

Source: Department of Viticulture and Winery, developed by DEAAS - MAFRD

The table grape output in 2017 managed to cover only 48% of consumption needs, while the rest was covered by imports of 3,592 tons. The quantity exported in 2017 was quite low, ie 75 tonnes.

The table grape output value was € 3.7 mil., which is 36% lower than in 2016, as a result of the decrease in production volume. Trade balance continues to be negative in 2017, with € 1.8 mil.

Table 30: The supply balance for table grapes, 2012-2017

Balance items	Unit	2012	2013	2014	2015	2016	2017
Vineyard area	ha	3,220	3,159	3,201	3,068	3,117	3,199
Table grape area	ha	703	751	767	747	769	799
Share	%	22	24	24	24	25	25
Yield	t/ha	10.0	9.5	7.0	9.0	8.9	4.0
Output	t	7,026	7,137	4,869	6,996	6,866	3,187
Table grape import	t	1,764	2,762	2,920	2,025	2,624	3,592
Table grape supply	t	8,790	9,899	7,789	9,021	9,490	6,779
Table grape export	t	454	40	96	28	112	75
Domestic use	t	8,336	9,859	7,693	8,993	9,379	6,704
The self-sufficiency rate	%	84	72	63	78	73	48
Use of table grape	t	8,336	9,859	7,693	8,993	9,379	6,704
The price of the producers (at farm gate)	€/kg	0.93	0.81	1.02	0.91	0.84	1.15
Production value	mil.€	6.5	5.8	5.0	6.4	5.8	3.7
Trade balance	mil.€	-0.8	-1.2	-1.6	-0.9	-1.2	-1.8

Source: KAS, Foreign Trade Statistics; Department for Viticulture and Winery; calculations by DEAAS-MAFRD

In 2017, table grapes planted area in Kosovo was 769 ha, which compared to 2016 marked an increase in surface area by 3%. Of table grape varieties, most of the area was cultivated with the Muscat d'Hambourg variety with a total area of 257 ha, followed by the Italian Muscat variety with 175 ha, and Afuzali with 121 ha. Other varieties are cultivated on a smaller surface and consist of 243 ha of total cultivated area with table grapes.

Table 31: Varieties of table grapes 2017

No	Varieties	Surface in ha	Output in tons	Yield tons/ha	Surface in %
1	Muscat d'Hambourg	257.21	1,160.83	4.51	32.3
2	Muscat Italian	175.41	755.62	4.31	22.0
3	Afuzali	120.71	413.87	3.43	15.2
4	Cardinal	91.18	385.56	4.23	11.5
5	Victoria	56.46	141.79	2.51	7.1
6	Moldavk	18.81	80.16	4.26	2.4
7	Michele Palieri	11.55	46.33	4.01	1.5
8	Black Magic	10.73	30.62	2.85	1.3
9	Demir Kapi	10.69	6.60	0.62	1.3
10	Ribier	9.56	37.49	3.92	1.2
11	Experimental table grapes	7.93	50.00	6.31	1.0
12	Antigona	7.87	22.03	2.80	1.0
13	Red Globe	4.91	6.30	1.28	0.6
14	Regina	3.65	-	-	0.5
15	Seedless grape	2.44	6.00	2.46	0.3
16	Crimson Seedless	1.95	3.00	1.54	0.2
17	Groqanka	1.80	16.14	8.97	0.2
18	Queen	1.79	1.40	0.78	0.2
19	July Muscat	0.88	3.10	3.52	0.1
20	Others	3.70	20.00	5.41	0.5
	Total	795.53	3,166.82	3.98	100.0

Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD

In Kosovo, there are more than 40 varieties of grapes cultivated for wine production. The cultivated area with grape varieties for the production of red wine was 1,583 ha and is larger in comparison to the cultivated area with white wine production varieties. From the cultivated area with red wine production varieties, leads the Vranac variety with 477 ha cultivated, followed by the Prokupe variety with 368 ha, Game variety with 254 ha, Black Burgundy with 157 ha, and other varieties that make up the cultivated surface with red varieties with a total of 327 ha.

Grape varieties for white wine production constitute the cultivated area of 816 ha. The majority is cultivated with the Smederevka variety with a surface area of 369 ha, followed by Italian Rizling with a surface area of 220 ha, and Shardone variety with a surface area of 91 ha, while the rest of the area of 136 ha is planted with varieties such as: R. Rhaine, Zhuplanka, Rrakacitel, Semion, White Burgundy, Zhillavka, Melnik and the white of Kladova.

Table 32: Varieties of red wine grapes, 2017

Red varieties					
No	Varieties	Surface in ha	Output in tons	Yield tons/ha	Surface in %
1	Vranac	477.18	3,619.51	7.59	30.1
2	Prokup	367.64	1,118.97	3.04	23.2
3	Game	254.06	1,164.71	4.58	16.0
4	Black Burgundy (Pinot Noir)	157.22	663.82	4.22	9.9
5	Zhametë	105.27	531.95	5.05	6.6
6	Kabernet Sauvignon	57.48	461.80	8.03	3.6
7	Merlot	38.83	210.05	5.41	2.5
8	Frankovke	29.38	125.11	4.26	1.9
9	Cabernet Frank	23.12	5.05	0.22	1.5
10	Color Game	22.66	51.90	2.29	1.4
11	Pllovadin (Rrush i kuq)	18.08	31.53	1.74	1.1
12	Syrah	14.15	83.54	5.90	0.9
13	Carmonere	4.38	29.85	6.82	0.3
14	Cabernet Volos	3.32	-	-	0.2
15	Pinot Grigo	3.08	-	-	0.2
16	Sorela	1.60	-	-	0.1
17	Petit Verdo	1.49	15.97	10.72	0.1
18	Calmet	1.44	-	-	0.1
19	Kartoshia	0.57	8.50	14.91	0.0
20	Red Shaslla	0.51	2.00	3.92	0.0
21	Black square	0.26	-	-	0.0
22	Others	1.79	-	-	0.1
Total red varieties		1,583.51	8,124.25	5.13	100.0
White varieties					
No	Varieties	Surface in ha	Output in tons	Yield tons/ha	Surface in %
1	Smederevk	369.19	1,277.02	3.46	45.2
2	R. Italian	220.10	1,656.67	7.53	27.0
3	Shardone	91.38	504.79	5.52	11.2
4	R. Rhaine	51.81	345.28	6.66	6.3
5	Zhuplanka	21.60	93.82	4.34	2.6
6	White Burgundy	15.32	56.51	3.69	1.9
7	Melnik	11.63	18.52	1.59	1.4
8	Rrakacitel	11.32	39.31	3.47	1.4
9	Semion	10.33	16.79	1.63	1.3
10	Sovinjon	3.53	15.89	4.50	0.4
11	Zhillavka	3.43	27.73	8.08	0.4
12	White of Kladovo	3.08	-	-	0.4
13	Fleur tai	1.86	-	-	0.2
14	Traminer	1.71	0.50	0.29	0.2
Total white varieties		816.29	4,052.82	4.96	100.0
Total		2,399.80	12,177.07	5.07	

Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD

2.5.1 Wines

The year 2017, marked a decline in wine production in Kosovo. The main reason were climatic conditions, where the hail caused a lot of damage to the vineyards. Compared to 2016, in 2017, wine production was 42% lower. The decrease is lower, namely 34%, when comparing 2017 with the average of the previous three years.

Table 33: Wine production 2012-2017

Output	Unit	2012	2013	2014	2015	2016	2017	Difference 2017/('14-'16) in %	Difference 2017/2016 in %
Red wine	1000 l	2,518	3,659	3,271	6,034	5,506	3,281	-34	-40
White wine	1000 l	2,769	4,023	1,482	4,044	3,613	2,024	-34	-44
Total wine	1000 l	5,287	7,682	4,753	10,078	9,119	5,305	-34	-42

Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD

In the table below are presented 19 companies that deal with grape processing and wine production. Of the companies listed in this table, in 2017, we see that the company “Stone Castle Vineyards & Winery” leads again with the highest wine production in the amount of 16,061 hl. Also this year after "Stone Castle", the second company is the "Sunny Hills" with a total of 13,568 hl, followed by “Haxhijaha” company with 8,767 hl. Of the total amount of wine produced by the 19 companies presented in the table in 2017, the amount of white wine produced was 20,238 hl, red wine 14,547 and rose wine 18,263 hl.

Table 34: Wine production as per companies in 2017

No		White wine /hl	Red wine/hl	Rose wine/hl	Total wine/hl	Grapes for distillation/hl
1	"Stone Castle Vineyards&Winery" L.L.C	7,797.44	7,261.73	1,001.67	16,060.84	411.44
2	"Sunny Hills" L.L.C	2,787.68	0.00	10,780.24	13,567.92	0
3	"Haxhijaha" L.L.C	2,757.56	0.00	6,008.95	8,766.51	3.18
4	"Suhareka Verari" L.L.C	3150	1470	400	5,020.00	615.7
5	"Biopak" L.L.C	2,648.09	1,924.69	50.00	4,622.78	660.4
6	"Besa Winery" L.L.C	867.8	1860.3	0	2,728.10	0
7	"Kosova Wine" L.L.C	0.00	503.29	0.00	503.29	37.62
8	NPT "Bahha"	12.35	370.30	0.00	382.65	33.379
9	NTP "Sefa"	62.63	200.50	22.47	285.60	64.4
10	NPT "Muja"	0.00	242.77	0.00	242.77	0
11	NTP "Agro-alf"	19.97	182.99	0.00	202.96	3.51
12	"Cana Wine" L.L.C	28.65	163.1	0	191.75	4.3
13	NPT "Tradita"	15.00	140.00	0.00	155.00	0
14	NTP "Daka"	36.45	117.89	0.00	154.34	4.24
15	NTP "Rahvera AB"	33.33	22.01	0.00	55.34	6.1
16	N.P.SH. "Albatros"	0.00	37.00	0.00	37.00	0
17	"Rahoveci" L.L.C	0.00	31.80	0.00	31.80	1.17
18	Dardania Wine L.L.C	20.80	0.00	0.00	20.80	0
19	"Dea" L.L.C	0.00	18.50	0.00	18.50	3
	Total	20,237.75	14,546.87	18,263.33	53,047.95	1,848.44

Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD; There are a total of 22 licensed companies, but 3 of them in 2017 did not collect grapes and consequently have no wine production.

2.6 Forage crops and green harvested cereals

All categories of forage crops and green harvested cereals, in 2017 marked an increase in surface area, with the largest increase marked by the green maize with a tripled surface area, other green forage by 23%, lucerne and trefoil by 4%, and grass with 3%. With the growth of green maize surface area, production has doubled, although there has been a decline in yield by 28%. The grass marked an increase in yield of 18%, contributing to total grass production increase of 22%. Trefoil and other green forages marked a decrease in yield of 8% and 4%, respectively.

Table 35: Surface, production and yield of forage crops and green harvested cereals, 2012-2017

Crops	2012	2013	2014	2015	2016	2017	Difference 2017/(14- 16) in %	Difference 2017/2016 in %
Surface	ha						%	
Forage crops and green harvested cereals	94,444	110,314	26,554	97,183	97,936	105,613	43	8
Maize (green)	2,511	4,294	2,414	2,256	2,943	9,209	263	213
Hay (meadow)	72,048	81,924	-	68,711	69,021	69,235	1	0
Grass	3,677	5,036	6,689	9,809	8,575	8,847	6	3
Lucerne	13,330	15,495	15,011	15,109	15,190	15,747	4	4
Trefoil	1,328	1,502	2,085	526	765	798	-29	4
Other green forage crops	1,550	2,063	355	772	1,440	1,776	108	23
Output	t						%	
Forage and green harvested cereals	259,522	393,087	151,095	317,888	390,707	486,989	70	25
Maize (green)	28,006	82,050	36,434	31,633	68,219	153,544	238	125
Hay (meadow)	166,519	217,155	-	194,768	225,813	226,288	8	0
Grass	8,980	14,836	19,575	31,028	21,936	26,707	10	22
Lucerne	46,828	60,869	86,583	53,368	63,522	67,748	0	7
Trefoil	3,908	5,889	6,924	1,784	2,715	2,620	-31	-4
Other green forage crops	5,281	12,288	1,579	5,308	8,502	10,082	97	19
Yield	t/ha						%	
Maize (green)	11.15	19.11	15.09	14.02	23.18	16.67	-4	-28
Hay (meadow)	2.31	2.65	-	2.83	3.27	3.27	7	0
Grass	2.44	2.95	2.93	3.16	2.56	3.02	5	18
Lucerne	3.51	3.93	5.77	3.53	4.18	4.30	-4	3
Trefoil	2.94	3.92	3.32	3.39	3.55	3.28	-4	-8
Other green forage crops	3.41	5.96	4.45	6.87	5.90	5.68	-1	-4

Source: KAS – Agriculture Households Survey ('12,'13,'15,'16,'17); Agriculture census ('14);

* In 2014, hay was not included in the surface and the total production

2.7 Industrial Crops

Industrial crops are cultivated on a small surface area in Kosovo, with a total of 450 ha planted, and a total output of 514 tons. The surface area in 2017 has increased for 61 ha or by 16% compared to 2016.

Table 36: Surface area and output of industrial crops, 2015-2017

	2015	2016	2017
Surface in ha	346	389	450
Output in tons	757	1,028	514

Source: KAS – Agriculture Households Survey ('15,'16,'17)

2.8 Organic Production in Kosovo

Organic Production in Kosovo is still at an early stage of development, but as far as the development of this sector is concerned, it is considered that Kosovo has quite suitable natural conditions for the development of organic farming. Organic Production has a high potential in Kosovo, due to the extensive traditional production mainly in mountainous areas, with a very rich and suitable organic production environment.

In Kosovo, the sector of aromatic and medicinal plants both in cultivation and in harvesting is highly consolidated, it is estimated that there are around 170 ha of cultivated area, as well as 824,379 ha of certified areas for the harvesting of medicinal plants and wild fruits. There are 5 certified companies that deal with the collection of these plants; 45 collection centers throughout Kosovo with over 3,200 collectors in the country that earn their income from the harvesting of medicinal and aromatic plants, as well as wild fruits and mushrooms.

Export is made in the form of a semi-processed product where 95% of the total output is exported to: Germany, Austria, Switzerland, etc.

2.8.1 Legislative developments

Law No. 04/L-085 on Organic Farming has been drafted based on EU regulations (EC) No. 834/2007 and No. 889/2008.

The objective of this Law is to provide the basis for the sustainable development of organic production while ensuring the effective functioning of the market, guaranteeing fair competition, ensuring consumer confidence, and protecting consumer interests.

Therefore, in order to effectively implement this Law, in support of the KOSAGRI project and TAIEX specialists, MAFRD has drafted eight administrative instructions for the purpose of effective law enforcement. The Administrative Instructions are as follows:

1. Administrative Instruction (MAFRD)-No.02/2019 on Organic Production Control System, Control Authorities, Control Bodies and the Rules for the Implementation;
2. Administrative Instruction (MAFRD)- No.05/2019 on Organic Aquaculture Production;
3. Administrative Instruction (MAFRD)- No.04/2019 for Organic Livestock Production and Feed;
4. Administrative Instruction (MAFRD)- No.03/2019 for Laying Down the Rules for Organic Plant Production;
5. Administrative Instruction (MAFRD)- No.01/2019 on Duties, Responsibilities and Composition of the Commission on Organic Farming;
6. Administrative Instruction (MAFRD)- No.07/2019 on Designation of the organic Production Logo and Specific Requirements for Labeling;
7. Administrative Instruction (MAFRD)- No.08/2019 on Production Rules and Methods for Organic Processed Products;

8. Administrative Instruction (MAFRD)- No.06/2016 Criteria, Standards and Conditions for Imports of Organic Products in Kosovo.

2.8.2 Certification Capacity

In Kosovo, in the absence of a certifying and local inspection body, the certification of organic/medicinal and aromatic plants, as well as the areas where forest fruit harvest is done, is conducted by two international certification bodies such as:

1. "Albinspekt" from Albania.
2. "Q-check P.C" headquartered in Larisa Greece.

As of 2016, MAFRD started the direct payments support for cultivated organic surface areas and the value of support per ha has increased from year to year.

The cost of certification is quite high, which also affects the cost of production. Therefore, without any financial support, it is very difficult for the farmers who deal with organic production to bear all the costs of production on their own.

2.8.3 Market Development

Currently, the organic farming sector in Kosovo is very small and far from the EU average, both in production and in consumption. The local organic product market has not been established yet, while some organic products are being imported. Domestic demand for organic food is still limited and consumers are still not extensively familiar with organic farming. The data collection and information exchange system within the sector is not yet at satisfactory level. Stakeholders should be involved to support and promote organic farming, ensuring that the sector can further develop its potential. Domestic demand for organic food is still limited and export opportunities are the driving forces for the expansion of organic cultivation. This can be seen partially as a reason why NWFPs and MAPs cultivated, including mushrooms and raspberries, are the main organic exported products. The total of 95% of NWFPs harvested is mainly exported to the EU (Austria, Germany Switzerland) and neighboring countries such as Serbia, Macedonia, Montenegro, etc.).

2.8.4 Cooperation with local and foreign Partners

Another strong supporter of the agricultural sector in Kosovo is the German International Organization - GIZ. During 2014-2017, the COSIRA project was implemented, which supports private sector competitiveness in rural areas. The continuation of this project is CETEP, aimed to create employment through export promotion. The project continues until 2021.

Other strong supporters of MAFRD in the organic farming sector in Kosovo are: USAID, Swiss Caritas, Organica Association, IADK, Swisscontact, Private Sector Employment Promotion (PSEP) etc.

2.8.5 Potential Developments

In the development of the organic agricultural sector in general, Kosovo is increasingly supported by its EU neighbors and is considered a functioning model. The application of new policies and intensive communication with countries such as Croatia, Slovenia, Romania, Bulgaria, Hungary (besides current partners) can bring new opportunities in business and exports of products from Kosovo.

There is a great potential for supporting new stakeholders with an interest in the organic "arena" and the promotion of sectoral interest groups. The existence of producer groups, young farmers' associations, women farmers, food processors and others, are the foundation for sustainable development in the future. EU funding will drive forward the development of the organic farming sector in Kosovo, which will impact on employment growth and healthy food production.

2.8.6 Organic farming future planning in Kosovo from analysis to action

The National Action Plan for Organic Farming (NAPOF) is one of the most important documents in the organic farming sector in Kosovo. It serves as a guideline for all actors who are interested in participating in organic farming in Kosovo. The development of the NAPOFs document was supported by the Italian organization CIHEAM-Bari (Italy). International experts from CIHEAM-Bari had the role of providing methodological support and supervise the output of the working group for the development of NAPOFs.

Working group analyzes and the combination of policy needs and goals, helped identify the overall goals of the National Organic Action Plan. Overall goals will be achieved through strategic objectives in the field of production and processing, market development, legislation, certification, policy, research, education, training and extension services.

- Strategic objectives of the National Action Plan for Organic Farming - NAPOF were based on S.M.A.R.T. criteria (Specific, Measurable, Attainable, Relevant and Time-bound).
- The necessary actions were determined by the working group and their implementation is based on the timeframe 2018-2021 to achieve 13 strategic objectives.
- The implementation of the National Action Plan for Organic Farming - NAPOF will depend heavily on Government and Donor budgets, this will be crucial for undertaking the identified actions.
- For each action, the responsible authority, the budget source and the verified objective standards/indicators are identified.

2.9 Planting material

The production of fruit planting material in Kosovo has an extensive tradition and is favoured in view of conducive pedoclimatic conditions for good quality growth and production, as testified by their distribution across Kosovo regions and operations of a considerable number of growers (especially for apple seedlings).

After the war in Kosovo nurseries, the planting material was produced mainly by the classical method of grafting with dormant bud which allowed seedlings to be produced in the course of two years, this means production of seedlings with high costs, and often the produced planting material resulted in poor quality where the production of seedlings with generative rootstock was predominant. However, in recent years there is a growing interest of farmers to register nurseries and expand already existing areas. Basic underlying factors include the fact that “seedlings” are now judged much more holistically through a set of parameters, such as quality, purity of variety and origin. This is the difference coming to prominence, which is gradually transforming into a belief for all those involved in producing fruit planting materials. The fruit production sector, specifically production of planting material, is becoming a sector of economic importance for Kosovo agriculture, with increased level of support extended by MAFRD. It is worth noting that in 2013 commenced the implementation of direct payment programme in the sector of planting material of fruit and vine seedling produced with vegetative rootstock. The support spurred a growth in production of quality planting material, increased production as well as decrease of imports of fruit seedlings.

Law no. 2004/13 on Planting Material:

This law regulates matters relating to the production, trade, import, export, control and registration of the producers, importers and traders of planting material.

By this Law are issued these Administrative Instructions and are being implemented (except last two AIs):

1. Administrative Instruction No. 12/2004 on the Registration of the Producers of Seedling Material;
2. Administrative Instruction No.14/2004 for the Registration, Licensing and Assignement of Tax For Importers, Exporters and Traders of Seedling Material;
3. Administrative Instruction No. 05/2005 setting the Standards of Nursery-Seedling Material for Fruits, Vine, and Vegetables;
4. Administrative Instruction No.27.2005 on Packaging and Labelling of Seed Material;
5. Administrative instruction No. 07/ 2007 for Content, Form and Record Procedures on Quantity, Type and Variety of Planting Material Produced, Marketed and Destructed;
6. Administrative Instruction No. 20/2007 on the Determining of Criteria for the Official Control of Quality, Package, Labelling, Marketing and other Necessary Controls of the Planting Material;

7. Administrative Instruction No. 14/2008 on the Classification of Planting Material;
8. Administrative Instruction No. 15/2008 on registration and licensing of matrix orchards for rootstock and graft wood for fruit trees;

In the Law No. 2004/13 on Planting Material, the declaration of the production of planting material of trees is mandatory. Therefore, referring to AI No.7/2007 "On the form and procedures of record keeping on the quantities, types and varieties of planting materials produced, traded and destroyed", the manufacturers of fruit planting material, from 2006-2017, have disclosed each year the production of fruit planting material.

Phytosanitary inspectors officially distribute and collect books "On the form and procedures of record-keeping on the quantities, types and varieties of planting materials produced, traded and destroyed".

According to the statistical data prepared by DAPT in table form is presented the production of fruit trees from 2012-2017:

Table 37: Production of fruit seedlings with generative and vegetative rootstock 2012-2017

Years	2012	2013	2014	2015	2016	2017
Vegetative rootstock	339,371	646,024	469,636	564,785	477,303	947,310
Generative rootstock	176,665	196,828	182,919	86,920	134,995	92,260
Total:	516,036	842,852	652,555	651,705	612,298	1,039,570

Source: DAPT/MAFRD

2.10 Agricultural Land Irrigation

Given the fact that irrigation is considered as one of the basic processes for agricultural land, in Kosovo it is organized in different forms such as, formal irrigation organized through irrigation companies, and there is the informal irrigation form, unorganized irrigation and individual irrigation which is made from different water sources such as rivers, wells, etc.

Referring to the data collected by the municipal directorates for agriculture, it was estimated that in 2017, about 19,838.53 ha were irrigated through formal and informal irrigation. This area is divided according to the irrigation source, the irrigated culture and the municipality.

From the data reported by the municipal directorates, some of the municipalities have reported that they have no irrigated areas such as Dragash, Skënderaj, Malisheva, Hani i Elezit etc. Most of the crops that are irrigated are maize, fruits and vegetables, not excluding other sectors mentioned in the table on irrigation of agricultural lands.

Table 38: Irrigation of agriculture land by municipalities 2017

Municipality	Irrigation Source	Irrigated crops	Irrigated area/ha
Deçan	Drini i Bardhë	Maize, fruits, vegetables	80
Gjakova	Radoniqi, rivers, wells	Vegetables,maize, watermelon	2,327
Glogovc	Ibër-Lepenci	Vegetables, maize, lucerne	178
Gjilan	Wells	Vegetables, greenhouse, open field	400
Dragash			
Istog	Drini i Bardhe	Maize, fruits, vegetable	642
Kaçanik	Rivers	Maize, beans, vegetables	494
Klina	Drini i Bardhë	Maize, vegetables, fruits	1,645
F.Kosova	L.Drenica, wells	Maize, lucerne, vegetables	190
Kamenica			30
Mitrovica	Ibër-Lepenc	Vegetables,maize	712
Leposaviq			
Lipjan	Wells		107
Novobërda			62
Obiliq	Ibër-Lepenc	Maize, fruits, vegetable	528
Rahovec	Radoniqi	Vegetables,maize,watermelon	2,659
Peja	Drini i bardhë	Maize, fruits, vegetable	2,728
Podujeva	Llap River, puset	Vegetables, maize, fruits	646
Prishtina	Ibër-Lepenc	Potatoes, maize	198
Prizren	Radoniqi, Dukagjini	Maize, vegetables, forage	1,683
Skenderaj			
Shtime	Puse, lumenj	Vegetables, fruits, lucerne	200
Shterpc	Lepec river,	Maize, vegetables, fruits	1,530
Suhareka	River, wells	Vegetables, fruits, lucerne, field crop	295
Ferizaj	River, wells	Fruits, vegetables, maize	371
Vitia	Wells	Watermelon,potatoes	274
Vushtrri	Ibër-Lepenc	Potatoes, cabbage, maize	765
Z. Potok			
Zveçan			
Malisheva			
H.Elezit			32
Mamusha	Wells, rivers	Vegetables, maize	415
Junik	Drini i Bardhë	Lucerne, maize,potatoes	165
Klllokot	Wells		58
Graçanica	River, wells	Maize	364
Ranilluk			
Partesh	Wells	Vegetables, maize, lucerne	62

Source: Department of Agriculture Policy and Markets

2.11 Bovine animals

As far as livestock farming is concerned, by the number of heads but also the incomes generated, bovine animals have the greatest importance compared to other livestock sectors. The share of bovine animals in the animal structure is about 51%.

Regarding the participation of different categories within the structure of bovine animals, the dairy cows dominate with 51% and they are bearers of dairy production in Kosovo. The number of heads introduced in the category of other cows is 0.3%, and those are cows that are not dairy cows and do not participate in reproduction.

Viewed in terms of age groups, the category of bovine animals aged 2 years and over constitutes the largest share with 57%, followed by calves aged less than 1 year 33% and the category aged 1-2 years with 10%. The total number of bovine animals in 2017 decreased by 2% compared to 2016, compared with the average of the three previous years, the decrease was 1%. The number of dairy cows decreased by 3% compared to 2016.

Table 39: Bovine animals stock and structure 2012-2017

Number of animals	2012	2013	2014	2015	2016	2017	Difference 2017/(14-16) in %	Difference 2017/2016 in %
Bovine stock	329,213	321,113	261,689	258,504	264,971	259,729	-1	-2
Male calves under 1 year*	66,575	65,298	47,357	45,235	45,443	43,748	-5	-4
Female calves under 1 year*	50,687	49,715	36,055	36,108	38,124	40,731	11	7
Male calves 1-2 years*	12,333	10,756	14,351	9,007	11,756	13,449	15	14
Female calves 1-2 years*	9,389	8,188	10,925	13,737	13,967	11,356	-12	-19
Bulls over 2 years*	2,538	2,831	2,872	2,639	7,044	7,082	69	1
Heifer*	4,351	5,768	13,920	12,138	11,344	9,442	-24	-17
Dairy cows	183,340	178,557	134,393	135,801	136,783	132,971	-2	-3
Other cows	-	-	1,816	3,839	510	950	-54	86

Source: KAS – Agricultural Holdings Survey ('12-'13,'15,'16,'17); Agriculture census ('14); DEAAS ('12-'13);

* Estimates of

The total number of bovine animals in 2017 was 259,729, which compared with 2016 the decrease was 2%. In terms of slaughtering, 115,459 heads have been slaughtered in 2017, i.e. 1.2%. less than in 2016. The value of total production was 41.4 million €, while the import was 32 million €. At this output amount, the rate of self-sufficiency was 61.1%, with per-capita consumption at 18 kg.

Table 40: Supply balance for beef, 2012-2017

	Unit	2012	2013	2014	2015	2016	2017
Bovine stock	heads	329,213	321,113	261,689	258,504	264,971	259,729
Dairy cows	heads	183,340	178,557	134,393	135,801	136,783	132,971
Total slaughters	heads	162,292	156,062	128,372	115,195	116,849	115,459
Total domestic production c.w.	mil. kg c.w.	27.9	26.7	22.8	19.7	20.0	19.8
Total imports	mil. kg c.w.	9.2	11.5	10.4	13.0	12.3	12.6
Supply in c.w.	mil. kg c.w.	37.1	38.3	33.2	32.7	32.3	32.5
Total exports	mil. kg c.w.	0.0	0.0	0.0	0.0	0.0	0.0
Consumption	mil. kg c.w.	37.1	38.3	33.2	32.7	32.3	32.5
Value of production in c.w.	mil. EUR	60.0	58.6	50.5	41.4	40.9	41.4
Total imports	mil. EUR	24.0	27.8	23.8	33.5	29.4	32.0
Trade balance	mil. EUR	-23.9	-27.7	-23.8	-33.5	-29.3	-32.0
Self-adequacy rate	%	75.3	69.8	68.7	60.4	61.9	61.1
Per-capita consumption	kg c.w.	20.4	21.0	18.4	18.4	18.2	18.0

Source: KAS – Agricultural Holdings Survey ('12/'13,'15,'16,'17); Agriculture census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS – MAFRD

Dairy cows constitute 51.2% of the total number of bovine animals and in 2017 the number of dairy cows is 3% lower than in 2016. From total use 80.5% was domestic production and the rest is covered by imports. The trade balance remains negative at 28.5 mil.€. Per-capita consumption is estimated to be 166 kg annually, which means that a person consumes about 0.5 kg per day including all dairy products.

Table 41: Supply balance for cow milk and its products, 2012-2017

	Unit	2012	2013	2014	2015	2016	2017
Dairy cow	heads	183,340	178,557	134,393	135,801	136,783	132,971
Milk production	t	368,605	369,702	278,933	282,534	285,261	277,976
Import	t (p.e.)	72,371	66,582	67,863	67,491	69,284	68,007
Supply	t (p.e.)	440,976	436,284	346,796	350,025	354,545	345,983
Export	t (p.e.)	110	422	378	800	745	679
Domestic use	t (p.e.)	440,867	435,862	346,418	349,224	353,800	345,303
Self-sufficiency rate	%	83.6	84.8	80.5	80.9	80.6	80.5
Loss	t (p.e.)	7,372	7,394	5,579	5,651	5,705	5,560
Consumption for calves feed on farms	t (p.e.)	54,185	54,346	41,003	41,532	41,933	40,862
Processing	t (p.e.)	33,578	33,046	26,690	26,868	27,247	26,606
Human consumption	t (p.e.)	345,731	341,075	273,146	275,173	278,914	272,276
Producer prices (on farm)	€/kg	0.32	0.33	0.33	0.30	0.30	0.31
Value of production	mil EUR	98.3	101.6	76.7	70.6	71.3	71.8
Trade balance	mil EUR	-25.4	-23.4	-25.5	-25.5	-26.8	-28.5

Source: KAS – Agricultural Holdings Survey ('12/'13,'15,'16,'17); Agriculture census ('14); ASK, KAS, Foreign Trade Statistics; calculations by DEAAS – MAFRD

2.12 Sheep and goats

The number of sheep and goats in 2017 was 210,688 heads, or 1% lower compared to 2016. Within the sheep category, 75% are breeding sheep, including the sheep that have given birth but also those fecundated for the first time. While, the remaining 25% consists of lambs and rams, where the largest number is lambs. The number of sheep in 2017 decreased by 1%, whereas compared with the average of the period '14 -'16 there was a decrease in the number of sheep by 3%.

Unlike sheep, the number of goats is lower, namely 28,410 and most of them are breeding goats. In 2017, there was an increase in the number of goats by 2%, whereas compared with the average of the three previous years there was a decrease of 2%. By categories, there has been an increase in the category of breeding goats and also in the category of kid goats and billy goats.

Table 42: Number of sheep and goats, 2012-2017

Number of animals	2012	2013	2014	2015	2016	2017	Difference 2017/(14-16) in %	Difference 2017/2016 in %
Sheep and goat	247,901	216,577	212,014	224,096	212,040	210,688	-2	-1
Sheep	221,438	193,458	183,584	193,703	184,265	182,278	-3	-1
Breeding sheep/ewe	175,293	153,144	146,924	148,956	141,995	136,810	-6	-4
Other heads (lambs, rams, etc)	46,145	40,314	36,660	44,747	42,270	45,468	10	8
Goats	26,463	23,119	28,430	30,393	27,775	28,410	-2	2
Breeding goats			23,575	26,310	24,315	24,836	0	2
Other heads (kid goats, billy goats, etc)			4,855	4,083	3,460	3,574	-14	3

Source: KAS – Agricultural Holdings Survey ('12,'13,'15,'16,'17); Agriculture census ('14)

The importance of sheep and goat sector mainly lies in meat production while milk is used for cheese production and mainly for meeting household needs for consumption and a quantity is also sold directly to the farm. In 2017 domestic production was 2,127 tonnes and consumption requirements were met.

Compared to bovine animals' meat and chicken meat, sheep and goat meat is consumed less, mostly in certain holidays. The average per capita consumption in 2017 was about 1.2 kg.

Table 43: Supply balance for sheep and goat meat, 2012-2017

	Unit	2012	2013	2014	2015	2016	2017
Sheep stock	heads	221,438	193,458	183,584	193,703	184,265	182,278
Goat stock	heads	26,463	23,119	28,430	30,393	27,775	28,410
Slaughters	heads	223,448	193,870	184,467	195,284	185,069	183,108
Output (t.c.w)	t	2,559	2,226	2,142	2,267	2,146	2,127
Net imports (t.c.w)	t	630	48	36	24	-11	-13
Domestic use (t.c.w)	t	3,189	2,274	2,178	2,291	2,135	2,114
Value of output	mil. EUR	6.2	5.6	5.4	5.6	5.2	5.2
Trade balance	mil. EUR	-0.75	-0.16	-0.12	-0.10	0.04	0.05
Self-sufficiency rate	%	80	98	98	99	101	101
Per-capita consumption (t.c.w)	kg	1.8	1.3	1.2	1.3	1.2	1.2

Source: KAS – Agricultural Holdings Survey ('12-'13, '15, '16, '17); Agriculture census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS – MAFRD

2.13 Pigs and other farm animals

The pig sector in Kosovo compared to other livestock sectors is less developed, is of lesser importance and is mainly oriented in meeting the household needs for consumption. The number of pigs in 2017 was 41,086, which compared to the previous year, is 3% lower, whereas compared to '14-'16, the number of pigs has increased by 2% in 2017.

The number of horses, donkeys, and mules in 2017 was 2,326, which is lower than in 2016 but also lower than the average of the three previous years.

Table 44: Number of pigs and other farm animals, 2012-2017

Number of animals	2012	2013	2014	2015	2016	2017	Difference 2017/('14-'16) in %	Difference 2017/2016 in %
Pigs	55,775	49,198	34,188	44,149	42,309	41,086	2	-3
Horses, donkeys and mules	2,139	2,929	2,980	2,577	2,353	2,326	-12	-1

Source: KAS – Agricultural Household Survey ('12, '13, '15, '16, '17); Agriculture census ('14)

2.14 Poultry

The total number of poultry in Kosovo in 2017 increased by 3% compared to the previous year, while compared to the average of three previous years, it increased by 5%. Of the number of poultry, 95% are chicken, while the rest of 5% are turkeys, ducks, geese, and other poultry. In regards to the chicken structure, 77% are laying hens, 15% broilers and 8% others (chicks, rooster and other chicken).

Table 45: Number of poultry and eggs 2012-2017 in 1000 heads

Number of poultry (1000)	2012	2013	2014	2015	2016	2017	Difference 2017/(14-16) in %	Difference 2017/2016 in %
Poultry	2,318	2,244	2,692	2,576	2,740	2,811	5	3
Chicken	2,250	2,108	2,584	2,492	2,586	2,676	5	3
Broilers			194	304	196	398	72	103
Laying hens			1,704	1,874	2,043	2,051	9	0
Chicks, roosters and other chicken			687	314	347	227	-49	-34
Turkeys			45	63	108	98	36	-9
Other poultry (Ducks, Geese etc.)	68	136	62	22	46	37	-14	-19
Eggs*	218,282	176,078	357,138	361,197	350,827	348,998	-2	-1

Source: KAS – Agricultural Holdings Survey ('12,'13,'15,'16,'17); Agriculture census ('14); SHPUK ('12-'13), DEAAS ('14-'17)

In 2017, total egg production is estimated to be 349 million eggs. In 2017, around 4 million eggs have been imported amounting to 312,557 €. The quantity of eggs imported in 2017 compared to 2016 has marked a significant decrease, i.e. about 40%. Of the total import of eggs, 55% of the quantity was imported from Albania, 33% from Macedonia, while the remaining 12% from other countries such as Greece, Bulgaria, Italy and Serbia. The average per-capita consumption is estimated to be around 196 eggs/year and we can say that Kosovo meets about 99% of the egg consumption needs.

In 2017 the production of chicken meat is estimated at about 3,500 tons. In this year imports of chicken meat amounted to 33,471 tons worth 39 mil. €. Of the total imported quantity, 31% was imported from Brazil, 23% from United States, 12% from United Kingdom, 7% from Poland and 27% from other countries. The average per-capita consumption in Kosovo is estimated at around 20.6 kg/year. With the current production, Kosovo can only cover 9.5% of the consumption needs, and there is an ongoing increase in the coverage ratio of domestic consumption needs with the domestic production. Domestic production has increased by 43% in 2017 compared to 2016 as a result of the triple number of broilers in the commercial farms, which has resulted in increased production.

2.15 Beekeeping

Given the climate, the landscape and the many types of plants, Kosovo has the potential to have a good production of honey and other beekeeping products. The continuous support provided to the beekeeping sector has led to the steady growth of the number of beehives. Support through direct payments was first provided to this sector in 2012, and continued every year since then with the increase of the number of subsidized hives as well as of the total number of hives. The total number of hives in 2017 was 163,717, or 1% higher compared to 2016, while compared to the three previous years the increase was 13%.

Table 46: Number of beehives, 2012-2017

Number of hives	2012	2013	2014	2015	2016	2017	Difference 2017/(14-16) in %	Difference 2017/2016 in %
Beehives	46,483	93,533	116,172	157,005	162,355	163,717	13	1

Source: KSA – Agricultural Household Survey ('12,'13,'15,'16,'17); Agriculture census ('14)

In 2017, honey production in Kosovo was about 6 kg per hive resulting in a total of 982 tons of honey production in 2017. Honey imports in 2017 were 197 tons while exports only 0.6 tons. Local consumption turns out to be about 0.7 kg per-capita and domestic production meets 83% of consumption needs while the rest is met by import. Of the total imported honey, 55% was imported from Macedonia, 14% from Albania, 10% from Croatia, 9% from Slovenia, 9% from Turkey and 3% from other countries. Whereas there were exports only to Albania.

3 Forestry

The Republic of Kosovo is a country rich in forests and forest resources. Based on the latest Inventory data made in 2012 it results that our country is covered with 481,000 ha or 45% of forests, which essentially indicates that nearly half of the country's territory is covered with forests, of which about 295,200 ha (62%) belong to the state, whereas 180,800 ha or 38% are private forestry areas.

It is estimated that in our country forests have about 40.5 million m³ of wood volume, in which the greatest contribution is given by beech forests by about 46% and oaks with 23% share in volume. The annual growth is estimated to be around 1.5 million m³, which is almost entirely dominated by broad-leaf forests. Assessing the production potential, it results that long-term annual cuttings can reach up to 1.5 million m³ as gross cuts, but this in net mass this is estimated at around 1.2 million m³, which should be reduced due to the losses from uncontrolled cuttings, natural losses, environmental considerations and growing of national parks surfaces.

Forest fires are a very threatening and challenging factor. The inventory shows that these fires have affected seriously 2.5% of the forest area.

Forest management

In accordance with the Forestry Development Strategy 2010-2020, it is intended that every year in our country, about 30,000 ha of forest area to be covered with long-term management plans. Based on the data provided by the Kosovo Forestry Agency for 2017, it results that this Agency has successfully completed the establishment of 7 management plans for forest management units, which includes an area of about 17,488 ha. Currently the establishment of these plans is one of the main priorities of the Kosovo Forest Agency, which is devoted to covering the entire forest area with new plans, so that governance, management and regulation of forests is carried out in accordance with national and international standards of sustainable forest management.

Table 47: Drafting of Management Plans in 2017

Managing Unit	Region	Areas in ha are part of management plans
Dushkaja	Peja	4,783
Barrel	Mitrovica	1,533
Zmiq-Kull	Mitrovica	2,802
Zona gjelbër Prizren	Prizren	807
Karadak II	Gjilan	359
Novobërda	Gjilan	2,815
Denkovac	Mitrovica	4,390
Total		17,489

Source: KFA

Annual forest management - Activities

Annual forest management aims at advancing on the improvement, development and sustainable use of forests, affecting the maintenance of the forest stands, increase the quality of wood, harvest of wood material for the needs of energy production, construction, furniture, through which the implementation of works or activities foreseen by the Management Plan is realized.

The following tables illustrate the forest exploitation plan in state property and the implementation of forest exploitation plan in state property in 2016. There is a high volume difference of forest areas between the exploitation plan and the implementation of forest area exploitation.

Table 48: Plan for state forests, m³

Technical wood	6,988
Fire wood	60,522
Net wood mass	67,510
Waste	6,384
Gross wood mass	73,895

Source: KFA

Based on the above data, we can conclude that the issue of realization of the annual plan, the proper implementation of activities planned with the Management Plan, the fulfilment of the recommendations from the National Forest Inventory, have stagnations within the managing institution. Therefore, based on these findings, we can estimate that irregular cuttings, deliberately or inadvertently, continue to be a threat with regard to the conservation, maintenance and improvement of forest stands. Also, failure to implement recommendations derived from official documents undermines all goals of MAFRD to reduce irregular activities in public forests from 40% to 20%, and in private forests from 29% to 15%. In order to accomplish these intentions, MAFRD is undertaking measures for the drafting of a new Law on Forests and sublegal acts, which should initially be functional towards state interests, governmental agendas in planning, implementation, budget, towards market demands and forest owners.

Table 49: Implementation of forest exploitation plan in state property (m³)

Technical wood	3,139
Fire wood	20,102
Net wood mass	23,241
Waste	499
Total	23,740

Source: KFA

Table 50: Implementation of state forests exploitation by CD

Coordinating directorate	Technical coniferous wood	Technical deciduous wood	Fire wood	Waste	Total m ³
Prishtina	-	4	895	69	966.85
Peja	47	54	3,796	-	3,897
Mitrovica	-	-	72	-	72
Prizren	-	342	3,568	190	4,100
Gjilan	223	1,187	6,482	-	7,892
Ferizaj	-	1,265	3,453	-	4,717
DMKE	11	6	1,838	240	2,095
Total	281	2,858	20,102	499	23,740

Source: KFA

Based on the above tables on Planning and Implementation, it follows that in the period of 2017, the Forest Agency has achieved the implementation of the Plan for the use of forests up to 32%, or 23,739 m³.

The treatment of new forests

The Forest Agency has taken measures in the treatment of new forests through the applying of pre-commercial thinning in order to improve the conditions of growth and development. Through this project around 1,165 ha have been treated throughout the country.

Table 51: Pre-commercial thinning 2017

Pre-commercial thinning (Regional Coordination Directorates)	Volume in m3
Prishtina	300
Gjilan	173
Pejë	0
Mitrovicë	169
Ferizaj	144
Prizren	379
TOTAL	1,165

Source: KFA

Private forests

The Forest Agency together with the municipal forest authorities has carried out a number of activities related to regulating forests and performing various services in the private forest sector. Here we can mention: receiving and reviewing requests for the treatment of private forests, marking of wood in the forests, release of marking sheets, permits for cutting, accompanying sheet etc.

Table 52: Plan in private forests

A. Forest cultivation and exploitation		
1. Establishment of new forests - forestation	ha	77
2. Forest renewal – melioration	ha	13
3. Forest cultivation	ha	3,424
4. Forest exploitation	ha	4,820
B. Technical-professional works		
1. Anticipated-submitted requests (decision)	pcs	4,682
2. Cutting plans in private forests	m ³	166,375
3. Fire wood	m ³	159,340
4. Technical wood	m ³	7,035

Source: KFA

Cultivation and exploitation of forests plan includes the establishment of new forests - forestation of 77 ha, forest renewal –melioration 13 ha, 3,424 ha forests cultivation and 4,820 ha forests exploitation. While technical and professional works include the requirements anticipated-submitted (decisions), cutting plans in private forests, fire wood and technical wood.

Table 53: Implementation of forests exploitation in private property

Private forests	Unit	Total
Requests reviewed	pcs	2,717
Marking of trees	m ³	173,061
Marking for transport	m ³	150,827
Monitored wood mass	m ³	135,734
The number of notes delivered	pcs	25,860
Professional control-observation	case	619
Trees outside the forest	m ³	5,263
Forestation in private property	ha	0.00

Source: KFA

During 2017, total 2,717 requests were reviewed for private forests. A volume of 173,061 m³ of wood was marked and an additional volume of 150,827 m³ was marked for transport and the wood mass that was monitored during this period included a volume of 135,734 m³. Total 25,860 notes were delivered, while professional control-observation was exercised in 619 cases. During the implementation of the Plan in private forests, the Forest Agency could not implement the Plan foreseen for forestation and melioration in private forests.

Forests protection - Activities

The issue of forests protection is one of the challenges the Municipal Authorities are facing constantly, which is one of the most addressed issues by MAFRD and KFA. All the so-far used methods for stopping or reducing the occurrence of illegal logging have not yielded good results. It is known that this issue is highly related to the social-economic situation of mountainous and remote rural areas, where forests are considered a source of survival. There is

mutual cooperation between local and central authorities in taking measures, but so far, no satisfactory results have been achieved, etc.

Filed charges in court

Various activities have been carried out, such as raising offense and criminal procedures, controls on forestry grounds, markets, forest roads, confiscations. About 3,607 misdemeanour summonses and about 1,439 criminal summonses were filed for the year in question by Municipal Authorities. Whereas, it was reported that for the same period a quantity of up to 2,101 m³ technical and fire wood was seized.

Table 54: Filed charges or summonses for January-December 2017

Forest damage	Pcs	m ³	Total (€)
Misdemeanour summonses	3,607	6,121	807,646
Criminal summonses	1,439	6,469	811,310
Total	5,046	12,590	1,618,956

Source: KFA

In 2017, Municipal Forestry Authorities filed 5,046 criminal summons and initiated misdemeanour proceedings, the damage value of which is calculated at a volume of 12,590 m³ of wood and monetary value of 1,618,956 €. Out of the total number of summons, 3,607 were for misdemeanour, estimated at a volume of 6,121 m³ and monetary value of 807,646 €, while 1,439 were criminal summons, estimated at a volume of 6,469 m³ and monetary value of 811,310 €. The table below illustrates the protection of forests and the confiscation of wood mass from illegal woodcutters.

Table 55: Confiscation of wood material, 2017

Forests protection, wood mass confiscation in m³	
Transferred wood mass (2016-2017)	1,949
Confiscated wood mass	2,046
Quantity sold	1,955
Current status of stocks	2,040

Source: KFA

This year the transferred wood mass was 1,949 m³. Further, 2,046 m³ of wood was confiscated by municipal authorities, a quantity of 1,955 m³ was sold and the current state of stocks is 2,040 m³.

Forest fires

Based on the annual management plan, the Forest Agency undertook a series of activities, and in particular for the protection of forests from forest fires. During 2017, the number of cases of forest fires has increased steadily by doubling. The reason for this was the increase in temperatures during this year, but also the negligence of people. According to analysis and studies, 99% of the forest fires are caused by human factor, and only 1% is caused by abiotic

factors. In our country usually fires are caused in the drought period during the summer months (June, July, and August). But cases of fires in the early spring or autumn when farmers begin farming agricultural lands, meadows, pastures etc. are excluded. However, according to the Forest Agency's report during the year, a total of 238 cases of fires were identified, which included private and public forests with an area of up to 2,054 ha.

Table 56: Forest fires 2017

Municipality	Number of cases	Area (ha)		Total (ha)
		Public	Private	
Prishtina	57	144	79	222
Mitrovica	23	292	832	1,124
Peja	73	99	0	99
Prizren	58	222	89	311
Ferizaj	6	80	5	85
Gjilan	21	194	19	213
Total	238	1,031	1,024	2,054

Source: KFA

In 2017, there were 120 seasonal workers engaged in six regions in the protection of forests from the fires in the period 15 July to 15 October. In addition to the Forestry Agency staff, seasonal workers, local fire fighting units were also engaged in fire fighting cases, while in special cases when the fires were of great intensity, interventions were carried out by the KSF.

Infrastructure maintenance

During 2017, this Agency has carried out projects for maintaining existing routes in special importance hunting areas. These activities comprise activities for adjustment of existing tracks and maintenance of canals, adjustment of stormwater system and its filling with gravel in a distance of up to 9.5 km, while about 0.9 km of roads are paved with asphalt, with a total value of 146,000 €.

Table 57: Maintenance of forest roads

Blinaja location	Distance of the road worked on	Value in €
Renovation of the road through parcels	9.50 km distance along parcels	50,000
Asphalting the road along the buildings	900 metres distance	96,000
Renovation of roads	10.40 km distance	146,000

Source: KFA

All stages of the project for the renovation of the hunting site facility, together with the fence, are completed in the amount of 246,000 €.

Cultivation of forest seedlings

Plant nursery of the Peja Institute, during 2017 has undertaken performing of activities in cultivation of forest seedlings by classical and industrial method, which seedlings are used for afforestation of forests and wasteland. A total of 1,570,727 seedlings of the age 2+0 were cultivated in the plant nursery of this Institute.

Table 58: Cultivation of seedlings during 2017

Type of seedlings	Cultivation method	Pcs
Coniferous	Classical	725,879
Coniferous	Industrial	835,378
Deciduous	Classical	9,470
Coniferous and deciduous	Classical and industrial	1,570,727

Source: KFA

Maintenance of new forests

The Forest Agency has implemented a memorandum of cooperation with MLSW aimed at reducing youth unemployment and increasing youth engagement in forestry activities. This activity was carried out through regional employment offices (Employment Agencies). Under this memorandum 625 workers were engaged in maintaining new afforestation/planting, by which an area of about 389 ha has been treated.

Table 59: Treatment of new forests under the memorandum of cooperation with MLSW

DKR - KFA	Number of employees	Area treated ha
Prishtine	80	37
Mitrovice	100	61
Peje	120	105
Prizren	120	48
Ferizaj	100	44
Gjilan	80	83
DMWAE	25	11
Total	625	389

Source: KFA

Treatment of new forests by the Forest Agency was made through contacts for the provision of services in the maintenance of new forests.

Table 60: Treatment of new forests

Region	ha
Region of Prishtina	102
Region of Peja	150
Region of Prishtina and Peja 2017	252

Source: KFA

Afforestation

During 2017, the Kosovo Forest Agency engaged in the implementation of projects for the extension of green wreath through autumn afforestation. These afforestations have included different forest land facilities throughout the territory of the Republic of Kosovo, with an area

of up to 290 ha. All these afforestation were implemented through service contracts according to the Plan of the year in question.

Table 61: Implementation of autumn afforestation of bare surfaces

Region	ha
Region of Prishtina, Mitrovica and Peja	150
Region of Prizren, Ferizaj and Gjilan	140
Total	290

Source: KFA

Maintenance of afforestation

Maintenance of planting/ afforestation is a silvotechnical operation that applies to new plantings in order to improve the conditions and state of seedlings planted, possible replacements, seedlings adjustment after the impact of the abiotic factor, their protection and preservation from damage by grazing, forest fires and human factor influences. The Forest Agency developed a plan for maintaining afforestation on bare land on an area of 295 ha.

Table 62: Maintenance of afforestation, ha

Region	ha
Prishtina and Gjilan	100
Mitrovica and Peja	95
Prizren and Gjilan	100
Total	295

Source: KFA

Revitalization of forest lands

During the year in question, works were conducted on the revitalization/ return to the productive state of the lands used for the extraction of inert materials (stone). In this case, the revitalization was carried out by various enterprises that were involved in the use of inert materials, in an area of approximately 10.5 ha. Revitalization of the used forest land, following the inert extraction activities, foresees the return of these areas to the productive state by the rehabilitation of humus soil, afforestation, and taking of measures for setting the fences for protection of afforestation.

Table 63: Rehabilitation of forest lands following the inert materials extraction

Enterprise	Description	Area m ²
Renelual Tahiri	Rehabilitation of humus soil and the afforestation	39,117
Kosan Mining	Rehabilitation of humus soil and the afforestation	3,766
Famis Co	Rehabilitation of humus soil and the afforestation	48,801
Geo Explore	Rehabilitation of humus soil and the afforestation	10,670
Total		102,354

Source: APK

Cooperation with donors

Food and Agriculture Organization of the United Nations (FAO), with the financial support of the Government of Finland and in close cooperation with the Ministry of Agriculture, Forestry and Rural Development of Kosovo continued to implement the GCP/KOS/005/FIN project in 2017, which aims to support the implementation of Policy and Strategy Paper on Forestry Sector Development in Kosovo. This document has been approved by the Kosovo Government in 2010. Some of the activities implemented during 2017, as part of the project "Support to implementation of the forest policy and strategy in Kosovo" are summarized as follows:

- Training regarding the use of social networks was held in order to raise awareness and protect the forest, as well as an awareness-raising video "Forests as national wealth" was prepared".
- Participation in the closing workshop "Regional Workshop on the Implementation of WISDOM in the Western Balkans" Durres -Albania, December 2017.
- Integration of GIS Module and other functionalities in Kosovo Forest Information System has been completed.
- Cooperation between MAFRD and CNVP for the implementation of the Project "Strengthening Sustainable Private and Decentralised Forestry in Kosovo" - joint management, has been further continued.
- In the framework of this project, a visit of staff from the forestry sector was carried out in Sweden in order to get more information about forestry on the topics: Forestry, climate and bio-energy management, combined energy production, Wood Quality Assessment, Forest Owners Associations, Forest Management and Rural Development, Fast Growing Types, Nurseries, Forest Sector in Sweden etc.
- Within the framework of cooperation with IUCN ECARO with GIZ in Frushka Gore, in February 2017, participation in training "Strengthened Conservation Planning in South-Eastern Europe", the Project "Ecosystem Services Assessment and Valuation (ESAV) for future course of action in South-East Europe" was realized.
- In October 2017, participation in Podgorica in First Meeting of Regional Advisory Group on Agro-Biodiversity in South East Europe organized by SWG and GIZ - German Cooperation on "Genetic Resources of Animals and Plants" etc., was realized.

4 Consumption, trade and market prices

4.1 Consumption trends

Given that there is a lack of information concerning the living conditions of households in Kosovo, data from the Household Budget Survey provides key information on important indicators relating to living conditions and basic demographic, economic and social characteristics of Kosovo households in 2017.

These data relate to consumer spending for goods and services, income information, spending on general consumption, self-consumption, basic housing information and many other demographic and socio-economic features.

Table 64: Overall consumption in Kosovo 2009-2017

Year	Total in mil. (€)	Consumption per household (€)	Consumption on per capita (€)
2009	1,911	6,847	1,161
2010	1,937	7,110	1,226
2011	1,928	7,010	1,210
2012	2,292	7,657	1,380
2013	2,382	7,625	1,402
2014	2,471	7,611	1,386
2015	2,461	3,503	1,432
2016	2,321	7,539	1,460
2017	2,340	7,803	1,511

Source: Survey results of Household Budget

From the results deriving from this publication of the Household Budget Survey (HBS) for 2017, the overall consumption in Kosovo in 2017 was € 2,340 million, for households it was € 7,803 and € 1,511 per capita. Overall consumption in 2017 compared to 2016 marked a slight increase of 0.8%, together with the consumption for household which was increased by 3.5% and the consumption per capita by 3.5%.

The bulk of the household budget in 2017 was spent on food (40%) and housing (29%), followed by clothing and transport (5%), while alcohol and tobacco and furniture account for 4%. All of these make up 87% of consumption, while the rest of the consuming groups that make up 13% are presented in the following table

Meanwhile, compared to 2016, in 2017 the share of self-produced food in general consumption marked a slight decrease of 1 percentage point.

Table 65: Distribution of consumption in Kosovo according to consumer groups, 2009 – 2017, in (%)

Consumption	2009	2010	2011	2012	2013	2014	2015	2016	2017
Food and non-alcoholic beverages	36	35	38	45	45	44	43	42	40
Alcohol and tobacco	3	4	4	5	4	4	4	4	4
Clothing	5	6	5	4	4	4	4	5	5
Housing	36	33	31	30	30	28	30	29	29
Furniture	3	3	3	3	3	4	3	4	4
Health	3	2	2	2	2	3	3	3	3
Transport	5	6	6	4	4	5	4	4	5
Communication	2	2	2	2	2	3	3	3	3
Recreation	2	2	2	1	2	0	1	1	1
Education	1	1	1	1	1	1	1	0	0
Hotels, restaurants	1	3	3	1	2	2	2	2	3
Other	3	3	3	2	2	2	2	3	3
Total	100	100	100	100	100	100	100	100	100
Food self-produced by households	7	7	7	6	6	6	7	6	5

Source: Household Budget Survey results 2017

Food consumption in Kosovo in 2017, according to HBS results, is very similar to all previous years, with some minor differences. It is usually dominated by meat with 20%, whereas milk, cheese, and eggs have the same percentage as in 2015, 2016 which accounts for 18% in the distribution of food consumption. Bread and cereals accounted for 16%. The next in line are vegetables with 12% and non-alcoholic beverages with 9%. These foods account for 54% of foods, while other categories are presented in the table.

Table 66: Distribution of food consumption in Kosovo, 2009– 2017 (%)

Consumption	2010	2011	2012	2013	2014	2015	2016	2017
Bread and cereals	19	21	19	19	18	17	17	16
Meat	18	19	20	19	20	20	21	20
Fish	1	1	1	2	1	1	1	2
Milk, cheese, eggs	19	18	16	16	17	18	18	18
Oils and fats	4	5	4	4	3	3	3	3
Fruit	7	6	7	7	8	8	8	8
Vegetables	12	11	11	12	12	12	12	12
Sugar and sweets	6	6	7	6	6	6	6	6
Other food products	5	5	5	5	5	5	5	5
Non-alcoholic beverage	9	8	10	10	10	10	9	10
Total Food	100	100	100	100	100	100	100	100

Source: Household Budget Survey results 2017

As regards the main sources of income in 2017, we may note that the main and most important source were salaries from regular employment of public sector which account for 23%. The second most important source are net incomes from businesses accounting for 29% of total incomes, with a 3% increase in private sector incomes compared to 2016, where this percentage was 26%.

Other important sources are other household businesses with 3% and pensions with 12%. In 2017, remittances from abroad, that are very valuable to the country's economy, were similar to those of 2016. Moreover, incomes from agriculture stood at 3%.

Table 67: The main source of income for households in Kosovo in %

	2015	2016	2017
Wages and salaries in the public sector	26	25	23
Wages and salaries in the private sector	22	26	29
Agriculture	5	5	3
Income from wages ¹	6	7	6
Other household businesses	11	11	13
Pensions	13	11	12
Remittances from abroad	9	8	8
Remittances from Kosovo	1	1	1
Social assistance – Category 1	4	3	3
Social assistance – Category 2	1	1	1
Property income	1	0	0
Pensions of martyrs' families	0	1	1
Other ²	1	1	1
Total in %	100	100	100

Source: Household Budget Survey results 2017

4.2 Trade

Global trade gives consumers and countries the opportunity to have access to new markets and products. Imports and exports are accounted for in a country's current account in the balance of payments.

Kosovo is a free trade zone that includes a trade bloc with the member countries, with which it has signed a free trade agreement. Such agreements include cooperation between at least two countries to reduce trade barriers - import quotas and tariffs - and to increase trade in goods and services with each other.

This chapter introduces trade exchange statistics, which are an official source of information on imports, exports and trade balance, i.e. the amount and quantity of goods traded between Kosovo and CEFTA countries, the EU and other countries.

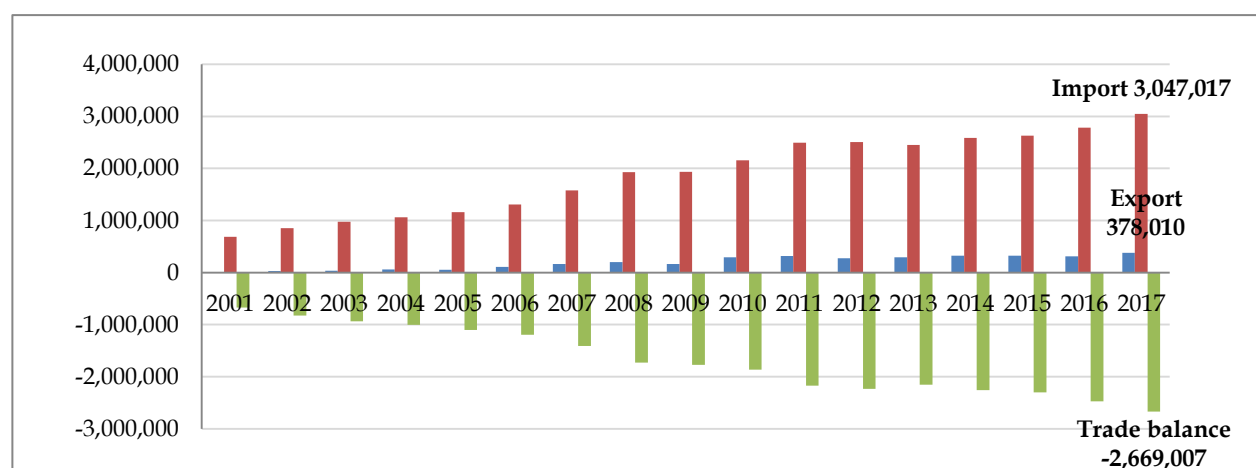
Below is presented the overall trade exchange of Kosovo in 2017, the share of export and import of agricultural products (chapters 1-24) in the overall export and import, the coverage of imports by exports, the trade balance, export and import share in percentage (CEFTA, EU and other countries) and presentation of products by chapters at two-digit level (Harmonized System) for the 2011-2017 time period. The following table presents the total export and import of Kosovo for Chapters 1-98.

Table 68: Total Export/ Import, in 1000 €

Period	Export	Import	Trade Balance	Coverage of imports by the exports (%)
	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	-1,861,768	13.7
2011	319,165	2,492,348	-2,173,183	12.8
2012	276,100	2,507,609	-2,231,509	11.0
2013	293,842	2,449,064	-2,155,222	12.0
2014	324,543	2,583,337	-2,258,794	12.6
2015	325,246	2,627,271	-2,302,025	12.4
2016	309,687	2,785,198	-2,475,511	11.1
2017	378,010	3,047,017	-2,669,007	12.4

Source: KAS, Foreign Trade Statistics

Over the previous period, total exports have fluctuated over the years, but there has been a significant improvement from 2001 to now. The export growth trend has continued in 2017, where exports increased by 22% compared to 2016.

Figure 28: Total export/import, in 1000 €

Source: KAS, Foreign Trade Statistics

The import in 2017 reached the highest value, amounting to over 3 billion €, which at the same time represents the highest import point for the years 2001-2017. On the other hand, low level of export, and the continuous growth of imports has contributed to negative trade balance, in the amount of 2,7 billion €.

The data show that if we compare the trade balance of 2017, with that of the previous year, this negative balance has increased by 7.8%.

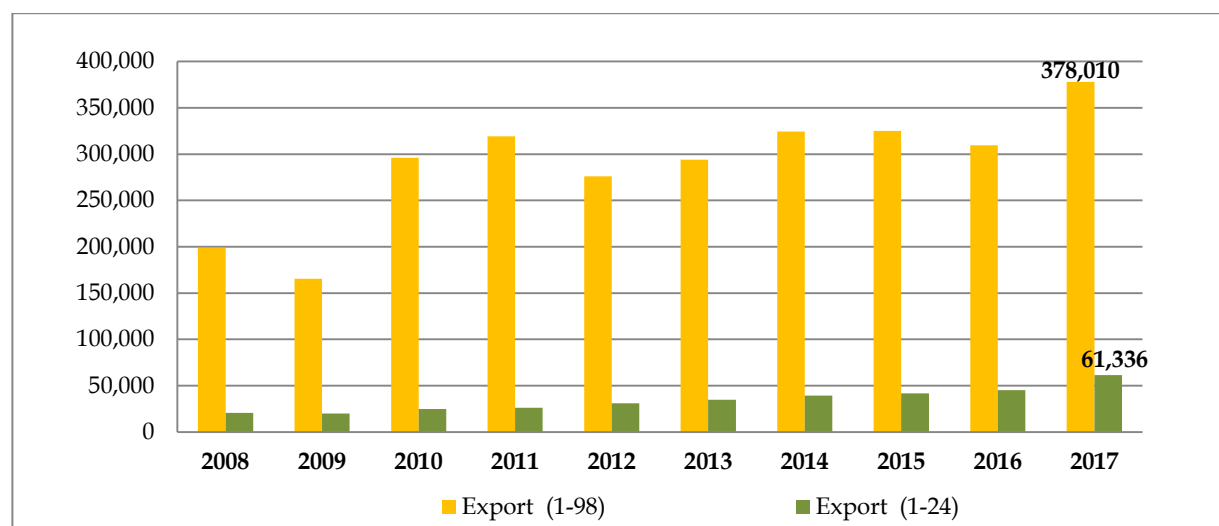
Table 69: Participation of Export-Import of agricultural products, in 1000 €

Year s	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	434,810	22.5
2010	295,957	24,749	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	293,842	34,947	11.9	2,449,064	583,704	23.8
2014	324,543	39,372	12.1	2,583,337	616,051	23.8
2015	325,246	41,683	12.8	2,627,271	628,808	23.9
2016	309,687	45,256	15.0	2,785,198	658,767	23.7
2017	378,010	61,336	16.2	3,047,017	694,517	22.8

Source: KAS, developed by DEAAS - MAFRD

During 2008-2016, the lowest share of export (1-24) in total exports (1-98) was in 2011 with 8.2%, while the highest share was achieved in 2017 with 16.2%. In the trade exchange of agricultural products, it is noted that there is an on-going trend of export growth for the years 2008-2017. The largest increase in export value of agricultural products was in 2017 (€ 61.3 million), which is an increase of exports by 35.5% more than in 2016.

Figure 29: Total export and export of agricultural products, in 1000 €

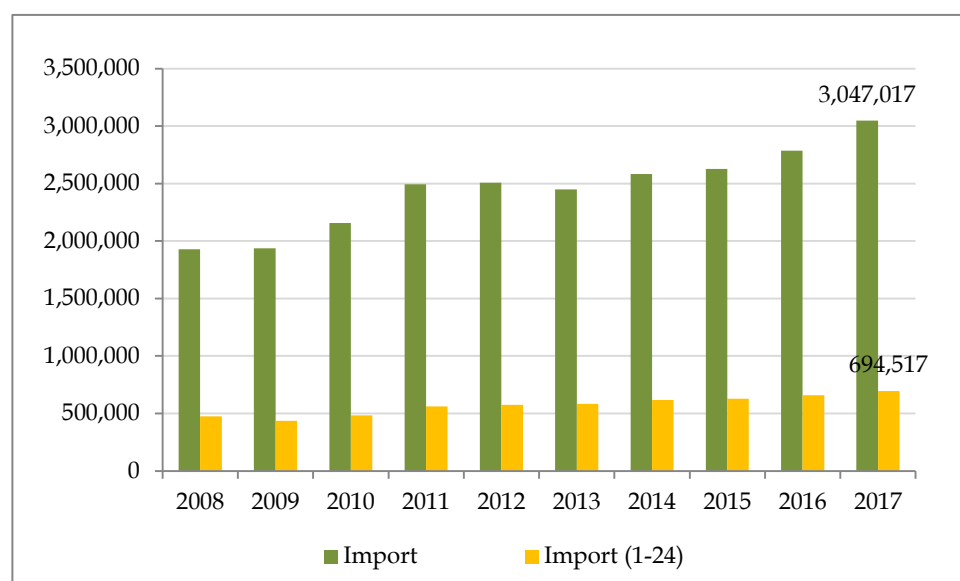


Source: KAS, developed by DEAAS-MAFRD

The import value marked a rapid pace of growth over the years and has grown steadily. While in 2017 we have had a general import increase, from 2.8 billion € in 2016, to 3.1 billion €, which represents the highest import value for chapters (1-98) for 2008-2017, and at the same time an increase of 9.4% in 2017, compared with 2016.

While regarding agricultural products for chapters (1-24), the highest import value was in 2017 (694.5 mil €).

Figure 30: Total import and the import of agricultural products, in 1000 €



Source: KAS, developed by DEAAS-MAFRD

The share of import of agricultural products in total imports has been very similar over the years. Unlike other years, the highest import share (1-24) in total imports (1-98) was in 2008 (24.6%), while the lowest was in 2010 (22.4%). In 2017 this share was 22.8%.

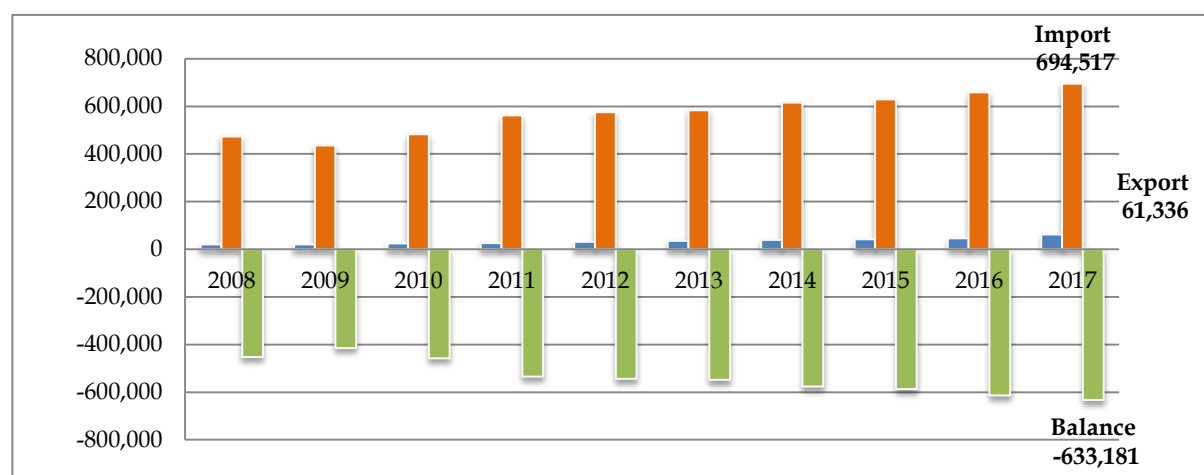
Table 70: Export-import of agricultural products (1-24), in 1000€

Year	Export	Import	Trade Balance	Export/Import (%)
	1	2	3=1-2	4=1/2
2008	20,763	473,666	-452,903	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	-535,243	4.7
2012	30,807	574,974	-544,167	5.4
2013	34,947	583,704	-548,757	6.0
2014	39,372	616,051	-576,679	6.4
2015	41,683	628,808	-587,125	6.6
2016	45,256	658,767	-613,511	6.8
2017	61,336	694,517	-633,181	8.8

Source: KAS, developed by DEAAS-MAFRD

In recent years, the value of imports of agricultural products (1-24) has increased continuously, but parallel to this, exports have also increased year by year. As exports have increased in 2017, this has resulted in a higher coverage of imports by exports, i.e. a percentage of coverage of 8.8%.

Figure 31: Export-import of agricultural products (1-24), in 1000€



Source: KAS, developed by DEAAS-MAFRD

Total exports of agricultural products (1-24) in 2017 reached the highest value so far (61.3 mil. €), which compared to 2016 is an increase of 35.5%, while imports accounted for 694 million €, marking an increase of 5.4% compared with 2016. Consequently, based on the preliminary data, it results that in 2017 there is a trade deficit in the amount of 633.1 million €. The main trade partners with whom Kosovo has achieved the highest value of exports and imports are countries in the region, members of the free trade agreement, CEFTA.

4.2.1 Trade with CEFTA countries

For the establishment of a free trade area where trade in goods and services can be developed across borders, and in order to reduce barriers, Kosovo has signed the Central European Free Trade Agreement (CEFTA) in 2007.

Below are the tables with trade exchange data with CEFTA countries.

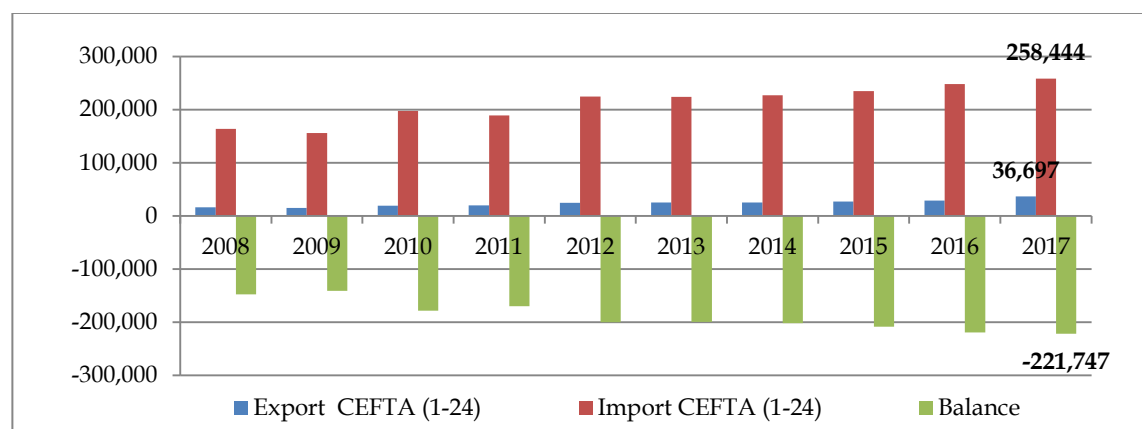
Table 71: Export-import of agricultural products with CEFTA countries, in 1000€

Year	Export (1-24)	Export CEFTA (1-24)	(%)	Import (1-24)	Import CEFTA A (1-24)	(%)
	1	2	3=2/1	4	5	6=5/4
2008	20,763	16,518	79.6	473,666	164,219	34.7
2009	19,993	15,304	76.5	434,810	156,329	36.0
2010	24,749	19,610	79.2	482,649	197,791	41.0
2011	26,185	20,080	76.7	561,428	189,530	33.8
2012	30,807	24,960	81.0	574,974	224,633	39.1
2013	34,947	25,385	72.6	583,704	224,465	38.5
2014	39,372	25,604	65.0	616,051	227,096	36.9
2015	41,683	26,939	64.6	628,808	235,180	37.4
2016	45,256	29,257	64.0	658,767	248,550	37.7
2017	61,336	36,697	60.0	694,517	258,444	41.2

Source: KAS, developed by DEAAS-MAFRD

Exports to CEFTA countries were followed by many barriers in 2017. However, figures show that there has been an increase in exports. The trade value of agricultural products between these countries has been growing steadily since its implementation in 2008. The export of agricultural products with CEFTA members in 2008 amounted to over 16 million €, increasing continuously until 2017, reaching a value of 36.7 million €, or an increase of 25.4% compared to 2016.

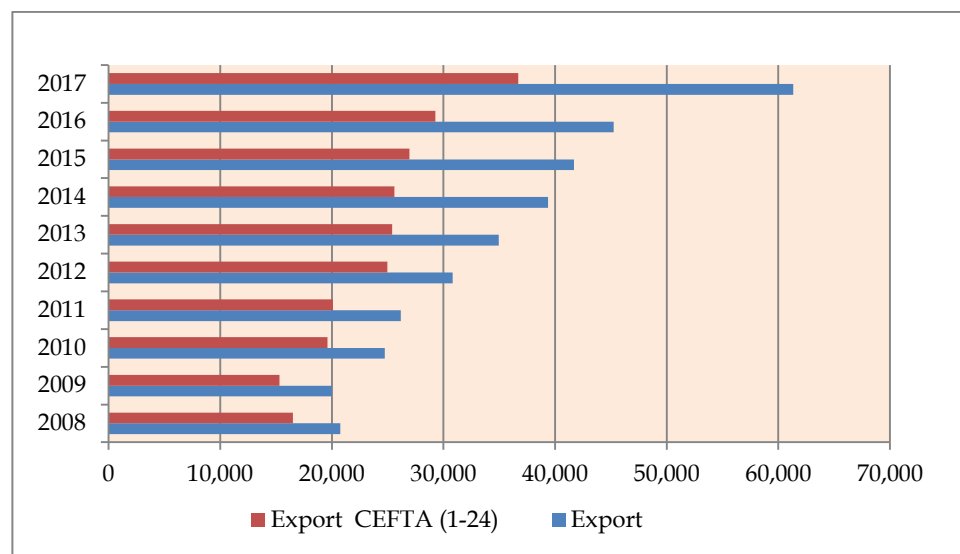
Figure 32: Trade exchange of agricultural products with CEFTA countries, in 1000 €



Source: KAS, developed by DEAAS-MAFRD

Import of agricultural products from CEFTA countries has changed constantly from year to year. The lowest value of imports was in 2009 (156 million euros), while the highest in 2017, with a share in total imports of agricultural products of 41.2%, or in the amount of 258.4 million €. Unlike 2016, in 2017, imports from CEFTA countries increased by 4%.

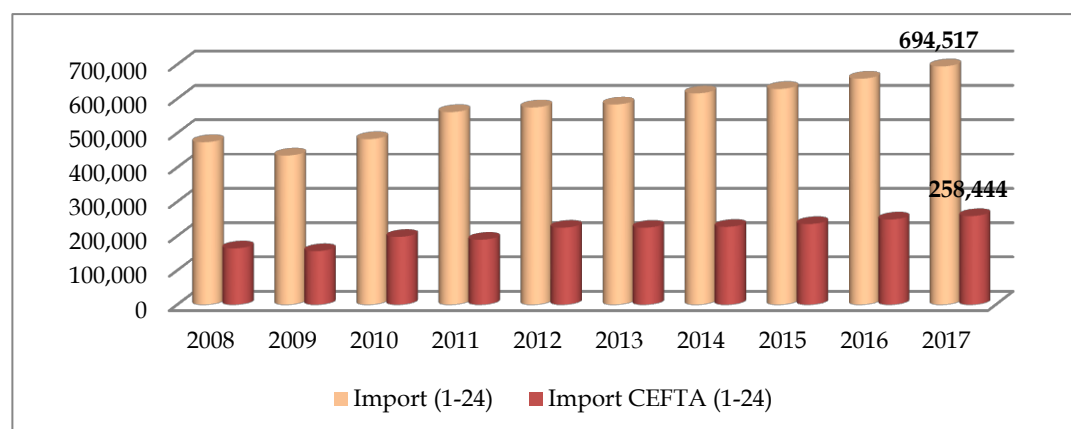
Figure 33: Export of agricultural products to CEFTA countries, in 1000 €



Source: KAS, developed by DEAAS-MAFRD

The share of export of agricultural products to CEFTA countries in total exports (1-24) has recorded a constant decrease over the years. In the period 2008 - 2010 the share on average was 78%, raising to 81% in 2012, marking the highest share of exports to these countries. The lowest share was recorded in 2017 (60%), which means 60% of products for chapters (1-24) were exported to these countries.

Figure 34: Imports of agricultural products from CEFTA countries, in 1000 €



Source: KAS, developed by DEAAS-MAFRD.

The export of agricultural products to CEFTA member countries in 2017 was led by Albania with 21.3 million €, followed by Macedonia with over 7 million € and Serbia with over 5 million €.

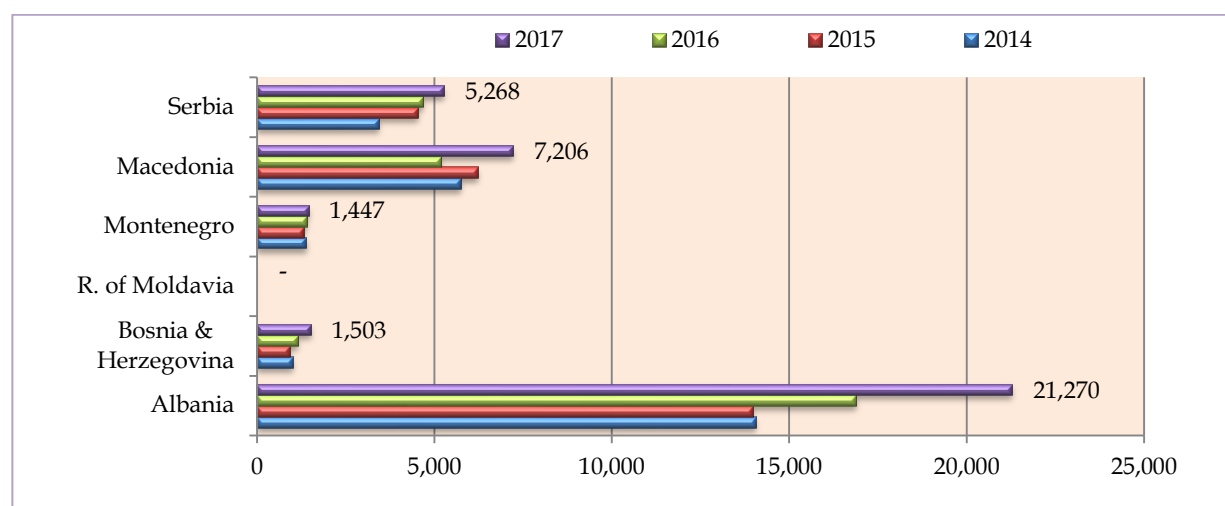
If we compare the export of 2017 with that of 2016, we note that the export value to Albania has increased by 26%, B. Herzegovina by 32%, Montenegro by 4%, Macedonia by 39% and Serbia by 3.2.

Table 72: Exports of agricultural products to CEFTA countries, in 1000 €

CEFTA Countries	2014	2015	2016	2017	Difference (2017-2016)	Difference 2017/2016 (%)	Participation (%) 2017
Albania	14,059	13,973	16,869	21,270	4,401	26.1	58.0
B. Herzegovina	996	916	1137	1,503	366	32.2	4.1
R. of Moldova	0	0	0	-			
Montenegro	1,379	1,307	1,387	1,447	60	4.3	3.9
Macedonia	5,742	6,211	5,185	7,206	2,021	39.0	19.6
Serbia	3,428	4,532	4,676	5,268	592	12.7	14.4
Total	25,604	26,939	29,257	36,697	7,437	25.4	100.0

Source: KAS, developed by DEAAS -MAFRD

Within the CEFTA member countries, in 2017 the highest share of exports of agricultural products was to Albania with 58%, followed by Macedonia with 19.6, Serbia with 14.4%. B. Herzegovina with 4.1% and Montenegro with 3.9%.

Figure 35: Exports of agricultural products to CEFTA countries, in 1000 €

Source: KAS, developed by DEAAS -MAFRD

In 2017, imports from some CEFTA countries have marked an increase. The highest import value was from Serbia in the amount of 168.5 million €, showing an increase of 3.5% compared to 2016.

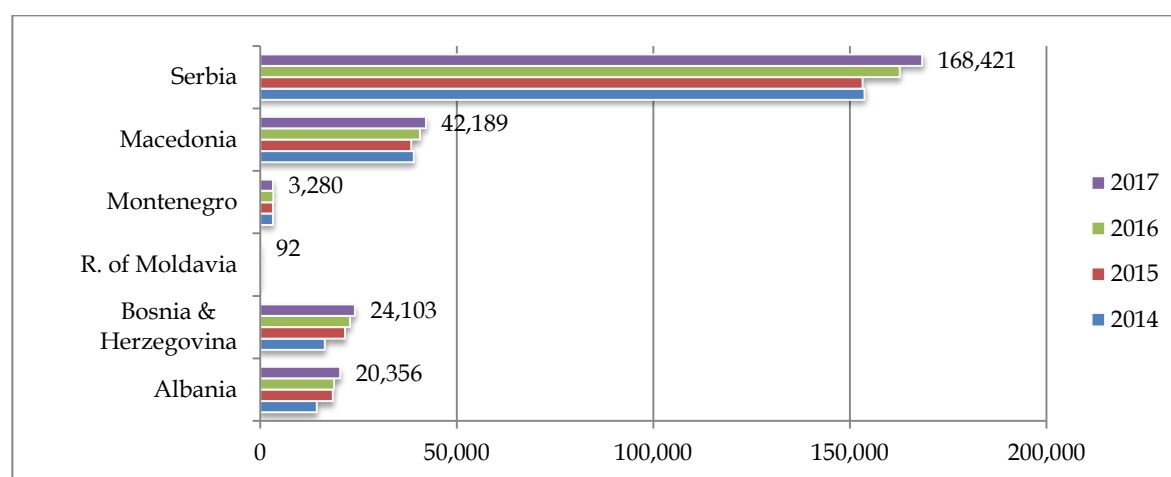
Import of agricultural products from B. Herzegovina in 2017 was 24.1 million €, representing the highest import value from this country for the period 2014-2017.

Table 73: Import of agricultural products from CEFTA countries, in 1000 €

CEFTA countries	2014	2015	2016	2017	Difference 2017-2016	Difference 2017/2016 (%)	Participation (%) 2017
Albania	14,400	18,533	18,852	20,356	1,504	8.0	7.9
B. Herzegovina	16,481	21,636	22,922	24,103	1,181	5.2	9.3
R. of Moldova	111	82	107	92	-15	-14.0	0.0
Montenegro	3,304	3,292	3,348	3,280	-68	-2.0	1.3
Macedonia	39,076	38,420	40,635	42,189	1,554	3.8	16.3
Serbia	153,723	153,214	162,683	168,421	5,738	3.5	65.2
Total	227,096	235,177	248,550	258,444	9,891	4.0	100

Source: KAS, developed by DEAAS -MAFRD

Also in 2017, the import value from Macedonia has increased by 3.8% compared to 2016, while Albania reached 20.3 million €, marking an increase of 8% comparing to 2016.

Figure 36: Import of agricultural products from CEFTA countries, in 1000 €

Source: KAS, developed by DEAAS -MAFRD

Regarding imports from Moldova there is a decrease of 14%, while there is also a decrease of 2% in imports from Montenegro in 2017, compared to 2016. But mainly import value from this country is around 3.3 million €, for 4 consecutive years.

4.2.2 Trade with EU countries

Trade exchange of agricultural products has also existed with EU countries. Although exports were of a lower value than imports, it is worth noting that the export value to EU countries in 2017 was over 20 million €, which is 67.8% higher compared to the previous year.

Also, the value of imports from EU countries has increased from 2008 to 2016, continuing in 2017, amounting to 275.8 million €, an increase of 5.1% compared to last year.

The trade balance continued to be negative, continuing to deepen by 2% compared to 2016. The coverage of import with exports to these countries was higher than the other years, with a share of 7.3%.

Table 74: Export-Import of agricultural products with EU countries, in 1000 €

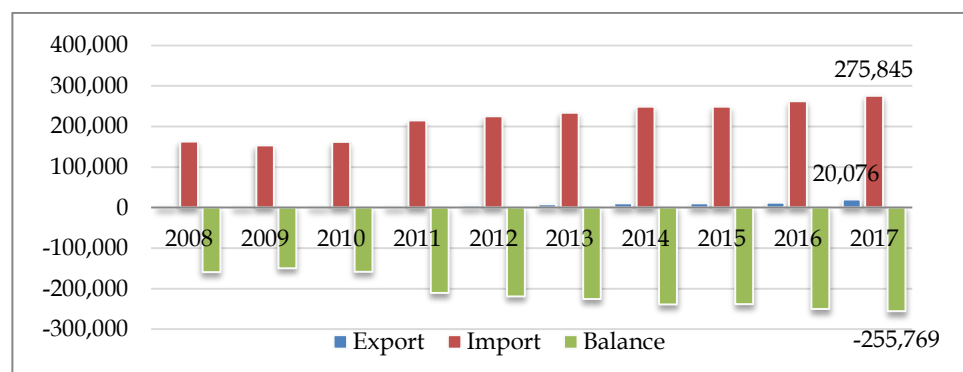
Year	Export	Import	Balance	Import coverage by the Export (%)
	1	2	3=1-2	4=1/2
2008	3,566	163,178	-159,612	2.2
2009	3,559	153,152	-149,593	2.3
2010	3,214	161,898	-158,684	2.0
2011	3,865	214,745	-210,880	1.8
2012	6,105	225,039	-218,934	2.7
2013	8,347	234,116	-225,769	3.6
2014	10,184	249,026	-238,842	4.1
2015	10,530	248,936	-238,406	4.2
2016	11,961	262,440	-250,479	4.5
2017	20,076	275,845	-255,769	7.3

Source: KAS, developed by DEAAS-MAFRD

In 2017, of the total exports value of agricultural products, exports to EU countries amounted to 20 mil. €. In the period 2008-2016, the average value of exported agricultural products to the EU countries amounted to 6.8 mil. €. If the value of the products exported to the EU countries in 2017 is compared to the average export value for the years 2008-2016, it turns out that the export value has almost tripled.

Import trends have changed from year to year. The lowest import value from the EU countries was marked in 2009 (153.1 mil. €), while the highest value was reached in 2017, whereby goods worth 275.8 mil. € were imported. The import of agricultural products from the EU comprises 39.7%, of the agricultural import value.

Figure 37: Export-Import of agricultural products with EU countries, in 1000 €



Source: KAS, developed by DEAAS-MAFRD

Of the total export of agricultural products to EU countries in the value of 20 mil. €, in 2017, the largest part of export or 40.4%, was oriented to Germany, followed by Bulgaria and Romania with 7.4% each, Austria 6.3%, Hungary 5.9%, Netherlands 5.4%, Sweden 4.9%, Czech R. 2.1%, Slovenia 1.3% and other countries with a total of 19%.

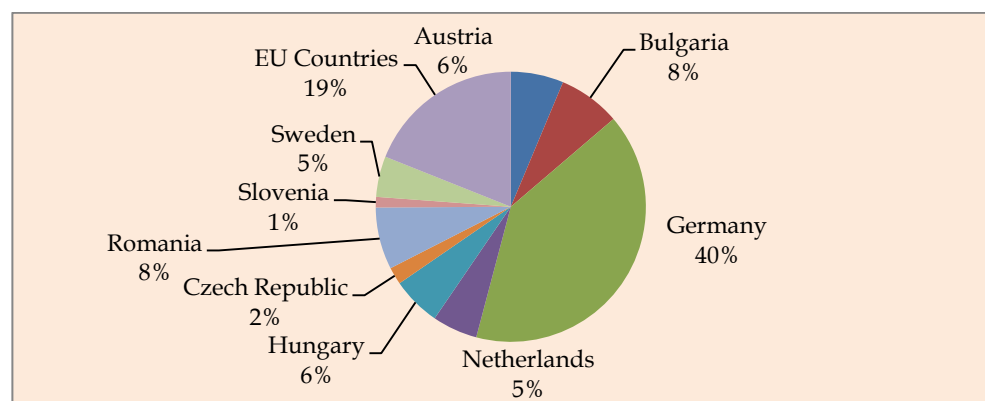
Table 75: Export of agricultural products to EU countries, in 1000 €

Countries	2016	2017	Difference	Difference 2017-2016 (%)	Participation in % (2017)
Austria	865	1,268	403	46.6	6.3
Bulgaria	913	1,490	577	63.2	7.4
Germany	3,156	8,105	4,949	156.8	40.4
Netherlands	665	1,086	421	63.3	5.4
Hungary	252	1,180	928	368.3	5.9
Czech Rep.	492	416	-76	-15.4	2.1
Romania	889	1,491	602	67.7	7.4
Slovenia	221	253	32	14.5	1.3
Sweden	766	977	211	27.5	4.9
Other EU countries	3,762	3,805	43	1.1	19
Total EU 28	11,961	20,076	8,115	67.8	100

Source: KAS, developed by DEAAS-MAFRD

The total export of agricultural products to the EU countries was dominated by the following products: Fruit and other plant parts (5.6 mil. €) beverages, alcoholic beverages and vinegar (4.7 mil. €), preparation of vegetables (3.8 mil. €), vegetables (2.2 mil. €), and oil seeds and oleaginous fruits 1.4 mil. €.

Figure 38: Export of agricultural products to the EU countries in 2017, (%)



Source: KAS, developed by DEAAS-MAFRD

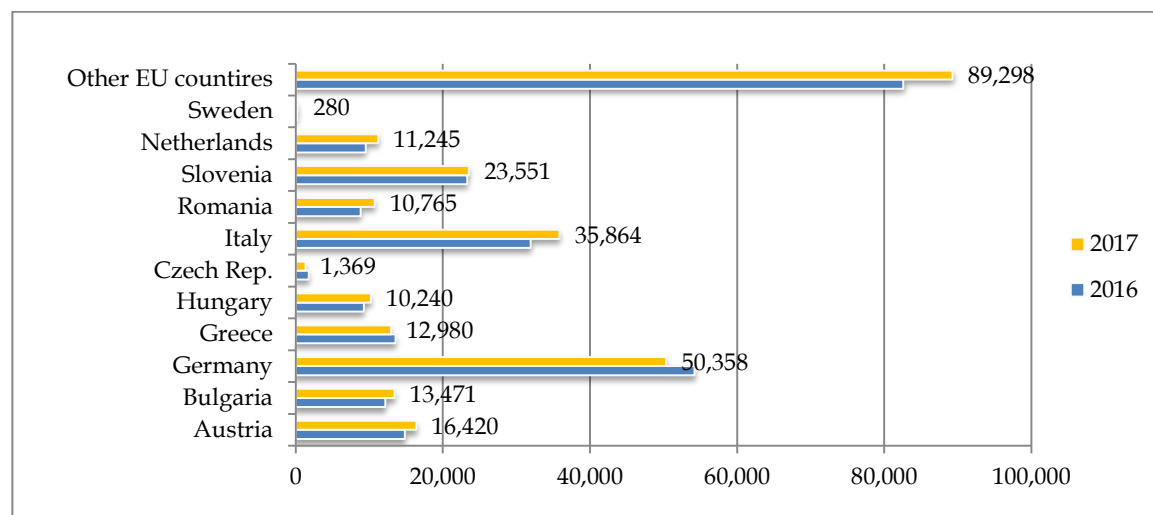
Import of agricultural products in 2017 for chapters 1-24 from the EU countries had an increase of 5%, compared to 2016. In addition to the increase in total import value (1-24), in 2017, there was also change as regards the countries from which imports came from. Unlike 2016, in 2017, the import from some countries increased, while from some others decreased. The countries presented in the table below represent 67.6% of the import, while the other part of 32.4% has been imported from other EU countries.

Table 76: Import of agricultural products from EU countries, in 1000 €

Countries	2016	2017	Difference 2017-2016	Difference 2017/2016 (%)	Participation in % (2017)
Austria	14,848	16,420	1,572	10.6	6.0
Bulgaria	12,209	13,471	1,262	10.3	4.9
Germany	54,235	50,358	-3,877	-7.1	18.3
Greece	13,607	12,980	-627	-4.6	4.7
Hungary	9,266	10,240	974	10.5	3.7
Czech Rep.	1,814	1,369	-445	-24.5	0.5
Italy	31,948	35,864	3,916	12.3	13.0
Romania	8,848	10,765	1,917	21.7	3.9
Slovenia	23,313	23,551	238	1.0	8.5
Netherlands	9,529	11,245	1,716	18.0	4.1
Sweden	231	280	49	21.2	0.1
Other EU countries	82,592	89,298	6,706	8.1	32.4
Total EU 28	262,440	275,845	13,401	5.1	100.0

Source: KAS, developed by DEAAS-MAFRD

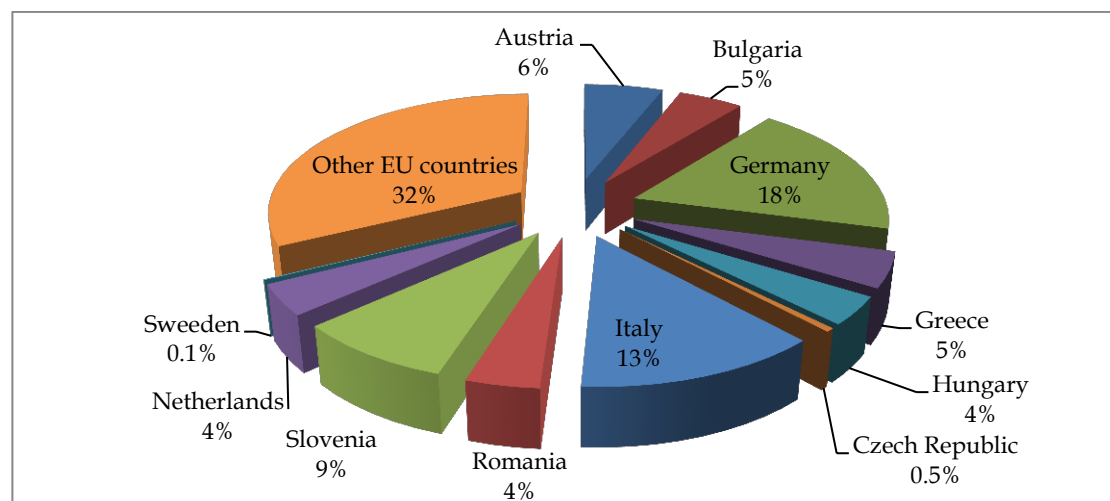
The following countries marked a decrease in import in 2017 compared to 2016: Czech Rep. 24.5%, Germany 7.1%, and Greece 4.6%. The following EU countries marked an increase in import: Romania 21.7%, Sweden 21.2%, Italy 12.3%, Austria 10.6%, Hungary 10.5%, Slovenia 1.0%, Netherlands 18.0%, Bulgaria 10.1% and other countries 8.1%.

Figure 39: Import of agricultural products from EU countries 2016-2017, in 1000 €

Source: KAS, developed by DEAAS-MAFRD

Out of the total import of agricultural products by the EU countries, the countries with the highest share were Germany with 18%, Italy 13%, Slovenia 9%, Bulgaria 5%, Austria 6%, Greece 5%, Romania, Netherlands and Hungary each with 4%, Czech R. had a share of 0.5%, Sweden 0.1% and other EU countries 32%,

Figure 40: Import of agricultural products from EU countries in 2017, (%)



Source: KAS, developed by DEAAS-MAFRD

Among the most imported agricultural products from the EU countries were: extracts, essences and concentrates of coffee, tea, and their concentrates (chapter 21) in the value of 37.2 mil. € or 13% of the EU import, meat and its products 32.1 mil. € (11.2%), milk and dairy products 31.2 mil. € (10.8%) tobacco and processed substitutes 29.4 mil. € (10.2%), cereal preparations (8.3%) and other products.

4.2.3 Trade with other countries

Besides CEFTA and EU countries, Kosovo had trade relations with other countries as well. The main countries from which Kosovo imported include the following: Brazil, Turkey, Switzerland, USA, China, Canada and other countries. The main imported products include: meat and meat products, sweets, cereal preparations, beverages and other agricultural products from chapters 1-24.

Table 77: Kosovo's trade Exchange in 2017 in 1000 €

	Export	Import	Deficit	Export participation (%)	Import participation (%)	Import coverage by the export
CEFTA	36,697	258,444	-221,747	59.8	37.2	14.2
EU countries	20,076	275,845	-255,769	32.7	39.7	7.3
Other countries	4,563	160,228	-155,665	7.4	23.1	2.8
Total	61,336	694,517	-633,181	100.0	100.0	8.8

Source: KAS, developed by DEAAS-MAFRD

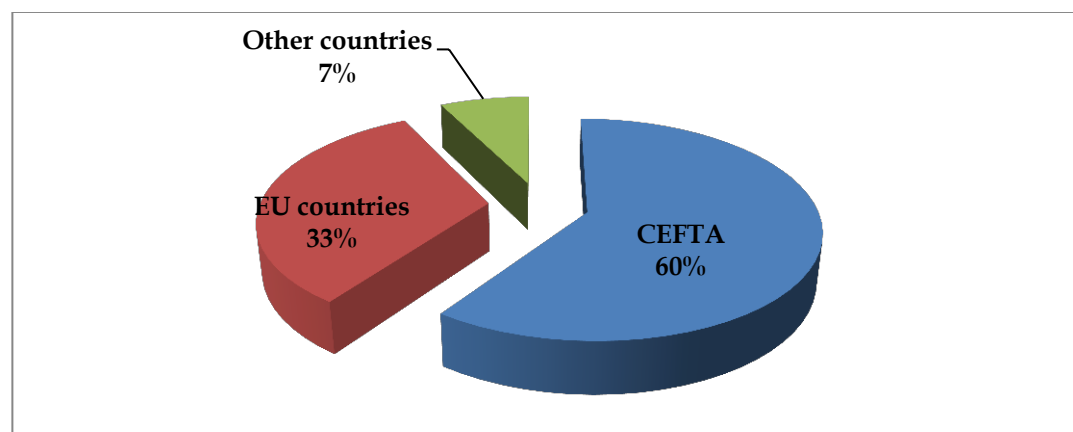
As in the previous years, in 2017 there was increase of both export and import of agricultural products. Export to CEFTA countries reached a value of about 36.7 mil. €, while import a value of about 258.4 mil. €, with a negative trade balance of 221.7 mil. €.

Export to EU countries was 20 mil. €, while import 275.8 mil. €, which also represents a negative balance from these countries in the value of 255.8 mil. €.

Regarding other countries outside the European Union, exports amounted to 4.6 mil. €, while import reached 160.2 mil. €, with a negative trade balance of 155.7 mil. €.

Regarding the share of groups of countries mentioned above, it is worth mentioning that 60% of exports were to CEFTA countries, 33% to EU countries, and 7% to other countries.

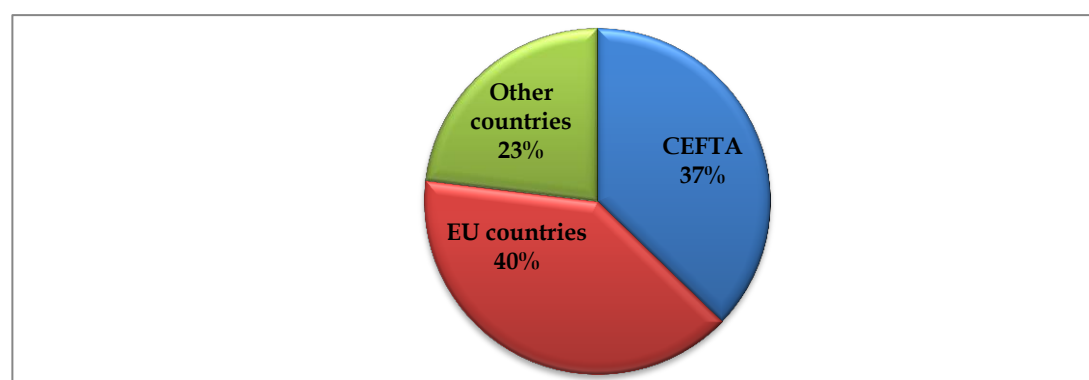
Figure 41: Export of agricultural products (1-24) in 2017, (%)



Source: KAS, developed by DEAAS -MAFRD

In terms of imports, the bulk is imported from EU countries (40%), followed by CEFTA countries (37%) and other countries (23%).

Figure 42: Import of agricultural products (1-24) in 2017, (%)



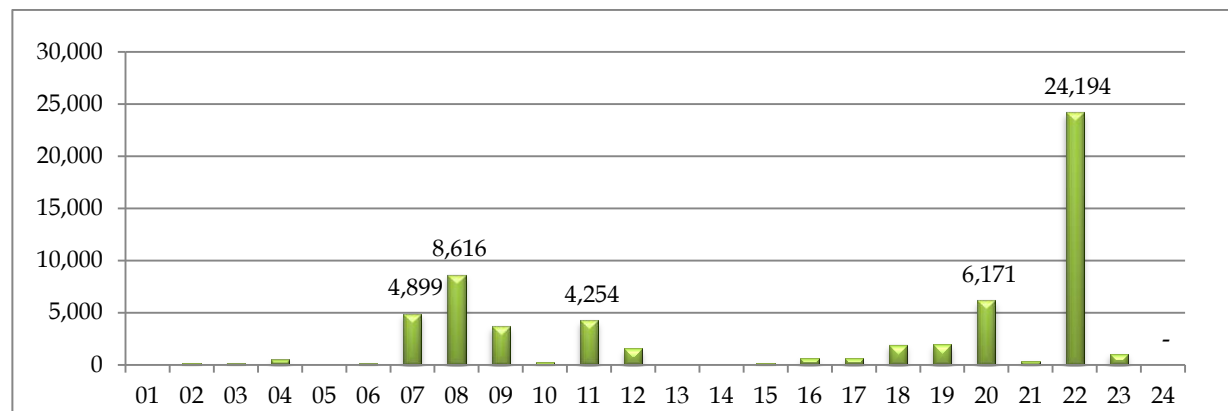
Source: KAS, developed by DEAAS -MAFRD

4.2.4 Export of agricultural products by chapters (1-24)

Products that had the largest share in exports of agricultural products in 2017 are as follows: beverages, cold drinks, alcoholic beverages (alcohols), vinegar falling within the chapter 22 of the harmonized customs system with a share of 39.4%, followed by chapter 6 products, namely fresh fruit and walnuts with a share of 14%, preparations of vegetables, fruits and nuts with 10%, fresh vegetables 8%, coffee and spices from chapter 9 with a share of 7% in export.

Chapter 2 products marked a lower value, whereby meat had a share of only 0.2% in exports. Agricultural products from chapter 4 had also a low share of 0.8% which includes dairy products, eggs and honey.

Figure 43: Export of agricultural products for 2017, in 1000 €



Source: KAS, developed by DEAAS -MAFRD

Table 78: Export of agricultural products 2011-2017, in 1000 €

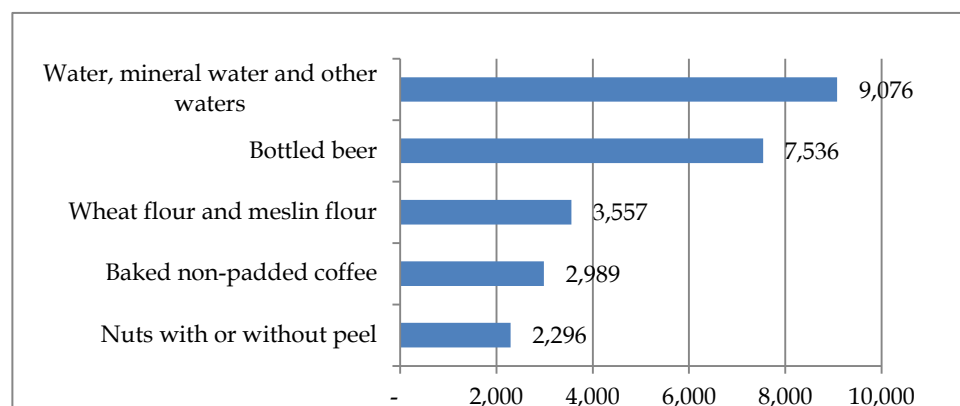
Chapters	2011	2012	2013	2014	2015	2016	2017
01 Livestock	104	65	0	0	0	0	0
02 Meat and edible meat offal	14	5	23	109	175	247	183
03 Fish, oysters and other aqu. vertebrates	29	120	0	0	32	37	172
04 Dairy products, eggs, honey	289	149	133	200	459	489	492
05 Products of animal origin	0	0	0	0	0	0	0
06 Trees, plants, flowers	8	12	94	22	42	58	165
07 Vegetables and certain roots and tubers	2,642	2,946	2,642	4,927	3,201	4,792	4,899
08 Fruits and nuts	1,677	1,609	2,122	2,588	2,931	3,845	8,616
09 Coffee, tea, spices	573	717	1,371	2,729	3,180	2,170	3,677
10 Cereals	120	79	32	420	724	335	262
11 Mixes industrial products, starch	7,256	8,316	8,448	6,518	4,182	4,172	4,254
12 Cooking oil, misc. grains, seeds, fruits, medicinal plants, straw, fodder	489	681	691	1,347	1,279	1,444	1,558
13 Adhesive materials, resins and other extracts	0	0	8	0	0	0	0
14 Fruits planting material, fruit products	0	0	0	0	0	7	0
15 Fats and oils	45	59	46	19	41	9	179
16 Preparations of meat, fish, oysters and other water vertebrates	0	6	102	301	500	478	618
17 Sugar and confectionary	141	137	171	159	699	804	652
18 Cocoa and cocoa preparations	295	1,392	1,803	2,661	2,821	2,397	1,909
19 Preparations of cereals, flour, starch	705	704	1,021	1,497	2,104	1,903	1,925
20 Prepared vegetables, fruits and nuts	2854	2484	1599	1,752	2,253	3,753	6,171
21 Miscellaneous edible preparations	139	164	167	317	336	441	352
22 Beverages, cool beverages, alcoholic beverages (alcohol), vinegar	8,106	10,195	13,300	12,512	15,992	16,989	24,194
23 Animal fodder	698	899	1,086	1,296	732	888	1,060
24 Tobacco and substitutes	0	69	88	0	0	0	0
Total 1-24	26,185	30,807	34,947	39,372	41,683	45,257	61,336

Source: KAS, developed by DEAAS-MAFRD

Among the exported products that reached the highest export value was water, including mineral water and sparkled water, in the value of more than 9.1 mil €, followed by the bottled

malt beer amounting to 7.5 mil €, wheat flour and meslin in the amount of 3.5 mil. €, roasted non-decaffeinated coffee in the amount of 2.9 mil.

Figure 44: The most exported products for 2017, 1000 €

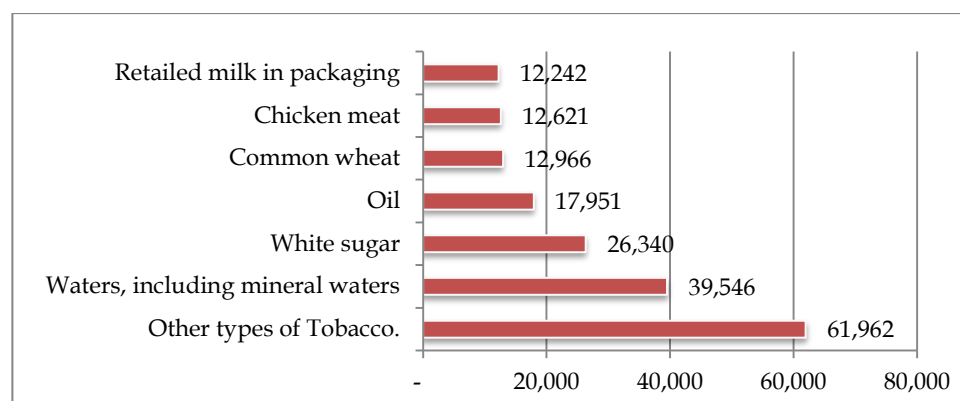


Source: KAS, developed by DEAAS-MAFRD

4.2.5 Import of agricultural products by chapters (01-24)

Among the most imported products during 2017 were products from chapter 24 Tobacco and processed tobacco substitutes - cigarettes with a value of 61.9 mil. € with 8.9% share in import, waters, including mineral waters amounted to 39.5 mil. €, with a share of 5.7%, white sugar had import value of 26.3% with a share of 3.8%, and oil, the value of which reached 17.9 mil. €, with a share of 2.6%, common wheat amounted to 12.9 mil. € or 1.9% of imports in 2017, as well as other products the value of which is presented in the following figure.

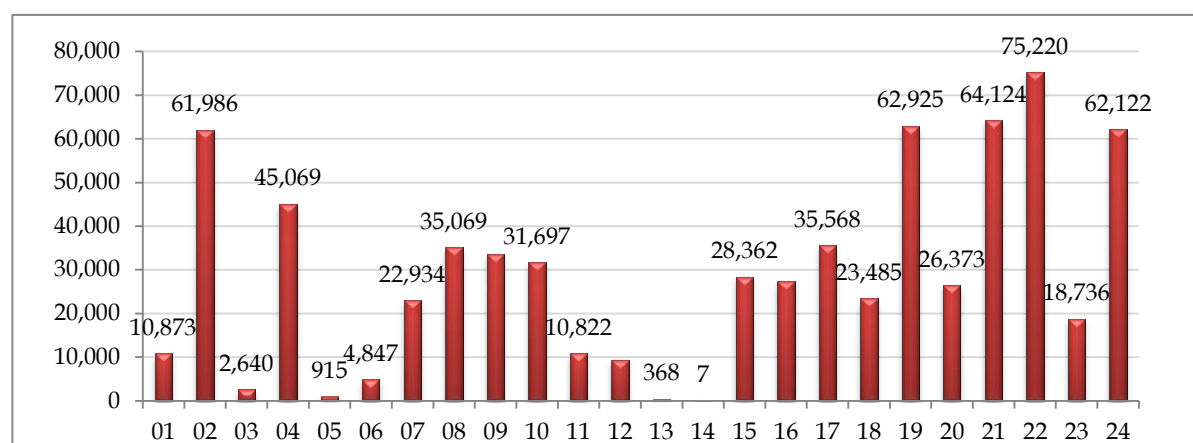
Figure 45: The most exported products for 2017, 1000 €



Source: KAS, developed by DEAAS-MAFRD

The total value of imports of agricultural products in 2017 amounted to about 694.5 mil. €, while the most imported products and that are divided into particular chapters are presented in the following figure:

Figure 46: Import of agricultural products for 2017, in 1000 €



Source: KAS, developed by DEAAS-MAFRD

The highest import value is noted in chapter 22 - Drinks, cold beverages, alcoholic beverages (alcohol), vinegar with a value of 75.2 mil €, accounting for 11% of imports, followed by chapter 24 - Tobacco and substitutes whose value reached 62 mil. €, with share of 8% as well as meat whose value reached about 61.9 mil. €, or 9% of imports of agricultural products (1-24)

Table 79: Import of agricultural products 2011-2017, in 1000 €

Chapters	2011	2012	2013	2014	2015	2016	2017
01 Livestock	6,010	8,444	9,315	12,216	9,524	7,930	10,873
02 Meat and edible meat offal	52,802	52,262	57,446	62,040	61,758	57,847	61,986
03 Fish, oysters and other aqu. vertebrates	1,796	1,913	2,452	1,959	2,292	2,119	2,640
04 Dairy products, eggs, honey	36,938	37,792	35,682	38,309	37,750	41,474	45,069
05 Products of animal origin	906	890	873	815	647	521	915
06 Trees, plants, flowers	2,260	2,596	2,827	2,691	4,493	5,233	4,847
07 Vegetables and certain roots and tubers	18,664	16,424	16,800	21,796	22,973	23,135	22,934
08 Fruits and nuts	23,389	22,169	24,340	29,038	30,251	32,959	35,069
09 Coffee, tea, spices	21,270	28,015	27,409	26,479	27,904	27,467	33,629
10 Cereals	46,946	38,794	30,024	31,218	29,338	36,327	31,697
11 Mixes industrial products	13,294	18,358	14,790	14,647	15,048	12,823	10,822
12 Cooking oil, misc. grains, seeds, fruits, medicinal plants, straw, fodder	10,933	10,052	8,015	6,924	8,300	9,700	9,409
13 Adhesive materials, resins and other extracts	95	92	141	260	225	305	368
14 Fruits planting material, fruit products	26	3	3	5	9	10	7
15 Fats and oils	22,023	26,184	25,670	24,912	25,615	27,863	28,362
16 Preparations of meat, fish, oysters and other water vertebrates	20,192	20,675	23,046	24,471	25,298	24,843	27,338
17 Sugar and confectionary	36,854	35,077	30,042	31,566	31,948	34,848	35,568
18 Cocoa and cocoa preparations	18,538	17,449	19,601	20,679	21,266	22,258	23,485
19 Preparations of cereals, flour, starch	43,563	44,933	50,800	53,452	55,777	60,371	62,925
20 Prepared vegetables, fruits and nuts	19,337	17,935	20,693	20,764	23,104	24,189	26,373
21 Miscellaneous edible preparations	37,874	41,044	46,697	49,532	56,021	58,796	64,124
22 Beverages, cool beverages, alcoholic beverages (alcohol), vinegar	57,900	57,688	59,555	65,779	63,374	70,388	75,220
23 Animal fodder	12,749	16,644	17,366	18,469	21,512	19,058	18,736
24 Tobacco and substitutes	57,067	59,539	60,117	58,027	54,381	58,300	62,122
Total 1-24	561,428	574,974	583,704	616,051	628,808	658,767	694,517

Source: KAS, developed by DEAAS-MAFRD

4.3 Prices in the value chain

Ministry of Agriculture, Forestry and Rural Development through subsidies and grants aims to increase the quality of agricultural products, increase output and expand the market and reduce the import of agricultural products which largely affects the prices of local products.

Kosovo market is flooded with imported products which largely affect local producers and the economy of Kosovo in general. Since domestic production is failing to meet consumer needs, a large part of the products are imported from other countries to meet local needs. Although exports have marked an increase, high amount of imports is negatively affecting the country's economic development.

The following tables present prices for several agricultural products and a comparison was made between the price of production, import (customs price), and wholesale and retail consumption for the period 2012 – 2017.

Table 80: The average annual prices of several agricultural products 2012-2017 (€/kg)

Products	2012	2013	2014	2015	2016	2017	Difference 2017/2016 (%)
Wheat	0.26	0.22	0.20	0.19	0.17	0.16	-6
Maize	0.30	0.31	0.28	0.23	0.24	0.23	-4
Potatoes	0.32	0.43	0.34	0.33	0.32	0.32	0
Cabbages	0.24	0.17	0.19	0.23	0.21	0.22	5
Peppers	0.58	0.78	0.68	0.81	0.67	0.71	6
Beans	2.47	2.63	2.92	2.68	2.46	2.71	10
Tomatoes	0.67	0.55	0.68	0.54	0.60	0.57	-5
Apples	0.54	0.53	0.55	0.48	0.49	0.63	29
Grapes	0.93	0.85	1.02	0.91	0.84	1.15	37
Farm chickens	2.12	2.29	2.33	2.06	2.04	2.01	-1
Milk	0.32	0.33	0.33	0.30	0.30	0.31	3
Honey	8.52	8.83	9.00	9.77	9.87	10.37	5
Eggs *	9.60	8.97	9.27	7.43	8.00	8.33	4

Source: KAS, developed by DEAAS – MAFRD; *unit 100 pieces

Based on the data from the above table, prices in 2017 compared to 2016, had significant fluctuations. Wheat, corn and tomatoes suffered the most noticeable drop in the price. Grapes have marked the largest increase in price from the products listed in the table, with an increase of 37%, apples 29% and beans with 10%, while the prices of other products suffered no major changes compared to 2016. These rise in prices are due to bad weather which has caused damages to these products.

Table 81: Import unit values of several agricultural products 2012-2017 (€/kg)

Products	2012	2013	2014	2015	2016	2017	Difference 2017/2016 (%)	Import unit values/production prices 2017
Wheat	0.33	0.20	0.20	0.18	0.16	0.18	13	1.13
Maize	0.35	0.21	0.21	0.16	0.18	0.19	6	0.83
Potatoes	0.22	0.24	0.30	0.30	0.32	0.38	19	1.19
Cabbages	0.07	0.19	0.19	0.19	0.23	0.19	-17	0.86
Peppers	0.36	0.78	0.42	0.47	0.39	0.43	10	0.61
Beans	1.02	0.87	1.14	1.17	0.91	0.86	-5	0.32
Tomatoes	0.29	0.23	0.31	0.36	0.34	0.34	0	0.60
Apples	0.71	0.35	0.29	0.33	0.32	0.35	9	0.56
Grapes	1.01	0.46	0.55	0.44	0.52	0.53	2	0.46
Milk	0.65	0.61	0.62	0.60	0.58	0.57	-2	1.84
Honey	4.81	4.71	5.02	4.99	5.47	5.63	3	0.54
Eggs *	5.10	9.07	4.07	4.73	4.53	4.17	-8	0.50

Source: Kosovo Customs, developed by DEAAS-MAFRD; *unit 100 pieces

The table above presents several prices or the so-called unit values of imports of agricultural products.

The most significant increase in the price is recorded by potatoes with an increase of 19% followed by wheat with 13% and apple with 9%. On the other hand, some products have marked quite a significant decrease in their price, such as cabbage 17%, eggs with 8% and beans with 17%.

As in the previous years, the imported agricultural products were available at much lower prices than the prices of domestic products in Kosovo; this may be due to differences in quality, delivery term, and policies of exporting states and companies.

Table 82: Annual average wholesale prices (€/kg)

Products	2012	2013	2014	2015	2016	2017	Difference 2017/2016 (%)
Wheat	0.37	0.29	0.26	0.28	0.27	0.21	-22
Maize	0.34	0.40	0.41	0.48	0.39	0.28	-28
Potatoes	0.29	0.36	0.25	0.27	0.32	0.30	-6
Cabbages	0.28	0.28	0.32	0.25	0.19	0.19	0
Peppers	1.14	0.86	0.55	1.08	1.12	0.59	-47
Beans	1.93	2.04	2.64	2.59	2.45	2.29	-7
Tomatoes	0.82	0.68	0.51	0.43	0.64	0.54	-16
Apples	0.51	0.52	0.43	0.49	0.47	0.49	4
Grapes	2.04	1.47	2.04	1.74	1.64	1.35	-18
Farm chickens	1.51	1.60	2.15	1.77	1.39	1.48	6
Milk	0.77	0.79	0.80	0.79	0.78	0.72	-8
Honey	7.09	8.27	8.12	8.22	8.80	7.10	-19
Eggs	7.93	7.53	8.67	7.27	8.50	8.17	-4

Source: Market Information System, developed by DAESB – MAFRD; *unit 100 pieces

The table above shows the wholesale prices of some agricultural products. Farm chickens have marked a slight increase in price by 6.5% and apples by 4.3%.

Products which have had a decrease in price are pepper, whose price is 47.3% lower than in 2016, followed by maize with a decrease in price of 28.2% and wheat with a decrease of 22.2%, followed by honey, grapes and tomatoes.

Wholesale prices are usually higher than production prices, but for products with high share of imports at low prices, this rule may not apply.

Table 83: The average annual prices of retail (€/kg)

Products	2012	2013	2014	2015	2016	2017	Difference 2017/2016 (%)
Wheat	0.43	0.33	0.30	0.31	0.30	0.26	-13
Maize	0.40	0.44	0.49	0.52	0.44	0.34	-23
Potatoes	0.37	0.46	0.43	0.32	0.38	0.37	-3
Cabbages	0.36	0.35	0.38	0.29	0.24	0.24	0
Peppers	1.41	0.99	0.70	1.23	1.30	0.75	-42
Beans	2.28	2.27	2.89	2.80	2.64	2.56	-3
Tomatoes	1.00	0.79	0.65	0.51	0.76	0.67	-12
Apples	0.66	0.60	0.62	0.57	0.57	0.60	5
Grapes	2.45	1.65	2.45	1.91	1.79	1.42	-21
Farm chickens	1.87	1.94	2.43	2.01	1.72	1.78	3
Milk	0.87	0.88	0.87	0.84	0.82	0.83	1
Honey	8.30	9.22	9.10	9.27	9.73	8.39	-14
Eggs	9.20	8.27	9.47	7.73	9.80	8.77	-11

Source: Market Information System, developed by DEAAS – MAFRD, * Unit per 100 pieces

The table above represents the retail prices, where the most noticeable changes in price are recorded by pepper, maize, grapes, what, honey and tomatoes.

Pepper marked a decrease in its price by 42.3%, maize and grapes marked a decrease in price by 23.7% respectively 20.7%, and honey and what also suffered a decrease in price by 13.8% respectively 13.3%.

On the other hand, apples marked an increase in price by 5.3%, while farm chickens marked a lower increase in price by 3.5% and milk by 1.2%. Other products on the list did not have any major changes.

Retail prices in the domestic market are usually higher than the production prices, with the possible exception of products whose supply in retail market has its origin largely from cheaper imports.

Table 84: Price comparison of several products in Kosovo to several EU countries, 2017 (€/kg)

Country	Wheat	Corn	Potatoes	Cabbages	Apples	Honey	Eggs*
Bulgaria	0.15	0.15	0.18	0.20	0.25	2.30	6.79
Czech Republic	0.15	0.14	0.19	0.16	0.46	4.36	7.82
Greece	0.19	0.21	0.37	0.44	0.58	5.85	18.38
Hungary	0.14	0.14	0.24	0.21	0.35	2.66	6.42
Austria	0.14	0.14	0.24	0.22	0.56	12.00	14.32
Romania	0.14	0.15	0.30	0.29	0.61	3.53	8.54
Kosovo	0.16	0.23	0.22	0.32	0.63	10.37	8.33

Source: Eurostat and KAS, * Unit 100 pieces

The table above shows a comparison of the agricultural products prices in several countries of the European Union and Kosovo. Since import in Kosovo is very high, any change of prices in the international market and in the region will have an impact on prices in the Kosovo market. Given low incomes in Kosovo, the increase in prices especially of basic products affects quite negatively the living standards of the population in Kosovo.

According to the table above we can conclude that Kosovo has relatively high prices in comparison to other EU countries. This is, as mentioned earlier, due to the low amount of local production, high production cost and high share of imports.

If we analyse the price of wheat, we can notice that compared to other countries (except Greece with 0.19€/kg), in Kosovo the price is relatively higher than in Romania, Czech Republic and Hungary. It is worth noting that in the previous year (2016) Austria had the lowest wheat price (0.116€/kg) or 22% lower, whereas for 2017 there is noted a leveling in most EU countries for maize and wheat, except in Greece.

Maize prices are highest in Kosovo compared to other countries, with the lowest being in Hungary, the Czech Republic and Austria at a price of 0.14€/kg.

Cabbage in Kosovo has a very competitive price with the EU countries, slightly higher than Bulgaria and Czech Republic by 18.5%, respectively 15.2%, and 68% lower than Greece.

The potato price in Kosovo is not satisfactory, compared to the Czech Republic which has the lowest price, so the potato price in Kosovo is 48.7% higher, whereas compared to Greece it is 36.7% lower.

Based on the data in the table we can notice that apple prices in Kosovo are the highest compared to other countries. Bulgaria has the lead with the lowest price of apple, followed by Hungary and so on. The reason for this higher price is the low yield due to damage caused by low temperatures and frost.

As in 2016 and 2017, honey prices in Kosovo were the highest in comparison with other countries, it is noted that only Austria had an approximate price of honey with Kosovo while other countries had significantly lower prices, namely of up to 77.8% lower.

The price of eggs in Kosovo is higher than in the majority of countries on the list except for Greece and Austria where the price of eggs is 120.6%, respectively 71.9% higher than in Kosovo.

As we mentioned earlier in 2017, in comparison to 2016, we have a levelling of wheat and maize prices between EU countries, as a result it is noticed Austria with a rise in prices for potatoes (50.7%) and apples (61.5%); Bulgaria stands out for raising the price of egg; Czech Republic for raising the price of eggs (26.5%) and apples (25.7%); Romania has no significant price changes except for decreasing the maize price by (9.7%).

We can conclude that Kosovo prices are quite high considering the living standards. As a small market with low domestic production, Kosovo is highly dependent on imports and, as a result, the prices are dictated by imports. Hence, the development of agricultural policies is needed, which enables increase of domestic production, improvement of quality, increase of competitiveness and generally a promotion and greater support for local products is needed.

4.4 Food safety and quality

4.4.1 Food safety

The Kosovo Food and Veterinary Agency (FVA) is the highest authority for Food and Veterinary, responsible for protecting human life and health by providing a high level of food safety, including animal nutrition, animal health, plant health, animal care as well as the quality of food of plant and animal origin. The FVA as the state authority of the Republic of Kosovo implements the applicable legislation regarding the preservation of public health, food safety, and animal health and welfare. The FVA performs this role by implementing government policies with the implementation of capital projects in these areas, by organizing official controls at the borders and within the territory of the Republic of Kosovo.

The Government of Kosovo has delegated the FVA as an authority to carry out inspections in the field of food safety, hygiene, traceability and labelling of food for human consumption and animal feed in processing, packaging, distribution, wholesale and retail according to national legislation and harmonized EU legislation. In the social aspect, the creation of the FVA entitles Kosovo citizens to consume products that are as safe as those consumed by the citizens of the European Union member states.

Responsible institutions and legal framework

The 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 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 regulate 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:

1. Directorate of Public Health,
2. Directorate of Animal Health and Wellbeing,
3. Directorate of Inspectorate (veterinary, phyto-sanitary and sanitary) consisting of six (6) regional offices,
4. Directorate of Laboratory, and
5. Directorate of Administration.

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) provide precious expertise regarding food safety.

Institutions cooperating on food safety in Kosovo are the following: MAFRD, Food and Veterinary Agency, and Ministry of Health. Within MAFRD, the Kosovo Agricultural Institute (KAI) and the Department of Agricultural Policy and Trade, are also involved in drafting food policy. Currently, the role of MAFRD on food safety is still indefinite. However, its role is expected to be determined and approved by the new law drafted by MAFRD. Within the Ministry of Health, the National Institute of Public Health is also in charge of food testing.

Any distribution of products of animal or livestock origin should be subject to veterinary inspection in Kosovo. Veterinary inspection is carried out at all border crossing points and customs warehouses. There are a total of nine (9) Border Inspection Points (BIPs) in Kosovo.

Food business operators

During 2017 within this directorate were conducted registrations and approvals of business operators with food of animal and non-animal origin, namely:

Approvals of facilities for food of animal origin, a total of 25, of which 2 were dairy processing factories, 11 meat processing factories, 2 ungulates slaughterhouses, 1 poultry slaughterhouse, 6 cooling warehouses, 1 collection and packing of honey and 2 cooling warehouse (repacking activity).

Table 85: Approval of business operators with food of animal and non-animal origin

Permits approved for business operators	Number
Dairy processing factories	2
Meat processing factories	11
Ungulates slaughterhouse	2
Poultry slaughterhouse	1
Cooling warehouse (storage of products)	6
Collection and packing of honey	1
Cooling warehouse (repacking activity)	2
Total	25

Source: FVA

Regarding the registration of facilities for food of animal origin for retail sale, a total of 15 were registered. Out of a total of 15 facilities, 12 deal with preparation of meat products, 1 with milk processing, 1 with honey collection and 1 with fish cultivation.

Table 86: Registration of retail facilities

Registrations for retail	Number
Preparation of meat products	12
Milk processing	1
Honey collection	1
Fish cultivation	1
Total	15

Source: FVA

Whereas the total number of facilities for food of non-animal origin in 2017 has reached 142 where the categories presented on the table below are included:

Table 87: Registration of facilities for food of non-animal origin

Categories	Number
Factories of natural and sparkling water	1
Juice Factories	3
Factories for the production of pastries	1
Repacker of food products	7
Canning factories (fruit and vegetable)	2
Flour Factory	2
Oil Factory	4
Wine factories	6
Factories for the production of cakes	10
Factories for collection, production and processing of fruits and vegetables	24
Bakeries	72
Flips and chips factories	2
Cooling warehouse for fruits and vegetables	8
Total	142

Source: FVA

In addition to the abovementioned activities, several visits were made to processing OBUs and food sales points, mainly with the assistance of the Veterinary Inspectorate - AUV for the implementation of the National Plan for Official Control and sampling and in response to other requests by the Inspectorate. In total they provided assistance in 17 inspection activities, 5 monitorings and evaluations and 4 audits.

Presented below is the activity performed by the Directorate of Health and Animal Welfare - Animal Health Sector:

- During 2017, this sector has carried out various activities in order to protect animal health and prevent the transmission of various diseases.
- Follow-up of the epizootiological situation in the countries of the region and around the world regarding animal diseases, referring to OIE reports on the presence of Lumpy skin disease (LSD) and Avian Influenza;
- Monitoring activities for the implementation of the Haemorrhagic Fever Strategy (Crimea Congo), implementation of animal repelling in the endemic municipalities such as Malisheva, Suhareka, Klina and Rahovec;
- Registration of poultry facilities and marking of eggs for consumption;
- Monitoring the activities foreseen by UHCSK for 2017, vaccinations and field diagnostic research;
- Monitoring of Lumpy skin disease (LSD) and the implementation of mass vaccination of cattle across the country;
- A total of 76 inspections were carried out with a view to licensing or extending the licenses of business entities under the responsibility of the directorate;
- In order to control the import of live animals, animal feed and biological material, a total of 233 import permits were issued;

- Samples obtained from the field were sent to LUV for laboratory analysis in order to check for the presence of animal diseases. The total number of laboratory analyses requested for all animal species is 12,834;
- After carrying out laboratory tests for animal diseases, 415 animals were killed, of which 175 cattle, 34 goats and 206 beehives;

Table 88: Licensing of veterinary business entities, warehouses for skin collection

Name	January/December
Licensing of veterinary practices	41
Issuing the exporting number for warehouses for skin collection	10
Licensing of animal markets	2
Registration of Poultry Facilities	23
Registration of fishery facilities	0
Total	76

Source: FVA

Table 89: Issuance of import permits

Name	January/December
Import of live animals for slaughter	82
Import of animal feed	85
Import of bees	2
Import of genetic material	8
Importation of cattle for reproduction/fattening	16
Import of day-old chicks	40
Import of live fish, fish eggs	0
Total	233

Source: FVA

Table 90: Collection and submitting the samples to LUV for laboratory analysis:

Name of analysis	January-December
Pathological analyses	56
Serological tests, national plan on Brucellosis, Leukosis and FMD	3,660
Aerologic analysis, suspicion of animal disease in the field	1,775
Bacteriological analysis	468
Vaccine titer	6,614
Quarantine	261
Total	12,834

Source: FVA

Table 91: Killing of animals which have tested positive for infectious diseases

Name of disease	Type of animal	No. of outbreaks	Killed
Brucela abortus	Cattle	40	150
Brucela melitensis	Sheep	0	0
Brucela melitensis	Goat	2	34
Anthrax	Cattle	0	0
TBC	Cattle	17	25
American foulbrood (pest)	Bees	12	206
Total		71	415

Source: FVA

Table 92: Issuance of transport certificates and health certificates

Name	January-December
Issuance of transport certificates (block form of 33 certificates)	2,400
Issuance of health certificates (block form of 33 certificates)	330
Total	2,730

Source: FVA

Food Standards

WTO member countries should support their national food legislation on the Statute (Codex). Review of the Statute (Codex) (1997): minimum requirement for HACCP implementation – flexibility in implementation while respecting the basic principles of the system. Based on international standards and technical regulations, there are two main determinants regarding the definition and purpose of the food standard: Health Security (Healthy and Safe Food) and Quality (Quality Food). Food health safety prevents consumers from food that poses health threats. The risks to the health of consumers coming from foods may be: Physical, Chemical, Microbiological. Effective protection of consumer health highlights the importance of proper and timely elimination of health risks. Based on these standards, the main responsibility lies with the manufacturers. One of the standards is the application of the HACCP System, which provides more effective protection of the health of the consumer in the process of food production.

HACCP is a rational, systematic and scientifically grounded way of ensuring the food health safety, allowing us to:

- Identify and assess the health risks of the food production process at all stages, processing and distribution.
- Specifying the timely measures to prevent and control the identified risks.
- Ensuring the effective implementation of preventive measures

The processing industry is being continuously supported by MAFRD, the European Commission and other donors through various grants. More specifically through Measure 103 -

Investments in physical assets in the processing and marketing of agricultural products. The implementation of this measure targeted: Enhancing the competitiveness of the agro-food sector through increased productivity and the introduction of new technologies and products; Approximation with EU standards and improvements in environmental protection, food safety and product quality, animal welfare and waste management as well as strengthening connections with primary production.

With the advancement of modern technology, manufacturers and processors are implementing international food standards, as well as HACCP and ISO standards in their daily production, which significantly affect the level of hygiene of their premises and the safety of food products.

4.4.2 Analysis of food safety and animal health

Analysis in the laboratories of KAI and FVA - Activities in the field of animal health protection

Projects that are carried out in the field by the contracted veterinary entities are as follows:

Animal vaccination against the anthrax disease

The vaccination was carried out in the municipality of Rahovec, considering that in 2015, an outbreak of this disease was recorded in the village of Landovica/Municipality of Prizren. In this emergency vaccination, a total of 3600 head of cattle, sheep and goats were vaccinated. All the data regarding this vaccination are reported in the database of I&R sector.

Vaccination of owned dogs against rabies disease

In this type of vaccination are included all the municipalities of the country and according to Regulation 10/2005 the municipalities are obliged to perform the payment for this service. A total of 16,700 vaccine doses were used for the vaccination of companion animals - owned cats and dogs.

Dehelminthization of companion animals against Ekinokocus (Echinococcus Granulosus)

A total of 65,000 pills of licensed veterinary practices were distributed.

Vaccination of pigs against classical swine fever - CSF

The vaccination was carried out in the municipalities of Partesh, Istog, Klina, Ranillug, Novoberda, Peja, Skenderaj, Vitia, Gracanica, Klokot, Zvecan and Zubin Potok, where 23,772 pigs were vaccinated.

Vaccination of lambs and kid goats against Brucellosis disease as well as serological monitoring of vaccination

Vaccination was carried out in all municipalities of the country where 99,534 lambs and kid goats were vaccinated. After the vaccination, vaccination monitoring was performed at FVL with the serological method. From the vaccinated animals, the blood was examined by the

random method of vaccinated animals to determine the vaccine titre for Brucellosis disease. In total, 6,614 heads lambs and goats were tested.

Cattle Vaccination against Lumpy Skin Disease (LSD)

Mass vaccination against Lumpy skin disease (LSD) has been conducted, through the contracted veterinary practices, throughout the territory of Kosovo from 06.07.2017 until 20.08.2017. Vaccination has been successfully performed. This activity included 217,989 cattles throughout the territory of Kosovo.

Animal Vaccination against Clostridial Disease

During this year, within the framework of veterinary practices, 1,355 bottles of 100 ml vaccine for the vaccination of cattle, sheep and goats against clostridial diseases were distributed.

Vaccination of poultry against New Castle Disease Virus

During this period, a total of 1,250,000 doses of vaccines were distributed to commercial farms and household farms for the immunization of poultry.

Diagnostic Research on hyper- sensibilisation of cattle against Tuberculosis Disease in dairy cattle

Again this year, the activity of hyper- sensibilisation of cattle against TBC disease has been carried out, involving 18,919 head of cattle.

Diagnostic research on Mastitis disease in dairy cows

This activity has not been carried out this year and it is not planned to be carried out since in the future it will be farmers' responsibility to diagnose this disease in dairy cows.

Spraying animals against the haemorrhagic fever disease (CCHF)

The monitoring of the activity for the implementation of the Strategy on the Hemorrhagic Fever (Crimean Congo), the implementation of spraying of animals was carried out in four phases in the endemic municipalities, such as Malisheva, Suhareka, Klina and Rahovec where 82,027 heads of cattle, 45,561 heads of sheep and 11,068 heads of goats were included.

During 2017, the Identification and Registration Sector (I&R) has continued work according to the work plan foreseen by the sector.

Movement, slaughter and import of animals - In the database of I&R sector, 63,733 movements (sale - purchase) of cattle, 19,041 movements of sheep, 3,831 movements of goats, 691 movements of pigs were reported. While regarding the slaughter of animals: 6,135 slaughters of cattle, 4 slaughters of goats, 629 slaughters of sheep and 5,551 slaughters of pigs. Also in the 2017 database, a total of 10,132 heads of cattle were imported.

Regarding the health and welfare of animals, activities have been carried out for the monitoring of veterinary medicinal products, as well as farmer information campaigns were held regarding animal welfare, including the distribution of brochures for animal transport etc.

Directorate of Inspectorate

Veterinary Inspections

The Border Veterinary Sector has conducted numerous inspections, which are presented in the table below: Number of issued permits was 730, Cargo Inspection 11,236, Sample for analysis 499, Rejected cargos 6, Transit cargos 221, Destruction in the BIP 21,025 kg, Import (breeding cattle) 720 heads, Import (cattle for slaughter) 17,170 heads.

Table 93: Types of inspections

Border Veterinary Sector	Number
Number of issued permits	730
Cargo Inspection	11,236
Sample for analysis	499
Rejected cargos	6
Transit cargo	221
Destruction in the BIP	21,025 kg
Import (breeding cattle)	720 heads
Import (cattle for slaughtering)	17,170 heads

Source: FVA

Internal Veterinary Sector

Table 94: Inspections conducted by the internal veterinary sector

Type of activity	Number of samples and destructions
Inspection of business entities such as milk processing and meat processing factories	250
Collection and delivery of samples for microbiological analyses, residues, serology, from business entities processing animal products and farms according to the national plan	1,337 samples
Inspection of cooling warehouses of Imported Products	33
Inspection of slaughterhouses, animal control before and after slaughter and issuing of certificates for animal slaughter	5556
Inspection and issuance of export certificates 4,556,455 kg leather and 137,988 kg of milk and meat products	333
Inspection and issuance of certificates for internal transport of products	857
Inspection of animals and products of animal origin at the request of the police and customs officials	91 cases, 194 cattle
Monitoring of animal farms with regard to vaccination and conducting research	67 Ambulances
Diagnosis by FVA Contractors	2,024 Farms
The killing of the affected animals (cattle) affected by infectious diseases	176 cattle (151 Brucellosis, 25 TBC); 34 sheep, goat;
Annihilation of affected bees affected by infectious diseases	206 beehives
Reviewing Customer Complaints and Initiating Minor Offense Procedures	62
Disposal of products of animal origin	82,700 kg meat products and 8,825 kg spices
Reviewing the requests of the BO and the parties	40

Source: FVA

All reported cases of food intoxication (food poisoning) through healthcare institutions-UHCSK or NIPHK have been dealt with, procedures have been developed and legal measures have been taken.

The total number of cases of food poisoning from the health authority and NIPH for food intoxication was 258.

Table 95: Type of facility inspections and number of samples and smears taken

Type of inspection	Types of facilities	Number	No. of samples taken	Smear s
Inspected facilities	Restaurants	613	152	639
	Pharmaceutical warehouse	89		
	Children's nursery	163		
	Institutions of special importance	33		
	Markets - FBO	354		
	Bakeries	481		
	Producers	253		
	Educational Institutions	78		
	Recreational pools	25		
	Others	61		
Inspected facilities according to customers' complaints			185	
Inspected facilities regarding the Implementation of Law on Tobacco			314	
Health institutions			130	
Extraordinary inspections			10	
Examination of cases as a second instance			4	
Court summonses			83	
Quantity of disposed items in ton/litre			294.995,225 kg	
			226.407,31 lit	

Source: FVA

Table 96: Border Phytosanitary Sector

Sectors	Inspections at the border	Rejections	Ton	M3	Phytocertificate of re-export	Decisions	Reports	Transit	Import permit	Sample	Seals	Destructions	
										Total	Total	Kg	Litre
Border Phytosanitary	3,8017	7	83,1424	14,2719	/	/	/	3,509	20	1,605	305	/	/

Source: FVA

Table 97: Internal Phytosanitary Sector

Type of activities	Total
Inspection of agricultural pharmacies	155
Inspection of planting material traders	63
Inspection of mills and grain warehouses	91
Inspection of bakeries	208
Inspection of products with fruit planting material	107
Field inspection of seed production	/
Inspection of alcoholic beverages producers-traders	4
Inspection of non-alcoholic beverage producers	46
Inspection of warehouses-pharmacies of PPP	16
Inspection of artificial fertilizer warehouses and seeds	169
Inspection of food traders	49
Disposal	34
De-sealing	305
Inspection of Trading Centres	7
Licensing consent	566
Extraordinary Inspection	6
Other inspections	279
No. of the inspection minutes	2,126
No. of the sampling minutes	1,225
No. of samples for analysis	1,646
Issued decisions	18
No. of reports issued	35
Issuance of phyto-certificates for export	2,880
Issuance of phyto-certificates for re-export	593
Issuance of internal phyto-certificates	59
Certificates	3,004

Source: FVA

Regarding the disposals in 2017, according to the FVA sources, the number of products of plant origin destroyed was 127,807 kg, and also 59,163 seedlings were destroyed.

Laboratory Directorate

Table 98: Receipt of samples for testing

Time period	Samples Received			
January - December	Number of request	Number of samples	Sample at the Food Laboratory	Sample at the Animal Health Laboratory
	3,162	3,5660	2,2455	1,3205

Source: FVA

Sector of Parasitology

In this sector, 764 tests were conducted during the year, of which:

- Cattle analysis (9 samples on anthrax, 20 milk (Staphylococcus aureus and Escherichia coli, and antibiogram)

- Bees (390 samples analysed on American foulbrood, 10 on European foulbrood, 10 on Nosemosis, 20 on Varroosis)
- Chickens (56 Salmonellosis, 20 New Castle Disease Virus, 20 Avian Influenza)
- Goats and sheep (8 samples Listeriosis and Clostridia)
- National Plan for Salmonellosis (24 faeces sample, 22 swabs of the facility, 5 carcass and 126 eggs).

Sector of Histopathology

This sector during 2017 has carried out these activities:

- Anatomopathological examination of 13 carcasses of goats/baby goats
- Anatomopathological examination of 6 carcasses of sheep/lambs
- Anatomopathological examination of a deer carcass
- Anatomopathological examination of a wild boar carcass
- Anatomopathological examination of carcasses of 28 chicken/chicks
- Examination of rabies cattle brain with the direct immunofluorescence test.
- Examination of a rabid dog with the direct immunofluorescence test.

Sector of Food Chemistry and Veterinary Waste

In this Sector, during the reporting period, activities were carried out according to the annual plan, such as: acceptance and testing of samples received and those already tested.

Table 99: Acceptance of samples for Testing

Samples	Accepted samples	Tested samples
Milk and milk products	9	9
Meat and meat products	3	3
Freshness of eggs	17	17
Fipronil in eggs	15	15
Cereals and animal feed Aflatoxins (AFB1)	186	184
Milk and milk products Aflatoxins (AFM1)	37	34
Private	37	37
National Waste Monitoring Plan 2017 – Requirements for analysis	273	164

Source: FVA

Table 100: Number of test results

Aflatoxin B1	Aflatoxin M1	Freshness of eggs	NWMP	Private	Physical - Chemical parameters
184	34	17	164	5	12

Source: FVA

Sector of Food Microbiology

During the reporting period, 178 samples were tested (Meat products – 100, milk products – 34 and eggs – 42, others – 2). In microbiological parameters (Salmonella spp., Listeria monocytogenes, Escherichia coli, Staphylococci coagulase positive and a total of aerobic microorganisms), 887 tests in total.

Table 101: Type of sample tested according to the matrix

Sample type by matrix	Total
Meat and meat products	100
Milk and milk products	34
Eggs and eggs products	42
Other matrix	2
In total	178

Source: FVA

Table 102: Type of tested micro-organism

Type of tested micro-organism	Number
Salmonella spp.	470
Listeria monocytogenes	171
Escherichia coli	212
Staphylococci coagulase-positive	17
Total aerobic microorganisms	10
Enterobacteriaceae	7
other parameter	0
Number of tests	887

Source: FVA

Sector of Milk Analysis

The following table presents the Preparation of Total Number of Bacteria (TNB) Classifications and Somatic Cells (SC) for classes: Extra, Class I, II and III.

Table 103: Analyses carried out according to the equipment

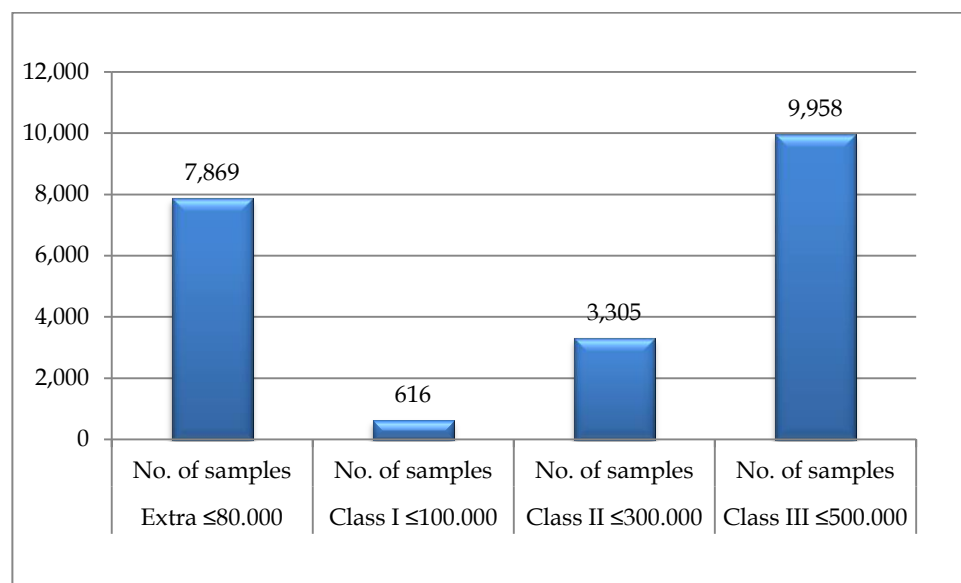
Bacto Scan	Milkoscan	Fossomatic	Total
21,724	21,800	19,394	62,918

Source: FVA

Table 104: Classification of tested milk according to the total number of bacteria

Month	Extra ≤ 80.000		Class I ≤ 100.000		Class II ≤ 300.000		Class III ≤ 500.000		Total number of samples
	No. of samples	Percentage	No. of samples	Percentage	No. of samples	Percentage	No. of samples	Percentage	
January	482	36.93%	49	3.75%	212	16.25%	562	43.07%	1,305
February	592	37.51%	53	3.42%	247	15.98%	680	43.09%	1,578
March	759	34.35%	53	2.41%	336	15.21%	1,061	48.03%	2,209
April	692	37.18%	40	2.15%	301	16.17%	828	44.49%	1,861
May	681	35.32%	59	3.06%	280	14.52%	908	47.10%	1,928
June	580	33.30%	41	2.35%	286	16.42%	835	47.93%	1,742
July	597	29.85%	53	2.65%	297	14.85%	1053	52.65%	2,000
August	591	29.34%	62	3.09%	365	18.12%	996	49.45%	2,014
September	676	37.41%	54	3.00%	228	12.61%	849	46.98%	1,807
October	742	38.31%	61	3.15%	279	14.40%	855	44.14%	1,937
November	744	39.96%	47	2.52%	293	15.74%	778	41.78%	1,862
December	733	49.49%	44	2.97%	181	12.22%	553	37.34%	1,481
Total	7869	36.22%	616	2.84%	3305	15.22%	9958	45.84%	2,1724

Source: FVA

Figure 47: Number of samples tested for milk classification by classes

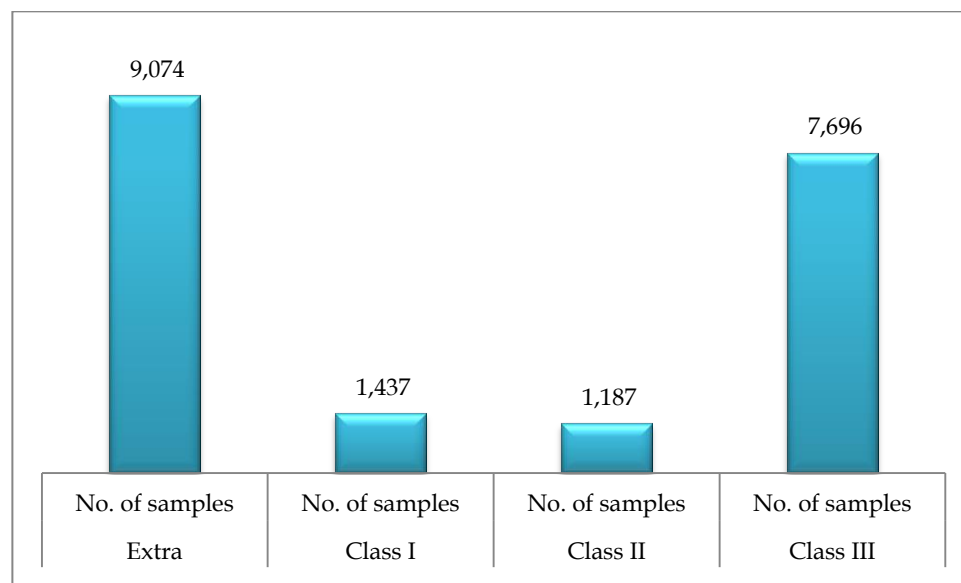
Source: FVA

Table 105: Categorization of tested milk according to the number of Somatic Cells

CS Classifications										
	Extra ≤300.000		Class I ≤400.000		Class II ≤500.000		Class III ≤750.000		Total number of samples	Number of not analyzed samples
	No. of samples	Percentage	No. of samples	Percentage	No. of samples	Percentage	No. of samples	Percentage		
I	579	43.51%	110	8.26%	92	6.91%	550	41.32%	1,331	419 2,014
II	736	46.64%	162	12.10%	98	6.21%	582	36.88%	1,578	
III	1,358	61.48%	136	6.16%	115	5.21%	600	27.16%	2,209	
IV	1,157	62.17%	132	7.09%	106	5.70%	466	25.04%	1,861	
V	1,210	62.76%	103	5.34%	107	5.55%	508	26.35%	1,928	
VI	875	50.23%	124	7.12%	133	7.63%	610	35.02%	1,742	
VII	809	40.45%	159	7.95%	116	5.80%	916	45.80%	2,000	
VIII	532	26.42%	147	7.30%	101	5.01%	1,234	61.27%	2,014	
IX	426	30.69%	96	6.93%	89	6.41%	777	55.97%	1,388	
X	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	
XI	811	43.56%	174	9.34%	107	5.75%	770	41.35%	1,862	
XII	581	43.51%	94	11.38%	123	11.50%	683	46.12%	1,481	
Total	9074	46.79%	1437	7.41%	1187	6.12%	7,696	38.41%	19,394	2,443

Source: FVA

Figure 48: Number of samples tested for categorization of milk by somatic cells



Source: FVA

Sector of Serology and Molecular Diagnostics

During the reporting period, laboratory tests were carried out in this sector, as follows: In total, 12,380 samples were accepted and 15,004 tests were carried out, where a part of samples were analysed for more than one parameter.

Table 106: Testing of samples by the Sector of Serology and Molecular Diagnostics

Types of samples	Number of accepted samples	Tested Parameters				Total
		Brucellosis	Bluetongue	Leucosis	Foot and mouth disease (Aphthae epizooticae)	
Cattle	3,564	3,564	932	933	271	5,700
Lambs and baby goats	6,526	6,526	-	-	-	6,526
In total						12,226

Source: FVA

Table 107: Testing of field and quarantine samples

Samples/Types of disease	Brucellosis	Bluetongue	Bluetongue	IBR	MV/CAE	Toxoplasmosis	Chlamydia	Q Fever	Q Fever	Total
Testing method	ELISA	ELISA	PCR	ELISA	ELISA	ELISA	ELISA	ELISA	PCR	
Field	1,035	27	20	20	58	32	306	173	1	1,672
Quarantine	328	0	0	0	0	0	0	0	0	328
Total	1363	27	20	20	58	32	306	173	1	2,000

Source: FVA

4.4.3 Legislation on veterinary and market functioning

Veterinary Market Regulations

There are three laws adopted that regulate veterinary policies. Law on Livestock no. 04/L-191 (Official Gazette of the Republic of Kosovo No. 25/2013/08/07) which is the legal basis for the overall functioning of the Livestock sector in Kosovo. The Law No. 02/1-10 on Animal Welfare, and Law no. 2003/26 on Medicinal Products and Medical Devices, which was abolished on 30.09.2010 by the Assembly of the Republic of Kosovo.

Currently, FVA operates under Law No. 2004/21 on Veterinary and Administrative Instructions of MA-NO 07/2005; MA-NO 26/2006 for issues related to Veterinary Equipment.

The placing of food, animal and feeding products on the market is regulated by the Law on Veterinary which regulates the circulation of live animals, products of animal origin, veterinary inspection for import/export and transitory transport of live animals. The law also defines the rights and duties of the Central Government, municipalities and natural persons working in this field. In addition to the Law on Veterinary, this field is also regulated by the Law on Food and Regulations on hygiene package.

Phytosanitary Policies

Phytosanitary Service of Kosovo is obliged to work on strengthening local legislation, compliance of local legislation with EU legislation, export and import inspection, inspection of

the local inspection services, inspection of Phytosanitary researches, issuing of Phytosanitary certificates, field inspection, the study of plant diseases and harmful organisms and the preparation of the list of diseases and harmful quarantine organisms, adopted in 2013. The main laws related to phytosanitary inspection in Kosovo are Law No. 03/L-029 on Agriculture Inspection, Law No. 04/L-120 on Plant Protection and Law No. 03/L-042 on Plant Protection Products (PPPs).

The purpose of Phytosanitary policies is to provide guidance on the operation of the national certification system of export and to describe standard operating procedures for providing a credible and valid Phytosanitary certification for export of plant shipments/plant products and other regulated items in meeting the phytosanitary requirements of the importing country and the fulfilment of international obligations under the International Plant Protection Convention (IPPC) (1997) and the WTO (World Trade Organization) Agreement, SPS (Sanitary and Phytosanitary Standards).

Import into the Republic of Kosovo is regulated by the Administrative Instruction no. 16/2006 on determining of the fees for phytosanitary inspection services at the border points, and the Law No. 04/L/120 on Plant Protection.

Legislation on Animal Feed

Regulations on Animal Feed

The EU's general policies on animal feed safety as defined by the EU Regulation No. 1831/2003 on the hygiene of animal feed requires business operators of animal feed (for base feed production for animals) to undertake all necessary measures to prevent, eliminate and reduce the risks associated with animal feed, in order to ensure safety during preparation, production, cleaning of food, packaging, preservation and transportation of animal feed.

Law No. 04/L-191 on Livestock (Official Gazette of the Republic of Kosovo No. 25/2013/08/07), requires from business operators of animal feed to ensure that feed material placed on Kosovo markets (regardless of whether they contain additives), to be healthy, qualitative, clean and tradable. Of the total number of businesses in this area, most of them are retail operators (93).

The production of combined animal feed within the farm for domestic or market needs is very common. None of the businesses has applied or is in the process of obtaining a quality certificate based on international standards required such as ISO, HACCP, or other.

4.5 Greenhouse Gas Emissions in Kosovo

4.5.1 Emissions from the agriculture sector

Recent assessments confirm that innovation, including progress on renewable energy and energy efficiency, is the main stimulant of emission reductions in recent years known as "Greenhouse Gases" when it is known that the "Greenhouse Effect" is one of the main causes of global warming. With the development of science and technology, people are influencing more and more the climate and the temperature of the earth by burning fuels, reducing tropical forests and increasing the number of livestock on agricultural farms.

Kosovo Environmental Protection Agency (KEPA) is a Government institution, within MESP, that has a wide range of functions to protect the environment. The main responsibilities are integrated environmental monitoring, efficient environmental information system and ongoing reporting on the state of the environment, maintaining air quality, water, soil and biodiversity, to promote the use of renewable energy sources and the sustainable use of natural resources. Sustainable maintenance of our natural resources leads to the protection of human, animal and environmental health. KEPA works to ensure that air, soil and clean water are available.

MESP prepares a report on the State of Environment in Kosovo for the presentation of the environmental situation in Kosovo, which is based on the Law on Environmental Protection⁹. The Government of Kosovo, pursuant to Article 25 of this Law, upon the proposal of MESP, presents to the Assembly the Report on the State of the Environment. The report contains data on: the state of the environment and changes in the environment compared to the previous report, the environmental impacts on the health of the population, the situation of endangered environments, the implementation of the environmental strategy and action plan, the measures taken for environmental protection, the development of environmental institutions and the financing of the environmental protection system.

Air

This report reflects the state of the air quality in the territory of Kosovo, taking into account the measurements from stations for continuous monitoring of air quality. Source data are mainly monthly reports which present the data recorded from the stations that are under the management of HMIK. Two of the stations located in Prishtina are representative of the quality of air on the urban background (Rilindja) and the suburban background (HMIK), whereas 6 other stations that are representative of the quality of the air on the urban background are located in Mitrovica, Drenas, Peja, Prizren, Hani Elezit, Gjilan and the station located in Brezovica is for the rural background. While 3 industrial background stations are located in the KEK area (Dardhishte, Palaj and Obiliq).

⁹ Law No. 03/L-025

Air quality standards based on which assessment is done are based on Administrative Instruction No. 02/2011.

The air quality assessment during 2016 based on HMIK data includes average monthly values and the same is compared with the Maximum Acceptable Values (MAV). Among the main parameters that are monitored are: sulfur dioxide (SO₂), carbon monoxide (CO), nitrogen dioxide, ozone (O₃), dust particles (PM₁₀ and PM_{2.5})

Table 108: Air quality standards according to the Administrative Instruction No. 02/2011

Parameter	Limit values	The measuring unit	Limit value $\mu\text{g}/\text{m}^3$	Permitted exceedences during the year
NO ₂	Limit value for 1 hour for the protection of human health	$\mu\text{g}/\text{m}^3$	200	18
	Annual limit value for the protection of human health	$\mu\text{g}/\text{m}^3$	40	Not foreseen
	Annual limit value for vegetation protection	$\mu\text{g}/\text{m}^3$	30	Not foreseen
SO ₂	Limit value for 1 hour for the protection of human's health	$\mu\text{g}/\text{m}^3$	350	24
	Limit value for 24 hours for the protection of human health	$\mu\text{g}/\text{m}^3$	125	3
CO	Limit value for maximum daily 8 hour mean for the protection of human health	mg/m^3	10	Not foreseen
PM ₁₀	Limit value for 24 hours for the protection of human health	$\mu\text{g}/\text{m}^3$	50	35
	Annual limit value for the protection of human health	$\mu\text{g}/\text{m}^3$	40	Not foreseen
PM _{2.5}	Annual limit value for the protection of human health	$\mu\text{g}/\text{m}^3$	25	Not foreseen
O ₃	Long-term objective for the protection of human health	$\mu\text{g}/\text{m}^3$	120	Not foreseen
	Notification threshold	$\mu\text{g}/\text{m}^3$	180	Not foreseen
	Alert threshold	$\mu\text{g}/\text{m}^3$	240	Not foreseen

Source: Kosova Environmental Protection Agency/(KEPA)

Water

Our natural heritage (rivers, seas and oceans) has been exploited, abused and contaminated. In Kosovo, as in many countries of the world, human health and fulfilment of its needs are increasingly threatened by the lack of clean water. The protection, preservation and monitoring of the quality of water resources it is one of the major environmental challenges our society faces. Industrial development, urbanization, intensive agriculture are just some of the factors that affect water pollution. Despite the continued commitment, uncontrolled exploitation of water resources and damage to river beds remains one of the forms of degradation of our water

resources. Water pressures mainly come as a result of increased volume of wastewater without proper physical, chemical or biological treatment. All of this affects the water bodies to have increased values in physical, chemical and microbiological parameters. Also, multiple impacts come from precipitation: gases in the air like (NO_x, SO₂, CO₂ etc) during the precipitation form acidic rains, which directly affect the increase in acidity in the water. Other pressures from precipitation are the washing off of agricultural lands and other polluted areas, which results in the growth of suspended material, inorganic and organic materials. Among the biggest pressures on water bodies are the industrial discharges from various activities. Monitoring of river waters in the territory of the Republic of Kosovo is done by the Hydrometeorological Institute of Kosovo. The quality of these rivers is determined on the basis of physical, chemical and heavy metal analyses. The monitoring network has a total of 54 sampling points (monitoring stations). The physical parameters currently being monitored are 10 physical parameters (measured 11 times per year), 39 chemical parameters (measured 11 times per year) and 8 heavy metals (2 times per year).

MESP, with a view to sustainable protection and use of water resources, during 2015-2016 has drafted the National Water Strategy 2017-2034. The overall purpose of this strategy is to effectively manage water as an essential element of economic development and social welfare of the Republic of Kosovo.

Land (soil)

Land, though valued as a vital asset of any country, the care and conduct of our society towards land and the environment continues to be inadequate. Overall, despite the progress achieved by central and local institutions, negative phenomena are still noticed, such as; forests cut down and continuing to be cut down, burned forests, erosion and degradation of rivers by improper use, degradation of natural landscapes, loss of land resources and change of land use from chaotic urban and rural constructions, floods etc. Thousands of hectares of agricultural land are estimated to be occupied by buildings from chaotic urban and rural urbanism. All these negative phenomena are just some of the factors that are affecting land degradation in the country. The main polluters of land in Kosovo are industry, agriculture, waste, transport, and used waters. In many locations around the heavy industries, such as Obiliq, Mitrovica, Drenas, Hani Elezit, land pollution is quite evident.

This trend of pollution and land degradation is still on the rise, despite many measures taken by local and central institutions. Virtually, from the year 2000 until today the lands are being misused and the environment continues to degrade, especially along the main local and regional roads of Kosovo. This phenomenon was enabled by the lack of regulatory and urban plans by the municipalities. Inadequate communication between the community, local and central institutions, resulted in a lack of data on the number of illegal constructions on agricultural lands, as the municipalities do not send accurate data or send incomplete data to

the Ministry of Agriculture, even though they are legally obliged (Law No. 02L-26 on Agricultural Land), to report on the degradation of agricultural land. According to the estimates of the MAFRD officials, every year the destination of agricultural land is changed reaching an area of 400-500 ha.

Law on Land Regulation (No. 04/L-040, 2012), defines the responsible institutions for land regulation; Ministry, Kosovo Cadastral Agency, Municipalities and Municipal Cadastre Offices. The Ministry of Agriculture in accordance with the Municipal Development Plan proposes cadastral zones or parts of cadastral zones which will be regulated with the land regulation project.

Land monitoring- There is still no land monitoring system in Kosovo. A study on agricultural land contamination was carried out through EU funds and implemented by GIZ and NIRAS. The project was implemented within a period of 2 years, 2013-2015. This project has monitored agricultural lands of 17 Kosovo municipalities which included 214,749 ha. According to the project, land samples resulted contaminated near industrial sites and that is not used for agricultural crops.

The institutions responsible for monitoring the land (soil) are: The Kosovo Agricultural Institute and the Hydrometeorological Institute of Kosovo. Both of these institutions operate within the respective ministries.

Waste

Even in 2016, the condition of sanitary landfills in Kosovo is not good as a result of many factors, in particular from lack of management according to landfill management standards. Negative characteristics of these landfills are water streams from the landfills in the surrounding environments and their monitoring by management companies. Waste compacting and covering is still not at the level of standards required. A progress made in respect of maintenance compared to previous years (except for the landfill in Peja, whose condition is adverse due to overfilling and lack of space), is the coverage of waste with and for filled parts. This has impacted the improvement of the state in terms of avoidance of smell and bird and stray dog visitors.

The amount of waste generated and stored in sanitary landfills in Kosovo is increasing. The largest amount of waste is stored in the sanitary landfill in Mirash, while the smallest amount in the sanitary landfill in Podujeve. In 2017, it was continued with the same project, namely for the reassessment of illegal landfills in 17 municipalities and the identification of illegal landfills in the other 21 municipalities. In total, 1,117 illegal landfills have been identified after the reassessment of the data. Based on the collected data, the largest number of illegal landfills has been identified in the municipalities of Drenas (137), Peja (121), Lipjan (105) and Prishtina (94).

Medical waste - These wastes are treated in 7 plants that are located in the main hospital centres in Kosovo. Based on the data collected by KEPA, there is an increased amount of medical waste treated from 2014 amounting to 417.822 kg, in 2015 to 481.375 kg, and in 2016, 520,485.8 kg are treated. The largest amount of medical waste treated for 2016 is in the plant located in the UCCK area in Prishtina, while the lowest treatment amount is at the plant in Gjakova. Except for the plant in Gjakova, all other plants are operating at full capacity in the treatment of medical waste.

Waste Management in Kosovo

During 2015-2016 KEPA has conducted the identification of all companies dealing with waste management in Kosovo. As a result of this research, it has emerged that there is a total of 72 companies dealing with waste management in Kosovo. Municipalities with the least waste management companies are Decani, Ferizaj, Skenderaj, Klina and Gračanica with only one company, whereas municipalities with most companies are Viti, Podujeva and Prishtina. Reporting units in the survey were businesses with 10 or more employees. The results from the survey show that the largest amount of the waste generated was in the Mining and Quarrying sectors with 200,697 tons or 83%. In total, the amount of generated hazardous waste has been 8.193 tons or 3%. While the lowest amount of waste generated for 2015 was in the processing industry with only 15 tons. Waste processing by industry type shows that the largest amount of waste disposed of has been from the production of food products, beverages and tobacco products as well as construction.

5. Agricultural Policies, Direct payments in Agriculture and Rural Development Support

5.1 Summary of objectives, programs, measures, budget, grants and subsidies

Support to the agricultural sector continued in 2017, whereby this sector was supported through direct payments and rural development measures. Support through direct payments was made for agricultural crops, livestock heads as well as inputs (seedlings), while through grants were supported investments in the primary sector but also in the processing industry and tourism development in rural areas.

Table 109: The planned budget for direct payments in 2017

	Sectors planned to be supported through direct payments	Planned budget
1	Wheat	6,750,000
2	Wheat seed	150,000
3	Barley	50,000
4	Rye	30,000
5	Corn	2,700,000
6	Sunflower	20,000
7	Vineyards	2,150,000
8	Wines	350,000
9	Existing orchards	1,250,000
10	Seedlings	100,000
11	Open field vegetables	1,700,000
12	Organic agriculture	100,000
13	Dairy cows	4,200,000
14	Sheep	1,700,000
15	Goats	150,000
16	Bee	2,000,000
17	Milk	1,100,000
18	Egg laying hens	300,000
19	Quail	25,000
20	Sow	25,000
21	Reported cattle slaughter	75,000
22	Aquaculture	75,000
	Total	25,000,000

Source: Direct Payments Program 2017

In 2017, the planned budget for direct payments was €25 million, and part of the direct payments program were the following::

1. Direct payments for autumn wheat planting - The minimum eligible area was 2ha/farmer and the farmer benefited €150/ha. The planned budget for subsidizing the autumn wheat planting was €6,75 million.
2. Direct payments for wheat seed planting - The minimum eligible area was 5

- ha/farmer, seeds of wheat planted had to be part of the list of permitted seeds and the farmer benefited €250/ha. The planned budget for subsidizing the wheat seed planting was €0,15 million.
3. Direct payments for spring corn planting - The minimum eligible area was 1ha/farmer and the farmer benefited €150/ha. The planned budget for subsidizing the spring corn planting was €2,7 million.
 4. Barley - The minimum eligible area planted with barley owned was 1ha/farmer and the farmer benefited €100/ha. The planned budget for subsidizing the barley planting was €0,05 million.
 5. Rye - The minimum eligible area planted with rye owned was 1ha/farmer and the farmer benefited €100/ha. The planned budget for subsidizing the rye planting was €0,03 million.
 6. Direct payments for spring sunflower planting - The minimum eligible area was 1ha/farmer and the farmer benefited €150/ha. The planned budget for subsidizing the spring sunflower planting was €0,02 million.
 7. Open field vegetables - The minimum acceptable area planted with open field vegetables was 0.50 ha/farmer and the farmer received € 300/ha. Cultivated vegetable crops in the open field had to be part of the list of cultures that are supported by direct payments program. The planned budget for subsidizing planting open field vegetables was €1.7 million.
 8. Direct payments for existing vineyards - The minimum eligible area was 0.10 ha/farmer and in cases when the farmer had cultivated vineyards in an area of 0.10 to 100 hectares he received € 1,000/ha and if the farmer had more than 100 hectares planted with vineyards then he received € 1,000/ha for the first 100 ha and € 500/ha for the hectares over 100. The planned budget for subsidizing the existing vineyards was € 2.15 million.
 9. Direct payments for wine - In this sector, beneficiaries include wine producing companies that are licensed by MAFRD and that have fulfilled the obligations regarding the declaration of grape and wine production for the previous year. Grape harvesting must be declared by December 10, 2016 and wine production by January 15, 2017. The wine producing companies that officially declared the wine produced receive € 0.04/litre. The planned budget for wine subsidies was € 0.35 million.
 10. Direct payments for existing orchards - The minimum eligible area planted with fruit trees was 0.50 ha/farmer, while for small fruits was 0.20 hectares/farmer and the farmer received € 400/ha. The fruit cultures had to be on the list of cultures that are supported by direct payments program and to meet the minimum number of plants criteria-planted trees in 1 ha. The planned budget for subsidizing the planting of existing orchards was € 1.25 million.
 11. Direct payment for the production of planting material of fruit trees and grape vines on vegetative rootstocks - The farmer had to have at least 0.50 ha of agricultural land

owned or leased and the minimum number of seedlings the farmer would have to produce during the calendar year 2017 was 5,000 seedlings. The payment varied depending on the number of seedlings. Farmers who produced 5,000-40,000 fruit tree seedlings were supported with € 0.20/seedling, while farmers who produced over 40,000 seedlings of fruit trees were supported with € 0.20/seedling for the first 40,000 seedlings and € 0.15/seedling for each seedling over this amount. Farmers who have cultivated at least 5,000 grape vines were supported by € 0.10/seedling. The budget planned for subsidizing planting material was € 0.1 million.

12. Organic Agriculture - The minimum eligible area planted with agricultural crops for organic production was 0.10 ha/farmer and the farmers possessing a certificate that proves that they are certified for organic production received 300 €/ha as an additional value in addition to the basic subsidy of the respective agricultural crop. The planned budget for subsidizing organic production was € 0.1 million.
13. Direct payments for dairy cows and buffalos - The farmer had to breed at least 5 dairy cows or buffalos, or 5 heads together, and the farmer benefited € 70/head. The planned budget amounted to € 4.2 million.
14. Direct payments for sheep and goat- The farmer had to breed at least 30 heads of sheep and 20 heads of dairy goat in active milk production. The payment per head was € 15 and the planned budget was € 1.85 million.
15. Direct payments for beekeeping - The farmer had to breed at least 30 beehives. Farmers who had 30-50 beehives had to have them placed in two bee farms/apiaries maximum, those with 50 to 200 beehives in 5 bee farms/apiaries maximum and farmers with more than 200 beehives had to have them placed in 7 bee farms/apiaries maximum. The payment per beehive was € 15, and if the farmers were certified for organic honey production, the payment was € 20/beehive. The planned budget for subsidizing the beekeeping sector was € 2 million.
16. Direct payments for milk according to quality category - The farmer had to deliver at least 1,500 litres of milk in the licensed dairies within the three months period (according to calendar year quarters). The farmer benefited € 0.06/litre for extra class milk, € 0.04/litre for first class milk and € 0.02/litre for second class milk. The planned budget amounted to € 1.1 million.
17. Direct payment for egg laying hens - The farmer had to breed at least 2,000 chickens in all phases of active egg production. The farmer received 0.50 €/egg laying hen when he had 2,000 to 10,000 egg laying hens, and in cases when farmers had more than 10,000 chickens they received € 0.50/egg laying hen for the first 10,000 egg laying hens and € 0.40 for each egg laying hen over this number. The planned budget amounted to € 0.3 million.
18. Quail - The farmer had to breed at least 100 quails and the farmer received € 1/quail. The planned budget for subsidizing the egg laying quails was € 0.025 million.

19. Direct payments for sows in reproduction - The farmer had to breed at least 2 sows for active reproduction in all phases of reproduction. The farmer received €20/head and the total planned budget for subsidizing sows in reproduction was € 0.025 million.
20. Direct payments for reported cattle slaughter – beneficiaries were farmers who breed cattle identified in the Register of the Republic of Kosovo and who slaughter them in slaughterhouses licensed by FVA for A and B quality categories, and at the same time beneficiaries were also licensed slaughterhouses of above-mentioned categories. Subsidies were 50 €/slaughter for slaughterhouses on condition that they were obliged to pay 30 € to the farmer in the event of slaughter and keep 20 € for the services of conducted slaughter. Planned budget for reported cattle slaughter was € 0.075 million.
21. Aquaculture - The farmer had to sell at least 2,500 kg of fish within 6 months in the Republic of Kosovo. The permissible species were trout and carp and the farmer received € 0.20/kg. The planned budget for subsidizing aquaculture was € 0.075 million.

In 2017, total support through direct payments amounted to € 27 million. Compared to the previous year, the support through direct payments has increased by 3.5%. Overall, in 2017, in addition to the support for grain, wheat seed, rye and seedlings, which marked a decrease, subsidies in all other categories have increased, and together with subsidies that have been applied for the first time in the year 2017 affected the overall increase in the value of subsidies.

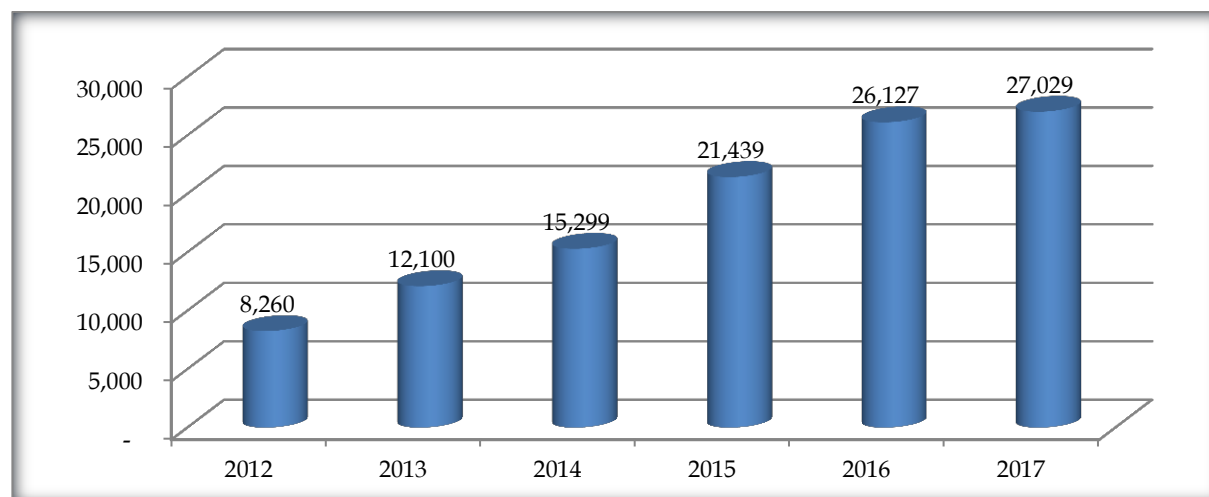
Table 110: Direct payments 2012-2017

	2012	2013	2014	2015	2016	2017
Wheat	3,795,094	5,824,268	5,555,218	6,417,047	7,526,999	5,781,300
Wheat seed	25,020	63,720	107,391	86,063	196,678	122,003
Corn	575,459	943,028	1,268,719	2,735,462	2,870,969	3,311,579
Barely	-	-	-	-	25,118	38,662
Rye	-	-	-	-	19,977	16,957
Sunflower	73,711	41,439	44,853	20,322	1,316	7,946
Vineyards	-	1,124,516	2,290,783	2,046,167	2,117,978	2,266,235
Open field vegetables	-	-	1,026,735	1,564,692	1,981,617	2,244,228
Existing orchards	-	-	-	692,256	1,112,032	1,599,496
Wine	-	-	-	-	-	55,024
Organic agriculture	-	-	-	-	14,626	35,373
Dairy cows	2,104,800	2,105,950	2,211,750	3,790,990	4,609,990	4,777,500
Sheep and goats	1,327,450	1,159,720	1,210,120	1,921,365	1,933,245	2,112,810
Bee	358,610	500,660	777,610	1,129,580	2,158,770	2,295,555
Egg laying hens	-	240,305	231,648	210,868	346,259	435,035
Quail	-	-	-	-	22,083	29,013
Sow	-	-	6,220	11,240	14,040	17,180
Milk	-	-	491,884	711,644	1,082,829	1,712,609
Reported cattle slaughter	-	-	-	2,520	15,780	18,350
Aquaculture	-	-	-	-	-	84,053
Seedlings	-	96,264	75,791	98,522	76,933	68,459
Total	8,260,144	12,099,869	15,298,721	21,438,737	26,127,237	27,029,367

Source: Agency for Agricultural Development (AAD)

During 2012-2017 subsidies have increased steadily, from € 8.3 million in 2012 to € 27 million in 2017. Out of the total amount of support in 2017, the largest amount was allocated to grain (21.4%), followed by dairy cows (17.7%), corn (12.3%), bees (8.5%), vineyards (8.4%), open field vegetables (8.3%), sheep and goats (7.8%) and the remaining 15.6% was allocated to other sectors.

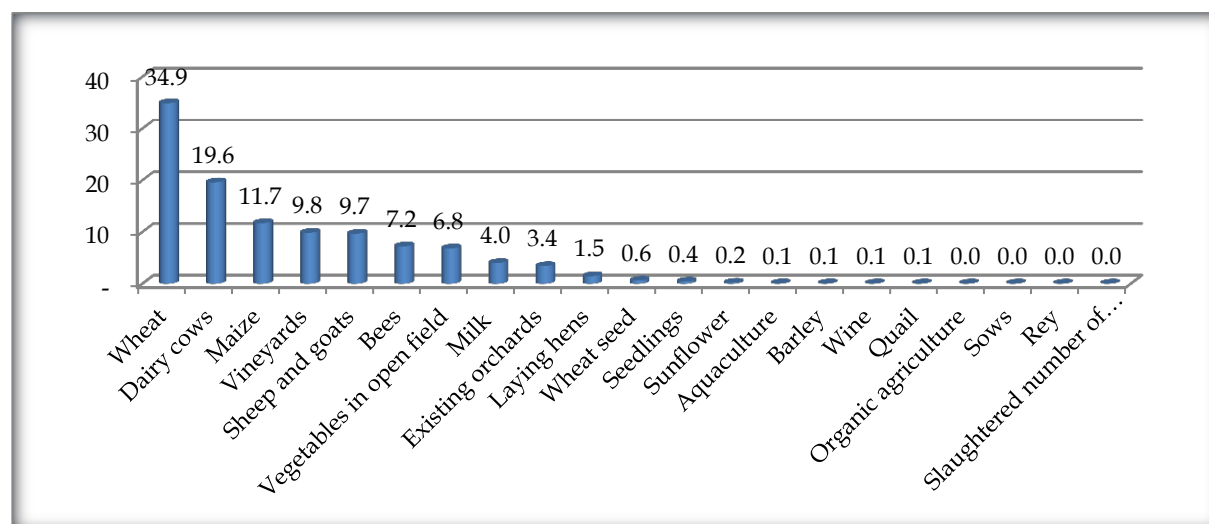
Figure 49: Direct payments 2012-2017, in 1000 €



Source: Agency for Agricultural Development (AAD)

During 2012-2017 the distribution of direct payments is as shown in the figure below. The largest amount of subsidies was allocated to grain followed by dairy cows, corn, vineyards, and sheep and goats since these sectors have been supported from the start when direct payments have begun to be applied. On the other hand, other sectors that have started to be supported later or have been supported earlier but the cultivated area and the number of farmers applying has been smaller, account for lower amounts of subsidies.

Figure 50: Direct payments by sectors 2012-2017, in € million.



Source: Agency for Agricultural Development (AAD)

The budget planned for implementing the rural development program for 2017 was € 23 million. Part of the rural development program in 2017 were the following measures:

- Measure 101: Investments in physical assets and agricultural households (€ 14.5 million);
- Measure 103: Investments in physical assets for processing and trading of agricultural products (€ 5 million);
- Measure 302: Diversification of farms and business development (€ 1.5 million);
- Measure 303: Preparation and implementation of local development strategies - LIDER (€ 0.3 million);
- Measure 501: Technical assistance (€ 0.2 million);
- Measure: Irrigation of agricultural lands (€ 1 million);
- Measure: Compensation for damages from natural disasters (€ 0.5 million)

5.2 Direct payments/subsides

In 2017, MAFRD continued subsidizing farmers through direct payments. Farmers supported by these payments are farmers engaged in the cultivation of wheat, corn, wheat seed, barley, rye, sunflower, vineyards, open field vegetables, existing orchards, organic agriculture and, for the first time, wine. As regards the livestock sector, besides the sectors that were previously part of the support program, aquaculture also started to be subsidized. In terms of inputs, seedling material for fruit tree and grape vine on the vegetative rootstock continued to be subsidized.

5.2.1 Direct payments for agricultural crops

The total amount of direct payments in 2017 for agricultural crops amounted to € 15.5 million, which decreased by 2% compared to 2016. Greater participation in total direct payments for agricultural crops had wheat, corn, vineyards, open field vegetables, and existing orchards, while other crops participated with less than 2% in the total of direct payments for agricultural crops. The total number of applicants for direct payments for agricultural crops was 31,701, out of which 30,321 benefited, thus resulting in a percentage of rejection of about 4.4%. In this year, there were a smaller number of applicants for wheat and wheat seed while for other crops the number of applicants increased. Direct payments per hectare remained the same except for vineyards where farmers with over 100 ha received € 1.000/ha for the first 100 ha and € 500 for every ha over this number which in 2016 was € 400/ha, and for organic agriculture where the payment per hectare increased to € 300/ha from € 200/ha as it was in 2016. In 2017, the share of direct payments for agricultural crops in total direct payments was 57.3%.

Table 111: Direct payments by sector, 2013-2017

		2013	2014	2015	2016	2017	Difference 2017/2016 in %
Wheat	Number of applicants	11,758	11,871	11,032	11,864	9,709	-18
	Number of beneficiaries	10,686	10,579	10,298	11,602	9,216	-21
	Number of ha paid	46,594	44,442	42,780	50,180	38,542	-23
	Payment per ha	125	125	150	150	150	0
	The total amount paid	5,824,268	5,555,218	6,417,047	7,526,999	5,781,300	-23
Wheat seed	Number of applicants	27	16	17	25	11	-56
	Number of beneficiaries	27	16	11	25	11	-56
	Number of ha paid	850	511	344	803	508	-37
	Payment per ha	75	210	250	250	250	0
	The total amount paid	63,720	107,391	86,063	196,678	122,003	-38
Corn	Number of applicants	3,858	6,134	8,278	7,985	8,598	8
	Number of beneficiaries	3,626	5,413	7,574	7,763	8,231	6
	Number of ha paid	9,430	12,687	18,236	19,140	22,077	15
	Payment per ha	100	100	150	150	150	0
	The total amount paid	943,028	1,268,719	2,735,462	2,870,969	3,311,579	15
Barley	Number of applicants	-	-	-	151	227	50
	Number of beneficiaries	-	-	-	133	208	56
	Number of ha paid	-	-	-	251	387	54
	Payment per ha	-	-	-	100	100	0
	The total amount paid	-	-	-	25,118	38,662	54
Rye	Number of applicants	-	-	-	77	78	1
	Number of beneficiaries	-	-	-	61	67	10
	Number of ha paid	-	-	-	200	170	-15
	Payment per ha	-	-	-	100	100	0
	The total amount paid	-	-	-	19,977	16,957	-15
Vineyard	Number of applicants	2,579	2,995	2,914	2,980	2,969	0
	Number of beneficiaries	2,556	2,995	2,806	2,881	2,909	1
	Number of ha paid	2,791	2,435	2,456	2,473	2,508	1
	Payment per ha	500/200	1000/300	1000/300	1000/400	1000/500	
	The total amount paid	1,124,516	2,290,783	2,046,167	2,117,978	2,266,235	7
Sunflower	Number of applicants	31	15	7	2	7	250
	Number of beneficiaries	29	13	4	2	6	200
	Number of ha paid	414	449	135	9	53	504
	Payment per ha	100	100	150	150	150	0
	The total amount paid	41,439	44,853	20,322	1,316	7,946	504
Open field vegetables	Number of applicants	-	1,870	4,717	5,304	5,716	8
	Number of beneficiaries	-	1,548	4,268	5,188	5,550	7
	Number of ha paid	-	3,422	5,216	6,605	7,481	13
	Payment per ha	-	300	300	300	300	0
	The total amount paid	-	1,026,735	1,564,692	1,981,617	2,244,228	13
Existing orchads	Number of applicants	-	-	1,796	2,908	4,358	50
	Number of beneficiaries	-	-	1,578	2,794	4,110	47
	Number of ha paid	-	-	1,731	2,780	3,999	44
	Payment per ha	-	-	400	400	400	0
	The total amount paid	-	-	692,256	1,112,032	1,599,496	44
Organic agriculture	Number of applicants	-	-	-	7	10	43
	Number of beneficiaries	-	-	-	3	6	100
	Number of ha paid	-	-	-	73	118	61
	Payment per ha	-	-	-	200	300	50
	The total amount paid	-	-	-	14,626	35,373	142
Wine	Number of applicants	-	-	-	-	18	
	Number of beneficiaries	-	-	-	-	7	
	Number of liter paid	-	-	-	-	1,375,607	
	Payment per liter	-	-	-	-	0.04	
	The total amount paid	-	-	-	-	55,024	

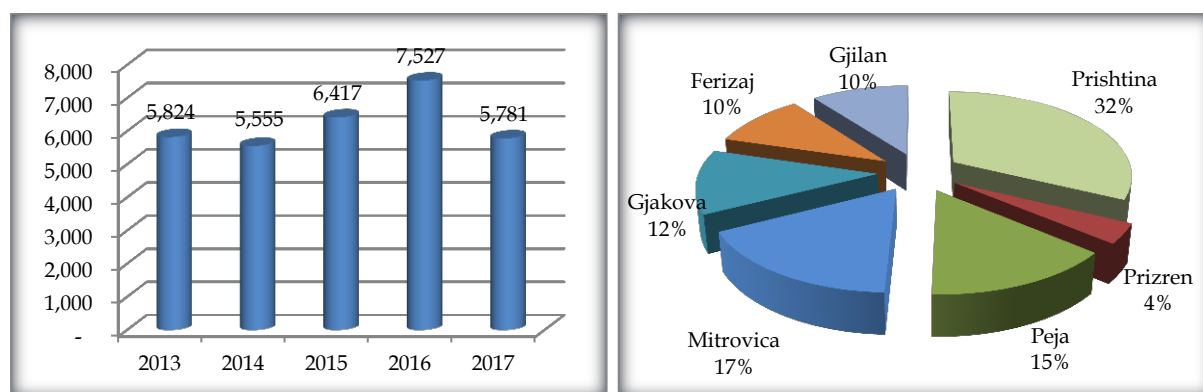
Source: Agency for Agricultural Development (AAD)

Wheat

In 2017, the amount of direct payments for wheat was € 5.8 million or 23% lower in comparison to the previous year. This decrease is due to the fact that the number of applicants has decreased and this has resulted in a smaller number of subsidized hectares or 11,638 ha less. The number of farmers who applied has decreased by 18% while those who benefited by 21% resulting in a higher percentage of rejection. The number of rejected farmers was 493 or 5.1% of applicants, which in 2016 this percentage was 2.2%. The average hectare for which a farmer benefited was 4.2 ha.

The region of Prishtina (32%) leads with subsidized wheat area, followed by Mitrovica (17%), Peja (15%), Gjakova (12%) and other regions with 24%.

Figure 51: Direct payment for wheat 2013-2017, in € 1000 (left); The subsidized area for wheat by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

Of the total number of farmer applicants, 94.9% were beneficiaries. The highest percentage of beneficiary farmers of over 97% of applicants was in the region of Ferizaj and Gjilan. The average subsidized area for a farmer was 4.2 ha, the lowest was in Gjilan with 3.6 ha and the highest in the region of Peja with 4.4 ha.

Table 112: Direct payments for wheat seeds by region, in 2017

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	3,106	2,948	12,430	1,864,515
2	Prizren	393	372	1,455	218,219
3	Pejë	1,336	1,266	5,606	840,899
4	Mitrovicë	1,773	1,648	6,517	977,570
5	Gjakovë	1,224	1,151	4,682	702,276
6	Ferizaj	763	745	3,897	584,585
7	Gjilan	1,114	1,086	3,955	593,238
	In total	9,709	9,216	38,542	5,781,300

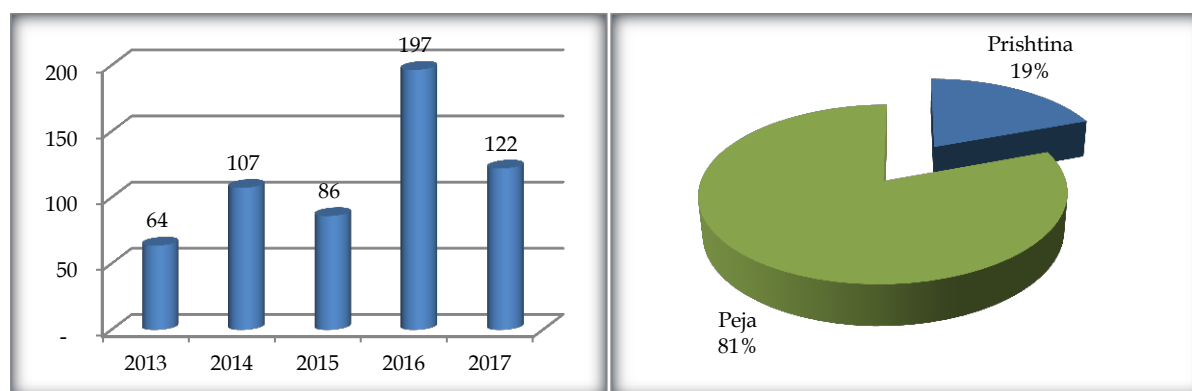
Source: Agency for Agricultural Development (AAD)

Wheat seed

Wheat seed began to be subsidized for the first time in 2012. In 2017, the total amount of direct payments for wheat seed was 122 € thousand. This has decreased by 38% compared to 2016, as a result of the decrease in the number of applicants by 56% and the number of subsidized hectares by 37%.

The regions that were supported were the region of Peja and Prishtina, whereas in other regions there were no applicants at all.

Figure 52: Direct payments for wheat seed 2013-2017, in 1000€ (left); The subsidized area for wheat seed according to region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

The average surface for which a farmer that cultivated wheat seed has benefited was about 46 ha. In Prishtina region there was only one applicant with an area of 98.3 ha, while in the region of Peja, the average of hectares for which a farmer has benefited was 41 ha. Beneficiary farmers benefited 250 € per cultivated hectare with wheat seed, whereas those who did not meet the criteria for seed production were rejected and were paid only 150€, as a wheat subsidy.

Table 113: Direct payments for wheat seed by region in 2017

No.	Region	No.of Applicants	No.of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	1	1	98	19,524
2	Prizren	-	-	-	-
3	Peja	10	10	410	102,479
4	Mitrovica	-	-	-	-
5	Gjakova	-	-	-	-
6	Ferizaj	-	-	-	-
7	Gjilan	-	-	-	-
	Total	11	11	508	122,003

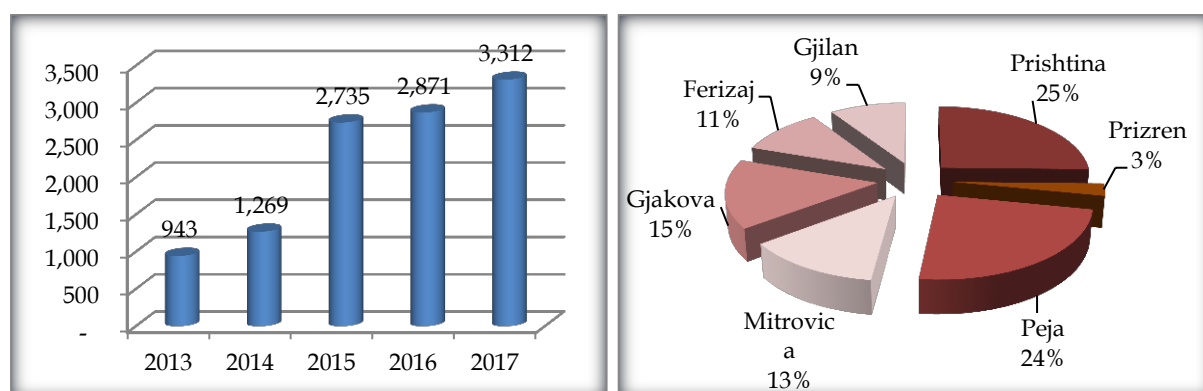
Source: Agency for Agricultural Development (AAD)

Maize

In 2017, the total amount of direct payments for maize has increased compared to 2016. This amount reached the value of 3.3 million €, or 15% more than in 2016. The number of applicants increased by 8%, whereas that of the beneficiaries by 6% and this resulted in the percentage of rejected farmers being higher, i.e. 4.3% of the farmer applicants.

In terms of regional distribution, 49% of the subsidies were in the region of Peja and Prishtina, followed by Gjakova (15%), Mitrovica (13%) and the rest in the region of Ferizaj, Gjilan and Prizren.

Figure 53: Direct payments for maize 2013-2017, in 1000€ (left); The subsidized surface with maize by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

In 2017, 22,077 ha of cultivated maize were subsidized, which is an increase of 15% compared to 2016. Percentage of beneficiary farmers was 95.7%, but this has changed depending on the region where the highest percentage of beneficiaries was in the region of Gjilan with 97.4%, while the lowest in the region of Mitrovica with 93.5%. The average surface for which a farmer benefited was 2.7 ha and it varied from 2.3 ha in the region of Prizren to 3 ha in the region of Ferizaj.

Table 114: Direct payment for maize by region in 2017

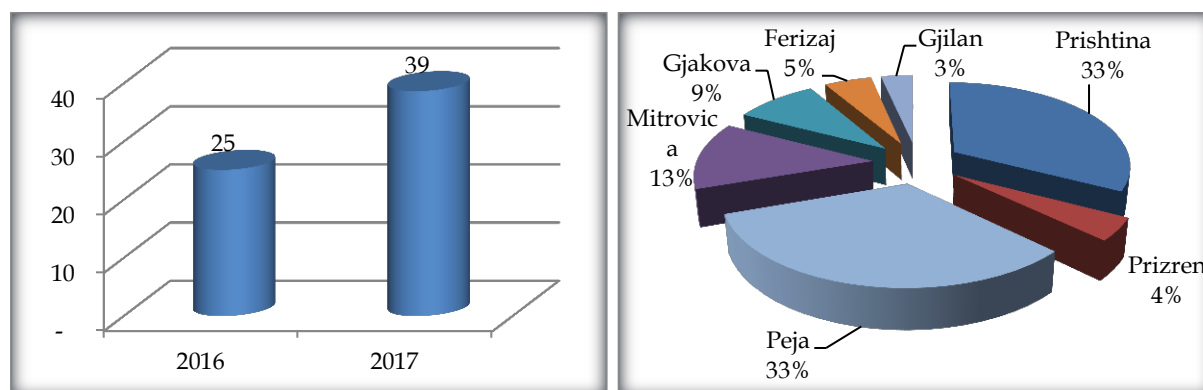
No.	Region	No.of Applicants	No.of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	2,206	2,124	5,591	838,586
2	Prizren	275	260	608	91,241
3	Peja	1,938	1,840	5,282	792,231
4	Mitrovica	1,223	1,143	2,833	424,971
5	Gjakova	1,286	1,238	3,402	510,308
6	Ferizaj	792	771	2,306	345,866
7	Gjilan	878	855	2,056	308,378
	Total	8,598	8,231	22,077	3,311,579

Source: Agency for Agricultural Development (AAD)

Barley

In the second year of subsidies, the number of applicants and beneficiaries has increased, and this has caused both the increase of subsidized area and the total amount of subsidies by 54%, compared to 2016. The percentage of rejected farmers has decreased to 8.4% from 11.9% in 2016, and this was due to the fact that the number of beneficiaries has increased more than the number of applicants. Peja and Prishtina are the regions with the largest area subsidized, namely, with a share of 33% each, of the total subsidized area, followed by Mitrovica with a share of 13% and other regions (Gjakova, Ferizaj, Prizren and Gjilan) with 21%.

Figure 54: Direct payments for barley 2016-2017, in € 1000 (left); The subsidized area with barley by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

The total amount of direct payments for barley in 2017 was € 38,662. The average area for which a farmer has benefited is 1.9 ha, the lowest is in the region of Prishtina with 1.5 ha while the highest in the Region of Gjakova with 5.7 ha. Gjakova is the region with no rejected farmers, the percentage of rejection being the highest in the region of Prizren (37.5%), while the lowest in the region of Prishtina (4.4% of applying farmers).

Table 115: Direct payments for barley by region, in 2017

No.	Region	No.of Applicants	No.of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	91	87	126	12,627
2	Prizren	16	10	17	1,688
3	Peja	62	59	126	12,638
4	Mitrovica	32	28	50	4,987
5	Gjakova	6	6	34	3,435
6	Ferizaj	11	10	20	1,962
7	Gjilan	9	8	13	1,325
	Total	227	208	387	38,662

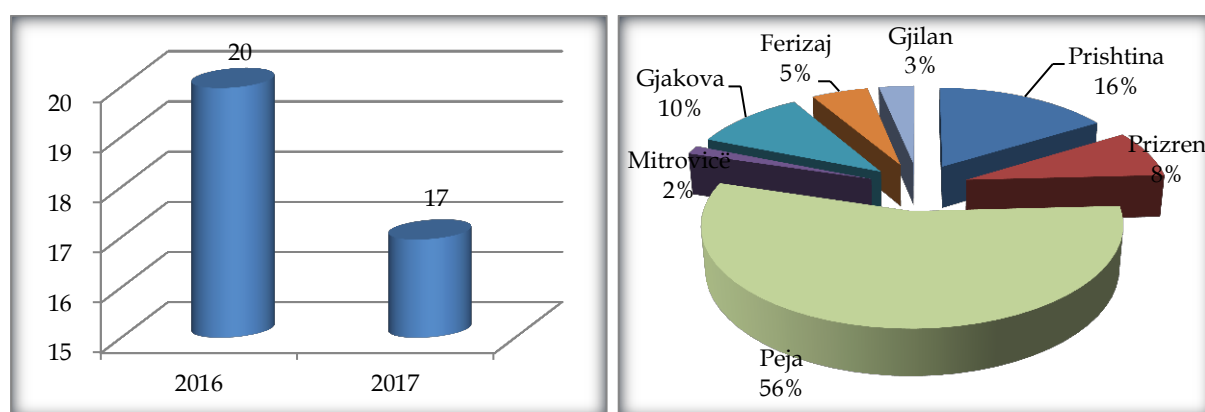
Source: Agency for Agricultural Development (AAD)

Rye

In 2017, the total amount of direct payments for rye has marked a decrease of 15%; namely from 19,977 € in 2016 it decreased to 16,957 €. Although the percentage of rejected farmers dropped by 6.7 percentage points, the subsidized area marked a decrease of 30 ha.

The region in which the area subsidized with rye is at 56% is Peja, followed by Prishtina with 16%, Gjakova with 10%, Prizren with 8% and other regions with 10%.

Figure 55: Direct payments for rye 2016-2017, in 1000€ (left); The subsidized area with rye by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

Of the 78 farmer applicants, 86% of them were beneficiaries, albeit this percentage varies from region to region, there are some regions like Mitrovica, Gjakova and Gjilan where all those who have applied have benefited, while Prizren is the region in which the percentage of rejected farmers is quite high (42%) compared to the rejection average of 86%. The average area of rye for which a farmer has benefited a subsidy in the amount of 100 €/ha was 2.5 ha, which ranges from 1.5 ha in the region of Ferizaj to 3.6 ha in the region of Peja.

Table 116: Direct payment for rye by region, in 2017

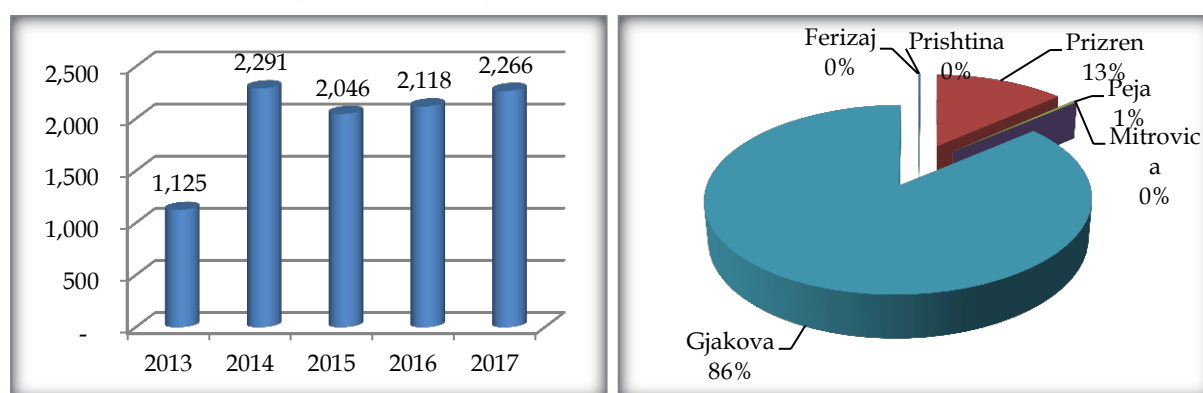
No.	Region	No.of Applicants	No.of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	19	17	28	2,750
2	Prizren	12	7	14	1,350
3	Peja	29	26	94	9,404
4	Mitrovica	1	1	2	244
5	Gjakova	7	7	18	1,763
6	Ferizaj	7	6	9	894
7	Gjilan	3	3	6	552
	Total	78	67	170	16,957

Source: Agency for Agricultural Development (AAD)

Vineyards

In 2017, the total amount of direct payments for vineyards increased by 7%, due to the subsidized area being larger for 36 ha, but also because the subsidy amount has changed for every hectare over 100 ha, namely from 400 €/ha in 2016, it increased to 500 €/ha in 2017. In 2017, there were 11 fewer farmers that applied, while the number of farmers that benefited was 28 more farmers. The region of Gjakova is the region in which there are 86% of vineyard hectares that were subsidized, where in this region 97% of subsidized hectares are in the municipality of Rahovec, followed by the region of Prizren with 13% where vineyard areas are mainly in Suharekë, Prizren and Mamusha.

Figure 56: Direct payments for vineyards 2013-2017, in € 1000 (); Subsidized vineyard areas by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

The total amount of direct payments for vineyards in 2017 was € 2.3 million, with an average area of 0.86 ha for one beneficiary, where the highest average surface was in the Gjakova region (1.06 ha) where grape production is concentrated. The percentage of rejected farmers is very low, respectively 2% at the country level, whereas the highest was in the Gjakova region with 4.5%.

Table 117: Direct payments for vineyards by region in 2017

No.	Region	No.of Applicants	No.of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	13	13	4	4,080
2	Prizren	853	815	298	299,260
3	Peja	10	10	8	7,860
4	Mitrovica	2	2	1	630
5	Gjakova	2,087	2,065	2,197	1,953,725
6	Ferizaj	4	4	1	680
7	Gjilan	-	-	-	-
	Total	2,969	2,909	2,508	2,266,235

Source: Agency for Agricultural Development (AAD)

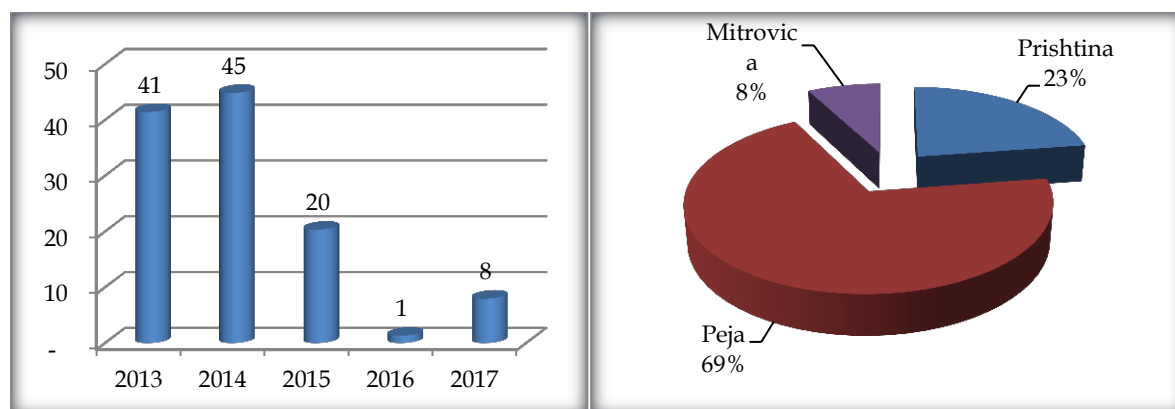
Wine

Direct payments for wine produced and officially declared were supported for the first time in 2017, and wine producing companies benefited € 0.04/liter. In total, 7 companies have benefited and the total value of subsidies was € 55,024.

Sunflower

In recent years, the number of applicants for sunflower is low. Out of 7 farmers who applied in 2017, 6 benefited for a surface of 53 ha, but compared to 2016, the number of subsidized hectares is almost sixfold. The largest surface with sunflower was in the region of Peja, followed by Prishtina and Mitrovica.

Figure 57: Direct payments for sunflower 2013-2017, in € 1000 (left); Subsidized area with sunflower by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

The total amount of direct payments for sunflower is € 7,946. In the region of Peja, the average surface area for which a farmer benefited is higher, namely 18,4 ha compared to the country average of 8.8 ha.

Table 118: Direct payments for sunflower by region, in 2017

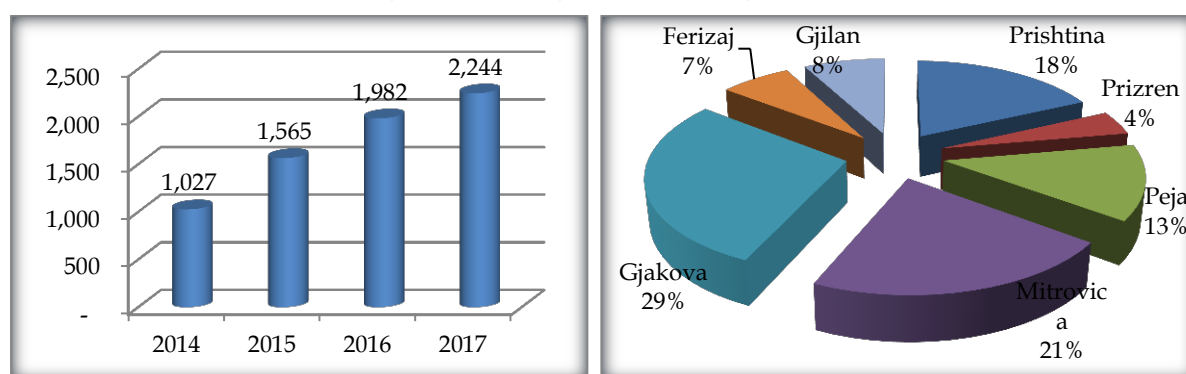
No.	Region	No.of Applicants	No.of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	3	3	12	1,800
2	Prizren	-	-	-	-
3	Peja	2	2	37	5,531
4	Mitrovica	2	1	4	615
5	Gjakova	-	-	-	-
6	Ferizaj	-	-	-	-
7	Gjilan	-	-	-	-
	Total	7	6	53	7,946

Source: Agency for Agricultural Development (AAD)

Open field vegetables

In 2017, which is the fourth year open field vegetables are being subsidized, the subsidized area has doubled from 3,442 ha subsidized in 2014 to 7,481 ha in 2017. Payment per hectare has remained the same, i.e € 300 and 23 vegetable crops were subsidized. The number of applicants increased by 8%, while that of the beneficiaries by 7%, resulting in an increase in the percentage of rejected farmers by 0.7 points percentage (from 2.2% in 2016 to 2.9% in 2017). In terms of regional distribution, most of the support (68%) was in three regions: Gjakova, Mitrovica and Prishtina, while the rest in other regions, whereby the regions of Prizren and Ferizaj were characterized with the lowest surface area planted with vegetables.

Figure 58: Direct payment for open field vegetables 2014-2017, in € 1000 (left); Subsidized area with open field vegetables by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

The average area for which a farmer benefited was 1.3 ha and this varied depending on the region, from 0.8 ha in the region of Prizren to 2.6 ha in the region of Mitrovica. Of the total number of applicants, the percentage of rejected farmers was 2.9%. The highest percentage of rejected farmers is in the region of Mitrovica, whereas the lowest percentage is in the region of Gjilan.

Table 119: Direct payments for open field vegetables by region, in 2017

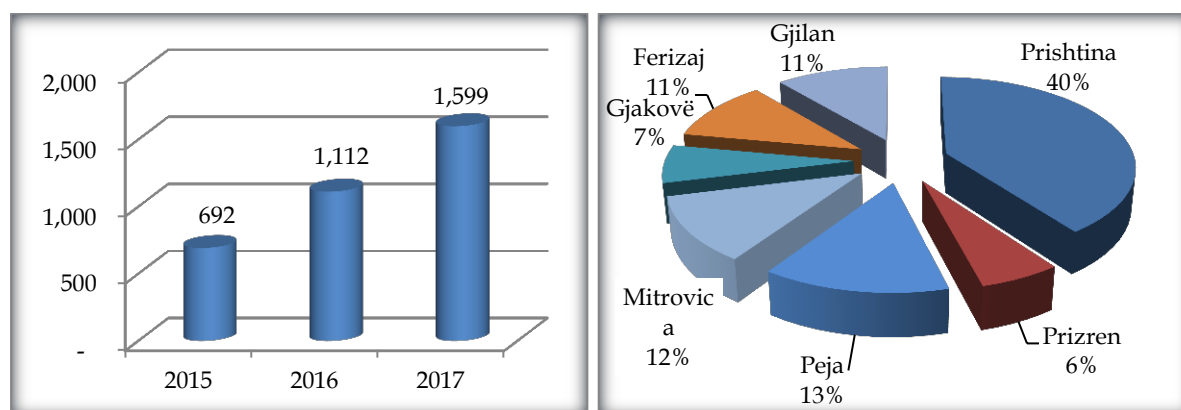
No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	1,074	1,031	1,353	405,858
2	Prizren	428	407	312	93,507
3	Peja	549	530	959	287,775
4	Mitrovica	654	619	1,613	483,969
5	Gjakova	2,381	2,343	2,149	644,565
6	Ferizaj	239	234	510	152,898
7	Gjilan	391	386	586	175,656
	Total	5,716	5,550	7,481	2,244,228

Source: Agency for Agricultural Development (AAD)

Existing orchards

Subsidization of existing orchards has started for the first time in 2015. Subsidization has continued in the amount of 400€/ha and, out of 4,358 applicants, 4,110 farmers were subsidized. Subsidized area has increased by 44%, from 2,780 ha in 2016 to 3,999 ha in 2017. There were subsidized 16 fruit cultures and the most subsidized areas were in the region of Prishtina (40%), followed by Peja (13%), Mitrovica (12%), Gjilan and Ferizaj with 11% each and other regions by 13%.

Figure 59: Direct payment for existing orchards 2015-2017, in € 1000 (left); Subsidized area with existing orchards by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

In 2017, the total amount of direct payments for existing orchards was € 1.6 million. The average area for which a farmer has benefited was 0.97 ha, and this has varied starting from the region of Ferizaj with 0.74 ha/ farmer and up to 1.22 ha in the region of Gjilan. The percentage of rejected farmers was 5.7%, the highest was in the region of Prizren and Mitrovica, while the lowest in the region of Gjilan and Gjakova.

Table 120: Direct payments for existing orchards by region, in 2017

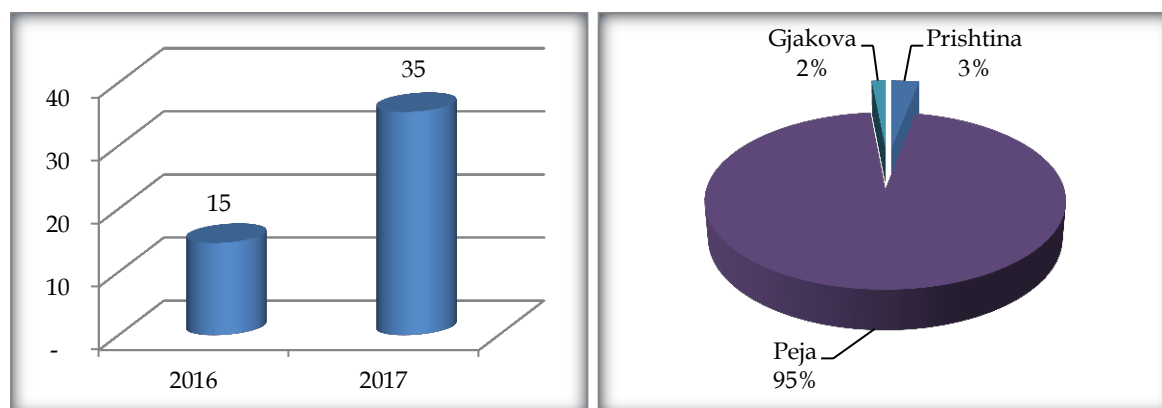
No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	1,814	1,699	1,598	639,100
2	Prizren	284	263	238	95,340
3	Peja	471	448	542	216,940
4	Mitrovica	553	516	465	185,948
5	Gjakova	240	229	272	108,840
6	Ferizaj	618	589	438	175,372
7	Gjilan	378	366	445	177,956
	Total	4,358	4,110	3,999	1,599,496

Source: Agency for Agricultural Development (AAD)

Organic farming

Organic farming support through direct payments started for the first time in 2016, with farmers receiving 200 €/ha. In 2017 payments per hectare have increased by 50%, so farmers are paid 300 €/ha as additional value besides the basic payment for the given culture. The number of beneficiary farmers has doubled, and the subsidized area has also increased from 73 ha in 2016, to 118 ha in 2017. This has made the total amount of subsidies for organic farming to grow by more than double that of 2016 or 2.4 times. The subsidized area in Peja is 98%, whereas in Prishtina and Gjakova is 3%, respectively 2%.

Figure 60: Direct payment for organic farming 2016-2017, in € 1000 (left); Subsidized area for organic farming by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

In 2017, there were 10 applicant farmers, of which 6 have benefited, 4 in the region of Peja, respectively in the municipality of Istog, 1 in the region of Gjakovë, respectively in the municipality of Rahovec and 1 in the region of Prishtina, respectively in the municipality of Obiliq. 118 ha were subsidized in the total amount of € 35,373. The percentage of farmers rejected in the second year of subsidizing organic agriculture has dropped by 17 percentage points.

Table 121: Direct payments for organic farming by region, in 2017

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	1	1	4	1,077
2	Prizren	-	-	-	-
3	Peja	6	4	113	33,762
4	Mitrovica	1	-	-	-
5	Gjakova	2	1	2	534
6	Ferizaj	-	-	-	-
7	Gjilan	-	-	-	-
	Total	10	6	118	35,373

Source: Agency for Agricultural Development (AAD)

5.2.2 Direct payments for livestock and milk

The amount of direct payments for the livestock sector in 2017 was 11.5 million €, 13% higher than in 2016. Out of a total of 14,702 applicants, 14,280 farmers benefited, so the percentage of rejected farmers was 2.9%. Of the total direct payments for livestock, 41% were for dairy cows, 20% for beekeeping, 18% for sheep and goats, and 21% for other sectors.

Table 122: Direct Payments by Sectors, 2013-2017

		2013	2014	2015	2016	2017	Difference 2017/2016 in %
Dairy cows	Number of applicants	5,803	6,052	6,827	7,981	7,778	-3
	Number of beneficiaries	5,075	5,472	6,451	7,650	7,546	-1
	Number of heads paid	42,119	44,235	54,157	65,857	68,250	4
	Payment per head	50	50	70	70	70	0
	Total amount paid	2,105,950	2,211,750	3,790,990	4,609,990	4,777,500	4
Sheep and goats	Number of applicants	1,370	1,442	1,366	1,325	1,367	3
	Number of beneficiaries	1,252	1,295	1,287	1,273	1,334	5
	Number of heads paid	115,972	121,012	128,091	128,883	140,854	9
	Payment per head	10	10	15	15	15	0
	Total amount paid	1,159,720	1,210,120	1,921,365	1,933,245	2,112,810	9
Sows	Number of applicants	-	72	124	137	151	10
	Number of beneficiaries	-	65	106	121	130	7
	Number of heads paid	-	311	562	702	859	22
	Payment per head	-	20	20	20	20	0
	Total amount paid	-	6,220	11,240	14,040	17,180	22
Bees	Number of applicants	1,086	1,504	2,018	2,378	2,595	9
	Number of beneficiaries	985	1,394	1,918	2,353	2,467	5
	Number of hives paid	50,066	77,761	112,958	143,918	153,037	6
	Payment per hive	10	10	10	15	15	0
	Total amount paid	500,660	777,610	1,129,580	2,158,770	2,295,555	6
Egg-laying hens	Number of applicants	61	64	86	86	88	2
	Number of beneficiaries	58	59	57	78	80	3
	Number of heads paid	567,996	526,966	466,064	783,531	960,955	23
	Payment per head	0.50/0.40/ 0.30	0.50/0.40/ 0.30	0.50/0.40	0.50/0.40	0.50/0.40	
	Total amount paid	240,305	231,648	210,868	346,259	435,035	26
Quail	Number of applicants	-	-	-	7	13	86
	Number of beneficiaries	-	-	-	6	13	117
	Number of heads paid	-	-	-	22,083	29,013	31
	Payment per head	-	-	-	1	1	0
	Total amount paid	-	-	-	22,083	29,013	31
Milk	Number of applicants	-	-	-	1,552	2,700	74
	Number of beneficiaries	-	769	1,040	1,552	2,700	74
	Number of litres paid	-	-	-	-	-	
	Payment per litre	-	0.06/0.04/ 0.02	0.06/0.04/ 0.02	0.06/0.04/ 0.02	0.06/0.04/ 0.02	
	Total amount paid	-	491,884	711,644	1,082,829	1,712,609	58
Reported cattle slaughter	Number of applicants	-	-	1	9	6	-33
	Number of beneficiaries	-	-	1	9	6	-33
	Number of heads paid	-	-	84	526	367	-30
	Payment per head	-	-	30	30	50	67
	Total amount paid	-	-	2,520	15,780	18,350	16
Dairy cows	Number of applicants	-	-	-	-	4	
	Number of beneficiaries	-	-	-	-	4	
	Number of heads paid	-	-	-	-	420,264	
	Payment per head	-	-	-	-	0.20	
	Total amount paid	-	-	-	-	84,053	

Source: Agency for Agricultural Development (AAD)

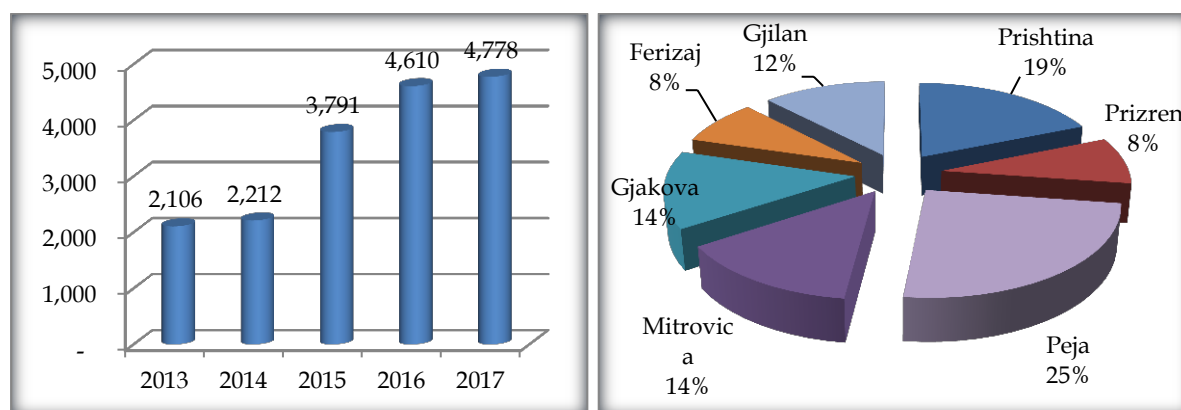
Dairy cows

In 2017 continued the subsidization of dairy cows with an amount of € 70/head. The total amount of direct payments for dairy cows was € 4.8 million, resulting from an increase in the

number of subsidized cows. The number of applicants dropped by 3%, while the number of beneficiaries by 1%, resulting in a lower percentage of rejected farmers by 1.2 percentage points.

Regarding the subsidization of dairy cows, the region of Peja leads with 25%, followed by Prishtina with 19%, Gjakova with 14%, Mitrovica with 14%, and other regions with 28%. The lowest number of subsidized cows was in the regions of Ferizaj and Prizren. The same situation regarding the distribution of subsidies for dairy cows was also in 2016.

Figure 61: Direct payments for dairy cows 2013-2017, in € 1000 (left); Number of dairy cows subsidized by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

In 2017, there were 232 rejected farmers. The lowest percentage of rejected farmers was in the region of Gjilan with 2.1%, while the highest in Gjakova region with 3.8%. The average number of heads for which a farmer has benefited from subsidies has been 9 heads and the gap between the regions has not been large, with a difference from 8 to 10 heads.

Table 123: Direct payments for dairy cows by region, in 2017

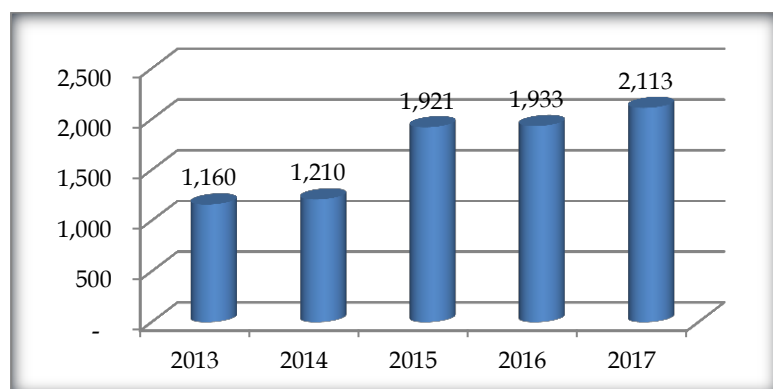
No.	Region	No. of Applicants	No. of beneficiary farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	1,442	1,388	12,827	897,890
2	Prizren	654	641	5,767	403,690
3	Peja	1,866	1,817	16,840	1,178,800
4	Mitrovica	1,172	1,133	9,439	660,730
5	Gjakova	1,119	1,077	9,443	661,010
6	Ferizaj	672	655	5,595	391,650
7	Gjilan	853	835	8,339	583,730
	Total	7,778	7,546	68,250	4,777,500

Source: Agency for Agricultural Development (AAD)

Sheep and goats

Subsidies for sheep and goats continued in 2017 with € 15/head. The total amount of payments for sheep and goat has reached € 2.1 million, as a result of the increase in the number of beneficiaries by 5% and the increase of the number of subsidized heads by 9%. In 2017, the total amount of direct payments for sheep and goat was 9% higher compared to 2016. From the total direct payments for sheep and goats, 90.3% are payments for sheep whereas 9.7% for goats.

Figure 62: Direct payments for sheep and goats 2013-2017, in € 1000



Source: Agency for Agricultural Development (AAD)

The total amount of direct payments for sheep was € 1.9 million. One farmer benefited on average for 116 sheep, this number has changed depending on the region starting with an average of 79 sheep for one farmer in the region of Mitrovica to 149 sheep for one farmer in the region of Prizren. After the field audits, out of the total number of applicants, were rejected 1.8 %, with the lowest percentage of rejection being in the region of Prizren and Peja, while the highest in the Mitrovica region.

Table 124: Direct payments for sheep by region in 2017

No.	Region	No. of Applicants	No. of beneficiary farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	197	192	18,670	280,050
2	Prizren	207	205	30,520	457,800
3	Peja	204	202	17,607	264,105
4	Mitrovica	133	128	10,058	150,870
5	Gjakova	126	126	17,498	262,470
6	Ferizaj	102	99	13,366	200,490
7	Gjilan	145	142	19,469	292,035
	Total	1,114	1,094	127,188	1,907,820

Source: Agency for Agricultural Development (AAD)

The average number of goats for which a farmer benefited was 57 heads, and the difference between the regions was 46 in the region of Gjilan and 88 in the region of Gjakova. The average was higher in the region of Gjakova, but Prishtina region has the lead in terms of the number of subsidized heads, with an average of 47 heads for one farmer. The total amount of subsidies for goats was € 0.2 million, the percentage of rejected farmers was 5.1%, with the highest percentage marked in the Gjakova region with 13.6% and the lowest in the region of Peja with 2.8%.

Table 125: Direct payments for goats by region in 2017

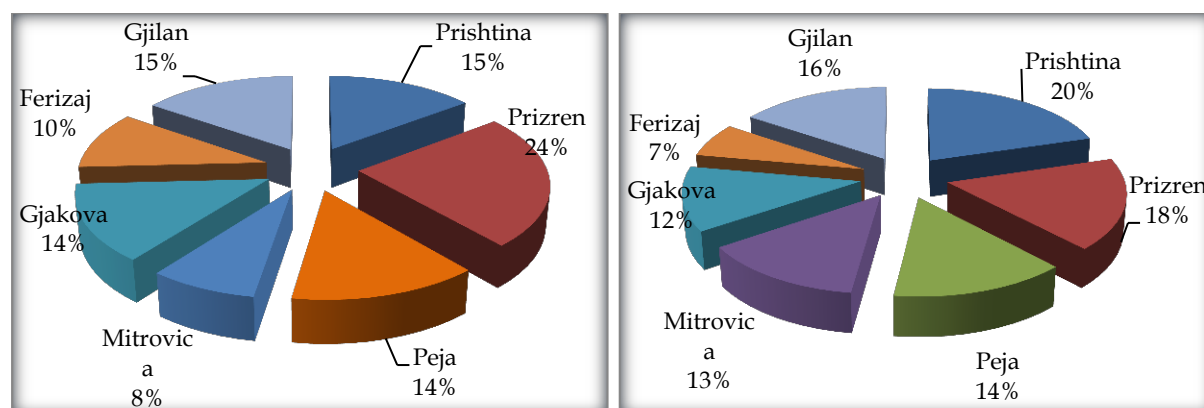
No.	Region	No. of Applicants	No. of beneficiary farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	64	59	2,787	41,805
2	Prizren	38	38	2,392	35,880
3	Peja	36	35	1,940	29,100
4	Mitrovica	27	26	1,841	27,615
5	Gjakova	22	19	1,676	25,140
6	Ferizaj	18	17	898	13,470
7	Gjilan	48	46	2,132	31,980
	Total	253	240	13,666	204,990

Source: Agency for Agricultural Development (AAD)

The region which is characterized with the largest number of subsidized sheep is the Prizren region with 24%, followed by Prishtina and Gjilan with 15% each, Peja and Gjakova with 14% and other regions with 18%. The region with the lowest number of subsidized sheep was the region of Mitrovica.

Out of the total subsidies for goats, 54% are in the regions of Prishtina, Prizren and Gjilan, followed by Peja with 14%, Mitrovica 13%, Gjakova 12%, and the lowest percentage is marked in the region of Ferizaj with 7%.

Figure 63: Number of subsidized sheep by region, in 2017 (left); Number of subsidized goats by region, in 2017 (right)

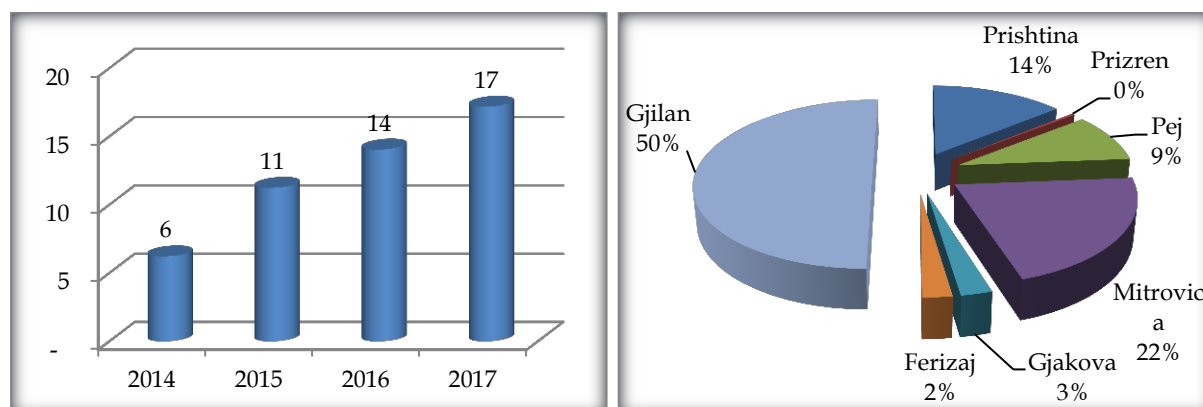


Source: Agency for Agricultural Development (AAD)

Sows

The swine sector started to be subsidized for the first time in 2014. Reproducing sows were subsidized through direct payments, and farmers benefited 20 €/head. In 2017 the total support for sows amounted to about € 17,000 or 22% more than in 2016. The largest number of subsidized sows was in Gjilan region (50%), followed by Mitrovica region with 22% and Prishtina with 14%, and the four other regions (Peja, Gjakova, Ferizaj, and Prizren) with 14%.

Figure 64: Direct payments for sows 2014-2017, in € 1000 (left); Number of subsidized sows by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

Out of the total number of farmer applicants, 14% were rejected and were mainly from the region of Gjilan, in the region of Peja there were 2 rejected farmers, Prizren and Mitrovica had only one farmer rejected each. Whereas in the region of Prishtina, Gjakova and Ferizaj, there were no rejected farmers. The total number of subsidized sows was 859 heads.

Table 126: Direct Payments for sows by Region, in 2017

No.	Region	No. of Applicants	No. of beneficiary farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	26	26	121	2,420
2	Prizren	2	1	3	60
3	Peja	21	19	80	1,600
4	Mitrovica	14	13	184	3,680
5	Gjakova	6	6	21	420
6	Ferizaj	1	1	20	400
7	Gjilan	81	64	430	8,600
	Total	151	130	859	17,180

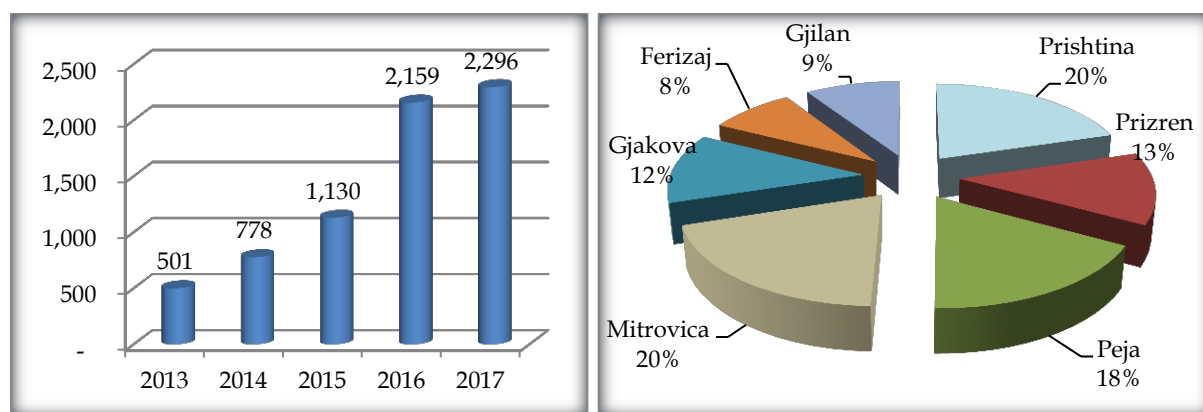
Source: Agency for Agricultural Development (AAD)

Beekeeping

In 2017 the number of subsidized beehives reached 153,037, or 6% more than in 2016. The subsidy with 15 € for hives continued and were subsidized all farmers who had at least 30 beehives and fulfilled the criteria set in the program regarding the placement on the bee farm/apiary.

Regarding the number of subsidized beehives, the region of Prishtina and Mitrovica have the lead with 20%, followed by the region of Peja with 18% and other regions with 42%.

Figure 65: Direct payments for bees 2013-2017, in € 1000 (left); Number of subsidized hives by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

The average number of beehives for which a farmer benefited was 62, or one beehive more than in 2016. This average varies from region to region, starting with 59 beehives in Prishtina, Ferizaj and Gjilan regions, to 66 beehives in the region of Mitrovica. The percentage of rejected farmers was 4.9% compared with only 1% in 2016. In 2017, Pristina region has the highest percentage of rejection with 7.1%, while Gjilan has the lowest percentage with 2.8%.

Table 127: Direct payments for bees by region in 2017

No.	Region	No. of applicants	No. of beneficiary farmers	No. of subsidised beehives	Paid amount in €
1	Prishtina	563	523	31,107	466,605
2	Prizren	315	296	19,314	289,710
3	Peja	463	446	26,718	400,770
4	Mitrovica	477	454	30,103	451,545
5	Gjakova	302	293	18,913	283,695
6	Ferizaj	229	216	12,762	191,430
7	Gjilan	246	239	14,120	211,800
	Total	2,595	2,467	153,037	2,295,555

Source: Agency for Agricultural Development (AAD)

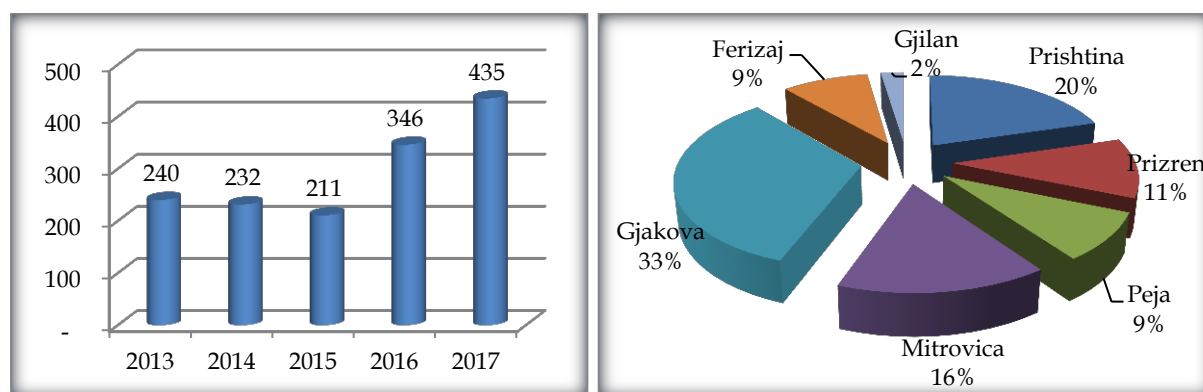
Poultry

Within the sector of poultry, support through direct payments is provided for laying hens and partridges. The support for laying hens has started in 2013, whereas the support for partridges started for the first time in 2016.

Laying hens

Direct payments for laying hens in 2017 amounted to € 435 thousand. The number of subsidized laying hens in 2017 has increased by 23%, compared to the previous year, and the total subsidy amount has also increased by 26%. The largest number of subsidized laying hens was in Gjakova (33%) followed by Prishtina with 20%, Mitrovica with 16%, Prizren with 11% and other regions with 20%.

Figure 66: Direct payments for laying hens 2013-2017, in € 1000 (left); Number of laying hens subsidized by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

The average number of laying hens for which a farmer benefited was 12,012, and this average is higher than in 2016 for 1,966 chickens. In 2017, the number of applicants increased by 2%, whereas the number of beneficiaries increased by 3%, which resulted in declining percentage of rejected farmers compared to 2016.

Table 128: Direct payments for laying hens by region, in 2017

No.	Region	No. of applicants	No. of beneficiary farmers	No. of subsidised heads	Paid amount in €
1	Prishtina	24	21	195,315	94,248
2	Prizren	17	16	105,740	49,901
3	Peja	12	12	84,240	39,970
4	Mitrovica	6	5	148,670	61,305
5	Gjakova	17	15	317,635	139,168
6	Ferizaj	8	7	86,660	39,097
7	Gjilan	4	4	22,695	11,348
	Gjithsej	88	80	960,955	435,035

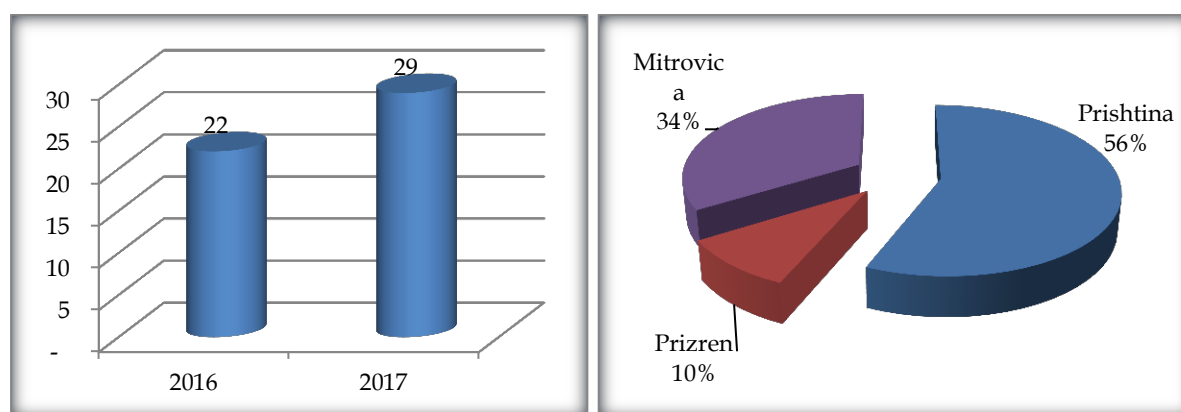
Source: Agency for Agricultural Development (AAD)

Partridges

Support for partridges through direct payments commenced for the first time in 2016, and continued in 2017 with a subsidy amount of € 1/head.

Of the total subsidized partridges, 56% were in the region of Prishtina, respectively in the municipalities of Prishtina, Podujeva and Drenas, 34% in the region of Mitrovica and 10% in Prizren. The average number of partridges for which a farmer benefited was 2,232 heads, the region of Prishtina having the highest average with 4,098 heads and the lowest in the region of Prizren with 701 heads, while in the region of Mitrovica this average was 1,964 heads.

Figure 67: Direct Payments for partridges 2016-2017, in € 1000 (left); Number of subsidised partridges by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

13 farmers have applied and all of them have been subsidized. The total number of subsidized partridges was 29,013 heads. There were no applicants from the regions: Peja, Gjakova, Ferizaj and Gjilan.

Table 129: Direct payments for partridges by region, in 2017

No.	Region	No. of applicants	No. of beneficiary farmers	No. of subsidised heads	Paid amount in €
1	Prishtina	4	4	16,390	16,390
2	Prizren	4	4	2,803	2,803
3	Peja	-	-	-	-
4	Mitrovica	5	5	9,820	9,820
5	Gjakova	-	-	-	-
6	Ferizaj	-	-	-	-
7	Gjilan	-	-	-	-
	Total	13	13	29,013	29,013

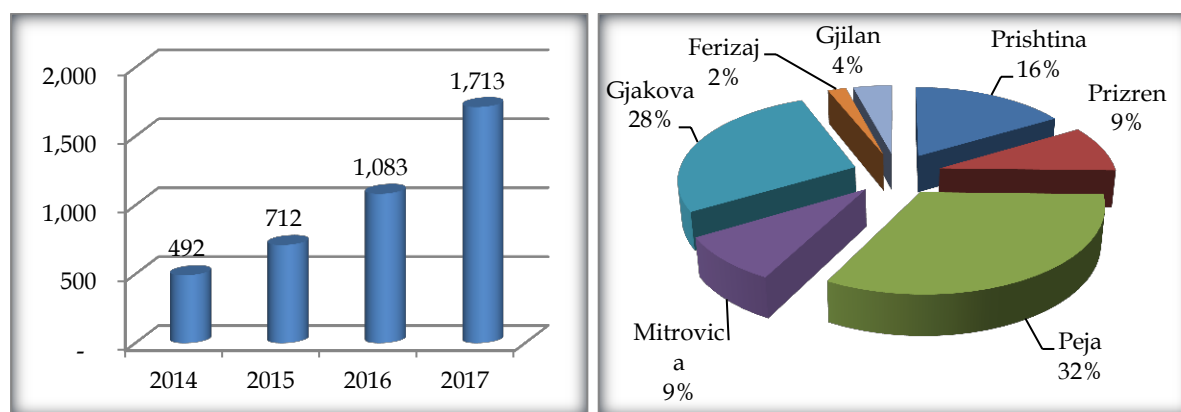
Source: Agency for Agricultural Development (AAD)

Milk by Quality

Subsidies for milk by quality classes commenced implementation for the first time in 2014, while in the fourth year of subsidies the total amount of subsidies has more than tripled compared with 2014. Subsidies per litre remained the same as in the previous year with 0.06/0.04/0.02 €/liter, depending on the quality classes.

Regarding the support of milk based on quality, the region of Peja has the lead with 32%, followed by Gjakova with 28%, Prishtina 16% and other regions with 21%.

Figure 68: Direct payments for milk by quality 2014-2017, in € 1000 (left); Subsidies for milk by quality, by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

In total, there were 2,700 beneficiary farmers, or an average of 675 farmers for one quarter. The average amount of funds that a farmer has benefited was € 634/per farmer, the lowest was in the region of Prizren with € 457/per farmer whereas the highest average benefit for a farmer was in the region of Peja with € 779.

Table 130: Direct payments for milk by quality in regions, in 2017

No.	Region	No. of beneficiary farmers	Amount paid in €
1	Prishtina	503	281,352
2	Prizren	335	153,190
3	Peja	710	552,747
4	Mitrovica	226	149,784
5	Gjakova	742	471,206
6	Ferizaj	67	33,495
7	Gjilan	117	70,835
	Total	2,700	1,712,609

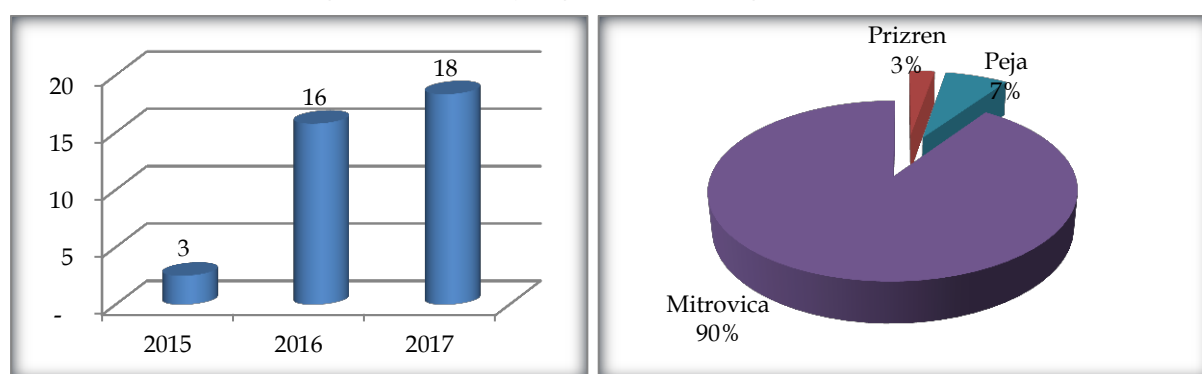
Source: Agency for Agricultural Development (AAD)

Reported bovine slaughter

Direct payments for subsidising bovine commenced for the first time in 2015, where there was only one slaughterhouse that applied for 84 heads slaughtered. Unlike the first year of subsidy, in 2016 there were 9 slaughterhouses that applied and the number of reported slaughtered bovine was six times greater than the number reported in 2015. In 2017, the number of beneficiaries was 6, whereas the number of subsidized heads 367, resulting in a total of subsidies for reported slaughter in the amount of € 18,350. The beneficiaries were slaughterhouses of the quality class A and B, as well as the farmers and their bovine slaughtered in these slaughterhouses.

Most of the slaughters were in the region of Mitrovica, specifically in the municipality of Mitrovica, followed by the municipality of Istog in the region of Pejë and the municipality of Suhareka in the region of Prizren.

Figure 69: Direct payments for reported bovine slaughter 2015-2017, in € 1000 (left); Subsidies for reported slaughter of cattle by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

In 2017, compared with 2016 the number of beneficiaries dropped from 9 to 6 slaughterhouses, whereas the number of subsidized heads dropped by 30%, but as the payment for a slaughtered head increased from 30 to 50 per head, the total amount of subsidies increased by 16%.

Table 131: Direct payment for reported bovine slaughter by regions, in 2017

No.	Region	No. of beneficiary farmers	Amount paid in €
1	Prishtina	-	-
2	Prizren	1	500
3	Peja	1	1,250
4	Mitrovica	4	16,600
5	Gjakova	-	-
6	Ferizaj	-	-
7	Gjilan	-	-
	Total	6	18,350

Source: Agency for Agricultural Development (AAD)

Aquaculture

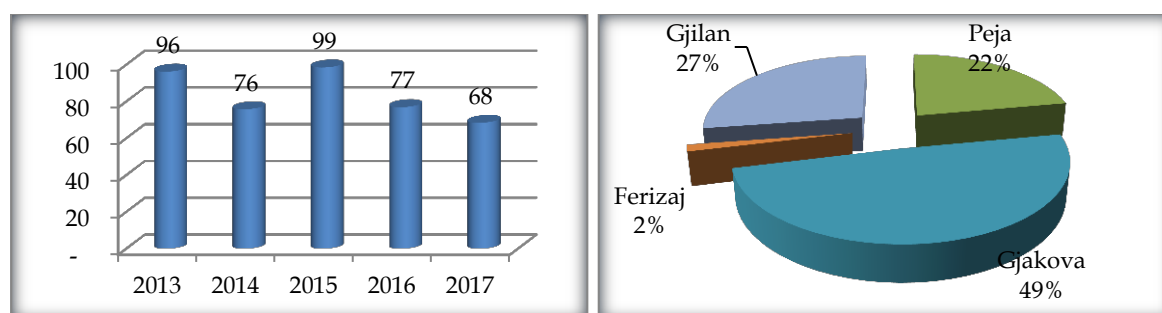
In 2017, aquaculture was also supported through direct payments. In total, there were subsidized 420 tons of fish. In the first semester of 2017, were supported a total of 4 companies in the total amount of € 38,785, whereas in the second semester of 2017, were supported 4 companies in the total amount of € 45,268. Total support in 2017 for this sector amounted to € 84,053.

5.2.3 Support for agricultural inputs

Support for seedlings

The number of subsidized beneficiaries and seedlings in 2017 has dropped, which has led to a decrease in the amounts of subsidies for seedlings by 11.7%. Gjakova was the region with the largest number of subsidized seedlings, followed by Gjilan, Peja and Ferizaj.

Figure 70: Direct payments for seedlings 2013-2017, in € 1000 (left); Number of subsidized seedlings by region, in 2017 (right)



Source: Agency for Agricultural Development (AAD)

In 2017, were subsidized a total of 406,045 seedlings, totaling € 68,459. Out of a total of 16 farmers who applied, 14 of them benefited and only 2 were rejected, 1 in the region of Peja

and 1 in the region of Gjakova. The average number of seedlings for which a farmer benefited was 29,003 seedlings.

Table 132: Direct payments for seedlings by region in 2017

No.	Region	No. of applicants	No. of beneficiary farmers	No. of subsidised seedlings	Paid amount in €
1	Prishtina	-	-	-	-
2	Prizren	-	-	-	-
3	Peja	4	3	89,730	17,946
4	Mitrovica	-	-	-	-
5	Gjakova	5	4	199,500	27,150
6	Ferizaj	1	1	5,815	1,163
7	Gjilan	6	6	111,000	22,200
	Total	16	14	406,045	68,459

Source: Agency for Agricultural Development (AAD)

5.3 Agro loans and guarantee fund

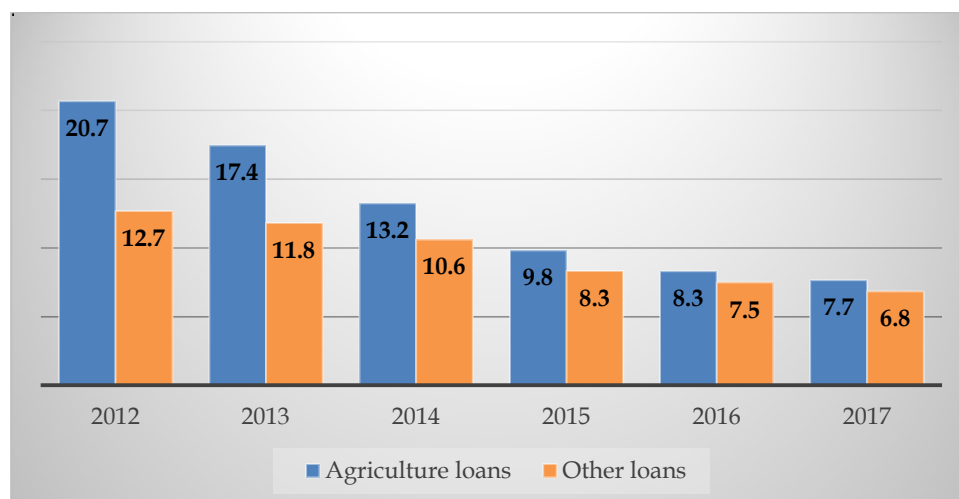
5.3.1 Agro loans

Even after 17 years that have passed, the development of the agricultural sector is still not at the desired level, despite continued support from the ministry with grants and subsidies, as well as support by external donors. Despite the difficulties, preferential treatment and its consideration as a government priority for the country's economy, the agriculture sector is in great need for funding - and agro loans.

Agriculture continues to have low access to the general bank financing with only 2.6% in 2017 (1.9 percentage points lower than in the previous year), being the least credited sector of all the financial institutions in Kosovo. With Microfinance Institutions (MFIs) the situation is different, the share of agricultural loans is 26.9% in 2017 (1.1 percentage points lower than in the previous year).

Interest on loans for the agricultural sector are high compared with loans for other sectors and countries in the region, although 2017 was characterized by a decrease in the interest rate of 0.6 percentage points compared with 2016, or by 5.5 percentage points compared to 2014, which will be a positive stimulation for farmers.

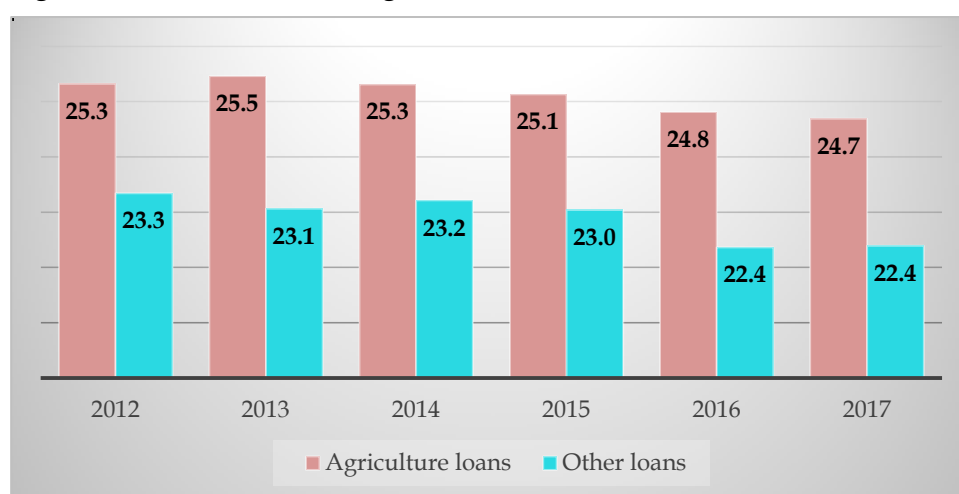
Figure 71: Interest Rate on Agricultural Loans from Banks, %



Source: CBK

Interest on agricultural sector loans from MFIs in 2017, were characterized by a minimal decrease in the interest rate of 0.12 percentage points compared to the previous year or by 0.62 percentage points compared to 2014.

Figure 72: Interest Rate on Agricultural Loans from MFIs, %



Source: CBK

Lending still has a high cost for farmers because for banks and microfinance institutions (MFIs), agro-credits are recognized as nonperforming loans. This low level of lending highlights the conservative approach of the banking system towards the agricultural sector. Lack of the insurance system in agriculture also greatly influences farmers' access to loans, respectively, to affordable loans.

In order to increase farm efficiency, farmers need to broaden the level of financing their investments in: purchase of agricultural equipment and machinery of the latest technology, purchase of inventory, adjustment and expansion of farms and land, purchase of livestock in

order to increase their stocks, purchase of inputs, set up of collection points, storage refrigerators and many other agricultural equipment. Such investments in farms enable the farmers to increase productivity and at the same time prepare themselves for the new agricultural season. Various investments in this sector will allow for improved welfare in rural areas and increased domestic production, which will have an impact in replacing imported products and creating new opportunities for export.

Banks that financially support the agricultural sector with loans in Kosovo are: Banka për Biznes, Banka Ekonomike, Raiffeisen Bank (RBKO), ProCredit Bank (PCB), TEB Bank, NLB Prishtina and Banka Kombëtare Tregtare, while the Microfinance Institutions are the following: Agency for Finance in Kosovo (AFK), Finca, KosInvest Word Vision, KEP Trust, KGMAMF, Kreditimi Rural i Kosovës (KRK), Qelim Kosovë, Start and Timi Invest.

The leaders in the amount of disbursed Agri-loans are TEB, PCB, RBKO and BPB, followed by Microfinance Institutions: KRK, AFK, Finca etc. The table shows that most loans were disbursed in 2017. The total amount of loans disbursed in 2017 is 12.14% higher than in 2016, and this increase is very small compared to the 20.5% increase in 2015 compared to 2014. The number of loans granted since the beginning of 2012 and up to 2017 is approximately 114 thousand loans, with a total amount of € 438.9 million. Therefore, for those 6 years, an average of 1,600 loans was monthly disbursed with an average amount of € 6.1 million.

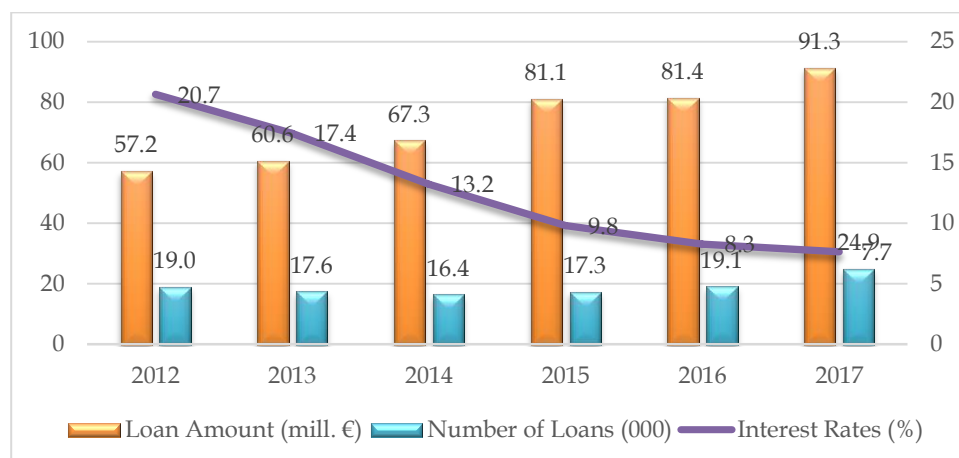
Table 133: Agro loans 2012 - 2017

Agro loans	Disbursed loans	Number of loans disbursed	The amount of loans disbursed/ Banks and MFI (€)	The total amount of loans disbursed (mil. €)	The loan term (months)	The average interest rate (%)	Share of Agro Loans compared to other loans (%)
2012	7 - 5,645	18,961	11,000 - 27,550,000	57.2	16 - 27	12.0 - 28.1	0.01 - 59.00
2013	3 - 3,608	17,578	15,300 - 24,600,000	60.6	15 - 45	10.5 - 26.2	0.02 - 64.00
2014	14 - 3,638	16,360	18,400 - 18,500,000	67.3	13 - 50	9.0 - 26.5	0.7 - 58.6
2015	20 - 4,270	17,308	31,600 - 29,000,000	81.1	13 - 42	9.3 - 26.6	0.5 - 51.4
2016	9 - 5,008	19,086	25,500 - 17,000,000	81.4	12 - 42	8.0 - 26.9	0.5 - 60.0
2017	13 - 7,058	24,940	41,500 - 13,600,000	91.3	17 - 39	7.3 - 26.7	0.3 - 43.0
Total		114,233		438.9			

Source: Commercial banks & MFIs in Kosovo, developed by DEAAAS

The table and figure clearly show that years 2016 and 2017 differ in terms of number of granted loans. If 2017 is compared with 2012, there is noted a high increase of 59.6%.

Figure 73: The total amount of loans disbursed (€ mil.)



Source: Commercial banks & MFIs in Kosovo, CBK

The repayment period for agricultural loans varies between 12 and 50 months depending on the loan destination. The maximum loan maturity was between 13 and 50 months in 2014, whereas the minimal maturity was between 16 and 27 months in 2012.

In 2017, the loan term was 17-39 months and the interest rates for agricultural loans varied from 7.3% to 26.7% depending on the amount of loan and the repayment period. Agricultural producers are still unsatisfied with the interest rates which hinder the development of this sector.

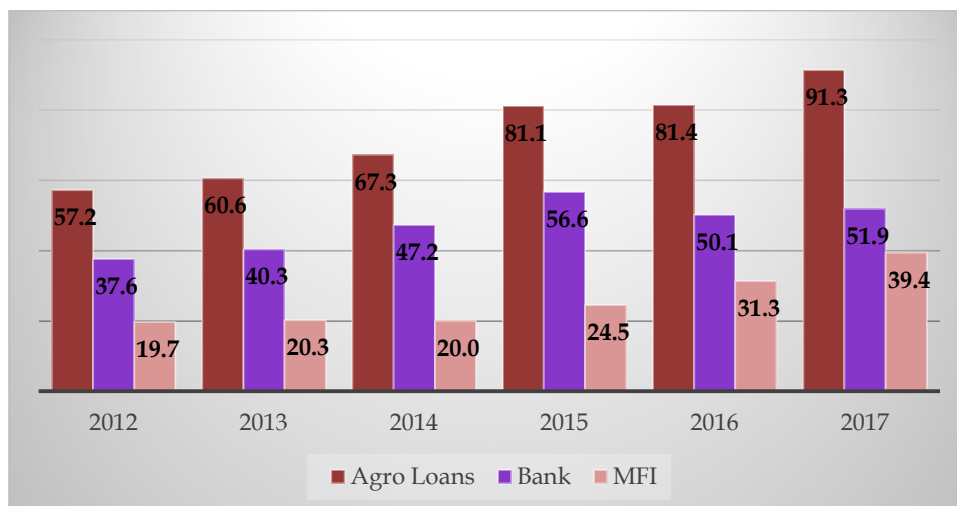
Collateral is usually not required for smaller loans, whereas for medium and large loans, banks and MFIs require collateral ranging from 100% up to 388% of the loan amount. Previous years are characterized with low collateral rates, whereas 2012 with the highest collateral rate and in the recent years there has been noticeable normalization. However, a standard collateral which is required by lenders ranges between 100% and 150% of the loan value.

The grace period or period of payment deferral varies from 3 to 12 months, although in some publications it is indicated as 18 months, which depends on the fact whether the grace period is flexible. Throughout previous years we observed that the grace period was shorter, however, in recent years it has increased. It is worth noting that the highest percentage of loan repayment takes place after the harvesting season.

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

The following figures present differences in numbers between Commercial Banks and Microfinance Institutions.

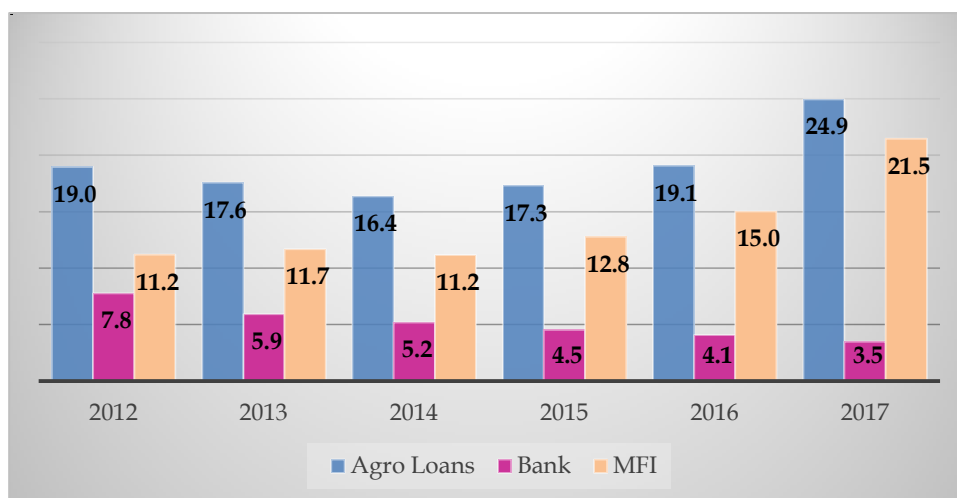
Figure 74: The amount of agro loans from Banks and MFIs, € mil.



Source: Bank & MFIs, developed by DEAAS

Banks are characterized by a smaller number of loans but with a bigger amount, namely the average loans in 2017 were € 14,943.57 whereas for MFI is € 1,835.62, ie a large number of loans but with smaller amounts, satisfying the varying range of interests of different farmers.

Figure 75: The amount of agro loans from Banks and MFIs, € 1000



Source: Bank & MFIs, developed by DEAAS

Below are presented the positions of financial institutions over the years (in earlier publications presented starting from 2006):

2015 results in the number and the amount of disbursed loans, with PCB, TEB and KRK having the lead. The highest share of Agro-loans compared to other loans was achieved by KRK, Qelim, WVI and KGMAMF.

In 2016, the highest number of loans disbursed was achieved by PCB, TEB, KRK, AFK and Finca, while the highest amounts of loans were disbursed by KRK, AFK, Finca and TEB. The

highest share of Agro-loans compared to other loans was achieved by: Perspektiva, KRK, KGMAMF and AFK. Over the two last years, TEB and Finca have significantly increased their activities.

In 2017, the highest number of loans disbursed was achieved by TEB, PCB, KRK, AFK and RBKO, while the highest amounts of loans were disbursed by: Finca, AFK, KRK and KEP, The highest share of Agro-loans compared to other loans was achieved by: KRK, AFK, Qelim and WVI.

As for the share of bad loans among agro-loans, we can say that they are at an acceptable level, within the limits set by most banks and financial institutions. Compared to the countries in the region, we are at a very satisfactory level.

Over the years, in the Banks the maximum share of bad loans was 5.4%, whereas among Microfinance Institutions this percentage varies between 9.4% and 23.8%.

5.3.2 Guarantee Fund

The Ministry of Agriculture, Forestry and Rural Development (MAFRD) provides support for investments in agriculture, guaranteeing farmers' loans. Thanks to the cooperation with the European Bank for Reconstruction and Development, it is worth mentioning the initiative of Development Credit Authority - DCA of USAID and MAFRD to lower the interest rate for loans (up to 3%) by the end of 2012 by guaranteeing 50% of the value of agricultural loans.

In order to offer loan guarantees in agreement with six main banks in Kosovo in extending loans and at the same time increasing access to agricultural and agro-business loans, this fund contributes with a total value of € 26 mil. (€ 23.5 million) and MAFRD has a share of € 2.5 mil. The USAID programme provides new opportunities in Agriculture for a period of four years, with the aim of creating more favourable conditions for loans in the agricultural sector, which would ensure: sustainable agricultural development, increase of exports, generating added value and creation of new jobs.

Farmers and agricultural SMEs will face easier procedures for obtaining loans because DCA has secured a risk guarantee of 50% for loans disbursed by these banks, with a repayment period of 12-60 months and for the loans in value between € 5,000 and € 250,000 for qualified farmers and agri-businesses. The Programme is designed to increase lending in the agricultural sector, given the current difficulties in this sector.

For each bank, an analysis of several loan indicators is conducted according to the 4 banking periods. Apart from the initial data, indicators for application to the guarantee fund are also considered.

If we look at the data of one of the banks in Kosovo without DCA, we can see that the average loan amount is around € 16,000 during the periods, whereas with DCA this amount is doubled or is even higher. The difference is noticeable even in the average loan repayment period, which differentiates from 36 months without DCA to 48 months with DCA.

Having a guarantee fund, banks issue loans with lower interest rates and consequently they varied from 13.6% without DCA to 9.5% with the Guarantee Fund for the period calculated (2013/2014).

For securing the loan, banks require collateral for amounts over € 25,000 (with DCA). For example, in the period April-September 2015, the average loan was around 22,000 € whereas the collateral was around € 60,000, however, with DCA, the ratio between the average loan amount and the collateral is lower (€ 40,000 with € 55,000).

When analysing a bank that is lending less compared to banks that have a large number of loans, we see similar ratios between those indicators before and after the DCA. Even in the case of this bank, the value of the average loan is much higher after DCA is applied and there is a lowering of interest rate on average by 3 to 4% from the standard interest rate.

Based on the factors mentioned above, it may be concluded that the application of DCA is a positive step which advances and facilitates the lending for the development of agriculture and agri-businesses with the fact that also countries of the region have begun to apply it. According to the latest data that we have, 5 banks have fully utilized these funds, with 1000 loans from the total amount; 95% of the Guarantee Fund has been used.

For 2016, there is a new overview of loan granting, with discount interest by banks but not by microfinance institutions. Thanks to the commitment and cooperation of the CBK, MAFRD, USAID, etc., has been achieved the reduction of bank interest on granting loans and facilitation in their granting to the agricultural sector.

By the end of 2017, the project realised 95.4% of the total amount (2016, me 88.8%), with an average disbursed of \$ 24,960, and 992 loans in total. From all of this, is noticeable the positive effect of the project, where the fall of the interest rates on agricultural loans has been reflected in these recent years.

Kosovo Credit Guarantee Fund - KCGF

Kosovo Credit Guarantee Fund is an independent legal entity with development nature, which provides loan guarantees to financial institutions to cover up the risk for loans for micro, small, and medium enterprises (MSMEs).

The increase of loans for SMEs in Kosovo- by issuing portfolio loan guarantees to financial institutions, is aimed the increase of access to finance for SMEs, supporting the development

of entrepreneurship, supporting domestic production and those services that generate value added, creating new jobs and supporting overall economic development.

Agro-business Loans, one of the most important objectives for KCGF is to support the development of the Agriculture Sector. During 2017, loans amounting to € 1.88 mil. were approved from IFRs (Financial Institutions Registered at KCGF) in the Agriculture Sector, placed under the KCGF Guarantee. This value of approved loans is 8% of the total value of loans approved by IFR, to be placed under the KCGF guarantee. Out of these loans, 91% were intended for plant and animal production, while 9% for forestry and logging.

Table 134: The share of approved loans

Subsector	Approved loans (€)	Share
Plant and animal production	1,721,500	91%
Forestry	160,000	9%
Total	1,881,500	100%

Source: KCGF

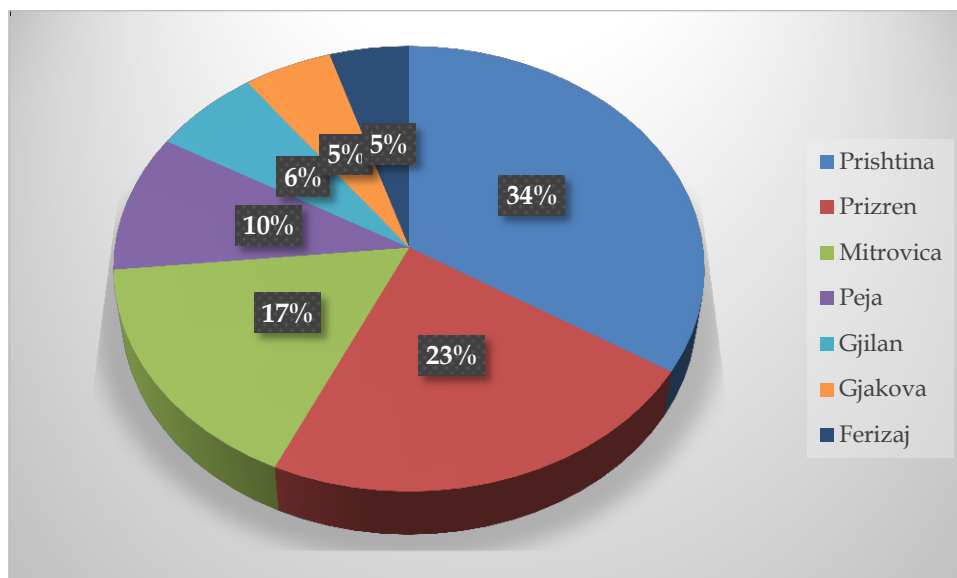
During 2017, in the Agriculture sector, the average loan amount was € 36,000 with an average maturity of 29 months, while during the same year the regional distribution of loans issued by IFRs in different regions for the agricultural sector was € 1.88 million..

Table 135: Regional distribution of approved loans

Regional distribution	Approved loans
Prishtina	639,000
Prizren	430,500
Mitrovica	312,000
Peja	188,000
Gjilan	122,000
Gjakova	100,000
Ferizaj	90,000
Total	1,881,500

Source: KCGF

Figure 76: Loan Distribution Share, %



Source: KCGF

Distribution by investment, € 1.88 million of loans granted by IFRs according to investment purpose: construction, renovation, land, agro inputs, agricultural equipment, working capital and other.

Table 136: Approved loans according to investment purposes

Investment purposes	Approved loans
Construction/Renovation/Land	647,000
Agro Inputs	165,000
Agricultural equipment	422,000
Working capital	355,000
Other	292,500
Total	1,881,500

Source: KCGF

During 2017, 52 agro-business loans from investments made envisaged € 1,078,948 increase in turnover and 76 new jobs on the current basis. For the coming years, we expect increased intensity by KCGF for Agro-Businesses.

5.4 Insurances in Agricultural sector

In May 2017, the MAFRD signed a cooperation agreement with IFC to help establish the agricultural insurance system. The points of this agreement were the review of the legislation and the drafting of the relevant recommendations and documents in order for the system to

become operational, the establishment of the Division of Risk Management, the establishment of a weather database, the development of insurance products and the calculation of insurance policies prices, the development of the information system and raising the awareness of all parties involved in the insurance implementation.

So far, the legal basis has been reviewed, amendments have been proposed to the current draft Law on Agriculture and Rural Development which have not yet been implemented. The proposal for amending the MAFRD regulation regarding the organization and systematization of jobs has also been made, as well as the description of the work assignments for the division and staff of the proposed division has been done.

6 index insurance products have been developed for these agricultural crops: Apple, Grape, Plum, Pepper, Strawberry and Raspberry. To determine these crops, the analysis of structure of farms, the analysis of the production cost for these crops and the risk analysis have been carried out, and jointly by MAFRD and IFC are selected these crops. For each crop, the following documents have been developed:

1. Product Concept
2. Application form
3. Insurance manual, as well as
4. Loss assessment brochure

The index insurance products are products that offer coverage only from damages that occur from low temperatures (frosts), high temperatures (drought) and precipitation. Limits or parameters are set in advance in the design of the product and if those conditions occur, then all the farmers who have paid the insurance and are located at the location where the predetermined limits are reached, they will receive compensation from the insurance companies.

The MAFRD involvement in the financial aspect in this case is only intended for the subsidy of the insurance premium, i.e. that the farmer be compensated for 50% of the funds he has paid for the insurance policy, thus this form would also make it easier for farmers to pay insurance for their agricultural crops because for them it would be a lower cost by 50%.

The amount insured in this case when an insurance contract is concluded is the production cost of that crop, excluding harvesting, marketing and storage costs because during the harvesting period, the farmer does not face any meteorological parameters related to the index products.

Also, contracts and policies have been designed and a list of product prices has been prepared.

For product pricing, were used historical weather data (temperature and precipitation amount), whose purchase was funded by IFC and those data are data from MeteoGroup. Data purchase is done because Hydrometeorological Institute data are not sufficient as measurements are made in only three points within Kosovo and this make it very difficult to use this data for insurance purposes. MeteoGroup's data are approximately for 104 points within Kosovo which makes both the pricing and implementation process much more accurate.

It is decided to develop index products for the start as they are easier to implement and for the fact that insurance companies currently lack expertise in assessing damages and they are reluctant to sell insurance products in agriculture as the risk is systematic and can cause huge losses (i.e a large number of farmers may suffer damages at the same time).

All the insurance products together with the accompanying documents are also forwarded to the insurance companies that have shown interest in the sale of these products, in order to obtain input from them. Also, in this process were involved banks and microfinance institutions, that welcomed this initiative and considered it very important for the lending sector as well, as the risk would decline and they could offer loans even with lower interest rates.

There were also meetings with farmers before and after product's designing and they have been informed regarding this area, as well as approximately with the payments, namely on how much these insurance products will cost.

In terms of the information system, currently the applications and contracts part has been taken care of, but system finalization is pending MAFRD decision on the way of implementation and after this they will be incorporated in the system and the system will be adapted depending on the decisions to be taken. In this system will have access insurance companies, DRM and other stakeholders, including the farmer himself.

Damages to agriculture

The table below shows the amount of damages caused, compiled based on the individual requests made by farmers to the municipal agriculture directorates. After verifying these requests by municipal commissions which carried out on-site verification, such requests have been received at MAFRD and were reviewed by the commission appointed for reviewing these requests:

Table 137: The amount of damages according to years and classified according to the cause of damage

Years	2012	2013	2014	2015	2016	2017
Hail	5,500	1,258,000	2,165,000	783,000	40,348	1,972,730
Wind	120,000	107,000	22,500	100,000	491,735	230,356
Floods	48,000	78,000	702,000	11,000	135,778	-
Fires	706,000	182,000	185,000	161,000	-	43,257
Other	1,019,574	289,116	137,249	88,886	386,943	13,178,753
Total amount / €	1,899,074	1,914,116	3,211,749	1,143,886	1,054,804	15,425,096

Source: Evidence from the Commission's work

In the table below are presented the compensation amounts made by years. The compensation, following the approval by commission, is usually made by the finance office which executed the payments based on the commission's decision directly to the farmers, except for the year 2016 when the amounts were allocated to each municipality and then municipalities made the payments to the farmers.

Table 138: Compensation for damages caused by natural disasters according to years

Year	Value in €
2010	1,000.00
2011	31,640.00
2012	75,800.00
2013	17,600.00
2014	-
2015	-
2016	263,701.00
2017	-

Source: MAFRD, Division of Budget and Finance

5.5 Rural Development Projects – Investment Grants

Agriculture and Rural Development is one of the main sectors that significantly contribute to the overall economic development of the country, therefore support for investments in farms /agricultural holdings is of crucial importance for improving the Agriculture and Rural Development sector in Kosovo, to increase production and quality of products, quality, production value, higher standards of living and increase of various agricultural and rural processings.

During 2017 AAD - namely the Division for the Approval of Rural Development Projects has implemented a part of the RDP including measures and submeasures for the sectors of Agriculture and Rural Development that are part of the 2017 RDP.

These measures and submeasures under Rural Development that were implemented during 2017 were as follows:

Measure 101 - Investments in physical assets in agricultural holdings, this measure includes the fruit trees sector (apple, pear, plum, sour cherries, apricots, peaches and quince), the small fruits sector (strawberry, raspberry, blackberry, blueberry and chokeberry), the greenhouse sector including potatoes and storage for preserving vegetables, the meat sector (fattening of calves and broilers), the meat sector (fattening of pigs), the milk sector (milk cows, sheep and goats), the collection point sector, the grape sector and the laying hens sector.

Measure 103 - Investments in physical assets in the processing and trade of agricultural products, this measure involves the milk processing sector, the meat processing sector, the fruits and vegetables processing sector and the wine sector.

Measure 302 - Diversification of farm and rural business development includes submeasures as follow:

302.1 Beekeeping, production/processing and marketing of honey;

302.2 Collecting and processing of non-wood forest products and their marketing;

302.3 Processing of agricultural products (cultivated) and their marketing;

302.4 Development of craftsmanship activities and their marketing;

302.5 Development of rural tourism and farm tourism.

Measure - Scheme for irrigation of agricultural lands;

Measure 303 - Implementation of local development strategies - Leader approach includes submeasure 303.2 The first activity "Functionalizing of the selected LAGs" supporting their operational costs and the Second Activity "Implementation of Selected LAGs for LDSs" promoting and implementing small projects in accordance with LDSs.

The Agriculture Development Agency, namely the Division for the Approval of Rural Development Projects during 2017, has implemented a part of the Agriculture and Rural Development Program 2017. Implementability of Approval of Rural Development Projects progressed according to the planned activities and plan based on the allocated budget for 2017, which was € 22,300,000.

Table 139: Budget projected for RDP for 2017

Measures and submeasures	Value in €
Measure 101: Investments in physical assets in agricultural households	14,500,000
101.1 Fruit tree sector	2,500,000
101.1.1 Forest fruits	2,500,000
101.2 Greenhouse sector	3,000,000
101.2.1 Warehouse for storing vegetables	900,000
101.3 Meat sector (fattening of calves)	1,400,000
101.3.1 Meat sector (growing of broilers)	400,000
101.3.2 Meat sector (fattening of pigs)	300,000
101.4 Milk sector (cows)	1,500,000
101.4.1 Milk sector (sheep and goats)	500,000
101.4.2 Collection point	400,000
101.5 Grape sector	800,000
101.6 Egg sector	300,000
Measure 103: Investments in physical assets in the processing and marketing of agricultural products	5,000,000
103.1 Milk processing sector	1,000,000
103.2 Meat processing sector	1,200,000
103.3 Fruit and vegetable processing sector	2,000,000
103.4 Wine processing sector	800,000
Measure 302: Diversification of farms and business development	1,500,000
302.1 Sector of beekeeping and production/processing and marketing of honey	500,000
302.2 Sector of processing of herbs, medicinal plants, forest fruits and collected mushrooms	200,000
302.3 Sector of farm processing and marketing of agricultural products on a small scale (vegetables, fruits, herbs, spices, medicinal plants, mushrooms and milk of sheep, goats)	200,000
302.4 Development of craftsmanship activities and their marketing	200,000
302.5 Development of rural tourism and farm tourism	400,000
Measure: Irrigation of agricultural lands	1,000,000
303.2 Implementation of local development strategies - Leader approach "first activity - "functionalization of selected LAGs 2015 and RDN	300,000
Total	22,300,000

Source: Agency for Agricultural Development (AAD)

Similar to previous years, after field audits from AAD conducted this year, the process of approval or rejection of projects was continued based on the audit report.

Based on the data available for 2017, the number of applications approved, referring to the budget allocated for this year, is 417 applications and the approved amount for these applications is € 15,448,966.33, including measures 101, 103, 302, 303 and their submeasures, as well as measures for irrigation of agricultural lands.

Table 140: Number of applications and value approved in €, RDP for 2017

Measures and submeasures	No. of approved applications	Approved value in €
Measure 101: Investments in physical assets in agricultural households		
101.1 Fruit tree sector	55	2,516,591.70
101.1.1 Forest fruits	53	1,662,915.55
101.2 Greenhouse sector	78	2,901,076.75
101.2.1 Warehouse for storing vegetables	12	443,290.35
101.3 Meat sector (fattening of calves)	32	1,619,447.95
101.3.1 Meat sector (growing of broilers)	12	592,802.50
101.3.2 Meat sector (fattening of pigs)	5	142,271.75
101.4 Milk sector (cows)	31	1,616,525.75
101.4.1 Milk sector (sheep and goats)	12	501,897.15
101.4.2 Collection point	4	163,780.40
101.5 Grape sector	21	279,991.60
101.6 Egg sector	6	349,986.25
Measure 103: Investments in physical assets in the processing and marketing of agricultural products		
103.1 Milk processing sector		
103.2 Meat processing sector		
103.3 Fruit and vegetable processing sector	2	396,793.50
103.4 Wine processing sector	3	562,230.00
Measure: Irrigation of agricultural lands	1	64,871.20
Measure 302: Diversification of farms and business development		
302.1 Sector of beekeeping and production/processing and marketing of honey	48	705,944.55
302.2 Sector of processing of herbs, medicinal plants, forest fruits and collected mushrooms	7	128,734.20
302.3 Sector of farm processing and marketing of agricultural products on a small scale (vegetables, fruits, herbs, spices, medicinal plants, mushrooms and milk of sheep, goats)	12	212,492.35
302.4 Development of craftsmanship activities and their marketing	12	220,934.48
302.5 Development of rural tourism and farm tourism	11	364,388.35
303 Implementation of local development strategies - Leader approach		
303.2 Functionalization of selected LAGs 2015 and RDN	0	0
Total	417	15,446,966.33

Source: Agency for Agricultural Development (AAD)

The value applied for the measures and submeasures varies from year to year, but it is worth mentioning that this year the submeasures marked lower application value than in 2016, and the value was also lower. The following table provides more details on the value applied of each sub-measure for the period 2012-2017.

Table 141: Value applied for the years 2012-2017, in € 1000

Submeasures	2012	2013	2014	2015	2016	2017
Sector of greenhouse-vegetables in open environment	4,271	18,686	11,858	35,984	20,356	16,899
Warehouse for storing vegetables	-	-	-	-	2,537	3,098
Sector of fruit trees (apple, pear, plum, sour cherry)	5,849	7,439	6,274	9,873	6,971	11,428
Sector Vineyard-Grape	802	720	842	1,755	1,413	1,648
Forest fruits sector (strawberry, raspberry, blackberry, blueberry)	712	3,158	2,926	14,320	24,047	5,344
Eggs Sector	1,042	2,301	1,037	2,845	1,831	2,288
Milk sector (dairy cows)	7,762	19,998	9,301	17,940	14,084	12,579
Milk sector (sheep and goats)	-	-	-	-	3,025	1,998
Collection point sector	-	-	-	-	-	568
Meat sector- fattening of calves	-	3,853	8,219	26,423	15,219	12,154
Meat sector- fattening of broilers	-	-	-	-	4,902	3,465
Meat sector- fattening of pigs	-	-	-	-	-	448
Grain sector	-	-	3,147	-	-	-
LAG	182	836	-	84	84	78
Fruits sector -Infr. orchard	1,914	856	-	-	-	-
Pilot measure-less developed areas	-	3,022	-	-	-	-
Beekeeping (302.1)	-	3,011	1,457	4,419	4,341	4,112
Processing of herbs, forest fruits, mushrooms (302.2)	-	838	290	512	514	560
Processing in the farm (302.3)	-	-	-	3,115	508	1,182
Craftmanships (302.4)	-	-	-	-	429	1,070
Rural development(302.5)	-	-	-	-	1,800	2,126
Agricultural mechanisms	-	15,970	-	-	-	-
Irrigation of agricultural lands	-	3,743	1,600	2,895	2,286	1,858
Processing and marketing (103) Milk processing	-	20,503	15,696	26,937	4,506	3,598
Meat processing	-	-	-	-	9,666	7,334
Processing of fruits and vegetables	-	-	-	-	14,891	12,119
Vine processing	-	-	-	-	1,367	2,194
Total	22,534	104,935	62,647	147,101	134,776	108,151

Source: AAD (Agency for Agricultural Development)

5.5.1 Restructuring of physical potential

Agriculture in Kosovo is ranked as one of the most important sectors, therefore the support for this sector is being carried out in the best way, with the aim of approximating needs and raising standards.

The majority of farms are of small size and therefore the need to increase the level of cooperation between farmers and producers plays a very important role in meeting market needs.

In Kosovo, there are a very small number of farms able to compete in foreign markets. Cause of this are the small size of most agricultural businesses, their land fragmentation, old buildings and equipment, the lack of investment funds, the low level of knowledge about

contemporary manufacturing technology and failure to meet EU standards with most of them.

Given the fact that most products are directly consumed by the family in the farm, this raises the need to focus on supporting investment in physical assets of farms that are commercially oriented and are able to provide a steady income.

Given the importance of the issues mentioned above, the measure "Investments in physical assets in agricultural households" is drafted which includes sectors such as the fruit sector, vegetable sector including potatoes, milk sector and meat sector, grape sector and egg sector.

The overall objectives within measure 101 "Investments in physical assets in agricultural holdings" are:

- Increase competitiveness of Kosovo agriculture and import substitution;
- Creating new jobs and increasing employment in rural areas;
- Supporting farmers in selected sectors, with aim of approximation with EU rules, standards, policies and practices;
- Supporting economic and social development by aiming sustainable and inclusive growth through development of farms;
- Addressing the challenges of climate change through the use of renewable energy.

Among the specific objectives to be met within the measure 101, for certain sectors, the following are mentioned.

Sector of fruits and sector of vegetables including potatoes:

- Increased production of fruits and vegetables (including potatoes), for commercial purposes;
- Improvement of quality in order to meet the relevant national and EU standards;
- Modernization of farms through the use of new equipment and modern mechanization;
- Reducing post-harvest losses through investments in farm, in storage technology, infrastructure and equipment for the post-harvest stage, including cooling capacities, classification and packaging;
- Generation of renewable energy;
- Improving the integration of farmers with agricultural product buyers.

Milk sector and meat sector:

- Increase of production in specialized farms;
- Improving quality in order to meet national and EU standards;
- Modernization of farms through the use of new equipment and modern mechanization;

- Reducing the release of nitrogen oxide and methane oxide by proper treatment of manure and non-contamination of ground and underground waters;
- Generation of renewable energy;
- Improving the integration of farmers with the buyers of their products.

Grape Sector:

- Increased production of table grapes and wine grapes;
- Improving quality in order to meet national and EU standards;
- Modernization of farms through the use of quality seedlings and modern mechanization;
- Generation of renewable energy;
- Improving the integration of farmers with the buyers of their products.

Egg sector:

- Improving and expanding existing production capacities;
- Improving quality in order to meet national and EU standards;
- Modernization of farms through the use of new equipment and modern mechanization;
- Reducing the release of nitrogen oxide and methane by proper treatment of manure;
- Generation of renewable energy;
- Improving the integration of farmers with the buyers of their products;

In the table below are presented the number of applications and the value applied for the submeasures within the measure 101, investments in physical assets of agricultural holdings. The value applied for this subsection was € 72,642,966.20, while the approved value was € 15,448,966.33 whereas the total number of approved applications was 417 out of a total of 1,016 applications.

Table 142: Number of applications and value applied for measure 101

Measure 101	No. of applications	Value applied in €
101.1 Fruit tree sector	140	11,428,225.82
101.1.1 Forest fruits	91	5,343,849.80
101.2 Greenhouse sector including potatoes	240	16,898,669.78
101.2.1 Warehouse for storing vegetables	35	3,098,180.28
101.3 Meat sector (fattening of calf)	126	12,154,268.63
101.3.1 Meat sector (growing of broiler)	37	3,465,225.73
101.3.2 Meat sector (fattening of pigs)	6	447,885.08
101.4 Milk sector (dairy cows)	146	12,579,465.63
101.4.1 Milk sector (sheep and goats)	28	1,997,731.55
101.4.2 Collection point	6	568,061.07
101.5 Grape Sector	63	1,648,498.80
101.6 Egg sector	28	2,288,008.60
101.1.1 Forest fruits sector (strawberry, blackberry, blueberry and chokeberry)	70	4,190,121.16
Total	1016	72,642,966.20

Source: AAD (Agency for Agricultural Development)

5.5.2 Development of the processing sector

The market in Kosovo has an ever-increasing need to expand and be more competitive, based on the latest developments, and the the industry needs modernization of technologies, as well as improvements to management systems.

The food industry must be one of the key factors to assist in terms of food security. Among other factors, it is also worth mentioning the safe collection, transport and storage of raw materials.

In order to meet the above-mentioned needs in the agri-food industry, MAFRD has drafted the measure 103 "Investments in physical assets in the processing and marketing of agricultural products" which supports investments in the food processing industry in four subsectors such as: milk processing and dairy products, processing of meat and meat products, fruit and vegetable processing as well as wine production. This measure is designed to supplement the Measure 101, with the aim of increasing the supply with safe agricultural products and without adverse environmental impacts.

Overall objectives within the Measure 103, investments in physical assets in the processing and marketing of agricultural products are:

- Increase the competitiveness of Kosovo agriculture and import substitution through increased productivity and the introduction of new technologies and products;
- Supporting enterprises in the selected sectors, with the aim of approximating with EU rules, standards, policies and practices and improvements in environmental

protection, food security and product quality, animal welfare and traceability of food chains and waste management;

- Supporting economic and social development aiming at sustainable and inclusive growth through farm development;
- Strengthening connections with primary production;
- Addressing the challenges of climate change through the use of renewable energy.

Among the specific objectives to be met within the framework of Measure 103, for certain sectors, the following can be mentioned;

Milk processing:

- Implementation of national and EU standards on milk products (hygiene, food safety, animal welfare, environmental protection, etc.);
- Modernization of milk processing lines and other accompanying facilities;
- Introduction of new products or diversification of products in the dairy industry;
- Improving marketing of milk and its products;
- Improving waste management.

Meat Processing:

- Implementation of national and EU standards for meat products (hygiene, food safety, animal welfare, environmental protection, etc.);
- Introducing new lines of meat processing;
- Introducing new products or diversifying of products in the meat industry;
- Modernization of slaughterhouses including specialized slaughter (for small ruminants);
- Improving marketing of meat and meat products;
- Improving waste management.

Processing of fruits, vegetables and wine production:

- Implementation of national and EU standards (hygiene, food safety, quality, etc.);
- Improvement of processing technology, as well as the modernization of other accompanying facilities (storage / cooling depots) by introducing new equipment / technologies;
- Diversification of products;
- Improving marketing;
- - Improving waste management.

Regarding Measure 103, the total value applied for this measure was € 25,245,435.19 with approximately 70 applications, with a total of 5 applications approved in the value of € 959,023.50.

Table 143: Number of applications and value applied for measure 103

Measure 103	No. of applications	Value applied in €
103.1 Milk processing sector	10	3,598,026.10
103.2 Meat processing sector	20	7,334,288.46
103.3 Fruit and vegetable processing sector	34	12,118,962.63
103.4 Wine processing sector	6	2,194,158.00
Total	70	25,245,435.19

Source: AAD (Agency for Agricultural Development)

5.6 Capacity enhancement and development

5.6.1 Education, training and advisory service

The Department of Advisory Services at MAFRD has continued this year as well with the coordination of activities at central and local level by supporting and providing advices and trainings.

The activities developed at the municipal Information Advisory Centres (IAC) of advisory services, have been organized to support farmers with technical advice in the sectors of livestock, beekeeping, viticulture, arboriculture and vegetables.

The activities developed at the municipal Information Advisory Centres of advisory services were the following:

Supporting farmers with technical advice from advisers, including these sectors: livestock, beekeeping, viticulture, arboriculture and vegetables, whereby the number of beneficiaries is the following:

farmers supported with technical advice- 7160

farmers supported with the preparation of projects for grants- 598

farmers supported with extension material-4097

number of applications received from the IAC for subsidies in agricultural sector-12,754.

Activities developed in the field of consultants with equipment involving soil analyzes, determination of pH on soil, water, salinisation-EC and identification of pesticide (with equipment obtained from DTAS).

number of taken samples and their delivery for analysis-145

number of measurements and determination of soil pH -109

number of measurements and determination of water pH - 80

number of soil salinisation measurements - EC, based on soil salt content-54

number of temperature and air humidity measurements in closed objects-154

number of sugar measurement in fruit and determination of harvest time-89

number of fruit ripeness/hardness measurements and determination of harvest time -142

number of identification of pests in agricultural crops-183

Also, 5 meetings were held for the establishment of professional advisory groups. In the meetings held these advisory groups were established in the sectors as follows:

Professional advisory group on livestock

Professional advisory group on arboriculture

Professional advisory group on vegetables

Professional advisory group on plant protection

Professional advisory group on arable crops

Organization of two meetings of the Commission for Supervision of Advisory Services. Licensing of companies at providing advice on agriculture and rural development, whereby these companies are licensed:

“IADK”

“Consult Engineering” Sh.p.k

“IKC”

“ESG”

11 advisory materials have been prepared for farmers.

Farmers were supported with technical advice and with the preparation of grant projects.

The Department of Technical Advisory Services implements the Advisory Services projects, such as:

“Development of Rural Areas through Advancement of Advisory Services”, which is funded by the Kosovo budget;

“Agriculture and Rural Development Project”, the first component: “The training of potential applying farmers for grants”, funded by the World Bank;

Project on giving economic advice to leader farmers "The importance of record keeping on the farm";

“Development of Rural Areas through Advancement of Advisory Services”, this project is funded by the MAFRD budget, and the implementation is conducted by the company "ESG".

During the reporting period, were accomplished the activities foreseen by contract, such as:

Mobilization of municipal advisers in 34 municipalities of the Republic of Kosovo,

Organization of 260 advisory activities from experts in different sectors,

Participation of farmers in these advisory activities was 3.238 farmers in all municipalities.

16 visits were organized for farmers within the country with 368 farmer participants,

10 brochures were published for farmers, with 3.000 copies per sample,

10 messages and 7 video-recordings were delivered for farmers on local TV.

“Agriculture and Rural Development Project” funded by the World Bank - the first component: “Training of potential applicants for grants”.

The first phase (I) of the project (08-22.02.2017), Training of farmers for grants, where 850 farmers participated, the second phase (II) of this project (06-20.03.2017) Giving individual advice where 203 farmers were provided information.

Project on giving economic advice to leader farmers "The importance of record keeping on the farm". This project was implemented by DTAS and these activities were carried out:

Visits to 34 IACs conducted,

340 books in Albanian and Serbian language were delivered,

29 presentations were delivered,

The number of participants- 224 leader farmers.

5.6.2 Local Action Groups

Local Action Groups (LAGs) were established with EU funding, and are composed of 25 members, with a 50:50 participation of organizations or public and private persons. 30% of the council members must be women. In addition to LAGs, Kosovo Rural Development Network (KRDN) was also established that connects 30 LAGs, in order to contribute to the economic development of rural areas by providing support to local communities in implementing local development strategies. The network serves as a platform for discussing ideas, different proposals, providing technical assistance and sharing experiences between the LAGs. These two groups together with DRDP/MA, AAD, various NGOs and private experts have prepared Measure 303 with its submeasures 303.1 and 303.2.

During 2017, various activities were carried out within the LAGs, as presented below.

The budget allocated for Measure 303 with submeasures for 2017 is € 300.000.

Table 144: Funds planned for implementation of submeasures for 2017

Submeasures	Budget in %	Budget in €
303.1. "The acquisition of skills and promotion/animation of inhabitants of the LAGs territory"		
For municipalities with 10,000 - 50,000 inhabitants up to € 5,000	30	89,000
For municipalities with 50,000 - 90,000 inhabitants up to € 7,000		
For municipalities with 90,000 - 150,000 inhabitants up to € 9,000		
For Network for Rural Development € 7,000		
303.2. Sub-measure "Implementation of local development strategies" - Activity 1 "Functionalization of LAGs selected, by supporting their operating costs"	26	78,480
Activity 2 "Support for the implementation of selected LAG's LDS"	44	132,520
Total	100	300,000

Source: Department of Technical and Advisory Services

Sub-measure 303.2. "The implementation of local development strategies" with two activities:

The first activity is the functionalization of LAGs selected, by supporting their operating costs. This activity will contribute to achieving the objectives of the MAFRD 2014-2020 of the selected LAGs for the purpose of their functionalization and implementation of small scale projects promoted by LAGs in their territories. Operational expenditures of LAGs are related to the management and functionalization of LAGs under the LEADER approach and the start of LDSs implementation.

The second activity is the support for the implementation of selected LAG's LDS. LAGs implement small projects in accordance with LDS. Such activities support cultural events (fairs, exhibition, festivals, etc.), promotion of local products (labeling, marketing, leaflets, brochures etc.), small scale infrastructure (fences, fountains, parks, small bridges, field roads, marking of mountain roads, renovation of cultural and natural heritage etc.).

Submeasure 303.1. "The acquisition of skills and promotion/animation of inhabitants of the LAGs territory for selected LAGs".

The first activity was implemented, and now there are functional 12 LAGs operational offices which have been accredited, as well as KRDN, and office managers have been selected who have developed their activity on the basis of job descriptions.

The second activity for the implementation of small projects is under implementation. Following the publication of the call for application for submeasure 303.1 "The acquisition of skills and promotion/animation of inhabitants of the LAGs territory" for this submeasure have applied 12 LAGs and KRDN, and for 2017 they have implemented projects foreseen with the prepared project proposals.

Within the framework of Measure 303, several activities have been conducted aimed at identifying the needs of the LAGs, defining the priorities, preparing projects that have

mainly covered rural areas, and several projects of LAG members have been implemented within the framework of LAGs, where the network has held the responsibility of organizing information sessions, and in some cases the Network has also provided support in organizing joint fairs.

The network with its members has actively participated in the preparation of the MAFRD 2014-2020 program, as well as in the preparation of measures within the annual program, namely Measure 303, Local Action Groups - LEADER approach.

KRDN in cooperation with MAFRD has organized "Training of Trainers to support Grant Application Process", which is a World Bank loan for MAFRD implemented by the PANGEA consortium from Rome (Italy), CIHEAM from Bari (Italy) and ESG from Prishtina (Kosovo). This project is managed by the Agriculture and Rural Development Project and consists of 12 training modules.

Projects have been implemented and activities conducted in cooperation with donors and various associations such as: German Agency for International Cooperation - GIZ, Austrian ADA, FAO, KDC, Islamic Relief, Kosovo-Luxembourg Foundation, Helvetas / S4RE, Care and trainings delivered by Resi with their project Rural Economic Sustainability Initiative, "Anamorava" Association, etc.

KRDN in cooperation with the HSIK Organization with their Skills for Rural Employment (S4RE) project, aiming to promote mutual cooperation between the parties. Cooperation with Helvetas / S4RE, the project "Activating and Strengthening Local Action Groups in Municipalities: Kamenica, Shtërpca, Dragash, Novobërdë, Viti", within the project through meetings, trainings, information sessions all containing different topics, there was the exchange of experiences and capacity building for LAGs staff and KRDNs. Beneficiaries of this cooperation are LAGs and LAGs actors. KRDN has established mutual cooperations with LAGs, Helvetas / S4RE organization, with special emphasis on the agricultural sector, as follows:

Local Action Group "LAG Vitia" in cooperation with the Helvetas / S4RE organization, through cooperation for improvement of the agricultural sectors, whereby 290 farmers from Vitia benefited in the field of livestock, arboriculture and vegetable, and beekeeping. S4RE has supported farmers with advice, training and milking machines, shearing machines, water reservoirs, professional scissors for pruning of fruit trees.

Local Action Group "LAG Kamenica" in cooperation with "Anamorava" Association, farmers and with the support of the organization "Helvetas / S4RE, have supported farmers with advice and milking machines. Ten (10) farmers benefited milking machines from this support, as part of the co-financing project.

Local Action Group "Gjeravica" during this year has implemented projects such as: "Eco Products Valorization in the Cross-Border Area", "Establishment of a Local Mobile Market for Regional Producers".

Local Action Group "LAG Agrotourism" organized the fair "Promoting local products Peja 2017".

Local Action Group "LAG Natyra" held one-day camping in the village of Llanisht, whereby various attractive activities were held.

Local Action Group "LAG Narcis" in cooperation with Helvetas / S4RE have supported the traditional multiannual "Honey Days" fair.

5.6.3 Promotion, efficiency and structural development

The Advisory Service continues to give special importance to promotion through the website which is in place by the Department of Advisory and Technical Services, providing services, statistical data and advice from all areas.

DTAS has also provided Municipal Advisors for Agriculture and Rural Development with equipment so that they are more competent in the field while performing their work and supporting farmers with advice. The equipment which advisers are supplied with, are as follows:

- EC meter (for measuring salinity)
- pH meter (or soil pH measurement)
- pH meter (for water pH measurement)
- Thermo/Hygrometer
- Refractometer (for measuring sugar in fruit)
- Penetrometer (fruit hardness test)
- Magnifier - loupe
- Soil sampling probe

5.6.4 Diversification of farms and business development

Rural areas are of great importance for the development of the country and represent a great potential for diversifying economic activities, creating jobs and creating additional income.

Measure 302 "Diversification of farms and business development" aims to create new jobs and maintain the existing ones. Supporting new economic activities should lead to poverty reduction in rural areas and improvement of living conditions.

The general objectives under Measure 302 Diversification of farms and business development are as follows:

- Creating new jobs and preserving them through diversification;
- Creating appropriate conditions for preventing the migration of people living in rural and mountainous areas;
- Sustainable development of rural areas;

As specific objectives that need to be met in order to realize this measure are:

- Increase of income of population living in rural areas;
- Development of small enterprises, based on local resources;
- Preservation and development of traditional craftsmanship activities;
- Development and promotion of rural tourism.

Regarding Measure 302, which contains 5 submeasures or sectors, the value applied for a total of 337 applications for 2017 was € 9,051,020.51, while the value approved was € 1,632,493.93, including a total of 90 applications.

Table 145: Number of applications and value applied for Measure 302

Measure 302	No. of applications	Value applied in €
302.1 Submeasure - Production/processing and marketing of honey	189	4,112,407.69
302.2 Submeasure - Collection and processing of non-wood forest products	20	559,903.10
302.3 Submeasure - Processing of agricultural products (cultivated)	42	1,182,399.43
302.4 Submeasure - Development and promotion of craftmanships activities	44	1,069,999.46
202.5 Submeasure - Development and promotion of rural tourism	42	2,126,310.83
Total	337	9,051,020.51

Source: AAD (Agency for Agricultural Development)

5.6.5 Irrigation of agricultural lands

Almost every time during the summer season there is insufficient atmospheric precipitation, whereas in other seasons precipitation is abundant, thus there is a need for accumulation, collection and arrangement of water in order to use it during summer for plant crops irrigation needs. Without the rational use of water resources, and without the deployment, rehabilitation and expansion of irrigation infrastructure, sustainable agriculture cannot be achieved.

The general objectives of the measure for irrigation of agricultural lands are:

- Increase of the productivity of agricultural products;
- Increase of the yields and quality of agricultural products;
- Increase of competitiveness of agricultural products;

The specific objectives for the implementation of this measure are:

- Modernization of irrigation and drainage system, reducing losses in the amount of water used, and
- Improvement of internal connections to existing irrigation networks.

Within the measure for irrigation of agricultural land for 2017, there was a total of 1 approved application worth € 64,871.20.

5.7 Policies on markets, trade and international policy development

Regarding the development of agricultural trade policies, following the entry into force and the beginning of the implementation of the SAA and CEFTA Chapters 1-24, as far as agricultural products are concerned, there is a slight increase in export of some agricultural products.

Based on the data from Kosovo Customs, products that are exported in small quantities are: Potatoes, Peppers, Flour, Beer, Wine, Water, and in larger quantities are exported all kinds of aromatic medicinal plants and forest fruit.

During 2017, the Inter-Ministerial Evaluation Commission of Special Import Duties for the protection of flour producers, recommended to the Minister of MTI to take special measure to impose an additional tariff for flour imported from the Republic of Serbia in the Republic of Kosovo in the amount of 0.04 € / kg of imported flour.

In order to protect this sector and develop the flour industry, as well as increase the wheat production, on 19.10.2017, MTI issued a decision regarding the recommendation made by the Inter-Ministerial Evaluation Commission of Special Import Duties related to import of flour from the Republic of Serbia. This policy instrument yielded results, since there is success achieved in protecting the wheat industry and wheat production in Kosovo.

Export of agricultural products has increased in 2017 and reached € 61.3 million, and continues to be the main driver of job growth in agriculture and food industry in Kosovo. During this period, the agro-food sector of Kosovo producers has also benefited from the expansion of the value chain, whereby some of them even managed to become medal winners for product quality. The Common Agricultural Policy Reforms over the last decade have spurred the country's agriculture and food industry to improving its orientation towards European markets and other countries outside the EU, thus making our agricultural products competitive with the regional countries and beyond.

As a result, the export value of agri-food products has doubled and Kosovo has gradually secured the position of a competitive supplier at several levels of the agricultural products value chain.

6 Annexes

6.1 List of laws and legal acts related to Agriculture, Forestry and Rural Development

6.1.1 National legislation in force

Law No.04/L-253 on Amending and Supplementing the Law No.04/L-127 on Agriculture Census (Official Gazette of the Republic of Kosovo No.32/15, dated May 2014)

6.1.2 Administrative Instructions adopted by the Ministry of Agriculture, Forestry and Rural Development in 2017

1. Administrative Instruction (MAFRD) No.01 / 2017 on Register of Vineyards, Mandatory Declarations, Accompanying Documents and Evidence in Wine Cellars, dated 01.27.2017.
2. Administrative Instruction (MAFRD) No.02 / 2017 on the Measures and Criteria of Support in Agriculture and Rural Development for 2017, dated 06.02.2017.
3. Administrative Instruction (MAFRD) No. 03/2017 on Direct Payments in Agriculture for 2017, dated 15.02.2017.
4. Administrative Instruction (MAFRD) - No.04/2017 on Technical Conditions to be met by Temporary Care Centers for Stray Animals, dated 11.07.2017.
5. Administrative Instruction (MAFRD) - No. 05/2017 on Repackaging of Plant Protection Products, dated 19.07.2017.
6. Administrative Instruction (MAFRD) - No. 06/2017 on the Special Conditions for Evidencing, Control and Marking of Flour which is placed in free circulation in the market of the Republic of Kosovo, dated 30.08.2017.

6.2 Statistics on prices

Table 146: Prices in the value chain 2012, €/kg

Products	Local price	Import price	Difference (€)	Difference (%)
Wheat	0.26	0.33	0.07	27
Maze	0.30	0.35	0.05	17
Potatoes	0.32	0.22	-0.1	-31
Cabbages	0.24	0.07	-0.17	-71
Peppers	0.58	0.36	-0.22	-38
Beans	2.47	1.02	-1.45	-59
Tomatoes	0.71	0.29	-0.42	-59
Apples	0.54	0.71	0.17	31
Grapes	0.93	1.01	0.08	9
Farm chicken	2.12	1.92	-0.2	-9
Milk	0.32	0.65	0.33	103
Honey	8.52	4.81	-3.71	-44
Eggs*	9.60	5.10	-4.5	-47

Source: KAS, developed by DEAAS – MAFRD; * unit 100 pieces

Table 147: Prices in the value chain 2013, €/kg

Products	Local price	Import price	Difference (€)	Difference (%)
Wheat	0.22	0.20	-0.02	-9
Maize	0.31	0.21	-0.1	-32
Potatoes	0.43	0.24	-0.19	-44
Cabbages	0.17	0.19	0.02	12
Peppers	0.78	0.78	0	0
Beans	2.63	0.87	-1.76	-67
Tomatoes	0.56	0.23	-0.33	-59
Apples	0.53	0.35	-0.18	-34
Grapes	0.85	0.46	-0.39	-46
Farm chicken	2.27	1.16	-1.11	-49
Milk	0.33	0.61	0.28	85
Honey	8.83	4.71	-4.12	-47
Eggs*	8.97	9.07	0.1	1

Source: KAS, developed by DEAAS – MAFRD; *unit 100 pieces

Table 148: Prices in the value chain 2014, €/kg

Products	Local price	Import price	Difference (€)	Difference (%)
Wheat	0.20	0.20	0	0
Maize	0.28	0.21	-0.07	-25
Potatoes	0.34	0.30	-0.04	-12
Cabbages	0.19	0.19	0	0
Peppers	0.68	0.42	-0.26	-38
Beans	2.92	1.14	-1.78	-61
Tomatoes	0.68	0.31	-0.37	-54
Apples	0.55	0.29	-0.26	-47
Grapes	1.02	0.55	-0.47	-46
Farm chicken	2.33	1.20	-1.13	-48
Milk	0.33	0.62	0.29	88
Honey	9.00	5.02	-3.98	-44
Eggs*	9.27	4.07	-5.2	-56

Source: KAS, developed by DEAAS – MAFRD; * unit 100 pieces

Table 149: Prices in the value chain 2015, €/kg

Products	Local price	Import price	Difference (€)	Difference (%)
Wheat	0.19	0.18	-0.01	-5
Maize	0.23	0.16	-0.07	-30
Potatoes	0.33	0.30	-0.03	-9
Cabbages	0.23	0.19	-0.04	-17
Peppers	0.81	0.47	-0.34	-42
Beans	2.68	1.17	-1.51	-56
Tomatoes	0.54	0.36	-0.18	-33
Apples	0.48	0.33	-0.15	-31
Grapes	0.91	0.44	-0.47	-52
Farm chicken	2.06	1.56	-0.5	-24
Milk	0.30	0.60	0.3	100
Honey	9.77	4.99	-4.78	-49
Eggs*	7.43	4.73	-2.7	-36

Source: KAS, developed by DEAAS – MAFRD; * unit 100 pieces

Table 150: Prices in the value chain 2016, €/kg

Products	Local price	Import price	Difference (€)	Difference (%)
Wheat	0.17	0.16	-0.01	-6
Maize	0.24	0.18	-0.06	-25
Potatoes	0.32	0.32	0	0
Cabbages	0.21	0.23	0.02	10
Peppers	0.67	0.39	-0.28	-42
Beans	2.46	0.91	-1.55	-63
Tomatoes	0.60	0.34	-0.26	-43
Apples	0.49	0.32	-0.17	-35
Grapes	0.84	0.52	-0.32	-38
Farm chicken	2.04	0.96	-1.08	-53
Milk	0.30	0.58	0.28	93
Honey	9.87	5.47	-4.4	-45
Eggs*	8.00	4.53	-3.47	-43

Source: KAS, developed by DEAAS – MAFRD; * unit 100 pieces

Table 151: Prices in the value chain 2017, €/kg

Products	Local price	Import price	Difference (€)	Difference (%)
Wheat	0.16	0.18	0.02	12.5
Maize	0.23	0.19	-0.04	-17.4
Potatoes	0.32	0.38	0.06	18.8
Cabbages	0.22	0.19	-0.03	-13.6
Peppers	0.71	0.43	-0.28	-39.4
Beans	2.71	0.86	-1.85	-68.3
Tomatoes	0.57	0.34	-0.23	-40.4
Apples	0.63	0.35	-0.28	-44.4
Grapes	1.15	0.53	-0.62	-53.9
Milk	0.31	0.57	0.26	83.9
Honey	10.37	5.63	-4.74	-45.7
Eggs*	8.33	4.17	-4.16	-49.9

Source: KAS, developed by DEAAS – MAFRD; * unit 100 pieces

6.3 Comparative statistics

Table 152: Number of foreign visitors in Kosovo by regions

	2010	2011	2012	2013	2014	2015	2016	2017
Gjakova	734	647	739	547	1,003	1,267	2,345	2,450
Gjilan	779	755	886	737	794	712	1,109	1,239
Mitrovica	827	4,458	557	616	532	385	646	953
Peja	3,152	260	2,588	1,326	5,761	12,694	12,649	10,929
Prizren	2,334	20,832	2,695	3,799	3,520	9,779	9,101	8,792
Prishtina	25,428	1,635	37,897	42,083	49,041	53,057	56,291	59,091
Ferizaj	1,128	1,762	3,428	966	662	1,344	1,569	2,578
Total	34,382	30,349	48,790	50,074	61,313	79,238	83,710	86,032

Source: KAS

Table 153: Average wage level in Kosovo and the countries of the region, 2016

	Kosovo	Albania	Macedonia	Montenegro	Serbia	Bosnia and Hercegovina	Bulgaria	Romania	Moldova
Gross	519	408	422	750	516	669	543	510	271
Net	457	375	372	480	374	428	410	465	212

Source: http://askdata.rks-gov.net/PXWeb/pxweb/sq/askdata/askdata_Wages/sal02.px/?rxid=0d1bd964-3e39-4f2f-8c8e-1e66f4087ab1

Table 154: Average wage level, 2012-2017

Years	Average wage		Public Sector (KCB)		Private Sector		Public Enterprises	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2012	431	384	407	353	367	333	518	465
2013	444	393	415	356	367	333	549	491
2014	482	430	465	408	358	326	624	556
2015	510	451	511	441	367	333	651	578
2016	519	457	525	449	371	337	660	586
2017	528	471	532	474	384	348	667	592

Source: KAS, Wage levels in Kosovo 2012-2017

6.4 Persons responsible for the following sections

Table of content		Responsible persons
1	Resources and inputs	
1.1	Overall economic environment	H. Xhaferi
1.1.1	Socio-economic development rate	H. Xhaferi
1.1.2	Work and employment	H. Xhaferi
1.1.3	Use of agricultural land	H. Xhaferi
1.2	Economic accounts and agriculture input prices	E. Mekuli
	Prices of agricultural inputs	E. Mekuli
1.3	Farm structure	H. Xhaferi
1.4	Agricultural land privatisation	H. Xhaferi
1.5	Agricultural businesses - Agro-industry	H. Xhaferi
2	Agricultural production and its use	
2.1	GDP in the agriculture and forestry sector	H. Xhaferi
2.2	Cereals	A. Maksuti
2.3	Vegetables	D. Hana
2.4	Fruits	D. Hana
2.5	Vineyards	E. Mekuli
2.5.1	Wines	E. Mekuli
2.6	Forage crops and green harvested cereals	A. Maksuti
2.7	Industrial Crops	A. Maksuti
2.8	Organic Production in Kosovo	Sh. Duraku
2.8.1	Legislative developments	Sh. Duraku
2.8.2	Certification Capacity	Sh. Duraku
2.8.3	Market Development	Sh. Duraku
2.8.4	Cooperation with local and foreign Partners	Sh. Duraku
2.8.5	Potential Developments	Sh. Duraku
2.8.6	Organic farming future planning in Kosovo from analysis to action	Sh. Duraku
2.9	Planting material	Sh. Duraku
2.10	Agricultural Land Irrigation	D. Hana
2.11	Bovine animals	A. Maksuti

2.12	Sheep and goats	A. Maksuti
2.13	Pigs and other farm animals	A. Maksuti
2.14	Poultry	A. Maksuti
2.15	Beekeeping	A. Maksuti
3	Forestry	S. Bajrami
4	Consumption, trade and market prices	
4.1	Consumption trends	H. Xhaferi
4.2	Trade	B. Dabiqaj/H. Xhaferi
4.2.1	Trade with CEFTA countries	B. Dabiqaj/H. Xhaferi
4.2.2	Trade with EU countries	B. Dabiqaj/H. Xhaferi
4.2.3	Trade with other countries	B. Dabiqaj/H. Xhaferi
4.2.4	Export of agricultural products by chapters (1-24)	B. Dabiqaj/H. Xhaferi
4.2.5	Import of agricultural products by chapters (01-24)	B. Dabiqaj/H. Xhaferi
4.3	Prices in the value chain	SH. Duraku
4.4	Food safety and quality	H. Xhaferi
4.4.1	Food safety	H. Xhaferi
	Responsible institutions and legal framework	H. Xhaferi
	Food business operators	H. Xhaferi
	Food Standards	H. Xhaferi
4.4.2	Analysis of food safety and animal health	H. Xhaferi
	Analysis in the laboratories of KAI and FVA - Activities in the field of animal health protection	H. Xhaferi
	Veterinary Inspections	H. Xhaferi
	Sector of Milk Analysis	H. Xhaferi
	Sector of Serology and Molecular Diagnosis	H. Xhaferi
4.4.3	Legislation on veterinary and market functioning	H. Xhaferi
	Legislation on Animal Feed	H. Xhaferi
4.5	Greenhouse Gas Emissions in Kosovo	H. Xhaferi
4.5.1	Emissions from the agriculture sector	H. Xhaferi
5	Agricultural Policies, Direct payments in Agriculture and Rural Development Support	
5.1	Summary of objectives, programs, measures, budget, grants and subsidies	A. Maksuti
5.2	Direct payments/subsides	A. Maksuti
5.2.1	Direct payments for agricultural crops	A. Maksuti
	Wheat	A. Maksuti
	Wheat seed	A. Maksuti
	Maize	A. Maksuti
	Barley	A. Maksuti
	Rye	A. Maksuti
	Vineyards	A. Maksuti
	Wine	A. Maksuti
	Sunflower	A. Maksuti
	Open field vegetables	A. Maksuti
	Existing orchard	A. Maksuti
	Organic farming	A. Maksuti
5.2.2	Direct payments for livestock and milk	A. Maksuti
	Dairy cows	A. Maksuti
	Sheep and goats	A. Maksuti
	Sows	A. Maksuti
	Beekeeping	A. Maksuti
	Poultry	A. Maksuti
	Laying hens	A. Maksuti
	Partridges	A. Maksuti
	Milk by Quality	A. Maksuti
	Reported bovine slaughter	A. Maksuti
	Aquaculture	A. Maksuti
5.2.3	Support to agricultural inputs	A. Maksuti
	Support to seedlings	A. Maksuti
5.3	Agro loans and guarantee fund	SH. Duraku
5.3.1	Agro loans	SH. Duraku
5.3.2	Guarantee Fund	SH. Duraku
	Kosovo Credit Guarantee Fund - KCGF	SH. Duraku
5.4	Insurances in Agricultural sector	A. Maksuti
	Damages to agriculture	A. Maksuti
5.5	Rural Development Projects - Investment Grants	D. Hana
5.5.1	Restructuring of physical potential	D. Hana
5.5.2	Development of the processing sector	D. Hana
5.6	Capacity enhancement and development	Sh. Tërshnajku
5.6.1	Education, training and advisory service	Sh. Tërshnajku

5.6.2	Local Action Groups	D. Hana
5.6.3	Structural promotion, efficiency and development	D. Hana
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6.2	Statistics on prices	Sh. Duraku
6.3	Comparative statistics	H. Xhaferi

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