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

GREEN REPORT 2015

December, 2015

Kosovo Green Report 2015

Ministry of Agriculture, Forestry and Rural Development, Prishtina 2015

Foreword

Green report is one of the most important documents of agriculture. This document, developed for three years now, along with the agricultural census, is an indicator and a guide for orientation of our development policies for the sector. Agriculture is a strategic sector of Kosovo and the Government has placed it among the top priorities. Investments are increasing on annual basis, in parallel with development of the necessary infrastructure for efficient management.

As noted in the report, there are significant improvements in increased output, product diversification, establishing more processing lines and above all, increase in consumption of domestic products, as well as a significant increase in export to countries of the region and beyond, in Europe.

Therefore, all of the above have converged to make agriculture one of the most significant contributors to promotion of domestic economy, poverty alleviation, generating employment and income for residents of rural areas.

In view of the sector's potential, we are yet to attain our desired goals. We will continuously increase the support, in particular focusing on crops with increased added value, but also in diversification of farm activities.

We will also continuously work to update the information needed for the sector, to be made available to all involved or intending to engage in the sector.

Memli Krasniqi

Minister

Introduction

This is the third consecutive edition of the Green Report of the Republic of Kosovo, which provides an overview of developments in the agro - rural sector, namely the development of sectors and sub-sectors that the Ministry of Agriculture, Forestry and Rural Development is promoting. The 3rd edition of the Kosovo Green Report 2015 is also the product of cooperation between all departments and agencies within the MAFRD, as well as other governmental and non-governmental institutions and organizations. In order to ensure that this report is as comprehensive and impartial as possible, right at the outset, MAFRD established the Steering Committee (SC), which plays a key role in the division of responsibilities and duties regarding the content of the report and inputs to be be provided by departments and their respective agencies. Its members are all heads of departments and relevant agencies of MAFRD, Ministry of Finance, Ministry of Trade and Industry, the Food and Veterinary Agency, Department of Agriculture and Environment, Kosovo Statistical Agency, and Kosovo Chamber of Commerce.

Department of Economic Analysis and Statistics (Skender Bajrami, Belgin Dabiqaj, Delvina Hana, Adelina Maksuti, Hakile Xhaferi, Edona Mekuli, Shkëlqim Duraku, Interns: Granit Peci, Liridona Shkodra, Besarta Krasniqi, Reuf Shkodra, Gresa Shala) prepared the main part of the report, coordinated by Ekrem Gjokaj and supported by Secretary General Kaplan Halimi. Valuable contribution to the preparation of this report was provided by the Austrian expert Karl Ortner. On this occasion, we would like to express our gratitude for the support provided at all stages of the preparation of the Green Report 2015.

This edition is unique in that it uses data published by the agriculture census in 2014, and in this regard the assistance and cooperation that KAS provided is of particular importance and very precious. As a result of the use of the agricultural census data in this edition, the data on production, areas and yields vary slightly compared to last year, a fact to be considered during comparison! For part of the data that KAS was not able to provide, DEAAS in this case substituted them with assessments which are displayed in italics.

Also a valuable contribution was provided by the students of the Faculty of Agriculture, respectively Department of Agro-economy master level studies who were engaged in practical work in MAFRD/DAESB!

Ekrem Gjokaj, PhD.

Director of the Department of Economic Analysis and Agricultural Statistics

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List of Abbreviations

ADA	Agriculture Development Agency
AMPK	Association of Milk Process of Kosovo (SHPQK – Shoqata e Përpunuesve të Qumështit të Kosovës)
BKT	Banka Kombëtare Tregtare (National Commerce Bank)
CA	cereal area
CEFTA	Central European Free Trade Agreement
DAPM	Department of Agriculture Policies and Markets
DCA	Development Credit Authority
DEAAS	Department of Economic Analyses and Agriculture Statistics
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
Finca	Foundation for International Community Assistance
FSRFK	Federation of Sports and Recreational Fishermen of Kosovo
FVA	Food and Veterinary Agency
FVL	Food and Veterinary Laboratory
GDP	Gross Domestic Product
GDP	Gross Domestic Product
ha	hectare
HACCP	Hazard Analysis and Critical Point
HBS	Household Budget Survey
IMF	International Monetary Fund
ISO	International Organisation for Standardisation
KAI	Kosovo Agriculture Institute
KCB	Central Bank of the Republic of Kosovo
KEP Trust	Kosovo Enterprise Program
KFA	Kosovo Financing Agency
KFA	Kosovo Forestry Agency
KGMAMF	Kosovo Grameen Missione Arcobaleno Microcredit Fund
KPA	Kosovo Privatization Agency
KRC	Kosovo Rural Crediting
KSA	Kosovo Statistics Agency
LFS	Labour Force Survey
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MD	Municipal Departments
MFI	Microfinancing Institutions
mil.	million

MoH	Ministry of Health
MTI	Ministry of Trade and Industry
NLB	Nova Ljubljanska Banka
NPHI	National Public Health Institute
OIE	World Organization for Animal Health
PCB	Procredit Bank
RBI	Raiffeisen Bank International AG
c.w.	carcass weight
SAA	Stabilization and Assocation Agreement
SME	Small and Medium Enterprises
SOE	Socially-Owned Enterprise
t	ton
TEB	Turk Ekonomi Bankasi
UAA	Utilized agricultural area
USA	United States of America
USAID	United States Agency for International Developement
VAT	Value Added Tax
WTO	World Trade Organization
WVI	World Vision International

1 Resources and inputs

1.1 Overall economic environment

During 2014, Kosovo saw positive economic growth rate, however, just as the countries of the region, the economy recorded lower growth rates relative to previous year. According to KSA estimates, the actual economic growth rate of Kosovo during 2014 was 1.2%. Economic developments of 2014 at global levels recorded positive trends, evolving into an improved macroeconomic environment. IMF estimates indicate that the global economy in 2014 was at 3.4%, compared to 3% in 2013. In 2014, the Eurozone eocnomies began their economy recovery, in spite of uncertainties surrounding potential consequenes of downturn in Greece, recording an annual growth of 0.8% compared to a decline of 0.4% of the previous year. The Western Balkans region during 2014 recorded a slower economic growth compared to previous year. The average economic growth rate for countries of the Western Balkans in 2014 was 1.5%, compared to the annual growth of 2.6% in 2013.

Table 1: GDP by economic activity under actual prices, 2009-2014 (in 000 €)

	Economic activity	Gross Added Value (GAV)					
		2009	2010	2011	2012	2013	2014
A	Agriculture, hunting, forestry and fisheries	575,192	598,838	614,262	617,588	638,710	661,820
B	Mining industries	92,225	136,399	124,087	114,049	118,288	116,411
C	Processing industry	491,251	489,304	493,945	549,265	584,764	575,830
D	Supply of electricity, gas	93,106	108,249	123,450	128,280	144,870	156,739
E	Water supply	25,564	29,936	34,287	36,620	52,059	47,078
F	Construction	266,846	283,165	361,886	341,199	352,185	335,153
G	Wholesale and retail; repair of vehicles and motorcycles	509,468	538,761	535,207	611,578	655,390	688,580
H	Transport and storage	155,892	171,433	186,582	187,695	193,714	197,360
I	Hotels and Restaurants	22,196	27,477	34,843	39,082	89,795	52,093
J	Information and Communication	33,330	34,547	42,113	54,359	53,279	109,251
K	Financial and insurance activities	128,666	151,483	173,521	192,621	213,264	221,158
L	Real estate business	413,718	417,021	416,862	437,190	475,530	499,116
M	Professional, scientific and technical activities	49,880	51,586	62,086	72,106	74,587	76,593
N	Administrative and support activities	12,530	12,114	19,635	22,422	21,577	34,082
O	Public administration and protection; mandatory social insurance	417,523	434,705	476,976	497,788	495,527	499,169
P	Education	115,900	122,292	154,861	162,005	164,556	217,134
Q	Health and social welfare	44,124	57,919	67,380	72,006	75,251	97,600
R	Art, entertainment and leisure	3,648	11,333	15,394	20,262	23,754	22,932
S	Other services	7,816	10,550	7,484	10,898	8,409	9,353
T	Economic activities of households as employers; Undifferentiated goods and services that produce family activities for own use	5	5	5	1	-	-
	GAV with base prices	**3,458,881**	**3,687,117**	**3,944,864**	**4,167,016**	**4,435,509**	**4,617,451**
	Taxes on products	711,461	795,524	949,831	973,592	978,075	971,540
	Product subsidies	-100,719	-80,677	-80,159	-81,844	-86,967	-21,497
	Gross Domestic Product	**4,069,622**	**4,401,964**	**4,814,535**	**5,058,763**	**5,326,617**	**5,567,494**

Source: KSA, Gross Domestic Product 2008-2014

Based on the data on Gross Domestic Product for 2014, in view of developments related to key macroeconomic indicators, the actual economic growth in 2014 relative to 2013 was 1.2%, while GDP with current prices in 2014 was 5,567 million EUR. Actual growth in 2014, albeit at a lower rate of 0.8% was recorded in agriculture, hunting, forestry and fisheries. Similarly, real growth in expenditure of main components in 2014 was noted in household consumption at 4.9% and net export of goods and services at 3.9%. At the same time, there was also an increase in import of goods and services by 8.4%.

Table 2: Gross Domestic Product under current prices 2008-2014 (in mil. €)

	2008	2009	2010	2011	2012	2013	2014
GDP with current prices	**3,882**	**4,069**	**4,402**	**4,814**	**5,058**	**5,326**	**5,567**
Final consumption expenditure	4,344	4,301	4,557	5,019	5,256	5,539	5,855
Household final consumption expenditure	3,488	3,528	3,768	4,142	4,458	4,652	4,926
8 Government final consumption expenditure	659	668	722	802	842	863	910
Government of Kosovo	358	407	495	578	625	658	723
Donors (salaries)	301	260	226	223	217	205	186
Final consumption expenditure	23	25	26	31	20	23	18
Gross Capital Formation	1,208	1,267	1,450	1,632	1,465	1,470	1,434
Gross Fixed Capital Formation	1,052	1,129	1,301	1,476	1,316	1,322	1,293
Inventory changes	156	137	149	156	148	148	141
Net export	-1,498	-1,419	-1,565	-1,793	-1,726	-1,683	-1,722
Imports of goods and services	2,107	2,114	2,443	2,736	2,648	2,610	2,814
GDP per capita (€)	**2,258**	**2,329**	**2,480**	**2,672**	**2,799**	**2,935**	**3,084**

Source: KSA, Gross Domestic Product 2008-2014

Table 3: Balance of (non-cumulative) payments, in million €

	Current account	Goods and Services	Of which, Goods	Revenues	Current transfers	Capital and financial account	Of which, Capital	Net errors and non-disclosures
2005	-247.6	-1,086.9	-1,078.5	139.1	700.3	72.7	18.9	174.8
2006	-226.1	-1,144.1	-1,173.1	158.8	759.2	-14.9	20.8	240.9
2007	-214.0	-1,242.3	-1,354.4	186.3	842.0	22.3	16.5	203.3
2008	-460.9	-1,498.2	-1,644.7	164.0	873.2	-277.9	10.5	162.1
2009	-374.2	-1,419.4	-1,646.3	60.9	983.4	-12.83	100.3	160.9
2010	-515.7	-1,565.2	-1,741.6	67.0	982.5	-254.5	21.3	218.5
2011	-658.4	-1,790.8	-2,047.1	111.3	1,021.1	-335.5	42.0	238.9
2012	-380.3	-1,726.3	-2,050.1	163.6	1,192.5	-128.1	12.9	226.2
2013	-339.4	-1,683.4	-1,995.6	121.5	1,222.4	-97.5	34.7	172.5
2014	-437.0	-1,722.7	-2.058.6	113.8	1,171.9	-123.8	21.2	270.8

Source: KCB, Macroeconomic Development Report (Number 3)

In 2014, the current accounts line in Kosovo deteriorated as a result of increased trade deficit, while the positive balance in the trade of services and other categories, such as primary and secondary revenues continue to contribute to bridging this deficit.

The deficit of 415.8 mil. € of the current and capital account reached 7.6% of GDP, up from 5.7% in the previous year. The increased deficit of the current account that occurred during the reporting period is mostly attributed to increased trade deficit, as well as decreased positive balance of the primary and secondary revenues account. The deficit of Goods account is at 2.1 billion € in 2014, representing an annual increase of 3.2%. The higher growth of exported goods relative to imports increased the ratio of import coverage with exports by 12.6% in 2014, up from 12% in the previous year.

In 2014, total Kosovo exports amounted to 324.5 million €, representing an annual increase of 10.4%. The share of Kosovo exports to GDP remained low at only 5.8% in 2014.

The balance of services in 2014 amounted to 335.9 million €, which represents an increase of 7.6% relative to the the balance of previous year. The primary revenues account in 2014 recorded a positive balance of 113.8 million €, which is 6.4% lower relative to the last year's balance.

The financial account in 2014 recorded a negative balance of 145.1 million €, relative to the negative balance of 132.2 million € in 2013. The balance of direct investments, measured as difference between FDI in Kosovo and investments of Kosovar residents abroad was 123.8 million € in 2014, or 50.5% lower than the previous year.

1.1.1 Level of socio-economic development

The role of agriculture policies tailored to the development needs of our country for our current stage of development is very important. In view of the importance of this sector, whose GDP share is 11.9% with potential for economic development of the country by generation employment, especially in rural areas, the agriculture is listed as priority of the Government of Kosovo.

Kosova has a total surface area of 10,908 km^2, with resident population of 1,804,944 inhabitants, of which 61% live in rural areas[1].

Due to extensive farm fragmentation into smaller parcels, there is competitive potential in the horticulture sector, i.e. production of fruit and vegetable as well as livestock.

In spite of investments made to date, further support is required to strengthen the sector as well as attain the level of self-sufficiency with local products, which will directly affect the decrease of poverty rate and boost the economic growth of rural areas. The approach to implementation of agricultural policies reflect the country's rural structure and climate conditions, centered around the natural and human resources as well as developments in regional and European markets.

On the other hand, protection of local production from inequal competition from imported products also constitutes an important objective in qualitative and quantitative supply and agro-processing industry. Following the signing of the SAA between the Republic of Kosovo and the European Union, one of the very important goals to pursue is the standardization of agricultural products and certification of their quality.

As one of the major goals of the agriculture policies of Kosovo is primary to enhance quality and quantity of the agricultural products, it is necessary that MAFRD continues to support further investment in erecting product collection stations, which will not only allow for

[1] https://ask.rks-gov.net//

collection but also control, sorting, packaging and labelling of produce as well as ensure market availability of local produce for extended periods of time.

establishment of such control stations would ensure better connection of products to internal market and agro-processing industry, but also, more importantly, encourage exports. This investment would also spur certain existing capacities, presently dysfunctional, to invest in specific production lines in food industry, which would generate employment and save hundreds of million euros from import of processed food products.

Another important resource, in early stages of development, is the agricultural farming. The relieph configuration, geological and pedological soil composition, climate, etc. are conducive to rich flora and vegetation, such as medical and aromatic herbs and wild berries. Expanding the market with these certified product represent an opportunity for increased revenue and employment in this sector. Our country has an opportunity to successfully develop these kinds of products but also meet the national demand and export abroad at competitive prices.

Agriculture, supported by production through modern technology, more rational utilization of agro-ecological conditions, biological and environmental diversity, may become a factor of economic recovery of the country.

1.1.2 Work and employment

Information on market labour are collected through regular annual labour force surveys (LFS), which provides stasticial information on labour market indicators, allowing comparision to previous years. Labour Market Survey Report 2014 contains data on employment and unemployment by age, gender, employment status, economic activity, occupations and other areas of labour market.

In our country, unlike in developed countries, agriculture has a considerable share in the Gross Domestic Product (11.9%). According to Agriculture Census 2014, employment in agriculture, expressed in Annual Work Units, accounts for 86,620 AWUs. In the agriculture labour structure, legal entities represent only 2.8% of AWUs.

In averagle, agriculture labour accounts for 0.7 AWUs per agriculture household; 0.2 AWUs per hectar of arable agriculture land and 0.31 per livestock unit.

Annual Work Unit has been used to calculate the number of full-time workers. 1 AWU=1800 hours or 225 days per annum. Percentage-wise, agriculture accounts for 26.7% of employment (of the total 323,508 persons employed). Of the total of 86,620 (full-time) employed persons, 81,596 are family heads of which 57,320 are male and 24,276 women. Regular workers (5,024), seasonal and contracted labour (not directly employed) represent a rather small number.

Highlights of the employment statistics under LFS 2014 are presented below:

Almost two thirds of Kosovo population are of working age (15-64 years). The working age population is expected to rapidly rise during the coming decade, as Kosovo has the youngest population in Europe.

Labour market statistics 2014 indicate that Kosovo labour market remans in the most difficult position compared to other countries of the Western Balkans. The rate of labour force inclusion in Kosovo is at 41.6%, while in other countries of the Western Balkans it ranges from 42.6% in Montenegro to 61.5% in Albania.

A part of these differences is explained by the fact that our country has a very young population, many of which are in education (thus classified as inactive). A major challenge for the country is the fact that, in time, the portion of the inactive population may remain persistenly high, as in average 36,000 youth annually join the working age population (i.e. youth aged 14 become 15), while only 10,000 persons will be removed from the working age population (i.e. persons of 64 years become 65). [2]Only 26.9% of the working age population in Kosovo is employed, compared to 50.5% in Albania, 39.7% in Serbia, 34.9% in Montenegro and 31.7% in Bosnia and Herzegovina.

[2] Labour Force Survey 2014 findings in Kosovo, June 2015

Table 4: Comparison of key statistics, 2012-2014

	2012	2013	2014	Balance '14-'13
Rate of inactivity (%)	**63.1**	**59.5**	**58.4**	**-1.1**
Rate of participation in labour force	**36.9**	**40.5**	**41.6**	**1.1**
Men	55.4	60.2	61.8	1.6
Women	17.8	21.1	21.4	0.3
Rate of employment	**25.6**	**28.4**	**26.9**	**-1.5**
Men	39.9	44.0	41.3	-2.7
Women	10.7	12.9	12.5	-0.4
Part-time (as % of employed)	**11.1**	**11.9**	**8.3**	**-3.6**
Men	11.3	11.1	7.7	-3.4
Women	10.3	14.3	10.1	-4.2
Temporarily employed (as % of employed)	**73.0**	**68.8**	**71.6**	**2.8**
Men	73.2	68.9	71.6	2.7
Women	72.5	68.7	71.3	2.6
Self-employed (as % of employed)	**19.8**	**22.9**	**23.2**	**0.3**
Men	22.7	26.0	26.1	0.1
Women	8.3	12.8	13.6	0.8
Unemployment rate (%)	**30.9**	**30.0**	**35.3**	**5.3**
Men	28.1	26.9	33.1	6.2
Women	40.0	38.8	41.6	2.8
Unemployment rate among youth (% of age group 15-24)	**55.3**	**55.9**	**61.0**	**5.1**
Men	52.0	50.4	56.2	5.8
Women	63.8	68.4	71.7	3.3
Long-term unemployment (12+ months unemployed)	**59.8**	**68.9**	**73.8**	**4.9**
Men	59.1	71.0	73.0	2
Women	61.3	68.9	75.6	6.7

Source: KSA – Labour Force Survey 2014

Of the total working age population, 26.9% are employed. Employment rate is higher among men than women: 41.3% of men of working age are employed, compared to 12.5% of women of working age. During the three-year period (2012-2014), the employment rate saw minor changes, with a rise of around 2.8 % relative to 2012-2013 and a decline of 1.5% relative to 2013-2014.

LFS data indicate that the percentage of part-time workers decreased from 11.9% in 201 to 8.3% in 2014. Self-employment recorded a minor bump in the last two years. Additionally, the percentage of workers in unsustainable employment (self-employed persons without any other employees and persons working free-of-charge in a family business) increased to 23.3% in 2014, up from 22.9% in 203. Production, trade, education and construction employ almost half of all workers. Participation of women in labour force and employment remained virtually unchanged between 2013 and 2014. Unemployment among youth grew again in 2014 by 5.1%, from 55.59% to 61.0%. In this category, unemployment was higher among women (71.7%) than the men (56.2%). Also, there is an increase in long-term unemployment, with increased number of unemployed for a period longer than 12 months, from 68.9% in 2013 to 73.8% in 2014. Of the 41.6% economically active, 35.3% (176,743 persons) are unemployed. This means that 64.7% (323,508) of economically active persons are employed, thereby creating a ratio of employment (employment rate) of 26.9%.

Additionally, of the 58.4% of inactive working age population, 18.2% (128,400 persons) do not seek work, as they believed there was no work available. Disillusioned workers constitute 10.7% of the working age population, with similar levels among both men and women.

There are major gender discrepancies throughout the labour market.

Around one in five women (21.4%) of working age are active in labour market, compared to three-fifths (61.8%) of men of working age.

Among the labour force, unemployment is higher among women than men (41.6% compared to 33.1%).

Women are employed mostly in education and health (around 40% of employed women), while men are mostly employed in production, trade and construction sectors (which account for 40% of employed men).

Unemployment is the highest among youth.

In 2014, Kosovar youth were twice as likely to be unemployed compared to adults. 61.0% of persons of age 15-24 years are unemployed.

Irrespective of country's economic growth, Kosovo's economy does not generate sufficient labour to absorb the new members of the labour market. High unemploymenet levels and economic development rends make it difficult to successfully grapple with poverty alleviation.

1.1.3 Land use

The Agriculture Census 2014 results indicate that Kosovo has a total of 130,775 agriculture households, actively involved in agricultural activities during 2013-2014, of which 130-436 are agricultural households and individual businesses and 339 are legal entities.

Legal entities contributed by less than 0.2% to the total of agricultural businesses, while occupying 2% of the used agricultural land.

Table 5: Number of agricultural economies, utilized agricultural area by economies' legal status in 2014

Legal status of agricultural economies			
	Total	Agricultural family economies and Individual Businesses	Entities Legal
		Number	
Agricultural economies	130,775	130,436	339
Utilized agricultural area (ha)	413,635	405,429	8,206

Source: KSA – Agricultrual Census 2014

Total area used in Kosovo is 512,000 ha (both in ownership or leased), with an average 3,9 ha of land per agriculture economy.

In 2014, 413,635 ha of the agriculture land was used for agriculture production, or 80% of the land, used by 129,884 economies, with an average used agricultural land of 3.2 ha.

Table 6: Use of agricultural land by agricultural economies, 2014

	Number of agricultural economies	**Area (ha)**
Land area – total	**130,662**	**512,000**
Used agricultural land area	**129,884**	**413,635**
Arable land – fields	**113,231**	**180,381**
Orchards	46,458	1,055
Permanent grassland and pasturage (including joint land)	**79,761**	**224,411**
Perennial crops	**24,909**	**7,788**
Fruit	19,619	4,390
Vineyards*	6,242	3,215
Seedling nurseries	698	183
Unused agricultural land	18,317	17,142
Forest land[1]	58,874	66,558
Non-agriculture land	125,515	14,665

Source: KSA – Agricultrual Census 2014

*Vineyards area refers to Agriculture Census data, i.e. November 2014 (different from data under Chapter 2, subchapter 2.4, which refer to sources from Department of Viticulture and Viniculture)

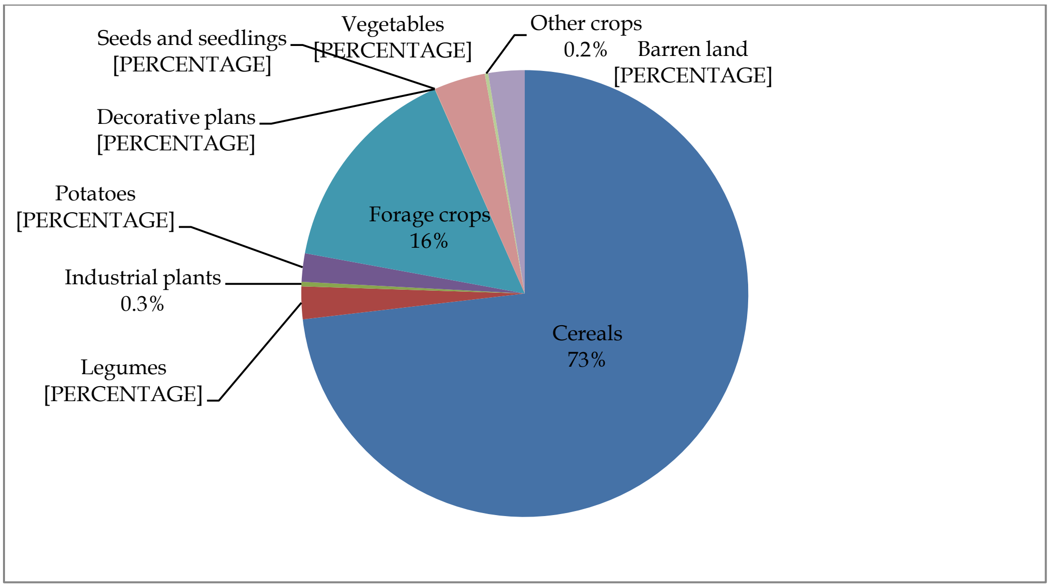
In the structure of land used by agriculture economies, the bulk constitutes used agriculture land, which accounts for 80.8% of the total land used.

Grassland and pasturage represent 54% of the used agriculture land in agriculture economies. Total area of grassland and pasturage (including common land) is 224,411 ha, of which 71% are pasturage. Averagel are of grassland and pasturage per agricultural economy is 2.8 ha.

The table above indicates that following the grassland and pasturage, the largest share of used land is attributed to arable land – fields, at 35%. In this land category, cereals are the most prevalent with 73% of the area, followed by forage and root crops at 15.5%, vegetables 3.7%, legumes 2.4%, potatoes 2.0% and other crops. Perennial crops account for 1.88% or 7,788 ha of cultivated land, of which vegetables constitute 1.06% or 4,390 ha, vineyards 0.79% or 3,215 ha[3] and nurseries with only 0.04% with an area of 183 ha.

An area of 4,729 ha or 2.6% is identified as barren land. The remainder of 3% is cultivated with other crops, including industrial crops and aromatic herbs, decorative plants, seeds and seedlings, etc.

Figure 1: The area of used arable agriculture land by categories, 2014



Source: KSA – Agricultrual Census 2014

The same share is exhibited by two other categories classified as: non-agriculture land (3%) and unused agriculture land, also at 3%.

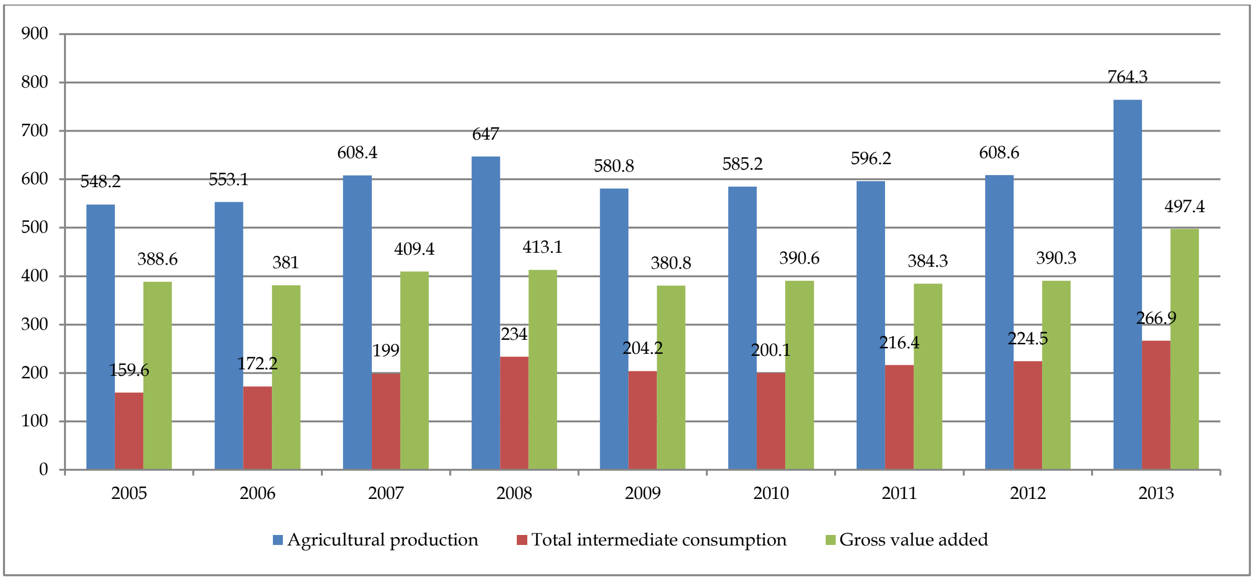
1.2 Inputs and investments in the primary sector

Economic Accounts for Agriculture offer a wide range of indicators related to economic activities in the agricultural sector and aim to analyze the production process of the agricultural industry and the primary income generated by this production. The figure below shows data on intermediate consumption, agricultural production and gross value added for the period 2005 - 2013.

In 2013, total intermediate consumption is estimated to be around 267 million € and it is 19% higher than in 2012 which was 224 million €, while agricultural production in 2013 increased by 24% compared to 2012, and amounts to 764 million € (national accounts for 2014 have not been published yet by KAS).

[3] Vinyeards area refers to Agriculture Census data, i.e. November 2014

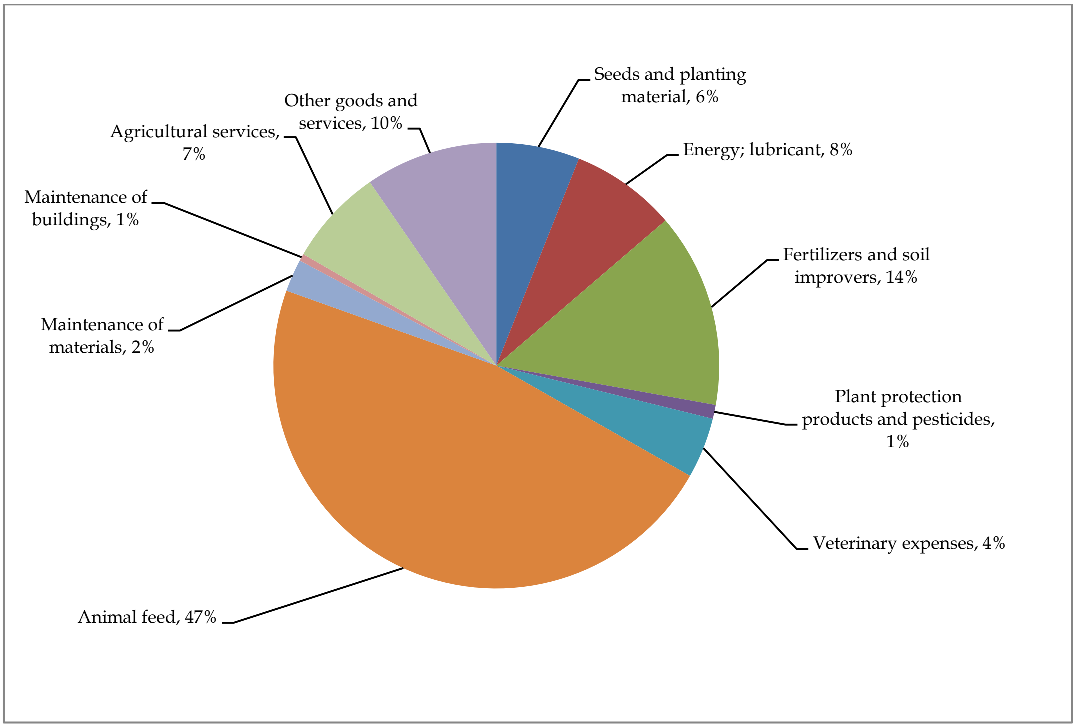
Figure 2: Intermediate consumption, agricultural production and gross value added in million €



Source: KAS, Economic Accounts for Agriculture 2013, developed by DAESB - MAFRD

Gross value added presents the difference between the value of agricultural production and the value of intermediate consumption. GVA in 2013 amounted to 497 mil. €, while in 2012 it was equal to 390 mil. €. From 2012 to 2013, GVA increased by 28%, and this growth is quite emphasized compared to the increase of 1.6% from 2011 to 2012. In 2012 and 2013, the gross value added was equal to 65% of the production value and in comparison to 2011 and 2012 there was no large difference, whereas consumption of fixed capital declined to 12% of the production value compared to last year which was 14%.

Figure 3: The average intermediate consumption in agriculture during 2011-2013 (%)



Source: KAS, Economic Accounts for Agriculture 2013 developed by DAESB - MAFRD

The figure above shows the average value of agricultural intermediate consumption from 2011 to 2013. The animal feed category which includes nutrient material which the farmer purchases from other farmers or combined nutrient material and nutrient material that farmer produces in farm, contributes by 47%, which represents about half of the intermediate consumption. Fertilizers and soil improvers participate by 14% of intermediate consumption, energy costs 8%, seeds and planting material 6%, while agricultural services and veterinary costs contribute by 7% and 4% respectively.

Prices of agricultural inputs

KAS publication includes data on price indices in Kosovo from January 2010 to December 2014. The 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. Several price indices of agricultural inputs are received by the consumer price indices (CPI) in KAS.

Products that are 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 table below presents the annual price index of agricultural inputs. Of all the categories in this table, same as last year, prices of herb protection products increased the most, by 23% from 2013 to 2014, followed by the category of seeds increased by 8%.

Price index of categories that suffered decrease are animal feed category with a decrease of 9%, the category of fertilizer by 5%, veterinary expenses by 4%, and energy by 3%.

Table 7: Annual price index of agricultural inputs 2010 – 2014 (2010 = 100)

Description	2010	2011	2012	2013	2014	Difference 2014/2013 in %
GOODS AND SERVICES CURRENTLY CONSUMED IN AGRICULTURE	100.0	112.9	119.7	122.1	120.5	-1.3
SEEDS AND PLANTING MATERIAL	100.0	112.7	109.4	107.1	115.3	7.6
ENERGY; LUBRICANT	100.0	114.7	123.4	118.9	115.7	-2.7
- Electric energy	100.0	101.0	114.5	124.5	133.1	6.9
- Fuel	100.0	117.1	125.5	119.1	114.2	-4.1
- Lubricant	100.0	117.1	125.5	119.1	114.2	-4.1
FERTILIZERS AND SOIL IMPROVERS	100.0	126.0	142.4	146.1	139.2	-4.7
- Simple fertilizers	100.0	130.7	152.2	155.7	148.1	-4.9
- Compound fertilizers	100.0	130.7	152.2	155.7	148.1	-4.9
PLANT PROTECTION PRODUCTS AND PESTICIDES	100.0	98.5	99.6	129.7	159.4	22.9
VETERINARY EXPENSES	100.0	107.0	106.8	109.3	104.6	-4.3
RAW FOR ANIMAL FEED	100.0	122.3	137.5	143.4	130.8	-8.8
- Simple raw food	100.0	123.7	140.5	146.0	131.4	-10.0
- Compound raw food	100.0	137.0	144.4	144.2	135.5	-6.0
MAINTENANCE OF MATERIALS	100.0	100.0	100.4	100.7	100.4	-0.3
MAINTENANCE OF BUILDINGS	100.0	100.7	101.6	100.3	100.4	0.1
OTHER GOODS AND SERVICES	100.0	101.1	103.7	107.1	108.6	1.4
GOODS AND SERVICES CONTRIBUTING TO AGRICULTURAL INVESTMENT	100.0	101.3	101.5	103.0	105.3	2.2
TRACTOR	100.0	101.3	101.3	104.1	107.1	2.9
OTHER	100.0	101.3	101.7	102.0	103.8	1.8

Source: KAS (Input price index and prices in agriculture), developed by DAESB - MAFRD

Within the category of goods and services currently consumed in agriculture (Input 1), price indices are calculated for the following groups: seeds and planting material, energy, fertilizers and soil improvers, plant protection products, veterinary expenses, animal feed, maintenance of materials, maintenance of buildings, and other goods and services.

Prices of goods and services related to agricultural investment (Input 2) are calculated using the prices of materials (machinery and other equipment), buildings and other (non-residential buildings of the farm, other works except land improvements).

The annual price index for intermediate consumption inputs for Input 1 has decreased by 1.3% from 2013 to 2014, while the index for Input 2 has increased by 2.2% from 2013 to 2014.

1.3 Farm structure

Arable land in Kosovo account for 43.6% of the total used area of agricultural land. There are 113,231 Agricultural Economy dealing with crop production and on average they own 1.6 ha of arable land.

Based on data of the Agriculture Census 2014, there are 39,939 Economies possessing farms with a size of 0-0.5 ha of arable land and they are comprised by the largest percentage (35.3%), while most of arable land is cultivated by 24,562 Agricultural Economies with farm area sized from 0.5 to less than 1 ha of arable land, or (21.6%) of Economies.

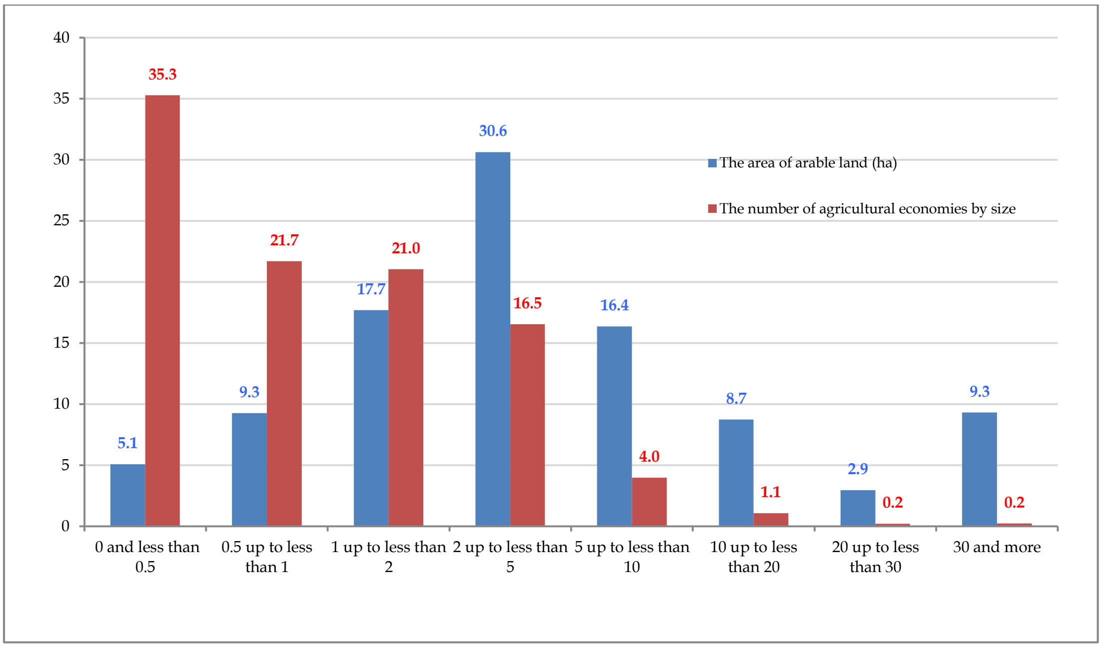
Table 8: Farm structure by size and number of Agricultural Economies in 2014

Farm size	Land (ha)	Participation in (%)	No. of agricultural economies	Participation in (%)
0 and less than 0.5	9,142	5.1	39,939	35.2
0.5 to less than 1	16,703	9.3	24,562	21.6
1 to less than 2	31,905	17.7	23,827	21.0
2 to less than 5	55,257	30.6	18,726	16.5
5 to less than 10	29,518	16.4	4,493	3.9
10 to less than 20	15,755	8.7	1,203	1.0
20 to less than 30	5,303	2.9	228	0.2
30 and more	16,798	9.3	253	0.2
Total	**180,381**	**100**	**113,231**	**100**

Source: KAS - Agriculture Census 2014

Number of Economies from 23,827 or 21.0% of them own farm size from 1 to less than 2 ha, and 18,726 or 16.5% have farms from 2 to less than 5 ha. Farm size from 5 to more than 30 ha have only 5.45% of Economies.

Figure 4: Agricultural economies by size of arable land



Source: KAS - Agriculture Census 2014

Economies with 0-0.5 ha of arable land are the most common (35.3%), while most of the arable land is cultivated by agricultural economies that possess area from 2-5 ha of arable land. Percentage of 30.6 of arable area or 55,257 ha had a farm size from 2 to less than 5 ha, then farm sizes between 1 to less than 2 cover an area of 31,905 ha. The average area of arable land cultivated by the agricultural economies in 2014 was 1.6 ha, which means that in our country we have only 0.10 ha[4] of arable land per capita.

The average size of agricultural economies in Kosovo, in terms of arable land, is much smaller than in most EU countries or 8 times smaller than the average of those countries, but is similar to neighboring states[5].

In EU countries, Czech Republic is considered to have the highest average size of agricultural economies by arable land area, followed by Slovakia and the United Kingdom. While on the other hand, Malta and Montenegro have a very low average.

1.4 Organization and development of agricultural cooperatives

Kosovo is an agricultural country where 61% of the population lives in rural areas and 38%[6] of total land area in Kosovo is used arable land, but the main concern for Kosovo's agriculture sector turns out to be the large number of small-sized farms. Based on official data of KAS, it appears that farms in Kosovo have difficulties in dealing with circumstances offered by free market due to their small size. Also, the size of the farm is linked to the possibility of using new technologies, techniques and implementation of new scientific achievements, factors that directly contribute to cost reduction and increase of agricultural production.

In Kosovo, there is the law on agricultural cooperatives No.2003/9 and the law No. 03/L-004 on changes and supplements to the law No. 2009/3 on agricultural cooperatives.

Since after the war, with the help of donors in our country, many agricultural cooperatives were established, which in most cases after completion of project their activity was very short term, and now only a few of them are operational. In the list of agricultural cooperatives registry in MTI, 63 cooperatives have been registered, and now 22 cooperatives are active. Regarding the number of businesses that have been provided by KAS, there are 468 active agricultural businesses, with an annual turnover of 48,293,629 Euro, where around 1,403 people are employed.

Kosovo should make efforts to re-activate operation of existing and establishment of new cooperatives. Through the development of cooperatives in Kosovo, agricultural management will be promoted, that enables sustainable development of agriculture and will take steps to

[4] Agriculture Census 2014, f.46
[5] Agriculture Census 2014, f.63
[6] Utilized agricultural area (413,635 ha)/the total area of Kosovo (1,090,800 ha)

enhance agricultural productivity through a range of programs such as the development of land infrastructure, land consolidation, maintenance and preservation of soil fertility, and prevention of infections, diseases and compensation of workforce. By strengthening the role of cooperatives, the safe food will be produced, based on building trust with consumers and increase farm income, and directly, the decrease of import will be affected. All this will entail strengthening the management skills of farmers, motivated to ensure a sustainable and long-term supply of food, for their descendants as well.

Agricultural cooperatives in Kosovo and their associated issues

Some of the problems that are still faced by agricultural cooperatives:

- Lack of management, planning and development skills;

- Lack of capital resources and inadequate trainings, and insufficient research for needs and demands of customer market;

- Unclear and inadequate Government policies in the development of agricultural cooperatives;

- Large land fragmentation and weak links between the activities of cooperatives e.g.: production, loans, and marketing and lack of development of distribution channels;

- Inappropriate connections with public information, related to planning of various events to promote agricultural products in the regions where they operate.

Institutional support must pay more attention to and provide greater support for agricultural cooperatives through the measures, taking into account the experiences of other countries.

By encouraging farmers to join cooperatives, small producers, different vendors will have more access to the sale or purchase of products, finding new markets, using public services to achieve a dual purpose: first, improvement of living conditions and, second, creation of self-sufficiency in terms of the community, thus enabling local development where they live and operate.

<u>The privatization of agricultural land</u>

From the utilized area of agricultural land in Kosovo, it is estimated that 88% was privatized land and 12% social land, which was within enterprises and agricultural cooperatives in the 90's.

Though it was accompanied by numerous contradictions and problems, since 2003 the privatization process of SOEs has started, which has now already entered the final stage. Privatization has been accompanied with numerous dilemmas and contradictions which have often slowed down and temporary interrupted this process, whereby the effects of privatization were reduced.

The privatization process is carried out by the Kosovo Privatization Agency, which was established as an independent public body that exercises functions and responsibilities in a fully independent manner, on the basis of the Kosovo Assembly Law No. 04/L-034 on KPA. Privatization of SOEs continues to be carried out through two methods: Spin-off and Voluntary Liquidation.

So far there have been ongoing privatizations of land, enterprises and agricultural cooperatives. The recent privatization was the privatization wave 60, through the spin-off and liquidation method where the remaining agricultural lands along with underlying assets were announced for privatization and invited investors through tender and with open competitiveness.

Table 9: The summary report of sales of agricultural lands

	Area (acre)	Area (ha)	Sold area (%)	Average price (€/acre)	Average price (€/ha)	Total sales €	Participation (%)
Region	**2,861,059**	**28,611**	**100%**	**34.30**	**3,429**	**98,092,540**	**100%**
Prishtina	226,963	2,270	8%	140	13,995	**31,764,436**	32%
Peja	1,107,303	11,073	39%	21	2,120	**23,474,455**	24%
Prizren	609,597	6,096	21%	30	2,963	**18,059,403**	18%
Gjilan	305,050	3,051	11%	51	5,081	**15,498,745**	16%
Mitrovica	612,145	6,121	21%	15	1,519	**9,295,501**	9%

Source: Kosovo Privatization Agency

The table above shows the area of agricultural land privatized from 2004-2014. So far, 28,611 ha is privatized, with average sales prices of 34 € per acre, while the average selling price per ha was 3,429 €. Total sales for all privatized agricultural areas account for 98,092,540 €. Peja is the region with most privatized agricultural land (11,073 ha), followed by the region of Mitrovica (6,121 ha) and Prizren (6,096 ha) as well as other regions that are presented in the table, but with a smaller area of privatized agricultural land.

Table 10: The summary report of sales of agricultural lands

Year	Number of sales	Area (acre)	Area (ha)	Sales (€)	Price (acre)	Price (ha)	% of ha
2002	-	-	-	-			0%
2003	-	-	-	-			0%
2004	2	53,187	532	879,265	16.5	1,653	2%
2005	6	105,046	1,051	2,647,685	25.2	2,520	4%
2006	21	636,954	6,370	11,335,628	17.8	1,780	22%
2007	35	496,131	4,961	11,166,665	22.5	2,251	17%
2008	14	208,669	2,087	8,105,888	38.8	3,885	7%
2009	35	620,311	6,203	23,512,288	37.9	3,790	22%
2010	21	227,918	2,279	5,169,386	22.7	2,268	8%
2011	35	158,622	1,586	17,457,337	110.1	11,006	6%
2012	41	144,335	1,443	6,100,603	42.3	4,227	5%
2013	54	100,749	1,008	6,859,267	68.1	6,808	4%
2014	41	109,136	1,091	4,858,528	44.5	4,452	4%
Total	**305**	**2,861,059**	**28,611**	**98,092,540**	**34.30**	**3,429**	**100**

Source: Kosovo Privatization Agency

In 2007, 6,370 ha were privatized, which at the same time was the largest area of privatized land within a year. Also in 2009, 6,203 ha were privatized, which is also considered as the year during which a large area of agricultural land was privatized. Besides the two years mentioned above, other years are characterized as a slow process of privatization of agricultural land conducted within the year.

Given the small average per capita of agricultural land, it would be good for agricultural lands of privatized SOEs to be used only for agricultural production and to disable the owners of these lands to make change of use, by applying different sanctions defined by the Law on protection of agricultural land.

The drafters of the spatial plan and municipal development plan should pay attention to the preservation and protection of agricultural land upon expansion of towns and other settlements, especially protection of agricultural land under irrigation system.

2 Agricultural production and use

2.1 GDP in the agriculture and forestry sector

Economic Accounts for Agriculture are satellite accounts of the European System of Integrated Economic Accounts (ESA), a system that follows the recommendations of the UN for national accounts. They cover agricultural products and services produced during the accounting period that are sold from agricultural units, held in stocks on farms, or used for further processing by agricultural producers.

Concepts of Economic Accounts for Agriculture are adapted to the specific nature of agricultural production; for example, EAA include not only the production of grapes and olives, but also the production of wine and olive oil from agricultural producers, as well as information on consumption within the unit of plant products used in animal feed, production accounted for the issuance of self-accounts of the fixed capital goods and own final consumption of agricultural units. EAA data can be used to calculate the income indicators for the agricultural sector. EAA reports values and production costs of; producer's price and the base price. For the base price EAA includes direct payments (subsidies), which are not included in the EAA for the price of the producer.

Major changes in production prices compared with 2012 were mostly in potatoes, which in 2013 had an increase of 63.3%, followed by the fruit with an increase of 57% as well as vegetables and horticulture products which have increased to 48.3 % compared to 2012. Increasing prices we have also in the category of forage crops (40%). The category of crop products during 2013 also marked an increase of 30%

Deduction in prices for 25% is noted in the interest paid, the gross value added at basic prices -21%, the category of industrial plants 14%, as well as in the category of cereals (including seeds) where we have reduction in price by 4% in 2013, compared to the previous year 2012. Livestock products have sustained the smallest increase with only 4.0% and employee compensation with 9.5% of increase.

Table 11: Economic Accounts for agriculture with production prices in mil. €

Code	Agriculture Economic Accounts	2008	2009	2010	2011	2012	2013	Ndryshimi	Ndryshimi (%)
1	Cereals (including seeds)	90.3	61.9	93.5	107.0	107.1	102.1	-5	-4.7
2	Industrial crops	0.05	0.05	0.05	0.05	0.14	0.12	-0.02	-14.3
3	Forage plants	79.2	55.8	51.2	56.0	67.8	95.2	27.4	40.4
4	Vegetables and horticulture	127.6	114.4	123.3	119.6	104.1	154.4	50.3	48.3
5	Potatoes	28.8	23.1	26.6	20.2	12.0	19.6	7.6	63.3
6	Fruit	38.0	28.7	26.0	23.2	32.9	51.9	19	57.8
9	Other plant products (seeds)	2.9	3.4	3.4	3.7	3.5	4.2	0.7	20.0
1	Herbal products (01- 09)	366.7	287.4	324	329.7	327.6	427.6	100	30.5
11	Livestock	90.2	119.7	97.6	96.0	92.3	117.3	25	27.1
12	Livestock products	175.2	158.9	148.8	155.8	174.2	181.1	6.9	4.0
13	Livestock and livestock production (11+ 12)	265.4	278.6	246.4	251.9	266.6	298.4	31.8	11.9
14	Production of agricultural goods (10 + 13)	632.2	566.1	570.3	581.6	594.1	726	131.9	22.2
15	Production of agricultural services	14.9	14.7	14.8	14.7	14.5	20.4	5.9	40.7
16	Agricultural production (14 + 15)	647.0	580.8	585.2	596.2	608.6	746.3	137.7	22.6
19	Total interim consumption	234.0	204.2	200.1	216.4	224.5	250	25.5	11.4
20	Gross added value on base prices (18-19)	413.1	380.8	390.6	384.3	390.3	305.8	-84.5	-21.7
21	Fixed capital consumption	75.4	75.4	77.9	81.0	84.5	93.7	9.2	10.9
22	Net added value on base prices (20 -21)	337.7	305.4	312.7	303.3	305.8	403.6	97.8	32.0
23	Worker compensation	4.0	3.2	3.5	3.9	4.2	4.6	0.4	9.5
25	Other subsidies products	0.00	0.16	0.06	0.10	0.00	1.02	1.02	0.00
26	Factor revenues	337.7	305.6	312.8	303.4	305.8	404.6	98.8	32.3
27	Operational surplus / mixed revenues	333.7	302.4	309.3	299.5	301.6	400.1	98.5	32.7
28	Lease and other payable liabilities for land use	2.2	2.2	2.2	2.3	2.3	3.3	1	43.5
29	Paid interest	0.9	1.0	1.0	0.9	0.8	0.6	-0.2	-25.0
31	Net farm revenues	330.6	299.2	306.1	296.3	298.4	396.2	97.8	32.8

Source: KSA, Economic Accounts for Agriculture

2.2 Cereals

131,949 ha with cereals are planted in Kosovo in 2014, and this surface area represents 32% of agricultural land used. Compared to 2013 the surface area with cereals is reduced about 7% while when compared to the average of the previous three years the difference has been smaller, namely the surface is reduced about 1%.

Out of the total planted with cereals, wheat and corn are the most cultivated crops namely comprise 95% of the surface. In 2014 the area planted with wheat and corn has decreased by 11% respectively by 3%, while compared to the average of the last three years the surface area has reduced by 4% while corn area increased by 3%. Other crops such as barley, rye and oat marked an increase in surface area compared to 2013 but also compared to the average '11-'13.

Total cereal production in 2014 compared to the average of the past three years has marked a decrease, according to the categories only wheat production has reduced to 4%, while production of other crops has marked an increase. The highest increase has had the area with rye (65%)), while the lowest increase had the area with maize (2%). In 2014 it is worth mentioning that the rye production has marked an increased by 166% and that as a result of growth of the cultivated area.

Table 12: Area, production and yield of cereals, 2008-2014

Crop	2008	2009	2010	2011	2012	2013	2014	Balance 2014 ('11 – '13) to %	Balance 2014 /2013 in %
Area				**ha**				**%**	
Cereals	114,976	119,984	119,871	121,095	137,215	141,912	131,949	-1	-7
Wheat	72,131	77,938	78,420	79,928	102,918	101,846	90,728	-4	-11
Maize	36,119	35,854	35,424	35,209	31,181	36,122	35,038	3	-3
Barlye	2,352	1,717	1,177	844	568	1,363	1,487	61	9
Rye	689	394	571	607	253	235	588	61	150
Oat	3,685	4,081	4,279	4,508	2,294	2,346	3,940	29	68
Other grain cereals	-	-	-	-	-	-	168		
Production				**t**				**%**	
Cereals	437,499	411,208	430,524	435,034	438,792	540,136	463,581	-2	-14
Wheat	293,064	271,373	294,540	300,203	345,027	391,727	331,296	-4	-15
Maize	126,919	125,864	120,461	119,693	86,304	136,633	116,209	2	-15
Barlye	7,241	5,363	3,642	2,608	1,808	4,415	4,716	60	7
Rye	1,410	834	1,371	1,457	740	571	1,521	65	166
Oat	8,865	7,774	10,510	11,072	4,913	6,790	9,840	30	45
Yield				**t/ha**				**%**	
Wheat	*4.06*	*3.48*	*3.76*	*3.76*	*3.35*	*3.85*	*3.65*		-5
Maize	*3.51*	*3.51*	*3.40*	*3.40*	*2.77*	*3.78*	*3.32*		-12
Barlye	*3.08*	*3.12*	*3.09*	*3.09*	*3.18*	*3.24*	*3.17*		-2
Rye	*2.05*	*2.12*	*2.40*	*2.40*	*2.92*	*2.43*	*2.59*		6
Oat	*2.41*	*1.90*	*2.46*	*2.46*	*2.14*	*2.89*	*2.50*		-14

Source: KSA – Agricultural Household Survey ('08-'13); Agriculture census ('14);

In Kosovo, 97.026 agricultural holdings have their land planted with cereals, these consist 75% of the total number of the agricultural holdings. In 2014 of the total area planted with cereals, leads Pristina region with 30%, followed by Mitrovica and Peja with 13%, Prizren and Gjilan with 12% and a smaller surface with participation of 9% in Ferizaj and Gjakova region.

The average of the area cultivated with cereals for an agricultural holding is 1.36 ha, where the highest average was in Mitrovica region (1.56 ha) while the lowest one in Prizren region (1.06 ha).

Table 13: Number of agriculture holdings and cereal area by regions, 2014

	Total	Prishtinë	Mitrovicë	Pejë	Prizren	Ferizaj	Gjilan	Gjakovë
Agriculture holdings	97,026	26,106	11,265	11,553	14,865	10,657	12,490	10,090
Cereals (ha)	131,949	39,808	17,557	17,660	15,771	12,446	16,319	12,388
Share (%)	100	30	13	13	12	9	12	9

Source: KSA – Agriculture Census 2014

The largest number of agricultural holdings (38.9%) has less than 0.5 ha planted with cereals. Of the total agricultural holdings, 96% have less than 5 ha planted with cereals while only 4% have more than 5 ha, where most of them have 5-10 ha surface with cereals.

The category of agricultural holdings with area planted with cereals from 2 to 5 hectares constitutes the largest cultivated area, respectively 30%, followed by category 1 to 2 ha with 19%. Although the number of agricultural holdings with more than 5 ha is only 4% of the total number, the surface of these categories represents 34% of the total area planted with cereals.

Table 14: Number of agriculture holdings and cereals area by size of classes, 2014

	Agricultural holdings	Area (ha)	Share (%)
Cereals	97,026	131,949	100
0 < SD* < 0.5	37,713	8,321	6
0.5 ≤ SD < 1	22,467	15,081	11
1 ≤ SD < 2	19,216	25,070	19
2 ≤ SD < 5	13,699	39,244	30
5 ≤ SD < 10	2,810	18,202	14
10 ≤ SD < 20	776	9,998	8
20 ≤ SD < 30	152	3,489	3
SD ≥ 30	193	12,543	10

Source: KSA – Agricultrual Census 2014;
*CA - Cereal Area

In 2014, of the total area planted with cereals, 68.8% is planted with wheat. With an area of 90.728 ha, wheat production is 331.296 tons, and with this production Kosovo manages to cover about 70% of consumption needs while the rest is covered by imports.

The production value was 66.3 mil. € that is 23% lower than in 2013 because the production is lower as a result of lower surface however the price was lower by € 0.02. The trade balance continues to be negative; the amount of imported wheat, including wheat products is 4.3% higher than in 2013.

Average annual wheat consumption per capita in the period '08 -'14 was 199 kg or if converted into flour, around 142 kg.

Table 15: Balance of supply for wheat, 2008-2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Cereal Area	ha	114,976	119,984	119,871	121,095	137,215	141,912	131,949
Wheat area	ha	72,131	77,938	78,420	79,928	102,918	101,846	90,728
Share of wheat	%	62.7	65.0	65.4	66.0	75.0	71.8	68.8
Yield	t/ha	4.06	3.48	3.76	3.76	3.35	3.85	3.65
Output	t	293,064	271,373	294,540	300,203	345,027	391,727	331,296
Import of Wheat and Wheat Equivalents	t	195,976	174,840	199,570	210,782	178,313	171,387	178,782
Supply	t	489,040	446,213	494,110	510,985	523,340	563,114	510,078
Export of Wheat and Wheat Equivalents	t	22,657	35,017	37,257	40,213	37,365	38,158	33,132
Domestic use	t	466,383	411,195	456,853	470,772	485,974	524,956	476,946
Self-sufficiency rate	%	62.8	66.0	64.5	63.8	71.0	74.6	69.5
Wheat Seed	t	21,639	23,381	23,526	23,978	30,875	30,554	27,218
Loss	t	8,792	8,141	8,836	9,006	10,351	11,752	9,939
Animal Feed	t	47,154	43,664	47,392	48,303	55,515	63,029	53,306
Industrial Use	t	10,242	8,426	9,687	10,130	8,864	8,756	9,044
Processing	t	204,439	184,337	202,737	207,148	229,689	262,006	223,688
Human consumption	t	174,117	143,246	164,675	172,207	150,681	148,859	153,751
Producer prices (on farm)	€/kg	0.27	0.17	0.19	0.25	0.26	0.22	0.20
Value of production	mil. EUR	79.1	46.1	56.0	75.1	89.7	86.2	66.3
Wheat Trade Balance	mil. EUR	-63.8	-51.8	-75.5	-74.7	-72.2	-68.8	-73.8

Source: DEAAS - MAFRD

In terms of cultivated area, corn is the second most cultivated crop in the cereal group. About 27% of the total area planted with cereals is planted with corn. In 2014, corn production is 116.209 tons and with this quantity of production Kosovo covered 71.8% of internal needs, where the bigger part is used as animal feed. To meet the general needs Kosovo also imports corn and the trade balance remains negative in the amount of 10.4 mil. €, while the value of domestic production is 38 mil. € with the price of € 0.28 / kg, which in 2014 was 9.7% lower compared to 2013. In 2014 it is noteworthy that the quantity exported was significantly greater than in previous years, reaching the amount of 312 tons.

Table 16: Balance of supply for maize, 2008-2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Cereal Area	ha	114,976	119,984	119,871	121,095	137,215	141,912	131,949
Maize area	ha	36,119	35,854	35,424	35,209	31,181	36,122	35,038
Share of Maize	%	31.4	29.9	29.6	29.1	22.7	25.5	26.6
Yield	t/ha	3.51	3.51	3.40	3.40	2.77	3.78	3.32
Output	t	126,919	125,864	120,461	119,693	86,304	136,633	116,209
Import of Maize and Maize Equivalents	t	21,346	25,472	36,666	32,063	28,081	38,471	45,921
Supply	t	148,265	151,336	157,127	151,756	114,385	175,104	162,130
Export of Maize and Maize Equivalents	t	318	195	91	78	54	61	312
Domestic use	t	147,948	151,141	157,036	151,678	114,331	175,043	161,818
Self-sufficiency rate	%	85.8	83.3	76.7	78.9	75.5	78.1	71.8
Maize Seed	t	722	717	708	704	624	722	701
Loss	t	3,808	3,776	3,614	3,591	2,589	4,099	3,486
Animal Feed	t	97,911	97,097	92,911	92,319	66,473	105,449	89,618
Industrial Use	t	2,031	2,235	2,758	2,522	2,066	2,975	3,177
Processing	t	8,957	9,324	10,161	9,661	7,456	11,222	10,834
Human consumption	t	34,519	37,992	46,884	42,881	35,123	50,575	54,003
Producer prices (on farm)	€/kg	0.29	0.20	0.22	0.29	0.30	0.31	0.28
Value of production	mil. EUR	42.8	29.3	30.9	40.5	30.4	49.2	38.0
Maize Trade Balance	mil. EUR	-5.0	-5.5	-8.1	-8.9	-8.6	-9.9	-10.4

Source: DEAAS - MAFRD

2.3 Vegetables

The vegetable area in Kosovo is estimated at 15,854 ha in 2014, as opposed to 16,536 ha in 2013; therefore, the vegetable area decreased by 3% relative to the previous year.

Vegetable crops prevalent on larger areas in 2014 are potatoes at 3,695 ha, which saw an increase by 33% compared to 2013, pepper at 2,533 ha is the dominant crop of 2014, however, when compared to 2013, it recorded a decline by 31%. Pumpkin areas recorded an increase by 35% relative to 2013, which was at 1,005 ha. Soybeans areas and other legumens such as spinach, beet, maize pumpkin and carrot recorded increases relative to 2013, with changes by year reflected in the following table.

Table 17: Vegetable areas, 2008-2014

Crops	2008	2009	2010	2011	2012	2013	2014	Balance 2014 ('11 – '13) to %	Balance 2014 /2013 in %
Area				ha				%	
Vegetables	16,551	15,839	16,356	16,196	14,557	16,356	15,854	1	-3
Potatoes	3,746	3,376	3,760	3,746	3,198	2,777	3,695	14	33
Tomatoes	903	821	935	967	1,271	950	558	-47	-41
Pepper	2,523	2,955	2,914	2,993	3,153	3,686	2,553	-22	-31
Pumpkin	1,035	986	956	880	671	1,005	1,354	59	35
Maize pumpkin	123	74	94	94	106	96	232	135	142
Mushrooms	1	1	1	2	2	-	1	-62	-
Cucumber	278	316	343	359	255	340	193	-39	-43
Watermelon	1,029	954	1,141	1,240	847	827	781	-20	-6
Melon	229	118	175	171	271	455	167	-44	-63
Cabbage	703	962	836	842	568	851	556	-26	-35
Spinach	77	50	71	75	40	55	139	145	152
Beet	79	5	40	43	2	5	58	248	1,059
Leek	85	62	113	121	93	143	44	-63	-69
Onion	1,205	798	1,043	1,074	881	1,060	1,041	4	-2
Garlic	173	97	150	152	141	193	85	-47	-56
Beans	4,213	4,112	3,609	3,260	2,954	3,648	3,959	20	9
Peas	19	33	32	34	7	52	241	677	363
Other legumes	17	11	15	13	16	30	59	200	97
Carrot	48	43	53	56	27	49	76	72	55
Other Vegetables	65	65	75	74	54	134	64	-27	-52

Source: KSA – Agricultural Household Survey ('08-'13); Agriculture census ('14)

In terms of total output, the total vegetable output in 2014 was 221,330 tons, for a total area of 15,854 ha.

With reference to vegetable yields, it is worth noting that beet saw an increase from 56 tons in 2013 to 678 tons in 2014, followed by other crops, such as: carrot, where the balance in % relative to 2014/2013 is 62%, beans tonnage of 5,892 tons in 2013 increased to 5,381 tons in 2014, along with spinach whose 408 tons in 2013 rose to 1,199 tons in 2014. The following crops recorded decreased outputs: cucumber, pepper, cabbage, onion, garlic, leek, watermelon, melon, etc.

Table 18: Vegetable output, 2008-2014

Crops	2008	2009	2010	2011	2012	2013	2014	Balance 2014 ('11 – '13) to %	Balance 2014 /2013 in %
Output				t				%	
Vegetables	275,742	202,995	338,989	345,565	163,146	235,326	221,330	-11	-6
Potatoes	103,958	58,687	87,354	87,036	33,407	50,847	64,027	12	26
Tomatoes	20,587	15,107	60,318	62,358	13,693	17,291	17,386	-44	1
Pepper	51,274	46,669	93,924	96,322	50,744	72,928	57,921	-21	-21
Pumpkin	12,861	7,190	7,617	7,119	9,099	10,224	14,363	63	40
Maize pumpkin	2,872	1,195	1,861	1,846	2,065	1,963	4,604	135	135
Mushrooms	21	6	16	19	19	-	7	-62	-
Cucumber	9,032	7,199	12,902	13,502	5,239	8,975	5,428	-41	-40
Watermelon	24,736	18,896	25,743	27,975	17,080	17,641	16,669	-20	-6
Melon	2,934	1,318	2,138	2,090	2,455	4,824	1,778	-43	-63
Cabbage	19,041	27,895	22,988	23,154	13,975	21,924	14,426	-27	-34
Spinach	710	280	859	898	262	408	1,199	129	194
Beet	782	65	389	422	27	59	678	300	1,049
Leek	1,618	814	1,559	1,675	1,293	2,206	640	-63	-71
Onion	15,987	8,697	13,257	13,655	8,601	15,308	12,812	2	-16
Garlic	1,323	456	867	878	557	1,046	431	-48	-59
Beans	6,808	7,139	5,575	5,033	3,723	5,892	5,831	19	-1
Peas	62	80	96	103	34	313	1,117	644	257
Other legumes	95	49	75	66	111	177	353	199	99
Carrot	422	352	488	514	320	481	779	78	62
Other Vegetables	619	901	963	900	442	2,819	881	-36	-69

Source: KSA – Agricultural Household Survey ('08-'13); Agriculture census ('14)

Of the total vegetable area of 15,854 ha in 2014, tomatoes accounted for 3.5%, while the tomatotes output is estimated at 17,386 tons, thereby supplying 51% of domestic demand. 16,184 tons of tomato were imported while 64 tons were exported. The total human comsumption is 33,440 tons, with domestic use totalling at 34,135 tons. The value of output in 2014 relative to 9.3 million € in 2013 is 9.2 million. The trade balance remained negative at 5.2 mil. €.

Table 19: Balance of supply for tomato, 2008-2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Vegetable areas	ha	16,551	15,839	16,356	16,196	14,557	16,356	15,854
Tomato area	ha	903	821	935	967	1,233	950	558
Share	%	5.5	5.2	5.7	6.0	8.5	5.8	3.5
Yield	t/ha	22.80	18.40	63.63	63.40	20.28	18.20	31.15
Output	t	20,587	15,107	59,490	61,312	25,006	17,291	17,386
Tomato import	t	12,013	13,448	13,583	14,536	12,636	13,756	16,814
Supply	t	32,600	28,555	73,073	75,848	37,643	31,047	34,199
Tomato export	t	495	88	649	412	115	32	64
Domestic use	t	32,105	28,467	72,424	75,436	37,527	31,016	34,135
Self-sufficiency rate	%	64.1	53.1	82.1	81.3	66.6	55.7	50.9
Loss	t	823	604	2,380	2,452	1,000	692	695
Processing	t	198	145	571	589	240	166	167
Final consumption alone	t	3,755	2,756	10,851	11,183	4,561	3,154	3,171
Total human consumption	t	31,281	27,863	70,045	72,984	36,527	30,324	33,440
Total domestic use	t	32,105	28,467	72,424	75,436	37,527	31,016	34,135
Producer prices (on farm)	€/kg	0.57	0.61	0.62	0.50	0.71	0.56	0.55
Value of production	mil. EUR	11.3	8.8	35.4	29.4	17.0	9.3	9.2
Tomato Trade Balance	mil. EUR	-4.7	-4.7	-5.1	-4.7	-3.0	-3.3	-5.2

Source: DEAAS - MAFRD

In terms of balance of supply of pepper, its recorded share is 16.1% on the total vegetable area. The output for pepper crops in 2014 was 57,921 tons, with a recorded self-sufficency rate at 85% for 2014. As far as processing is concerned, 556 tons were used for processing in 2014. The imported quantity of pepper was 10,489 tons, while the export 994 tons. Domestic use for 2014 is estimated at 67,416 tons, with total consumption at 65,099 tons. The value of production was 36.1 million €, while the trade balance persisted in negative figures at 4.1 million €.

Table 20: Balance of supply for pepper, 2008-2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Vegetable areas	ha	16,551	15,839	16,356	16,196	14,557	16,356	15,854
Pepper area	ha	2,523	2,955	2,914	2,993	3,153	3,686	2,553
Share	%	15.2	18.7	17.8	18.5	21.7	22.5	16.1
Yield	t/ha	20.32	15.79	32.23	32.18	16.09	19.79	22.69
Output	t	51,274	46,669	93,924	96,322	50,744	72,928	57,921
Import of pepper	t	6,842	7,007	7,448	7,932	7,721	9,150	10,489
Supply	t	58,116	53,676	101,372	104,254	58,465	82,078	68,409
Export of pepper	t	2,074	1,653	2,493	2,045	2,053	1,187	994
Domestic use	t	56,042	52,023	98,878	102,209	56,412	80,891	67,416
Self-sufficiency rate	%	91.5	89.7	95.0	94.2	90.0	90.2	85.9
Loss	t	2,051	1,867	3,757	3,853	2,030	2,917	2,317
Processing	t	492	448	902	925	487	700	556
Final consumption alone	t	9,352	8,512	17,132	17,569	9,256	13,302	10,565
Total human consumption	t	53,991	50,157	95,121	98,356	54,382	77,974	65,099
Total domestic use	t	56,042	52,023	98,878	102,209	56,412	80,891	67,416
Producer prices (on farm)	€/kg	0.69	0.63	0.59	0.58	0.58	0.78	0.65
Value of production	mil. EUR	34.0	28.2	53.2	53.6	28.3	54.6	36.1
Pepper Trade Balance	mil. EUR	-3.1	-3.4	-4.1	-3.2	-2.9	-3.0	-4.1

Source: DEAAS - MAFRD

Of the total vegetable area of 15,854 ha in 2014, potato is cultivated at an area of 3,695 ha, up from 2,777 ha in 2013. The potato output is estimated at 64,027 tons, relative to 50,847 tons in 2013. The self-sufficency rate is 115%, while the total human consumption is 52,656 tons; when compared to the previous year, a rise is recorded as the total consumption 2013 was 41,323 tons. 3,041 tons of potato were required for processing in 2014, compared to 2,415 tons in 2013, thus recording an increase. Impor of potato was 4,503 tons, while the value of export was 12,673 tons; total domestic use was 55,858 tons, with the average prices of potato fixed at 0.32 € in the recent years. The value of production is estimated at 18.9 mil. € in 2014, while in 2013 it reached 20.8 mil.€. The trade balance remained negative at 0.2 mil. €., when compared to 2013 which recorded a positive balance of 0.7 mil. €.

Table 21: Balance of supply for potato, 2008-2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Vegetable areas	ha	16,551	15,839	16,356	16,196	14,557	16,356	15,854
Potato area	ha	3,746	3,376	3,760	3,746	3,198	2,777	3,695
Share	%	22.6	21.3	23.0	23.1	22.0	17.0	23.3
Yield	t/ha	27.75	17.38	23.23	23.23	10.45	18.31	17.33
Output	t	103,958	58,687	87,354	87,036	33,407	50,847	64,027
Potato import	t	1,586	791	2,778	1,380	1,595	2,708	4,503
Supply	t	105,544	59,478	90,132	88,416	35,002	53,555	68,530
Potato export	t	6,348	3,643	3,095	3,971	5,450	9,690	12,673
Domestic use	t	99,197	55,835	87,037	84,445	29,553	43,865	55,858
Self-sufficiency rate	%	104.8	105.1	100.4	103.1	113.0	115.9	114.6
Loss	t	5,198	2,934	4,368	4,352	1,670	2,542	3,201
Processing	t	4,938	2,788	4,149	4,134	1,587	2,415	3,041
Final consumption alone	t	29,628	16,726	24,896	24,805	9,521	14,491	18,248
Total human consumption	t	93,999	52,901	82,669	80,093	27,882	41,323	52,656
Total domestic use	t	99,197	55,835	87,037	84,445	29,553	43,865	55,858
Producer prices (on farm)	€/kg	0.31	0.30	0.29	0.30	0.32	0.43	0.31
Value of production	mil. EUR	30.6	16.7	24.1	24.8	10.2	20.8	18.9
Potato Trade Balance	mil. EUR	0.2	0.0	-0.2	0.1	0.3	0.7	-0.2

Source: DEAAS - MAFRD

2.4 Fruits and wine

In our country there are a total of 4,390 ha of orchards. Out of this, 3,520 ha are plantations of fruit, excluding the area with strawberry and wine grapes and table grapes, which together with these crops, the area accounts for 6,921 ha. The number of Agricultural Economies with plantations of fruit is 11,677. Agricultural economies with plantations of fruit grow an average of 0.3 ha. Most of fruit plantations area is planted with apple 1,973 ha and plum 699 ha, followed by other crops such as strawberries, which unlike 2013 where the area was 148 ha, in 2014 this area increased by 36%, and also raspberry area has increased from 23 ha as it was in 2013 to 141 ha in 2014, followed by other crops, such as cherry, hazelnut, etc. Crops with the observed reduction of the area are peach, cherry, medlar, etc. The following table of the areas with the fruit shows in detail the difference of crops over the years.

Table 22: Area with fruits, 2008 - 2014

Crops	2008	2009	2010	2011	2012	2013	2014	Difference 2014/('11-'13) in %	Difference 2014/2013 in %
Area				ha				%	
Fruits	6,999	6,027	6,578	6,733	7,082	8,342	6,921	-6	-17
Apples	1,686	1,355	1,661	1,790	1,725	2,024	1,973	7	-3
Pears	429	261	352	354	326	561	210	-49	-63
Quinces	52	28	39	38	52	111	26	-61	-76
Medlar	20	12	22	22	16	35	21	-12	-39
Plums	1,378	1,060	1,063	1,063	1,404	1,843	699	-51	-62
Apricots	27	10	16	13	22	47	23	-15	-51
Peaches	65	17	41	42	39	84	28	-49	-67
Cherries	65	35	50	50	50	88	51	-19	-43
Sour cherries	84	69	58	58	107	106	125	39	18
Nuts	84	74	63	75	57	91	48	-36	-48
Hazelnuts	6	12	13	15	2	22	88	574	298
Strawberries	59	26	49	45	52	148	201	146	36
Raspberries	1	1	1	0	0	23	141	1,696	514
Blackberries	1	10	10	10	10	-	15	47	-
Wine grapes	2,417	2,420	2,504	2,510	2,517	2,408	2,420	-24	-22
Table grapes	625	637	636	648	702	751	781	90	77
Chestnuts	-	-	-	-	-	-	24	-	-
Blueberries	-	-	-	-	-	-	14	-	-
Other fruits	-	-	-	-	-	-	32	-	-

Source: KAS - Agricultural Household Survey ('08 -'13); Agriculture Census ('14); Department of Viticulture and Winery

Regarding the overall productivity of fruits for 2014, the total amount was 45,873 tons. Crops with the largest production are: apples with 13,519 tons, wine grapes with 15,101 tons, plums with 7,525 tons, table grapes with 4,869 tons, pears with 1,363 tons, strawberries with 965 tons, raspberries with 529 tons, followed by other crops like cherries, hazelnuts, etc.

Referring to the production difference compared to the previous year, we can say that there has been a decrease in production by 40% and that the crops in which there was decrease in production compared to the previous year are apples, medlar, quinces, plums, apricots, peaches, nuts, etc. The following table of production of fruits shows in more detail the level of total production over the years and for certain crops.

Table 23: Production of fruits, 2008 - 2014

Crops	2008	2009	2010	2011	2012	2013	2014	Difference 2014/('11-'13) in %	Difference 2014/2013 in %
Production				t				%	
Fruits	58,227	49,308	52,419	41,429	59,633	76,702	45,873	-23	-40
Apples	12,612	11,742	12,545	13,523	8,120	16,786	13,519	6	-19
Pears	2,867	1,748	2,495	2,510	1,562	4,259	1,363	-51	-68
Quinces	425	165	275	265	506	977	224	-62	-77
Medlar	72	57	90	92	66	138	87	-11	-37
Plums	10,901	8,084	6,957	6,957	17,514	24,433	7,525	-54	-69
Apricots	164	47	89	71	83	239	110	-16	-54
Peaches	265	83	177	180	173	441	130	-51	-70
Cherries	362	161	257	256	167	354	211	-19	-41
Sour cherries	419	301	255	255	1,175	381	793	31	108
Nuts	465	300	314	371	234	483	229	-37	-53
Hazelnuts	14	9	18	21	2	31	111	518	259
Strawberries	439	180	294	270	275	465	965	187	108
Raspberries	3	4	2	1	1	105	529	1,383	404
Blackberries	8	124	73	73	73	-	107	47	-
Wine grapes	22,961	20,570	22,536	12,048	22,656	20,473	15,101	-18	-26
Table grapes	6,250	5,733	6,042	4,536	7,026	7,137	4,869	-22	-32
Chestnuts	-	-	-	-	-	-	-	-	-
Blueberries	-	-	-	-	-	-	-	-	-
Other fruits	-	-	-	-	-	-	-	-	-

Source: KAS - Agricultural Household Survey ('08 -'13); Census of Agriculture ('14); Department of Viticulture and Winery

The total area planted with fruits in 2014 was 6,921 ha, of which apple crops represent 1,973 ha of planted area. The overall production was around 13,519 tons. The imported amount of apples in 2014 was 15,808 tons, while the exported amount was about 7 tons.

The self-sufficiency rate covers about 46% of needs. The domestic use was 29,319 tons, while the processing accounted for about 1,217 tons, the overall consumption was 27,968 tons, and the losses in 2014 amounted to 1,352 tons.

The price of apples for the year 2014 was 0.49 €, and in terms of the value of production it was 6.0 million €, while the apple's trade balance continues to be negative for 2014 with 4.6 mil. €.

Table 24: Supply balance for apples, 2008 - 2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Fruit area	ha	6,999	6,027	6,578	6,733	7,071	8,342	6,921
Apple areas	ha	1,686	1,355	1,661	1,790	1,725	2,024	1,973
Participation	%	24.1	22.5	25.3	26.6	24.4	24.3	28.5
Yield	t/ha	7.48	8.67	7.55	7.55	4.71	8.29	6.85
Output	t	12,612	11,742	12,545	13,523	8,120	16,786	13,519
Imports of apples	t	9,937	11,161	12,222	11,085	12,590	13,143	15,808
Supply	t	22,549	22,903	24,767	24,608	20,710	29,929	29,326
Exports of apples	t	83	27	7	3	45	15	7
Domestic use	t	22,465	22,876	24,760	24,605	20,665	29,914	29,319
Self-sufficiency rate	%	56.1	51.3	50.7	55.0	39.3	56.1	46.1
Losses	t	1,261	1,174	1,255	1,352	812	1,679	1,352
Processing	t	1,135	1,057	1,129	1,217	731	1,511	1,217
Final self-consumption	t	6,810	6,341	6,774	7,302	4,385	9,064	7,300
General human Consumption	t	21,204	21,702	23,505	23,253	19,853	28,235	27,968
Total domestic use	t	22,465	22,876	24,760	24,605	20,665	29,914	29,319
Producer prices (at the farm)	€/kg	0.60	0.51	0.49	0.49	0.54	0.53	0.49
The value of production	mil. EUR	6.8	5.4	5.5	6.0	3.9	8.0	6.0
The trade balance of apple	mil. EUR	-2.8	-3.0	-3.4	-3.3	-4.1	-4.4	-4.6

Source: DAESB - MAFRD

Plums in 2014, were cultivated in the area of 699 ha out of the total area of 6,921 ha of total planted fruits. Production for 2014 is estimated to 7,525 tons, while coverage with plum meets about 94% of the total needs, the rest is covered by the amount of imports which in 2014 was 474 tons compared to 311 tons in 2013. As for domestic production, the production amount was 7,998 tons, the processing accounted for 1,400 tons, and losses 527 tons.

Plum production value for 2014 was 5.5 mil. €, while the trade balance was negative with 0.2 mil. €.

Table 25: Supply balance for plum, 2008 - 2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Fruit area	ha	6,999	6,027	6,578	6,733	7,071	8,342	6,921
Plum area	ha	1,378	1,060	1,063	1,063	1,404	1,843	699
Participation	%	19.7	17.6	16.2	15.8	19.9	22.1	10.1
Yield	t/ha	7.91	7.63	6.54	6.54	12.47	13.26	10.76
Output	t	10,901	8,084	6,957	6,957	17,514	24,433	7,525
Imports of plums	t	326	184	313	245	339	311	474
Supply	t	11,227	8,268	7,270	7,202	17,853	24,744	7,998
Exports of plums	t	1	0	0	0	2	8	0
Domestic use	t	11,226	8,268	7,270	7,202	17,852	24,736	7,998
Self-sufficiency rate	%	97.1	97.8	95.7	96.6	98.1	98.8	94.1
Losses	t	763	566	487	487	1,226	1,710	527
Processing	t	2,028	1,504	1,294	1,294	3,258	4,545	1,400
Final self-consumption	t	6,590	4,887	4,206	4,206	10,587	14,770	4,549
General human consumption	t	10,463	7,702	6,783	6,715	16,626	23,026	7,472
Total domestic use	t	11,226	8,268	7,270	7,202	17,852	24,736	7,998
Producer prices (at the farm)	€/kg	0.40	0.32	0.29	0.35	0.40	0.34	0.78
The value of production	mil. EUR	4.1	2.4	1.9	2.3	6.5	7.7	5.5
The trade balance of plums	mil. EUR	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2

Source: DEAAS – MBPZHR

Of the total area of 6,921 ha planted with fruits, strawberries shares is at 2.9% of cultivated area for 2014.

Compared to 465 tons in 2013, strawberry production increased by 965 tons in 2014. In terms of meeting the strawberry demand, about 99% of demand is met.

Strawberry amount imported in 2014 was 4 tons while the exported amount was 2 tons. Processing accounted for about 179 tons for 2014, the total consumption was 899 tons, while losses accounted for 68 tons.

The production value of 0.4 million € in 2013 increased to 0.9 million € in 2014.

Table 26: Supply balance for strawberry, 2008 - 2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Fruit area	ha	6,999	6,027	6,578	6,733	7,071	8,342	6,921
Strawberry area	ha	59	26	49	45	52	148	201
Participation	%	0.8	0.4	0.7	0.7	0.7	1.8	2.9
Yield	t/ha	7.44	6.92	6.00	6.00	5.29	3.14	4.81
Output	t	439	180	294	270	275	465	965
Imports of strawberry	t	159	133	167	164	169	163	4
Supply	t	598	313	461	434	444	628	968
Exports of strawberry	t	0	0	2	11	36	0	2
Domestic use	t	598	313	459	422	408	628	967
Self-sufficiency rate	%	73.4	57.5	64.0	63.9	67.4	74.1	99.8
Losses	t	31	13	21	19	19	33	68
Processing	t	82	33	55	50	51	86	179
Final self-consumption	t	265	109	178	163	166	281	583
General human consumption	t	567	300	438	403	389	595	899
Total domestic use	t	598	313	459	422	408	628	967
Producer prices (at the farm)	€/kg	0.97	0.89	0.80	1.23	1.03	0.91	1.05
The value of production	mil. EUR	0.4	0.1	0.2	0.3	0.3	0.4	0.9
The trade balance of strawberry	mil. EUR	-0.1	-0.1	-0.2	-0.1	-0.1	-0.2	0.0

Source: DAESB - MAFRD

Of the total area of 3,201 ha of vineyards in 2014, 24% were planted with table grapes. Compared to the previous year, the total production was 32% lower in 2014, supposedly due to serious damage caused by floods this year. To meet local needs, higher amount of table grapes was imported in 2014 compared to the previous year, but the exports in 2014 also increased by 140% compared to 2013. The trade balance continued to be negative for this year with 1.59 mil. €.

Table 27: Supply balance for table grapes, 2008 – 2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Vineyards area	ha	3,042	3,057	3,140	3,158	3,220	3,159	3,201
Table grapes area	ha	625	637	636	648	703	751	767
Participation	%	21	21	20	21	22	24	24
Yield	t/ha	10	9	9.5	7	10	9.5	7
Output	t	6,250	5,733	6,042	4,536	7,026	7,137	4,869
Imports of table grapes	t	1,846	2,193	2,251	2,011	1,764	2,762	2,920
Supply of table grapes	t	8,096	7,926	8,293	6,547	8,790	9,899	7,789
Export of table grapes	t	467	91	212	8	454	40	96
Domestic use	t	7,629	7,834	8,081	6,539	8,336	9,859	7,693
Self-sufficiency rate	%	82	73	75	69	84	72	63
Uses of table grapes	t	7,629	7,834	8,081	6,539	8,336	9,859	7,693
Prices of producers (at the farm)	€/kg	0.85	0.83	0.8	0.93	0.93	0.81	1.02
The value of production	mil. EUR	5.31	4.76	4.83	4.22	6.53	5.78	4.97
The trade balance	mil. EUR	-0.95	-1.19	-1.24	-1.47	-0.85	-1.17	-1.59

Source: DAESB - MAFRD

Wine production in 2014 has decreased by 38% compared to 2013. This is a result of unfavorable climatic conditions and diseases which caused major damage to the viticulture sector in 2014. The amount of 7,682 million liters in 2013 was decreased to 4,753 million liters in 2014.

Table 28: Production of wine 2009-2014

Production	Unit	2009	2010	2011	2012	2013	2014	Difference 2014/('11-'13) in %	Difference 2014/2013 in %
Red wine	1000 l	4,078	2,082	1,118	2,518	3,659	3,271	35	-11
White wine	1000 l	2,321	974	403	2,769	4,023	1,482	-38	-63
Total wine	1000 l	6,399	3,056	1,521	5,287	7,682	4,753	-2	-38

Source: Department of Viticulture and Winery

If we compare the production amount of red and white wine, the more emphatic decrease in production has suffered white wine with 63% in 2014 compared to 2013, while red wine had a decrease of 11%. Wine production reached a peak in 2013 with the amount of 7.682 million liters. Since 2011, which was characterized by a bad weather and which affected the yield of grapes to be much lower, the production in following years has increased constantly, except in 2014, where the climate and diseases caused decrease of productivity.

Table 29: List of wine production companies and the production in 2014

No.	Company	White wine / l	Red wine /l	Rose wine /l	Total wine/l	Grapes for distillation /l
1	Shpk "Stone Castle Vineyards&Winery"	916,131	1,280,881	0	2,197,012	249,247
2	NTP "Haxhijaha"	208,707	750,721	4,000	963,428	7,738
3	NTP "Muja"	33,333	19,443	0	52,776	0
4	"Biopak Shpk"	180,430	180,425	0	360,855	721,710
5	NTP "Sefa"	1,000	14,000	0	15,000	6,000
6	Shpk "Agrokosova - Holding"	30,000	80,000	0	110,000	0
7	Shpk"Rahoveci"	3,918	15,648	0	19,566	5,870
8	NPT"Rahvera - AB"	1,000	1,000	0	2,000	0
9	NPT"Bahha"	560	19,342	0	19,902	2,682
10	NTP "Agro-alf"	532	29,055	0	29,587	10,314
11	NTP "Daka"	3,735	6,132	0	9,867	0
12	Shpk "Dea"	0	0	0	0	0
13	NPT " Altini"	0	2,000	0	2,000	200
14	NPT " Sunny Hills"	105,952	846,504	0	952,456	0
15	Theranda Wine sh.p.k.	0	0	0	0	0
16	NPT " Tradita"	0	2,500	0	2,500	0
17	N.P.SH. "ALBATROS"	0	5,021	0	5,021	115
18	"Kosova Wine sh.p.k		12,000	0	12,000	0
	Gjithsej	**1,485,298**	**3,264,672**	**4,000**	**4,753,970**	**1,003,876**

Source: Department of Viticulture and Winery

Currently in Kosovo there are 21 companies for production of grapes and wine licensed by MAFRD, 18 of which deal with the processing of grapes and other products from grape and wine. There are also other companies operating in the Republic of Kosovo which are importing wine and other products of grapes and wine.

The table above shows that the company "Stone Castle Vineyards & Winery" leads with most wine production with 2,197,012 liters, followed by "Haxhijaha" with 963,428 liters and "Sunny Hills" with 952,456 liters. The table above shows that the produced amount of white wine is 1,485,298 liters, while red wine and rose wine is 3,268,672 liters.

Table 30: Wine grape varieties 2014

Red varieties			White varieties	
No.	**Varieties**	**Area in ha**	**Varieties**	**Area in ha**
1	Vranac	447	Smederevka	358
2	Prokupe	401	R. Italian	218
3	Game	289	Chardonnay	106
4	Black Burgundez	178	R. Rheine	48
5	Zhamete	112	Zhuplanka	26
6	Cabernet Sauvignon	55	Rrakacitel	8
7	Game colored	30	Semion	6
8	Frankovke	31	Whine burgundez	12
9	Merlot	34	Zhillavka	3
10	Cabernet Frank	23		
11	Syrah	4		
12	Melnik	11		
13	Pllovdin	19		
14	Shaslla	1		
15	Petit Verdo	2		
16	Carmonere	3		
17	No variety	10		
	Total	**1,649**		**785**

Source: Department of Viticulture and Winery

In Kosovo there are more than 40 varieties of grapes cultivated for different purposes. The area planted with red varieties is greater than the white varieties for 110%. Out of total area of 1,649 ha of cultivated red grapes, Vranac variety leads with 447 ha of cultivated area, followed by Prokupe variety with 401 ha, then variety Game with 289 ha, Black Burgundez with 178 ha, and other types that represent the cultivated area of red varieties with a total of 335 ha.

White varieties account for 785 ha of cultivated area. The biggest part is cultivated with Smederevka variety with 358 ha, followed by Riesling Italian with 218 ha, and the Chardonnay variety with cultivated area of 106 ha, while the rest of the area of 103 ha is cultivated with other varieties such as R. Rheine, Zhuplanka, Rrakacitel, White Burgundez and Zhillavka.

Table 31: Table grape varieties 2014

Table varieties		
No.	**Varieties**	**Area in ha**
1	Hamburg Muscat	262
2	Italian Muscat	169
3	Afuz Ali	121
4	Kardinal	89
5	Moldavka	16
6	Ribier	10
7	Demir Kapi	9
8	Antigona	8
9	Table grapes experimental	11
10	Viktoria	32
11	Black Magic	8
12	Queen	2
13	Groqanka	1
14	Red Globe	2
15	July Muscat	4
16	Crimson Seedless	2
17	Michele Palieri	19
18	Seedless grapes	2
	Total	**767**

Source: Department of Viticulture and Viniculture

The area cultivated with table grape varieties in Kosovo is 767 ha. From the types of table grape varieties, the largest part is cultivated by Muscat Hamburg variety with the area of 262 ha, Muscat Italian variety with 169 ha, and Afuz Ali variety with 121 ha. Other varieties are planted in smaller area and account for 215 ha of total area planted with table grapes.

2.5 Forage crops and green cereals

In 2014, areas planted with forage crops and green mowed cereals was 26,554 ha. This area does not include hay (meadows), as was the case in previous years. If we compare the area planted in 2014 with the previous year by excluding the hay in 2013, the resulting area planted with forage crops and mowed green cereals is 6.5% less. The areas planted with some crops decreased in 2014, such as green maize (44%), other forage crops (83%) and fodder (alfalfa – 3%), while areas planted with grass and clover increased by 33%, at 39%.

Green maize production decreased by 56% as a result of decreased area of cultivation and decreased yields by 21%.

Table 32: Area, production and yield of forage crops and mowed green cereals, 2008-2014

Crops	2008	2009	2010	2011	2012	2013	2014	Balance 2014 ('11 – '13) in %	Balance 2014 /2013 in %
Area				ha					
Forage crops and green cereals	104,762	91,426	99,043	98,833	94,444	110,314	26,554*		
Maize (green)	1,209	1,094	1,062	1,032	2,511	4,294	2,414	-8	-44
Hay (meadows)	77,864	66,875	74,952	76,386	72,048	81,924	-		
Grass	4,299	3,860	2,733	1,645	3,677	5,036	6,689	94	33
Alfalfa	14,494	13,188	14,678	14,707	13,330	15,495	15,011	3	-3
Clover	2,385	3,529	2,582	2,577	1,328	1,502	2,085	16	39
Other green forage crops	4,511	2,880	3,035	2,486	1,550	2,063	355	-83	-83
Production				ton					
Forage crops and green cereals	331,936	257,768	398,556	396,049	259,522	393,087	151,095*		
Maize (green)	21,603	18,209	15,944	15,493	28,006	82,050	36,434	-13	-56
Hay (meadows)	216,515	168,607	208,058	212,037	166,519	217,155			
Grass	12,879	12,043	9,269	5,578	8,980	14,836	19,575	100	32
Alfalfa	55,970	42,416	145,054	145,054	46,828	60,869	86,583	3	42
Clover	6,819	9,356	8,009	7,994	3,908	5,889	6,924	17	18
Other green forage crops	18,150	7,137	12,223	9,893	5,281	12,288	1,579	-83	-87
Yield				t/ha					
Maize (green)	17.87	16.64	15.01	15.01	11.15	19.11	15.09		-21
Hay (meadows)	2.78	2.52	2.78	2.78	2.31	2.65	-		
Grass	3.00	3.12	3.39	3.39	2.44	2.95	2.93		-1
Alfalfa	3.86	3.22	9.88	9.86	3.51	3.93	5.77		47
Clover	2.86	2.65	3.10	3.10	2.94	3.92	3.32		-15
Other green forage crops	4.02	2.48	4.03	3.98	3.41	5.96	4.45		-25

Source: KSA – Agricultural Household Survey ('08-'13); Agriculture census ('14);

*The hay was excluded from the total area and production in 2014

There are a total of 33,915 agriculture economies, which planted forage crops and green cereals. The largest planted area is Peja (23%) and Prishtina region (21%), while the lowest area is in Ferizaj (4%).

The average area for an agriculture economy is around 0.78 ha, with Peja showing the largest average (1.01 ha), while the lowest average area with forage crops and green cereals is in Prizren region (0.59 ha).

Table 33: Number of agricultural economies and forage crops areas by region, 2014

	Total	Prishtina	Mitrovica	Peja	Prizren	Ferizaj	Gjilan	Gjakovë
Agricultural economies	33,915	7,890	6,024	5,965	5,782	1,722	3,077	3,455
Forage crops	26,554	5,696	5,101	6,047	3,414	1,127	2,285	2,884
Share (%)	100	21	19	23	13	4	9	11

Source: KSA – Agricultrual Census 2014

2.6 Industrial crops

Industrial crops usually run through processing industry before put to use. Cultivation of oil-producing crops is done in order to obtain raw materials for production of oil. These crops are also supported through subsidies.

Aromatic and medical herbs are used for pharmaceutical purposes and human consumption, e.g. camomile, basil, dill, marigold, lavender, mint, sage, etc. Some other crops are also considered industrial crops, such as: Soybeans, ricin, etc.

In 2014, industrial crops occupied an area of 595 ha, with the bulk (60%) planted with sunflowers, followed by aromatic and medical herbs (35%), other industrial crops (4%) and tobacco at only 1%. This crop earlier used to occupy a much larger portion (at around 3,000 ha).

Table 34: Areas planted with industrial crops, 2014

Crops	2014
Industrial crops	595
Tobacco	7
Sunflower	355
Aromatic and medical herbs	209
Other industrial crops	24

Source: KSA – Agricultrual Census 2014

In terms of regions, the largest planted area of industrial crops is to be found in Gjakova region (41%), dominated by sunflower at 94%, followed by Prishtina region (24%), also dominated by sunflower at 90%. The regions where industrial crops occupy the smallest areas, at only 5.7 ha, were Prizren and Ferizaj.

Cultivation of medicinal and aromatic herbs is mostly focused in the region of Peja with 80% of the total area, while the remainder of 20% is scaterred among Mitrovica, Gjakova, Prishtina and Prizren.

Cultivation of tobacco is concentrated in the Gjilan (71%) and Ferizaj region (29%), while cultivation of other industrial crops is mostly concentrated in three regions: Mitrovica, Prishtina and Peja.

Table 35: Areas planted with industrial crops by regions, 2014

	Prishtina	Mitrovica	Peja	Prizren	Ferizaj	Gjilan	Gjakovë
Industrial crops	140.37	27.66	171.50	2.97	2.69	6.25	243.35
Tobacco	-	-	-	-	2.00	5.03	-
Sunflower	126.39	-	-	0.04	-	-	228.00
Aromatic and medical herbs	7.36	17.06	166.26	2.81	0.39	0.54	14.55
Other industrial crops	6.62	10.59	5.15	0.12	-	0.37	0.74

Source: KSA – Agricultrual Census 2014

2.7 Planting material

The production of fruit planting material in Kosovo has an extensive tradition 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, Kosovo nurseries operated mostly through classical models of grafting, with dormant buds, which allowed seedlings to be produced in the course of two years. However, in recent years there is a growing interest of farmers to register nurseries and expand already existing areas. Basic underlaying factors include the fact that "seedlings" are now judged much more holistically through a set of parametres, 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 planting materials for fruit. The fruit production sector, specifically production of planting material, is becoming a sector of economic importance for Kosovo agricultura, with increased level of support and development focus also extended by MAFRD. It is worth noting that 2013 saw the commencement of direct payment programme in the sector of planting material, with 0.20€ per fruit and vine seedling produced with vegetative sub-grafting. The support spurred a growth in production of quality planting material, increased production as well as decrease of imports of fruit seedlings.

The Law on Planting Material No. 2004/13 regulates issues related to production, trade, import, export, control and registration of producers, importers and traders of planting material. All producers of planting material are required to declare their production. The Law was followed by adoption of many specific instructions to regulate certain issues related to 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 disposed of".

Table 36: Production of fruit seedlings with generative and vegetative sub-grafting, 2006-2015

Years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vegetative sub-grafting	30.000	44.745	57.477	60.034	107,834	200,110	339,371	646,024	469,636	564,785
Generative sub-grafting	80.254	95.123	97.758	124,866	187,961	200,211	176,665	196,828	182,919	86.920
Total	110,254	139,868	155,235	184,900	295,795	400,321	516,036	842,852	652,555	651,705

Source: DAPM / MAFRD

Based on data declared by producers of planting material, production of apple seedlings is dominant at 90%, with vegetative sub-grafting: M9, M27, M26, MM106, MM 111, M25.

2.8 Irrigation of Agricultural Land

Irrigation is a very important part of agricultural production and has a direct impact on increased production levels and viability of agricultural crops.

Kosovo has adequate water reserves, which in future, will be an important driver of socio-economic development of the country. The estimates indicate that Kosova has a capacity of around 1,600 m^3 of water annually per capita[7]. From hydrographical perspective, Kosovo is divided into four river basins: Drini i Bardhë, Ibri, Morava e Binçës and Lepenci.

Main feature of the hydrological conditions of Kosovo is the unequal distribution and inadequate water resources relative to needs. The water potential in Kosovo is rathe loaw and, to date, its use remains quite limited.

Ground water reserves are limited and mostly located in the western parts of Kosovo, where water ground reserves are larger, compared to the eastern part where the reserves are smaller and the southeast, where water requirements are much higher. Kosovo also has several artificial lakes: Batllava, Ujmani, Radoniqi, Përlepnica, Badovci and a number of smaller irrigation reservoirs.

Protection, preservation and development of water resources is very important and remains a major environmental challenge for Kosovo.

Kosova is situated at a considerable elevation (500-600 m above sea level), surrounded by high mountis, sometimes peaking at 2,000 m. It has a low mountainous area, separating the mountainous field into four water-collecting basins, from where rivers flow into three different seas: Adriatic Sea, Aegean Sea and Black Sea. In fact, waters from other countries do not flow in Kosovo. Kosova represents a hydrographic network characterized by short rivers originating from mountains, fields and finally flowing abroad, into the Mediterranean

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Sea (Drini, Sitnica, Lumëbardhi i Pejës, Lumbardhi i Prizrenit, Ereniku), Aegean Sea (Lepenci), and into the Black Sea (Morava e Binçës, Ibri).

Table 37: Rivers in Kosovo and geographic properties

Rivers	Length in km	Area in km 2
Drini i Bardhë	122	4,622
Sitnica	90	2,873
Lumbardhi i Pejës	62	425
Morava e Binçes	60	1,552
Lepenci	53	679
Ereniku	51	510
Ibri	42	1,153
Lumëbardhi i Prizrenit	31	263

Source: Irrigation strategy (draft)

In terms of length, Drini i Bardhë is the longest river of Kosovo, covering a surface area of 4,622 km^2, followed by Sitnica and Lumbardhi i Pejës, while in terms of area coverage, the largest rivers are: Drini i Bardhë, Sitnica, Morava e Binçës and Lepenci.

Kosovo has five river basins:

Ibër, which is made of five main rivers Ibër, Sitnica, Llap and Drenica. This basin covers the following municipalities: Zubin Potok, Leposaviq, Zveçan, Skenderaj, Mitrovicë, Vushtrri, Kastriot, Prishtinë, Fushë Kosovë, Gllogovcit, Lipjan;

Lepenc, which covers the following municipalities: Shtërpcë, Shtime, Ferizaj, Kaçanik;

Morava e Binçës, which covers the following municipalities: Kamenica, Novo Bërda, Gjilani, Vitia

Drini i Bardhë, which covers the following municipalities: Istog, Klina, Peja, Deçan, Gjakova, Rahovec, Malisheva, Suhareka, Prizren, Dragash;

Plava, which at present is not being used for land irrigation;

There are three irrigation companies operating in Kosovo:

Ibër – Lepenci;

Radoniqi – Dukagjin;

Drini i Bardhë;

Ibër – Lepenci: This irrigation company is made of two distinct business units, which irrigate agricultural and non-agricultural land (industries, municipalities).

Agricultural business is not profitable and covers a total irrigation area of 1,500 ha. The total coverage was planned at 5,000 ha, which could be attained in the course of few years, which would allow for continuous irrigation of target areas.

Radoniqi – Dukagjin: This irrigation company covers an area of 8,600 ha, of which 5,000 are irrigated on annual basis. The water is used from Radoniqi water basins and transported through regulatory canals, secondary and tertiary networks into fields (total network length of more than 1,200 km). Three connection hydrants are provided per hectar of land. The total capacity of Radoniqi reservoir is around 122 million m^3. The total annual volume of water used for irrigation ranges from 25 million $m^{3,}$ with around 5,000 m^3 per ha, which represents a rather high volume. Company provides water on-demand for a period of five months. The scheme was originally planed to cover a total area of 20,000 ha.

Drini i Bardhë: The company is an amalgamation of three other irrigation companies: Drini (Pejë), Istogu (Gurakoc) dhe Lumi i Bardhë (Deçan). The main HQ is in Peja, and irrigation activities span five municipalities: Pejë, Junik, Istog, Deçan, Klinë.

The Drini i Bardhë scheme is divided into two sub-schemes: Drini i Bardhë (situated in the surroundings of Peja, covering an area of 2,500 ha) and Lumi i Bardhë (with a total surface area of 3,500 ha). In both cases, there are no arrangements in place to accumulate winter precipitation; the water from rivers is collected through dams and is subsequently transferred to farms through underground canals. The Istog scheme, situated in the vicinity and Istog and Gurakoc, also operates by means of dykes. The area of 8,604 ha uses water through underground canals, while for 2,160 ha, the water is feed off concrete canals to low-pressure water pipe network.

Irrigated land – Based on the agricultural census data, the total irrigated agricultural land area is estimated at 43,490.75 ha. In the period 2008-2014, the average irrigated area was around 31,375 ha. Regions with the most extensive use of irrigation are Peja and Gjakova, which represent 62% of the total irrigated land.

Table 38: Irrigated land (ha) by regions, 2008-2014

Region	2008	2009	2010	2011	2012	2013	2014
Prishtina	3,741	6,274	4,527	3,654	2,781	2,798	2,815
Mitrovica	2,861	3,211	2,594	2,285	1,976	2,068	2,160
Peja	13,915	5,184	7,600	8,808	10,016	8,175	6,333
Gjakovë	13,311	11,499	10,998	10,748	10,498	9,219	7,939
Prizren	3,784	3,192	3,257	3,290	3,323	2,770	2,216
Ferizaj	2,833	1,741	1,668	1,632	1,595	1,128	660
Gjilan	1,781	1,292	1,257	1,239	1,221	993	764
Irrigated land	**42,226**	**32,393**	**31,902**	**31,656**	**31,410**	**27,149**	**22,888**

Source: KSA – Agricultural Household Survey ('08-'13); Agriculture census ('14)

2.9 Cattle

Livestock generates average production of 298.4 million €[8] per annum. The sector is dominated by small famrs, mostly at subsistence levels and a small portion of production dedicated to market;

In terms of composition of livestock fund, cattle occupy the largest share and are the major source of milk and meat in the country. In 2014, the number of cattle was 261,689 heads of which 51% were milking cows, 32% calves under 1 year of age, 10% calves of age 1 to 2 years, while the remainder: heifer, bulls and other cows.

Number of buffaloes in 2014 grew to 146%, relative to the average of '11-'13, where the average growth was 224%.

Table 39: The fund and structure of cattle, 2008-2014

Number of animals	2008	2009	2010	2011	2012	2013	2014	Balance 2014 ('11 – '13) to %	Balance 2014 /2013 in %
Cattle stock	341,196	343,823	356,496	361,688	329,213	321,113	261,689	-22	-19
Calves under 1 year*	71,356	67,854	74,438	76,283	66,575	65,298	47,357	-32	-27
Female calves under 1 year*	54,326	51,661	56,673	58,078	50,687	49,715	36,055	-32	-27
Male calves 1-2 years*	10,061	14,700	12,870	13,375	12,333	10,756	14,351	18	33
Female calves 1-2 years*	7,659	11,190	9,798	10,182	9,389	8,188	10,925	18	33
Bulls over 2 years*	2,106	3,340	3,247	3,223	2,538	2,831	2,872	0	1
Heifer*	4,159	4,862	4,486	4,392	4,351	5,768	13,920	188	141
Milking cows	191,529	190,216	194,984	196,155	183,340	178,557	134,393	-28	-25
Other cows	-	-	-	-	-	-	1,816		
Buffaloes	412	255	231	190	159	272	670	224	146

Source: KSA – Agricultural Household Survey ('08-'13); Agriculture census ('14);
* Estimates of Department of Economic Analysis and Agricultural Statistics (DEAAS) ('08-'13)

The largest number of cows is located in the Prishtina (20%) and Prizren (18%) regions, while the least cows are to be found in Ferizaj and Gjilan regions, at 9%. The average number of cows is not strikingly different in the regions, and ranges from 3 to 5 heads per agriculture household.

Table 40: Number of agricultural economies and number of cows by region, 2014

	Total	Prishtina	Mitrovica	Peja	Prizren	Ferizaj	Gjilan	Gjakovë
Agricultural economies	66,589	15,147	8,467	9,212	12,912	6,636	5,306	8,909
Cattle	261,689	52,475	31,414	44,490	46,772	22,607	23,615	40,316
Share (%)	100	20	12	17	18	9	9	15

Source: KSA – Agricultrual Census 2014

In Kosovo, there are 63,874 agriculture economies in possession of milking cows, with Prishtina recording the largest number of milkings at 21%, followed by Prizren (17%), Peja

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(16%), Gjakova (15%), Mitrovica (12%), with the lowest number of milking cows recorded in Ferizaj and Gjilan, at 9%.

The average number of milking cows nationally is 2, which is almost the same throughout the regions, with Gjilan as the only exception, averaging 3 milking cows.

Table 41: Number of agricultural economies and number of milking cows by region, 2014

	Total	Prishtina	Mitrovica	Peja	Prizren	Ferizaj	Gjilan	Gjakovë
Agricultural economies	63,874	14,592	8,159	8,889	12,252	6,359	5,005	8,618
Milking cows	134,393	28,834	16,740	21,856	22,862	11,673	12,623	19,805
Share (%)	100	21	12	16	17	9	9	15

Source: KSA – Agricultrual Census 2014

The average number of cattle in agricultural economies is 4 heads; farms possessing 1 to 9 heads account for 65% of the number of cattle, while only about 10% have 30 or more heads, of which, only 37% have more than 50 heads, the rest averaging 30 to 49 milking cows.

Farms with more than 50 heads are mostly concentrated in Peja, Prishtina, Prizren and Gjakova, while the number of such farms in the regions of Mitrovica and Ferizaj is very small. The largest number of farms have 3 to 9 heads, followed by those with 1 to 2 heads and 10 to 19 heads.

Table 42: Number of cattle by herd size, 2014

	Total	Prishtina	Mitrovica	Peja	Prizren	Ferizaj	Gjilan	Gjakovë
Cattle	261,689	52,475	31,414	44,490	46,772	22,607	23,615	40,316
1-2 heads	58,727	14,525	7,615	6,840	12,223	6,389	4,353	6,782
3-9 heads	111,003	19,963	13,764	18,859	20,827	9,950	8,748	18,892
10-19 heads	46,379	8,981	5,505	9,075	6,613	3,448	4,810	7,947
20-29 heads	19,919	4,053	2,180	3,829	3,167	1,562	2,380	2,748
30-49 heads	16,165	3,076	1,913	3,564	2,172	987	2,174	2,279
50 or more heads	9,496	1,877	437	2,323	1,770	271	1,150	1,668

Source: KSA – Agricultrual Census 2014

The total number of cattle in 2014 was 261,689, thus marking a decline relative to 2013 by 19%. In terms of slaughtering, 128,372 cattle have been slaughtered in 2014, down by 18% relative to 2013 (see Table 43). The value of production was 50.5 million €, while the import was 23.8 million €. At this production outputs, the rate of self-sufficiency was 68.7%, with per-capita consumption at 18.4 kg.

Table 43: The balance of beef supply, 2008-2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Cattle stock	heads	341,196	343,823	356,496	361,688	329,213	321,113	261,689
Dairy cows	heads	191,529	190,216	194,984	196,155	183,340	178,557	134,393
Total slaughters	heads	153,216	152,394	165,371	172,433	162,292	156,062	128,372
Total domestic production c.w.	mil. kg.c.w.	26.2	25.9	27.8	29.6	27.9	26.7	22.8
Total imports	mil.kg.c.w.	14.7	14.7	12.5	10.1	9.2	11.5	10.4
Supply in c.w.	mil.kg.c.w.	40.8	40.6	40.2	39.6	37.1	38.3	33.2
Total exports	mil.kg.c.w.	0.4	0.2	0.2	0.1	0.0	0.0	0.0
Food consumption	mil.kg.c.w.	40.4	40.4	40.1	39.6	37.1	38.3	33.2
Value of production in c.w.	mil. EUR	53.3	54.8	55.0	63.5	60.0	58.6	50.5
Total imports	mil. EUR	23.7	27.2	25.5	25.0	24.0	27.8	23.8
Trade balance	mil. EUR	-22.7	-26.7	-25.1	-24.9	-23.9	-27.7	-23.8
Self-sufficiency rate	%	64.7	64.2	69.3	74.7	75.3	69.8	68.7
Per-capital consumption	kg.c.w.	18.8	18.5	18.4	22.7	20.4	21.0	18.4

Source: DEAAS - MAFRD

Dairy cows represent 51% of the total number of cattle in 2014. Of the total supply, 80% was domestic production, with the balance covered by imports. The total milk production in 2014 was 279 tons, which is lower than 2013, commensurate with the decreased number of milking cows. The trade balance remained negative at 25.5 mil. €. Per-capital consumption was 166 kg per annum, which means that a person consumed 0.5 kg per day, including milk and other products of the first phase of processing.

Table 44: Balance of supply for milk and dairy cows products, 2008-2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Milking cows	heads	191,529	190,216	194,984	196,155	183,340	178,557	134,393
Milk production	t	381,238	379,576	390,065	393,389	368,605	369,702	278,933
Import	t (p.e.)	69,043	79,942	71,252	75,960	72,371	66,582	67,863
Supply	t (p.e.)	450,282	459,518	461,318	469,349	440,976	436,284	346,796
Export	t (p.e.)	221	658	604	360	110	422	378
Domestic use	t (p.e.)	450,061	458,860	460,714	468,989	440,867	435,862	346,418
Self-sufficiency rate	%	84.7	82.7	84.7	83.9	83.6	84.8	80.5
Loss	t (p.e.)	7,625	7,592	7,801	7,868	7,372	7,394	5,579
Consumption for calves feed on farms	t (p.e.)	56,042	55,798	57,340	57,828	54,185	54,346	41,003
Processing	t (p.e.)	34,137	35,065	34,951	35,684	33,578	33,046	26,690
Human consumption	t (p.e.)	352,257	360,406	360,622	367,609	345,731	341,075	273,146
Producer prices (on farm)	€/kg	0.34	0.31	0.29	0.31	0.32	0.33	0.33
Value of production	mil EUR	108.0	98.0	94.2	101.6	98.3	101.6	76.7
Trade balance	mil EUR	-20.9	-21.4	-22.6	-24.5	-25.4	-23.4	-25.5

Source: DEAAS - MAFRD

2.10 Sheep and goat

There are a total of 4,687 agriculture economies in Kosovo growing sheep and goats. Number of sheep and goats in 2014 was 212,014 heads or 2% lower than 2013, whereas relative to the average of '11-'13, the number is lower by 9%. By categories, the number of sheep decreased by 5% while the number of goats increased by 23%. The increase in number of goat is also recorded when comparing 2014 to the average of last three years, which was at 15 percept, when the number of sheep decreased by 11%.

Of the category of sheep in 2014, 80% are sheep while the rest are lambs, rams, etc. The total number of goats is 28,430 heads, of which 83% are breeding goats and threst are: kids, billy goats, etc.

Data from 2007 through 2011 and 2014 are provided by Kosovo Statistics Agency, while for 2012 and 2013, an estimate was done based on the direct payments trends, which were allocated for sheep and goats in 2011, 2012 and 2013.

Table 45: Number of sheep and goats, 2008-2014

	2008	2009	2010	2011	2012	2013	2014	Balance 2014 ('11 – '13) to %	Balance 2014 /2013 in %
Sheep and goat	180,128	217,167	229,157	231,209	247,901	216,577	212,014	-9	-2
Lambs	161,353	199,157	204,988	206,528	221,438	193,458	183,584	-11	-5
Sheep	124,129	158,122	163,490	163,490	175,293	153,144	146,924	-10	-4
Other (lambs, kid-goats, etc.)	37,224	41,035	41,498	43,038	46,145	40,314	36,660	-15	-9
Goats	18,775	18,010	24,169	24,681	26,463	23,119	28,430	15	23
Breeding goats							23,575		
Other heads (kid goats, billy goats, etc.)							4,855		

Source: KSA – Agricultural Household Survey ('08-'13); Agriculture census ('14)

The average number of sheep per agriculture household is 74 heads, with the average peaking in Gjilan region (106 heads) and the lowest number in Peja (45 heads).

In terms of number of lambs, 27% are in Prizren region, followed by Gjilan (17%), Prishtina (16%), Ferizaj and Peja at 11%, Gjakova at 10% and Mitrovica at 7%.

Table 46: Number of agricultural economies and number of sheep by region, 2014

	Total	Prishtina	Mitrovica	Peja	Prizren	Ferizaj	Gjilan	Gjakovë
Agricultural economies	2,466	404	193	466	563	253	303	284
Sheep	183,584	29,492	13,628	20,999	49,039	19,870	31,993	18,563
Share (%)	100	16	7	11	27	11	17	10

Source: KSA – Agricultrual Census 2014

The highest number of goats is in Prishtina region (26%) with an average of 14 heads per household, followed by Prizren at 21% and average of 17 cows, which is also the higest average in terms of inter-region differences. Gjilan had a largest participation at 19% an da minimum of 12 heads, followed by Peja, Mitrovica and Gjakova. At national level, the average number of goats per agricultural eocnomiy is 13 heads ,

Table 47: Number of agricultural economies and number of goats by region, 2014

	Total	Prishtina	Mitrovica	Peja	Prizren	Ferizaj	Gjilan	Gjakovë
Agricultural economies	2,221	535	127	375	351	222	462	149
Goats	28,430	7,271	1,923	3,179	5,979	2,800	5,522	1,756
Share (%)	100	26	7	11	21	10	19	6

Source: KSA – Agricultrual Census 2014

Production of sheep and goat as a farming activity, mostly develop in deep rural areas, is an activity oriented towards was meat production, while the consumption of milk is lower and mostly used for cheese production. In 2014, the production of sheep and goat meat is estimated at 2,131 tons in slaughtered weight; import compared to local production is much lower and Kosova manages to meet the local consumption needs at almost 98%. The value of production in 2014 was 5.4 mil. € with the negative trade balance at -0.1. mil. €/ The per-capital consumption is estimated at 1.2 kg/annually.

Table 48: Balance of supply for sheep and goat milk, 2008-2014

	Unit	2008	2009	2010	2011	2012	2013	2014
Sheep stock	heads	161,353	199,157	204,988	206,528	221,438	193,459	183,584
Goat stock	heads	18,775	18,010	24,169	24,681	26,463	23,119	28,430
Slaughters	heads	154,223	182,030	212,431	217,228	223,448	193,870	184,467
Production (t.c.w.)	t	1,786	2,118	2,410	2,455	2,559	2,226	2,142
Net import (t.c.w.)	t	70	80	63	27	630	48	36
Consumption (t.c.w.)	t	1,856	2,197	2,473	2,482	3,189	2,274	2,178
Value of production	mil. EUR	3.6	4.6	5.3	5.7	6.2	5.6	5.4
Trade balance	mil. EUR	-0.1	-0.1	-0.1	-0.1	-0.7	-0.2	-0.1
Self-sufficiency rate	%	96	96	97	99	80	98	98
Per-capita consumption (t.c.w.)	kg	0.9	1.0	1.1	1.4	1.8	1.2	1.2

Source: DEAAS - MAFRD

2.11 Pigs and other farm animals

There are a total of 6,320 agriculture households in Kosovo that possess pigs in their farms. Number of pigs in 2014 was 34,188 or 31% lower than in 2013, which is almost the same percentage relative to the average of '11-'13.

Number of horses, donkeys and mules increased by 2%, while relative to the last three years, it still suffered a decline of 6%.

Table 49: Number of pigs and other farm animals, 2008-2014

	2008	2009	2010	2011	2012	2013	2014	Balance 2014 ('11 – '13) to %	Balance 2014 /2013 in %
Pigs	26,770	50,580	50,580	50,580	55,775	49,198	34,188	-34	-31
Donkeys, horses and mules	5,301	4,429	4,429	4,429	2,139	2,929	2,980	-6	2
Other animals							3,690		

Source: KSA – Agricultural Household Survey ('08-'13); Agriculture census ('14)

In terms of regional distribution, the bulk of the number of pigs is located in Prishtina and Gjilan, followed by Peja and Gjakova, while the regions of MItrovica, Ferizaj and PRizren are characterized by an even smaller number. The average number of pigs per agriculture household is 5 heads, with the average peaking in Mitrovica region (11 heads) and the lowest number in Ferizaj, with only (2 heads).

Table 50: Number of agricultural economies and number of pigs by region, 2014

	Total	Prishtina	Mitrovica	Peja	Prizren	Ferizaj	Gjilan	Gjakovë
Agricultural economies	6,302	1,903	53	875	192	427	1,735	1,117
Pigs	34,188	11,186	579	5,596	997	764	9,690	5,376
Share (%)	100	33	2	16	3	2	28	16

Source: KSA – Agricultrual Census 2014

In terms of farm size, based on utilized agricultural area, the largest number of farms is in SSHTB farmrs, ranfing from 2 to 5 ha, followed by those from 1 to less than 2 ha and those from 5 to lessh than 10 ha. Therefore, it could be said that around 73% of the number of pigs are located in farms with SSHTB, of 1 to 10 ha, but there are also 42 economies with 190 heads, which do not possess SSHTB.

Table 51: Number of agriculture economies and number of pig by size farm, based on utilized agricultural area, 2014

	Agricultural economies	Pigs	Share (%)
Total	6,302	34,188	100
0 < SSHTB < 0.5	*542*	1,663	4.86
0.5 < SSHTB < 1	*920*	3,227	9.44
1 < SSHTB < 2	*1,542*	6,962	20.36
2 < SSHTB < 5	*1,994*	11,835	34.62
5 < SSHTB < 10	*875*	6,257	18.30
10 < SSHTB < 20	265	2,493	7.29
20 < SSHTB < 30	62	719	2.10
SSHTB ≥ 30	60	842	2.46
Without SSHTB	42	190	0.56

Source: KSA – Agricultrual Census 2014

2.12 Poultry

The poultry sector in Kosovo is mostly focused in production of eggs, branching out to production of chicken meat only recently. Number of agricultural economies possessing poultry is 67,150, with only 1,700 economies possessing broilers, or 2.5% of the total agricultural economies.

The largest portion of agricultural economies have less than 50 poultry, 10,000 economies possess from 50 to 149 and only a small portion have in excess of 150 poultry.

In Kosovo, there are 2,692,000 fowl, of which 63% are egg-laying chicken, 7% broilers and the rest scattered across various categories.

In 2014, the number of poultry grew by 20% relative to the previous year, however, when compared against the average eof three previous years, fell by 17. Number of chicken saw the largest increase at 23% and 18%, respectively.

Production of eggs in commercial farms is estimated at 283 million eggs in 2014, while around 74 million pieces are produced in households, resulting in a total production of 357 million eggs. Around 6 million eggs have been imported from Albania in 2014, estimated value of 481,038 €. Average consumption per capital is estimated at 200 eggs/year, therefore Kosova meets 98% of its egg consumption needs.

The production of chicken is estimated at 2,000 tons annualy, in view of the fact that the poultry sector is presently primarily oriented towards production of egg for consumption and chicks; production of chicken meat is at the stage of consolidation. In 2014, the import of chicken meat is estimated at 35,000 tons, valued at 39 million €. Of the total imported quantity, 85% was imported from the United States of America, Brazil, Germay, Italy, Turkey and Poland, with the remaining 15% distributed among other countries. The average per-capital consumption in Kosovo is estimated at 20.5 kg/per annum. The current production of Kosovo can only cover 5% of the consumption needs.

Table 52: Number of poultry and eggs 2008-2014, in 1,000 heads

	2008	2009	2010	2011	2012	2013	2014	Balance 2014 ('11 – '13) to %	Balance 2014/2013 in %
Fowl	2,213	2,390	2,347	2,347	2,318	2,244	2,692	17	20
Chicken	2,047	2,220	2,220	2,220	2,250	2,108	2,584	18	23
Broiler	-	-	-	-	-	-	194		
Egg-laying poultry	-	-	-	-	-	-	1,704		
Chick, chicken and other rosters	-	-	-	-	-	-	687		
Turkey	-	-	-	-	-	-	45		
Geese and ducks	-	-	-	-	-	-	18		
Other poultry	166	127	127	127	68	136	44		
Eggs*	246,326	238,854	231,608	224,582	218,282	176,078	357,138		

Source: KSA – Agricultural Household Survey ('08-'13); Agriculture census ('14);
*Estimates: DAPM ('08-'11), SHPUK ('12-'13), DEAAS ('14)

In terms of regional distribution, Prishtina region is the largest at 23%, followed by Gjilan at 17%, Gjakova at 16%, Prizren (13%), Mitrovica (12%), Ferizaj (10%) and Peja trailing the regions with the least poultry at 9%. The average number of poultry per agricultural economy is 40, with the highest average recorded in Gjakova and Gjilan regions with 63 and 52 pultry respectively, and the lowest in Peja with 31 pultry per agricultural household.

The egg production in 2014 represents production estimates in all agricultural economies, while the previous years estimates only covered commercial farms.

The category other poultry in the period '08-'13 includes turkeys, geese and ducks, therefore a decline in the number of other poultry by 21% in 2014 may be concluded.

Table 53: Number of agricultural economies and number of pultry by region, 2014

	Total	Prishtina	Mitrovica	Peja	Prizren	Ferizaj	Gjilan	Gjakovë
Agricultural economies	67,150	17,637	7,787	7,719	10,337	7,849	9,079	6,742
Poultry (1000 heads)	2,692	616	330	241	339	274	468	424
Share (%)	100	23	12	9	13	10	17	16

Source: KSA – Agricultrual Census 2014

The total number of broilers in Kosovo is 194,000, of which 57% of the total number of broilers is the Gjilan and Ferizaj region, followed by Prishtina at 11% and the remainder of 32% scattered in other regions.

The total number of egg-laying chicken is 1,704,000 led by Prishtina and Gjakova regions at 22% and 18% respectively, with the least egg-laying chicken in Peja region (9%).

Table 54: Number of poultry by regions and categories in 1000 heads, 2014

	Total	Prishtina	Mitrovica	Peja	Prizren	Ferizaj	Gjilan	Gjakovë
Fowl	2,692	616	330	241	339	274	468	424
Broiler	194	21	17	14	16	32	78	15
Egg-laying poultry	1,704	378	219	145	236	171	248	307
Chicks and other rosters	687	187	81	70	72	61	120	95
Turkey	45	11	6	5	5	5	10	3
Geese and ducks	18	6	2	1	2	2	4	2
Other poultry (African chicken, pidgeons, etc.)	44	13	6	5	8	3	9	2

Source: KSA – Agricultrual Census 2014

2.13 Fisheries and Aquaculture

The importance of fish breeding

Aquaculture is an important sector of agricultural development which includes breeding, spreading and trading of various kinds of aquatic organisms in fresh water under controlled conditions, in the form of intervention in the process of increasing production, in which case means breeding of aquatic organisms including fish, mollusks, crustaceans, etc.

Kosovo also has conditions for the development of aquaculture and fishery since possesses considerable potential of surface freshwater like rivers, natural and artificial lakes.

The development of the fishery and in particular aquaculture is very important, and therefore funds for investment support should be provided for the development of aquaculture and preservation of fishery resources.

Rise of ponds for fish cultivation is considered a very profitable business that can employ significant number of workforce and create new jobs. Creation of jobs in this subsector is provided in two directions: the employment of workforce in the first place in the breeding of fish, namely fish cultivation work in the fish ponds and since most businesses of this nature are directly related to hotel services, this also offers employment opportunities in this economic activity.

As a results of this activity, a possibility of establishing a sustainable network of selling fresh fish in many shopping centers throughout Kosovo was created. Most of these businesses are developed and deal with this activity on their own. Therefore, in order to have a clear situation on the field, it is essential to work on stocktaking of fishery resources and identifying development opportunities.

According to the data available, it is estimated that about 650 tons of trout are produced within a year that are traded mainly for domestic consumption.

In cooperation with international organizations, through technical assistance, we managed to provide support in the application of new technologies in terms of breeding fish in ponds, processing, for intensive growth conditions, for planning of production as well as better management of water resources and environmental protection, especially in areas where this activity is being conducted.

The mentioned support provided has resulted in increase of interest in dealing with this activity. The support provided, has allowed the increase of the number of fish ponds in the past few years, which last year reached to 30 of them.

Fishing activities mainly occur in places where rivers are not highly polluted, especially in less populated areas, mainly mountainous. The biggest challenge in this sector remains the condition of lakes, rivers and accumulations in some regions, which is not satisfactory as a result of contamination of the surrounding environment as well as extensive damage of riverbeds.

The amount of food that is used for breeding fish needs is estimated to be around 2,000 t/year. Food is mainly imported from: Denmark, Netherlands, Italy and Bulgaria.

Within aquaculture, the following activities take part: cultivation of fish, algae, mollusks and crabs.

Table 55: Technical data on aquaculture

Name	Trout ponds	Carp ponds
No. of ponds	30	1
Production (t/year)	650	2
Used food (t/year)	1,994	7
Number of fingerling stage	2,610,000	178,000

Source: Department of Agricultural Policy and Trade (DPBT)

Management of fishing resources, and activities of fishery and aquaculture conducted in the waters of the territory of Kosovo is regulated by the Law on Fishery and Aquaculture.

Besides fish production in fish cultivating farms, in the total of overall production that comes from sports and recreational fishing, around 60t/fish meat is provided (KFRSF).

According to analysis made by MAFRD, considering domestic production of fish in existing ponds and the import of fresh and frozen fish, average meat consumption of fish is approximately 0.9 kg/capita. Compared to countries in the region and beyond, this average is under every consumer average, bearing in mind that regional countries on average consume 3 kg/capita, while the European countries (EU) consume over 26 kg/capita. The most frequent types of fish found in our waters in nature are: carp, face-wide (ballëgjëri), catfish, tinka, redeye (sykuqi), eel, palm, pike etc. (Fishermen federation).

According to measurements made by experts engaged by ABU, considering resource capacity of 17.9 m^3/sec, from the biological minimum of the flow, around 2,400t fish/year could be produced in our country.

Table 56: Balance supply of fish meat, 2012-2014

Balance items	Unit	2012	2013	2014	Difference	Difference in %
Fish meat production in ponds	t	496	554	610	56	10
Recreation and sports fishing	t	60	60	60	60	0
Total domestic production	t	556	614	670	56	9
Import	t	936	1,413	1,054	-359	-25
Export	t	37	0	0	0	0
Consumption	t	1,492	2,027	0	0	16
The value of domestic production	mil. EUR	2.1	2.3	0	0	0

Source: Department of Agricultural Policy and Trade (DPBT)

There was decrease in the amount of imported fish in 2007 (809 tons), then increase again in 2009 to 1,055 tons. There was again a decrease of import in years 2010, 2011 and 2012, where the average amount of these years has been 936 tons for each year. While the largest amount of import was in 2007 (1,478 tons), which compared to the amount of imported fish in 2014, it decreased by 29%.

In cooperation with the KAS, MAFRD plans to collect data for Aquaculture through a questionnaire that will be launched in the field to farmers who deal with this activity. The questionnaire roughly entails the number of fish ponds, production, type of fish and additional information regarding the development of aquaculture.

2.14 Beekeeping

In 2014, there are a total of 6,018 agricultural economies in Kosovo that keep bees with a total of 116,172 beehives. Agricultural economies that keep bees account for 5% of the total number of agricultural households in Kosovo, while the average number of hives for one agricultural economy is about 19 hives. Compared to the previous year, the number of beehives in 2014 increased by 24%, and compared to the average of the last three years, the increase was 89%.

Based on data from LBK, the honey production in Kosovo is around 12-15 kg per hive, so we could say that in 2014 the honey production is approximately 1,568 tons. Import of honey in 2014 was 141 tons and export only 0.1 tons. Domestic consumption is approximately 0.9 kg and the domestic production meets about 90% of consumption needs while the rest comes from imports.

Of total number of hives of 116,172 in 2014, 67% were supported (77,761 hives), with a total of 1,394 beneficiaries, all farmers with more than 30 beehives.

Table 57: Number of beehives, 2008-2014

Number of hives	2008	2009	2010	2011	2012	2013	2014	Difference 2014/('11-'13) in %	Difference 2014/2013 in %
Beehives	43,297	43,159	46,958	44,634	46,483	93,533	116,172	89	24

Source: KAS - Agricultural Household Survey ('08'-'13); Agriculture Census ('14)

The largest number of hives is in the Prishtina region with 21%, followed by Prizren with 17%, Mitrovica, Peja and Gjakova with 14% each, while the smallest number with the participation of 10% is in the region of Ferizaj and Gjilan.

The highest average number of hives per agricultural economy is in the region of Gjilan with 22 beehives and the lowest is in Peja region with 17 hives.

Table 58: The number of agricultural economies and the number of hives by region, 2014

	Total	Prishtina	Mitrovica	Peja	Prizren	Ferizaj	Gjilan	Gjakova
Agricultural economy	6,018	1,332	802	949	957	611	527	840
Bee hives	116,172	24,839	16,286	16,367	20,234	11,051	11,772	15,623
Participation (%)	100	21	14	14	17	10	10	14

Source: KAS - Agriculture Census 2014

The largest number of agricultural economies and the number of beehives by farm size based on SSHTB is in farms that have SSHTB from 2 to 5 ha, followed by farms with SSHTB from 1 to 2 ha, and those from 5 to 10 ha, these three categories account for 56% of the total number of hives. At the large farms, SSHTB of which is greater than 20 ha, the number of hives is smaller, namely 6% of the total number of hives, while there are also 6% of hives in agricultural economies that have no SSHTB.

Table 59: The number of agricultural economies and the number of hives by farm size based on the used area of agricultural land, 2014

	agricultural economy	Bee hives	Participation (%)
Total	6,018	116,172	100
0 < SSHTB < 0.5	*738*	15,332	13
0.5 < SSHTB < 1	*707*	12,323	10
1 < SSHTB < 2	*1,095*	19,081	16
2 < SSHTB < 5	*1,654*	28,719	25
5 < SSHTB < 10	*874*	17,069	15
10 < SSHTB < 20	463	10,113	9
20 < SSHTB < 30	161	3,042	3
SSHTB ≥ 30	192	3,719	3
No SSHTB	134	6,774	6

Source: KAS - Agriculture Census 2014

3 Forestry

Recognizing the crucial importance of the forestry sector, and the fact that forests and the environment are being treated with priority throughout the world, Kosovo has launched a drafting process of the National Forest Policy and the Strategy.

Out of the forested area of 481,000 ha, 295,200 ha or 60% are publicly owned forests. The remaining 40% (180,800 ha) are privately owned forests, and 5,000 ha are unknown area. Deciduous type forests cover more than 90% of forest area. The dominant deciduous species are oaks and beech. Coniferous forests cover 7% of the total forest area, dominated by Abies alba, Picea abies and Pinus sp, and 3% other forest land.

During 2014, in fulfillment of the Strategy for Forestry Sector Development 2010-2020, Forestry Agency was engaged in developing long-term management plans (10 years) for forest management in an area of 26,302.52 ha for 6 managing units.

Table 60: Management plans 2014

Managing unit	Area/ha
Popov - Llapashtice	7,389
Vushtrri - Skenderaj	2,560
Pashtriku II	5,080
C. Biriqi	4,427
Topill - Devetak	2,747
V.Vrh - k.Rekë	4,098
Total	**26,302**

Source: KFA

Table 61: Forests exploitation plan in state property 2014 in m³

Technical wood	9,153
Fire wood	74,737
Net wood mass	83,890
Waste	6,971
Gross wood mass	90,861

Source: KFA

During the year, 26.302 ha have been covered by managing unit under the management plans. This agency developed an annual plan for forest management for 2014, through which it plans to harvest 90,861.31 m^3 of technical, fire and waste wood in public forests. This timber is harvested as part of forest treatment with silvicultural and exploitation measures.

This plan has foreseen the implementation of wood mass by wood assortments: Also private forests are part of the treatment and cultivation of forests. In these forests, the Forest Agency considers applications from forest owners associated with meeting the needs for firewood and technical wood.

Table 62: Implementation of private forests exploitation in 2014

	unit	Total
Requests reviewed	piece	2,440
Marking of trees	m^3	126,777
Monitored wood mass	m^3	122,716
The number of notes delivered	piece	17,659
Professional control-observation	case	586
Forest cultivation	ha	1,129

Source: KFA

In private forests, a volume of 126,778 m^3 of trees is marked, while monitored wood mass has been 122,717 m^3. Requests reviewed were 2,440 pieces, the number of notes delivered 17,659 pieces. Professional control-observation is 586 cases, and forest cultivation is 1,129 ha.

Table 63: Implementation of state forests exploitation in 2014 by DK

Directory	Technical coniferous wood	Technical deciduous wood	Fire wood	Waste	Total m³
Coordinating					
Prishtina	0	0	1,113	0	1,113
Peja	7	0	3,105	0	3,112
Mitrovica	0	0	1,012	0	1,012
Prizren	227	789.12	3,577	400	4,993
Gjilan	258	525	5,922	0	6,705
Ferizaj	46	1,375.90	3,378	1,125	5,927
Total	**539**	**18,109.06**	**18,109**	**1,525**	**22,864**

Source: KFA

During 2014, Kosovo Forestry Agency has had numerous activities in public as well as private forests exploitation. The implementation in state forests for 2014 under KFA has been 22,864 m^3. The annual implementation plan 2014 is 25.2% of the planned measure.

Table 64: Implementation of state forests exploitation 2014, in m^3

Technical deciduous wood	2,690
Technical coniferous wood	539
Fire wood	18,109
Net wood mass	**21,338**
Waste	1,525
Total	**22,864**

Source: KFA

Forest protection activities from illegal harvesting, as follows;

Table 65: Raised charges or summonses for January-December 2014

Forest damage	Piece	m³	Total/€
Misdemeanor summonses	3,747	6,527	799,161
Penal summonses	1,435	8,037	1,042,198
Total summonses	**5,182**	**14,564**	**1,841,360**

Source: KFA

Table 66: The submission of the timber confiscated from illegal woodcutters

Forests protection, wood mass confiscation in m³ in **2014**	
Transferred wood mass conveyed (2013-2014)	1,240
Confiscated wood mass	3,015
Quantity sold	2,391
Quantity provided under the Memorandum	349
Current status of stocks	1,214

Source: KFA

In this period, 349.7 m^3 were provided under the Memorandum. Also there have been seizures by the municipal authorities who seized 3,015.49 m^3, and the quantity sold 2,391.21 m^3.

Based on the annual management plan, the Forest Agency has undertaken a number of activities, especially in protecting forests from forest fires.

Table 67: Submission of cases of forest fires and forest areas included in 2014

Protection of forests - forest fires 2014						
Municipality	**No. of cases**		**Area (ha)**			**Total**
	Public	**Private**	**Public**	**Private**	**Cases**	**ha**
Prishtina	10	2	32	5	12	37
Mitrovica	5	2	22	8	7	30
Peja	10	5	55	33	15	88
Prizren	16	15	69	77	31	147
Ferizaj	15	1	56	0.4	16	57
Gjilan	10	10	17	17	20	35
Total	**66**	**35**	**254**	**142.4**	**101**	**396**

Source: KFA

During the period January - December 2014, there were forest fires in the Kosovo municipalities, and the area included in the fires was around 396.36 ha. The fires were superficial with no major damage to the timber extent.

The silviculture treatments in new forests are developed in three regions, in the Gjilan - Novoberde region which is carried out thoroughly, while in two other regions Prizren - Suhareka and Mitrovica – Duboçak, the treatments are in the initial stage of implementation, which project will take place within 5 months from the date of signing the contract.

Kosovo Forestry Agency has drafted four memorandums of understanding with the Ministry of Labour and Social Welfare, which has engaged a number of employees, about 650 employees are engaged in silvicultural works, as: cleaning, deliverance, thinning, opening girdles against fires, and engagement in monitoring of forest fires. According to these activities, 244.00 ha have been treated, while the wood mass derived from treatments is 1,302.00 m^3 where this amount of wood is given to families in need.

The laboratory equipment for the Institute of Forestry in Peja worth 180,000.00 € is supplied by FAO, and also the project for renovation of laboratory space and equipment inventories by the KFA budget in the amount of 23,547.52 € is implemented.

From FAO's project, the following publication were made:

1. Guidelines for the implementation of phytosanitary standards in forestry, in Albanian and Serbian language,
2. Manual for the main forest pests in Eastern Europe, in Albanian, English and Serbian language,
3. Manual for visual assessment of the state of forest wreath in three languages: Albanian, English and Serbian language,
4. Posters for the main pests of beech forests in Southeast Europe,
5. Posters for the main pests of oak forests in Southeast Europe,
6. Posters for the main pests of pine in Southeast Europe,
7. Posters, examples of invasive forest pests in Southeast Europe,

Forest Health Program along with National afforestation program are envisaged documents in the annual strategic plan of the Government.

4 Consumption, trade and market prices

1.1 Consumer trends

Data on consumption expenditure, self-consumption, family income, basic socio-economic conditions in which families live, important indicators about the living conditions and basic demographic, economic and social characteristics of families were taken by HBS. The results obtained by HBS in 2014 show that overall consumption in Kosovo has increased by 3.7% compared to 2013, but there is a decrease of 0.18% in household consumption and a decrease of 1.1% of per capita consumption.

Table 68: Overall consumption in Kosovo 2009-2014

	Total in mil. (€)	Consumption per household (€)	Consumption 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

Source: Survey results of Household Budget 2014

Most of the household budget of total consumption in 2014 was spent on food and beverages (44%) and housing (28%). Followed by costs with 4% for alcohol and tobacco, clothing and furniture. While transportation participates with 5%, which compared to 2013 had an increase of 25%.

Food self-produced by households participates with 6% in total consumption, which is the same for three years in a row.

Table 69: Distribution of consumption in Kosovo according to consumer groups, 2009 – 2014 in (%)

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

Source: Survey Results Household Budget 2014

Most of the food consumed in Kosovo is dominated by meat (20%), bread and cereals (18%), milk, cheese and eggs (17%), which together account for more than half of food consumption. Afterwards followed by vegetables (12%), alcoholic beverages (10%), sugar and sweets (6%) and other categories. According to the figures above, five main categories of the largest consumption (food, housing, alcohol, tobacco, transportation and clothing) represent 83% of total consumption. Seven other categories participate with only 17% of consumption.

Table 70: Distribution of food consumption in Kosovo, 2009– 2014 (%)

Consumption	2009	2010	2011	2012	2013	2014
Bread and cereals	19	19	21	19	19	18
Meat	18	18	19	20	19	20
Fish	1	1	1	1	2	1
Milk, cheese, eggs	20	19	18	16	16	17
Oils and fats	4	4	5	4	4	3
Fruits	7	7	6	7	7	8
Vegetables	12	12	11	11	12	12
Sugar and sweets	5	6	6	7	6	6
Other food products	5	5	5	5	5	5
Non-alcoholic beverage	9	9	8	10	10	10
General Food	100	100	100	100	100	100

Source: Household Budget Survey Results 2014

As a general summary of the HBS results 2014 we may conclude that overall consumption in Kosovo has increased by 3.7%, while on other hand decreased by 1.1% per capita, and 0.18% in consumption per household.

Households in Kosovo spent most of their consumption on food, housing, alcohol and tobacco, clothing and transport. Meat, bread and cereals, milk, cheese and eggs have dominated in distribution of food in consumption of 2014.

In Kosovo household consumption, own consumption is significant with 6%.

Consumption in urban households is dominated by food, housing, transport, alcohol and tobacco, and clothing, while consumption in rural areas is dominated by food, housing, transport, clothing, alcohol and tobacco.

Parts of the report are the main source of household income and individual income. According to the HBS results of 2014, the important source of household income is wages from the private and the public sector and most of which consists of wages from regular employment in the public sector (22%), which represent half of overall incomes, together with income from businesses (30%). And in smaller percentage have income from pensions (13%), other businesses of households (10%), remittances from overseas-remittance (8%), income from wages (7%), agriculture (4%), social-category before (3), social-second category (1%) and others (2%).

It is noted that to individual income, the main source of people with higher education is regular employment, while those with primary education or less are orientated towards agriculture, pensions, support from abroad, own business and wages.

Table 71: The main source of income for households in Kosovo, % of households

Source of income	2008	2009	2010	2011	2012	2013	2014
Wages and salaries in the public sector	25	26	26	25	23	23	22
Wages and salaries in the private sector	19	19	21	22	23	28	30
Agriculture	7	6	6	7	5	5	4
Income from wages	8	10	8	9	9	7	7
Other household businesses	15	12	14	12	15	11	10
Pensions	8	8	8	8	8	11	13
Remittances from abroad	10	10	9	9	10	8	8
Remittances from Kosovo	1	1	1	0	0	0	0
Social assistance 2 - Category I	5	3	3	4	4	4	3
Social assistance - Category II	-	2	2	2	1	1	1
Other 3	2	2	2	2	2	2	2
Total	100	100	100	100	100	100	100

Source: Household Budget Survey Results 2014

4.1 Trade

Despite the positive developments in the agricultural sector which are visible, measurable and with significant progress, and despite the fact that in our country there are mostly good natural conditions for agricultural development, the trade balance in Kosovo is further getting worse over recent years, despite the slight increase of export.

The expectations that the import and other services could be financed by a surplus of agricultural production which has the potential for export, have not been realized yet. This situation has come due to limited direct investments from abroad, in both agriculture and other sectors of the economy.

The export growth of local agricultural production and decrease of negative export-import balance of agricultural products is a permanent challenge of the MAFRD. In 2014, Kosovo has exported 39 million €, and imported 616 million € of agricultural products. Our country has unused capacity to foster domestic production, so that our products prevail in local markets, and thus come to narrow the trend of negative balance. Agriculture plays a very important role in Kosovo's economy as 60% of the population live in rural areas. Participation of agriculture in GDP is 11.9% and the contribution to employment is greater than in any other sector. Agriculture also contributes to the overall export with a participation of 12%.

Table 72: General Export/Import, in 1,000 €

Period	Export	Import	Trade balance	Export/Import (%)
	1	2	3=1-2	4=1/2
2001	10,559	684,500	-673,941	1.5
2002	27,599	854,758	-827,159	3.2
2003	35,621	973,265	-937,644	3.7
2004	56,567	1,063,347	-1,006,780	5.3
2005	56,283	1,157,492	-1,101,209	4.9
2006	110,774	1,305,879	-1,195,105	8.5
2007	165,112	1,576,186	-1,411,074	10.5
2008	198,463	1,928,236	-1,729,773	10.3
2009	165,328	1,935,541	-1,770,213	8.5
2010	295,957	2,157,725	-1,861,769	13.7
2011	319,165	2,492,348	-2,173,184	12.8
2012	276,100	2,507,609	-2,231,509	11.0
2013	293,919	2,450,363	-2,156,444	12.0
2014	324,554	2,583,231	-2,258677	12.6

Source: KAS, Foreign Trade Statistics

According to data from Kosovo Customs, during 2014, Kosovo has imported goods worth 2,583 million €, and exported 324 million €. Compared to the value of exported goods in 2013, there is an increase of 30 million € or 10.4%. The trade balance in 2014 is 4.7% higher than in 2013, continuing the trend of large negative balance of Kosovo trade with other countries, same as previous years.

Table 73: Export-Import participation of agricultural products, in 1,000 €

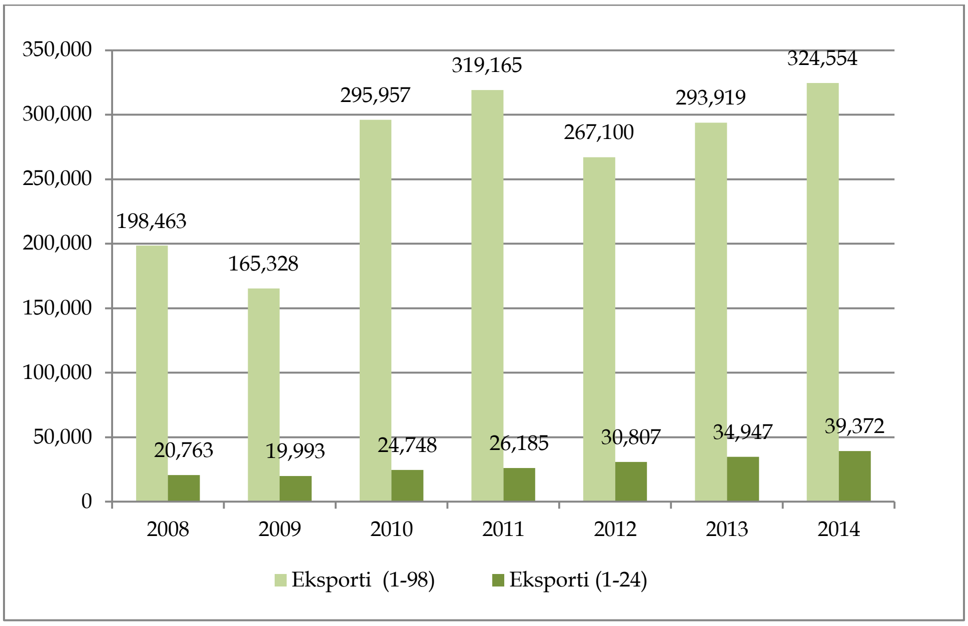
Years	Export (1-98)	Export (1-24)	(%)	Import (1-98)	Import (1-24)	(%)
	1	2	3=2/1	4	5	6=5/4
2008	198,463	20,763	10.5	1,928,236	473,666	24.6
2009	165,328	19,993	12.1	1,935,541	434,809	22.5
2010	295,957	24,748	8.4	2,157,725	482,649	22.4
2011	319,165	26,185	8.2	2,492,348	561,428	22.5
2012	276,100	30,807	11.2	2,507,609	574,974	22.9
2013	293,919	34,947	12.0	2,450,363	583,704	23.8
2014	324,554	39,372	12.0	2,583,231	616,050	23.8

Source: KAS, developed by DAESB -MAFRD

During 2008-2014, the lowest share of export (1-24) in total exports (1-98) was in 2011 with coverage of 8.2%, while the highest share was in 2009 (12.1%). The participation trend of imports of agricultural products in total import was almost the same. Unlike other years, the highest share of import (1-24) in total imports (1-98) was in 2008 (24.6%), while the lowest share of import (1-24) on total imports (1-98) was in 2010 (22.4%).

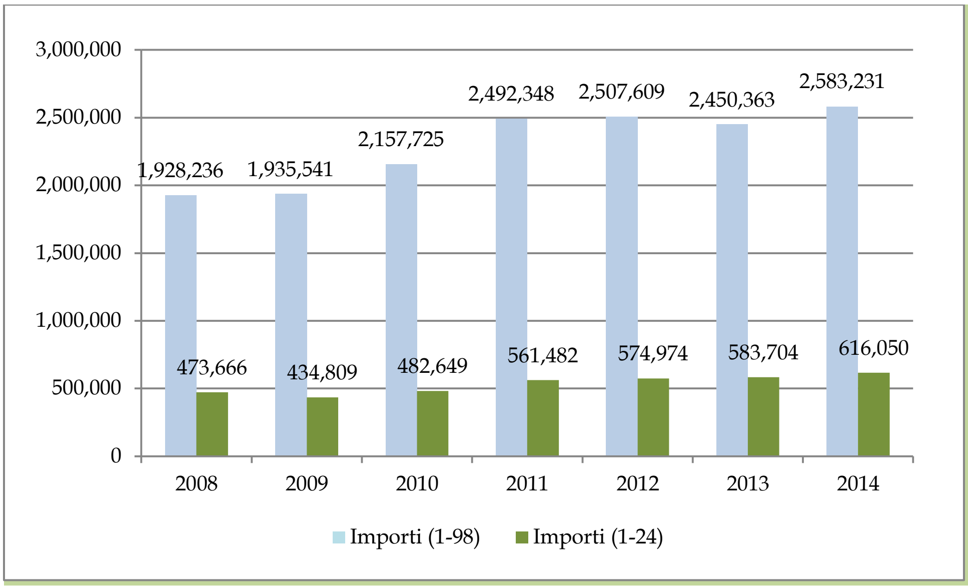
In the commercial exchange of agricultural products, it is observed that there is consistently a slight export increase trend for years 2008-2014. The largest increase in export value of agricultural products was in 2014 (39 million €). Also the value of imports has consistently increased. The highest point of the value of imports was in 2014 (616 million €). Based on the data of the table, in 2014, there is a significant increase in export value of agricultural products (12.6%) compared to 2013, and the value of imports increased by 5.5%.

Figure 5: The participation of exports of agricultural products in total exports, in 1,000 €



Source: KAS, developed by DAESB -MAFRD

Figure 6: The participation of imports of agricultural products in total imports, in 1000 €



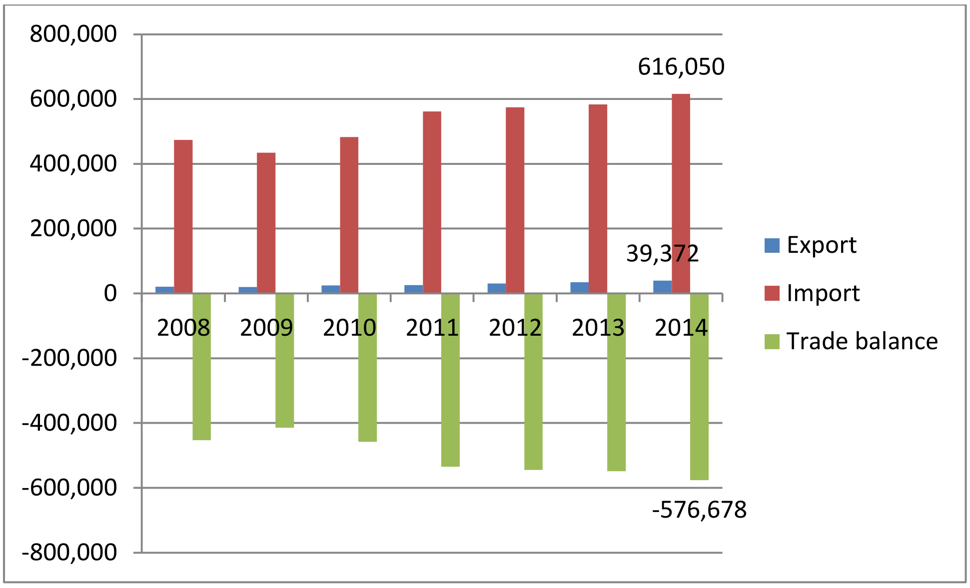
Source: KAS, developed by DAESB -MAFRD

Table 74: Export-import of agricultural products (1-24), in 1000€

Year	Export	Import	Trade balance	Export/Import (%)
	1	2	3=1-2	4=1/2
2008	20,763	473,666	-452,902	4.4
2009	19,993	434,810	-414,817	4.6
2010	24,749	482,649	-457,900	5.1
2011	26,185	561,428	-535,242	4.7
2012	30,807	574,974	-544,166	5.4
2013	34,947	583,704	-548,757	6.0
2014	39,372	616,050	-576,678	6.3

Source: KAS, developed by DAESB -MAFRD

Figure 7: Export-import of agricultural products (1-24), in 1,000€



Source: KAS, developed by DAESB -MAFRD

Total exports of agricultural products (1-24) in the year 2014 reached the highest point (39 mil. €), compared to 2013 exports have increased by 12.6%, while imports accounted for 616 mil. €, marking a slight increase of 5.5%. Consequently, based on the preliminary data, it appears that in 2014 there is a trade deficit in the amount of -576.6 million €. Export covers the import with only 6.3%. 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.

4.1.1 Trade with CEFTA countries

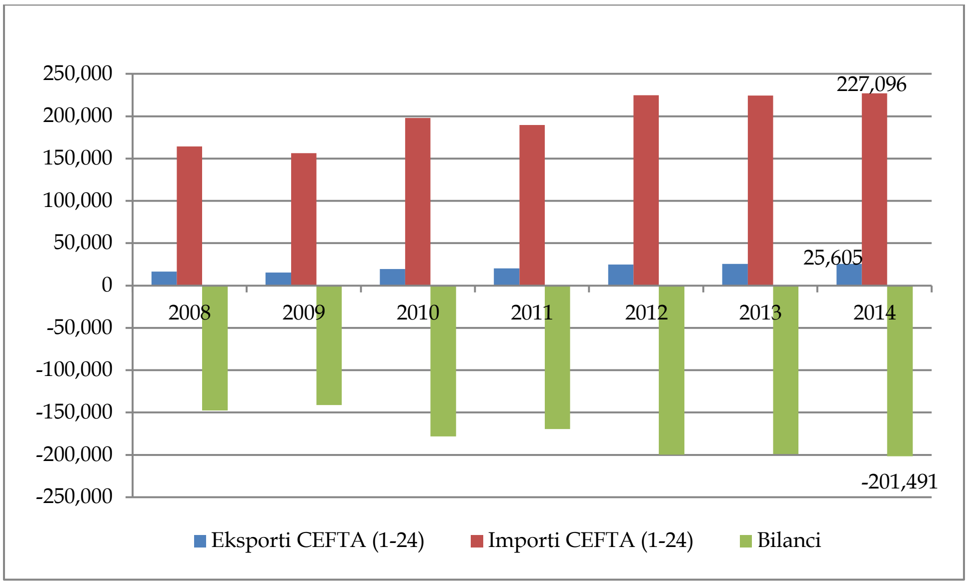
Since 2007, Kosovo is part of CEFTA (Central European Zone for Free Trade). By signing the CEFTA agreement, Kosovo undertook an obligation to promote free trade in the region, making continuous efforts to eliminate the many obstacles in the trade exchange with the countries signatory to this agreement.

Table 75: Export-import of agricultural products with CEFTA countries, in 1,000 €

Year	Export (1-24)	CEFTA Export (1-24)	(%)	Import (1-24)	CEFTA Import (1-24)	(%)
	1	2	3=2/1	4	5	6=5/4
2008	20,763	16,518	79.6	473,666	164,219	34.67
2009	19,993	15,304	76.5	434,810	156,329	35.95
2010	24,749	19,610	79.2	482,649	197,791	40.98
2011	26,185	20,080	76.7	561,428	189,530	33.76
2012	30,807	24,960	81.0	574,974	224,633	39.06
2013	34,947	25,385	72.6	583,704	224,465	38.45
2014	39,372	25,605	65.0	616,050	227,096	36.86

Source: KAS, developed by DAESB -MAFRD

Figure 8: Trade exchange with CEFTA countries, in 1,000 €



Source: KAS, developed by DAESB -MAFRD

The highest value of exports so far was recorded in 2014 (25 mil. €), while the lowest value was recorded in 2009 (15 mil. €), the time when the agreement on free trade CEFTA started to apply. In comparison to the export value of 2009 as the lowest value, and the value of 2014, the export value has recorded an increase of 67.3%.

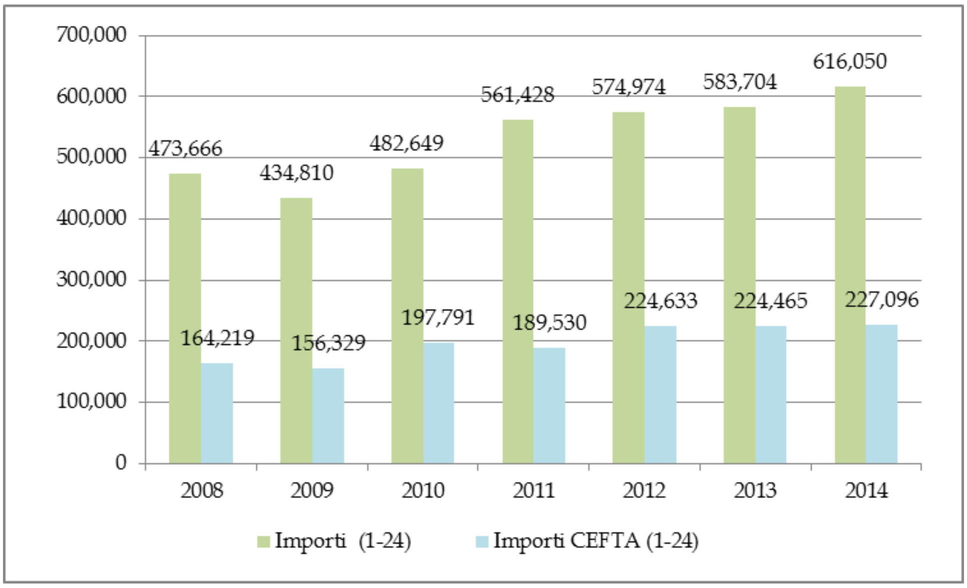
Imports from CEFTA countries has steadily increased over the years 2008-2014. The lowest value for export as well as was recorded in 2009 (156 mil. €), increasing continuously until 2014 (227 mil. €). The highest value of import was in 2014 which amounted to 227 mil. €, or expressed in percentage it results that during 2014, the imports increased by 1.17%.

Figure 9: Export of agricultural products in CEFTA countries, in 1000 €

Source: KAS, developed by DAESB -MAFRD

The largest participation of export of agricultural products in the countries of CEFTA in the total exports was in 2012 (81%), while the lower participation was recorded in 2014 (65%), which means that 65 % of products for chapters (1-24) are exported to these countries.

Figure 10: Imports of agricultural products from the CEFTA countries, in 1,000 €



Source: KAS, developed by DAESB -MAFRD

Regarding the percentage of participation in the import of products from the CEFTA countries in total imports (1-24), the largest participation was in 2010 (41%) while the lowest one was in 2011 (34 %).

Although the export value in 2014 was very small and very far from what was planned, compared to other years, we can say that there has been a significant increase. If we compare the export of 2013 to the one of 2014, we will note that the value of export with Albania has decreased by (-1.3%), with B. Herzegovina (-2.3%), on the other hand there is an increase in exports with Serbia 16.5%, Macedonia 16.3 %, and Montenegro 10.8%.

Table 76: Exports of agricultural products in CEFTA countries, in 1,000 €

CEFTA Country	2013	2014	Difference	Difference (%)
Albania	14,245	14,059	-0,185	-1.3
B. Herzegovina	1,019	0,996	-0,023	-2.3
R. of Moldova	0	0	0	0
Montenegro	1,229	1,379	0,15	10.8
Macedonia	4,795	5,742	0,94	16.3
Serbia	2,851	3,428	0,57	16.5
Total	**24,139**	**24,608**	**469**	**1.94**

Source: KAS, developed by DAESB -MAFRD

During 2014, out of the total import of agricultural products 616 million €, the value of 227 million € or 36.8% were from CEFTA countries. The main countries from which Kosovo has imported are: Serbia (67.8%), Macedonia (17.2%), B. Herzegovina (7.2%), Albania (6.3%), Montenegro (1.45 %) and Moldova (0.04%). Most imported products from these countries are tobacco, beverages, cereal products, milk and milk products. The value of agricultural products exported from Kosovo to CEFTA countries is still low, but compared to 2013, a slight increase of 2% was recorded in 2014. The highest exports for this year was to Albania 54.9%, Macedonia 23%, Serbia 13%, Montenegro 5.3%, and B. Herzegovina 3.8%.

Table 77: Participation of CEFTA countries in the Export / Import (%)

Country	Export	Import	Export participation (%)	Import participation (%)
Albania	14,058	14,400	54.9	6.3
B. Herzegovina	996	16,481	3.8	7.2
R. Moldova	0	111	0	0.04
Montenegro	1,379	3,304	5.3	1.45
Macedonia	5,742	39,076	23	17.2
Serbia	3,428	153,723	13	67.8
Total	**25,605**	**227,096**	**100**	**100**

Source: KAS, developed by DAESB -MAFRD

4.1.2 Trade with EU countries

Table 78: Export-import of agricultural products with the EU countries, in 1,000 €

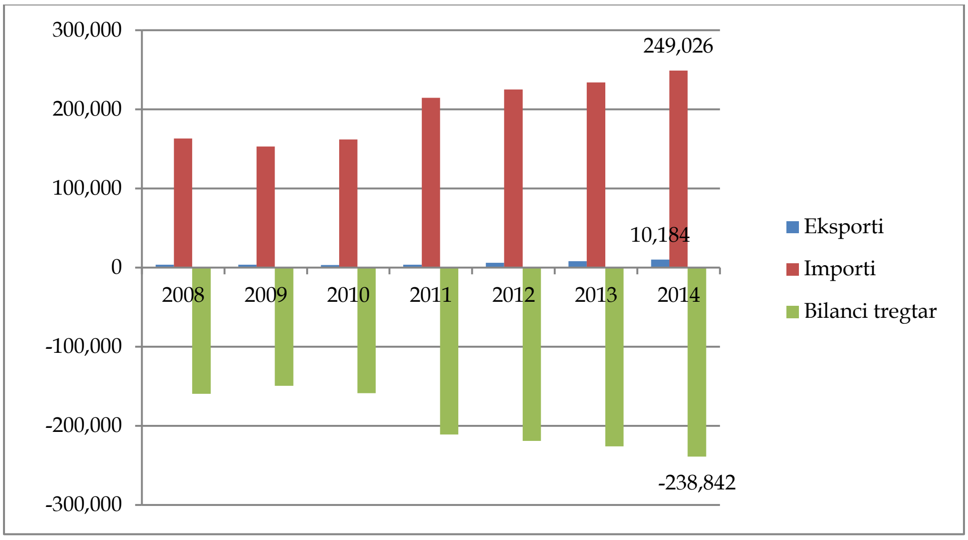
Year	Export	Import	Trade balance	Export/ Import %
	1	2	3=1-2	4=1/2
2008	3,566	163,178	-159,613	2.2
2009	3,559	153,152	-149,593	2.3
2010	3,214	161,898	-158,684	2.0
2011	3,865	214,745	-210,880	1.8
2012	6,105	225,039	-218,934	2.7
2013	8,347	234,116	-225,769	3.6
2014	10,184	249,026	-238,842	4.0

Source: KAS, developed by DAESB -MAFRD

Starting from 2008 the trend of export of agricultural products in the EU countries was approximately the same until 2012, when it increased by 71.9% compared to the average export for 2008-2011. While in 2014, the exported agricultural products to the EU countries accounted for 10,184 million €. Expressed in percentage, the coverage of imports by exports in 2014 was 4%.

Import trends have changed year after year. The lowest value of the products imported by the EU countries was in 2009 (153 mil. €), while the highest value was in 2014, of which imported goods by EU countries account for 249 mil. €, with a negative trade balance of (-238 mil. €). The value of imports of goods imported in 2014 by the member countries of the European Union has been higher by 6.36% compared to 2013. Imports of agricultural products from the EU participated with 40% in the total import value.

Figure 11: Export-import of agricultural products with the EU countries, in 1,000 €



Source: KAS, developed by DAESB -MAFRD

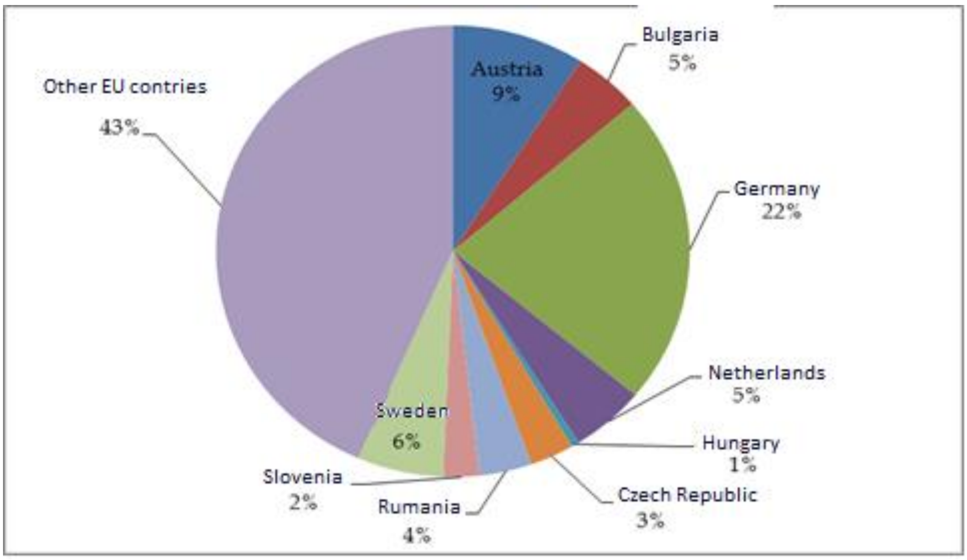
Table 79: Exports of agricultural products to the EU countries, in 1,000 €

Countries	2013	2014	Difference	Difference 2014/2013 in %
Austria	1,105	923	-182	-9.8
Bulgaria	7	471	464	25.1
Germany	2,185	2,272	87	4.7
Netherlands	402	520	402	21.8
Hungary	200	53	-147	-7.9
Czech Republic	458	307	-151	-8.2
Rumania	170	362	192	10.4
Slovenia	447	252	-195	-10.5
Sweden	547	599	52	2.8
Other EU countries	2,826	4,425	1,599	71.6
Total EU 28	**8,347**	**10,184**	**1,842**	**100**

Source: KAS, developed by DAESB -MAFRD

The data presented in the table show that Kosovo achieved the highest value of export with other EU countries (48%), Germany (22%), Austria (9%), Sweden (6%), the Netherlands (5%), Romania (4%), Bulgaria (5%), Czech Republic (3%), Slovenia (2%), and Hungary (1%). In total exports of agricultural products to the countries of the EU, dominated the same products that Kosovo exports to the CEFTA countries, as: beverages, alcohols, products of the milling industry, edible vegetables, edible fruits and nuts, cocoa and cocoa preparations. Compared to 2013, the export of agricultural products to the EU countries in 2014 in chapters 1-24 has increased by 22%. In 2014, exports to EU countries categorized as "other EU countries" has increased by 71%, Bulgaria 25%, Netherlands 22%, Romania 10%, and Germany 4%. There was also a decrease in exports to several countries, among which was Slovenia, which has decreased by (-10%), Austria (-9%), Czech Republic (-8.2%), Hungary (-7%).

Figure 12: Distribution of export within the EU countries in 2014



Source: KAS, developed by DAESB -MAFRD

Imports of agricultural products in 2014 from the EU countries for chapters 1-24 has increased by 6% compared to the previous year. In addition to the increase of the total imports (1-24), there were also considerable changes in imports by the importing countries themselves, which are characterized by increase of the import value, but at the same time there was a decrease in the value of imports from these countries compared to 2013. The following table shows the participation of countries in the import, and also changes presented in the value of imports between the two years and presentation of a percentage participation by countries for 2014.

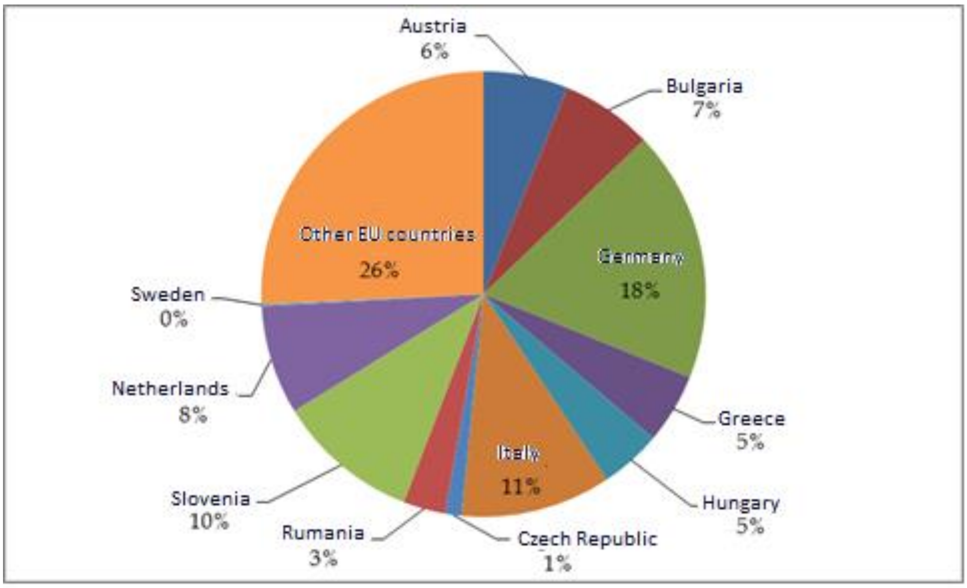
Table 80: Imports of agricultural products from EU countries, in 1,000 €

Countries	2013	2014	Difference	Difference 2014/2013 in %
Austria	16,487	15,328	-1,159	6.15
Bulgaria	14,698	16,657	1,959	6.68
Germany	42,763	45,456	2,693	18.25
Greece	13,305	12,663	-642	5.08
Hungary	14,040	11,131	-2,909	4.49
Italia	24,519	27,239	2,720	10.93
Czech Republic	2,937	2,970	33	1.19
Rumania	6,710	7,647	937	3.07
Slovenia	23,889	25,794	1,905	10.35
Netherlands	29,041	19,731	-9,310	7.92
Sweden	100	332	232	0.16
Other EU countries	46,627	64,078	17,451	25.73
Total EU 28	234,116	249,026	14,910	100

Source: KAS, developed by DAESB -MAFRD

Compared to the data from 2013, there is an increase of imports in 2014 from the EU countries grouped as "other EU countries" by 37%, Romania 14%, Bulgaria 13%, Italy 11% and Slovenia 8%. While a decrease was recorded to Netherlands (-32%), Hungary (-20%), Austria (-7%), and other countries that had smaller changes in the value of imports.

Figure 13: Distribution of import within EU countries in 2014



Source: KAS, developed by DAESB -MAFRD

The largest participation in total import from the EU countries has been from "Other EU countries" (26%), Germany (18%), Italy (11%), Slovenia (10%), the Netherlands (8%), Bulgaria (7%), Austria (6%), and Hungary and Greece (5%). Among the most imported agricultural products from the EU countries, the most dominant were: tobacco and processed substitutes, alcoholic beverages, meat and its products, preparations of cereals, milk and milk products, vegetables, wheat, and other products of lesser value.

4.1.3 Trade with other countries

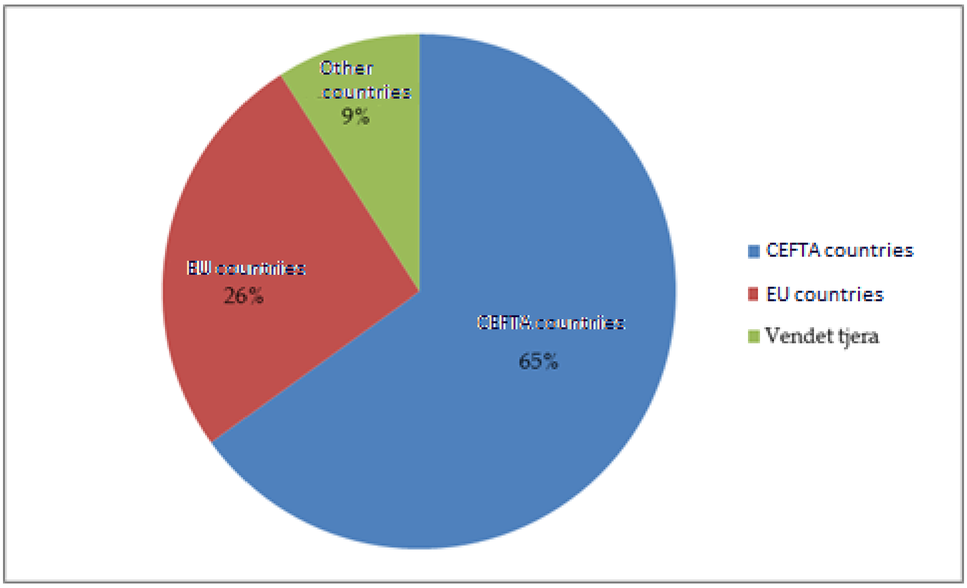
Besides the CEFTA countries and the EU countries, Kosovo has also made trade exchange (mainly import) with other countries. The other countries of which the most imports were made are: Turkey, Brazil, Switzerland, USA, China, Canada and other countries. The main imported products were: meat and meat products, sweets, preparations of cereals, drinks and other products from chapters 1-24. The value of exports to these countries is very low.

Table 81: Kosovo trade exchange in 2014

	Export, in (000€)	Import, in (000€)	Deficit, in (000€)	Exports participation %	Imports participation %
CEFTA	25,605	227,096	-201,491	65	37
EU countries	10,184	249,026	-238,842	26	40
Other countries	3,583	139,928	-136,345	9	23
Total	**39,372**	**616,050**	**-576,678**	**100**	**100**

Source: KAS, developed by DAESB -MAFRD

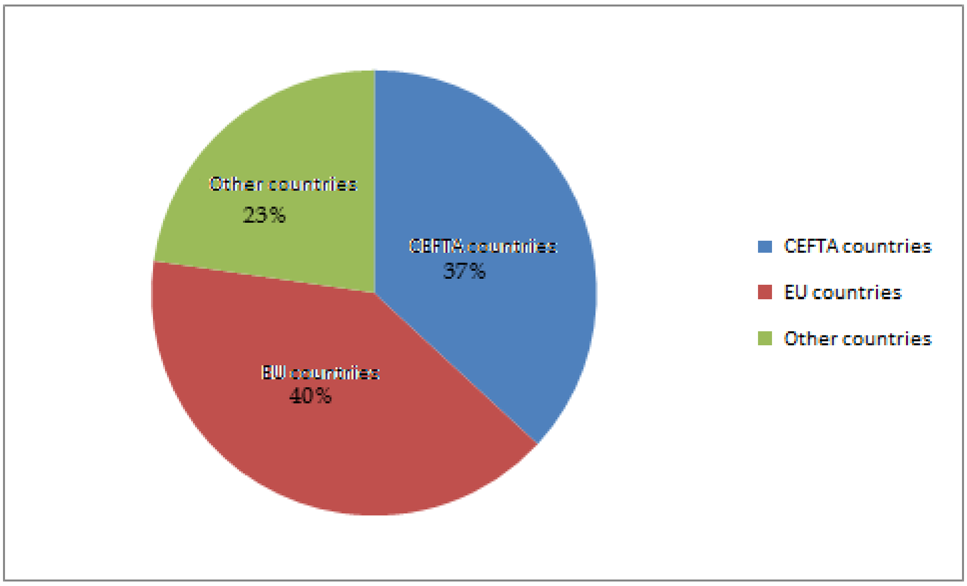
Figure 14: Exports of agricultural products (1-24) for 2014



Source: KAS, developed by DAESB -MAFRD

Based on the results presented in the figure above, it is noted that Kosovo mostly exports various agricultural products (chapters 1-24) to the CEFTA countries (65%), while the rest of the agricultural products at the rate of 26% are exported to the EU countries, and 9% is oriented to other countries.

Figure 15: Imports of agricultural products (1-24) for 2014



Source: KAS, developed by DAESB -MAFRD

While in terms of imports, the largest percentage of imports of agricultural products, for chapters 1-24 in 2014 was from EU countries 40%, CEFTA countries 37%, and from other countries with a participation of 23%. Countries of which most imports take place from

Other countries are: Brazil, USA, Turkey and other countries, from which most imported are meat, cereals, milk and meat products, fruits and vegetables and other products.

Table 82: Export value of agricultural products 2007-2014, in 1,000 €

Chapters	2007	2008	2009	2010	2011	2012	2013	2014
01 Livestock	411	861	441	387	104	65	0	0
02 Meat and edible organs	163	106	53	44	14	5	23	109
03 Fish, oysters and other water vertebrates	0	6	29	20	29	120	0	0
04 Milk products, eggs, honey	41	185	555	477	289	149	133	200
05 Products of animal origin	0	0	0	0	0	0	0	0
06 Trees, plants, flowers	11	8	241	70	8	12	94	22
07 Vegetables and some root vegetables and land nuts	3,473	3,643	4,175	3,686	2,642	2,946	2,642	4,927
08 Fruits and nuts	807	1,212	462	656	1,677	1,609	2,122	2,588
09 Coffee, tea, spices	857	757	960	968	573	717	1,371	2,729
10 Cereals	117	148	113	154	120	79	32	420
11 Mixed industrial products, starch	3,781	2,874	3,500	6,180	7,256	8,316	8,448	6,518
12 Cooking oil, various grains, seeds, fruits, medicinal plants, hay, forage	66	345	32	502	489	681	691	1,347
13 Adhesive materials, resins and other extracts	0	0	0	0	0	0	8	0
14 Fruits planting material, fruit products	0	0	0	0	0	0	0	0
15 Fats and oils	0	23	76	100	45	59	46	19
16 Meat, fish, oysters and other water vertebrates dishes	4	23	25	3	0	6	102	301
17 Sugar and sweets	77	123	107	168	141	137	171	159
18 Cocoa and cocoa dishes	520	1,143	1,134	1,808	295	1,392	1,803	2,661
19 Cereals, flour, starch dishes	35	112	348	388	705	704	1,021	1,497
20 Cooked vegetables, fruits and nuts	3,140	3,031	2,297	3,075	2,854	2,484	1,599	1,752
21 Various food dishes	119	148	207	261	139	164	167	317
22 Drinks, cool drinks, alcoholic drinks (alcohol), vinegar	3,728	5,644	4,578	5,313	8,106	10,195	13,300	12,512
23 Forage for animals	624	208	146	419	698	899	1,086	1,296
24 Tobacco and substitutes	160	164	516	70	0	69	88	0
Total 1-24	**18,134**	**20,763**	**19,993**	**24,749**	**26,185**	**30,807**	**34,947**	**39,372**

Source: KAS, developed by DAESB -MAFRD

Table 83: Import value of agricultural products 2007-2014, in 1,000 €

Kapituj	2007	2008	2009	2010	2011	2012	2013	2014
01 Livestock	2,611	4,675	4,066	8,042	6,010	8,444	9,315	12,216
02 Meat and edible organs	30,180	47,267	47,370	45,017	52,802	52,262	57,446	62,040
03 Fish, oysters and other water vertebrates	1,076	782	1,208	1,552	1,796	1,913	2,452	1,959
04 Milk products, eggs, honey	27,026	32,307	31,653	32,575	36,938	37,792	35,682	38,309
05 Products of animal origin	316	399	583	722	906	890	873	815
06 Trees, plants, flowers	706	853	1,769	2,191	2,260	2,596	2,827	2,691
07 Vegetables and some root vegetables and land nuts	13,386	16,374	16,377	17,961	18,664	16,424	16,800	21,796
08 Fruits and nuts	14,589	17,388	20,378	22,184	23,389	22,169	24,340	29,038
09 Coffee, tea, spices	9,817	13,486	13,011	16,388	21,270	28,015	27,409	26,479
10 Cereals	25,976	35,960	24,280	30,327	46,946	38,794	30,024	31,218
11 Mixed industrial products, starch	15,194	14,307	9,582	13,661	13,294	18,358	14,790	14,647
12 Cooking oil, various grains, seeds, fruits, medicinal plants, hay, forage	3,739	5,216	4,623	5,844	10,933	10,052	8,015	6,924
13 Adhesive materials, resins and other extracts	21	45	44	54	95	92	141	260
14 Fruits planting material, fruit products	6	4	7	12	26	3	3	5
15 Fats and oils	17,301	22,719	18,171	19,296	22,023	26,184	25,670	24,912
16 Meat, fish, oysters and other water vertebrates dishes	13,671	16,851	16,474	16,938	20,192	20,675	23,046	24,471
17 Sugar and sweets	20,114	22,791	24,638	32,031	36,854	35,077	30,042	31,566
18 Cocoa and cocoa dishes	14,313	16,677	16,560	16,709	18,538	17,449	19,601	20,679
19 Cereals, flour, starch dishes	30,044	36,261	36,801	37,260	43,563	44,933	50,800	53,452
20 Cooked vegetables, fruits and nuts	16,103	16,679	17,672	15,483	19,337	17,935	20,693	20,764
21 Various food dishes	22,331	27,426	30,641	33,514	37,874	41,044	46,697	49,532
22 Drinks, cool drinks, alcoholic drinks (alcohol), vinegar	48,155	53,267	49,102	55,409	57,900	57,688	59,555	65,779
23 Forage for animals	13,671	14,425	11,292	12,578	12,749	16,644	17,366	18,469
24 Tobacco and substitutes	43,445	57,505	38,509	46,899	57,067	59,539	60,117	58,027
Total 1-24	**383,789**	**473,666**	**434,810**	**482,649**	**561,428**	**574,974**	**583,704**	**616,051**

Source: KAS, developed by DAESB-MAFRED

4.2 Prices in the value chain

Kosovo prices are largely determined by imports. Kosovar 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 are increased, high amount of imports is negatively affecting the country's economic development. The following tables present prices for several agricultural products and make a comparison between the price of production, import (customs price), and wholesale and retail consumption for the period 2010-2014.

Table 84: The average annual prices of several agricultural products 2010-2014 (€/kg)

Products	2010	2011	2012	2013	2014	Difference 2014/2013 (%)
Wheat	0.19	0.25	0.26	0.22	0.20	-9
Maize	0.22	0.29	0.30	0.31	0.28	-10
Potatoes	0.29	0.30	0.32	0.43	0.34	-21
Cabbages	0.18	0.17	0.24	0.17	0.19	12
Peppers	0.59	0.58	0.58	0.78	0.68	-13
Beans	1.80	1.95	2.47	2.63	2.92	11
Tomatoes	0.62	0.50	0.71	0.56	0.68	21
Apples	0.49	0.49	0.54	0.53	0.55	4
Farm chickens	1.94	2.12	2.12	2.27	2.33	3
Milk	0.29	0.31	0.32	0.33	0.33	0
Honey	7.42	8.11	8.52	8.83	9.00	2
Eggs	2.13	2.51	2.91	2.69	2.78	3

Source: KAS (Output price index and prices in agriculture, 2010-2014), developed by DAESB - MAFRD

Based on data from the table above, prices in 2014 compared to 2013, did not have significant fluctuations. Potatoes suffered the most noticeable decrease in price, followed by peppers, maize and wheat. From the products listed in the table, the largest increase of price had tomatoes with 21%, cabbages 11% and beans 11%, while prices of other products suffered no major changes.

Table 85: Import unit values of several agricultural products 2010-2014 (€/kg)

Products	2010	2011	2012	2013	2014	Difference 2014/13 (%)	Import unit values / production prices 2014
Wheat	0.18	0.26	0.33	0.20	0.20	0	1.00
Maize	0.13	0.20	0.35	0.21	0.21	0	0.75
Potatoes	0.21	0.26	0.22	0.24	0.30	25	0.88
Cabbages	0.16	0.29	0.07	0.19	0.19	0	1.00
Peppers	1.46	0.28	0.36	0.78	0.42	-46	0.62
Beans	0.74	0.87	1.02	0.87	1.14	31	0.39
Tomatoes	0.38	0.32	0.29	0.23	0.31	35	0.46
Apples	0.21	0.28	0.71	0.35	0.29	-17	0.53
Farm chickens	1.19	1.46	1.92	1.16	1.20	3	0.52
Milk	0.68	0.68	0.65	0.61	0.62	2	1.88
Honey	3.82	4.39	4.81	4.71	5.02	7	0.56
Eggs	1.44	2.50	1.53	2.72	1.22	-55	0.44

Source: KAS, developed by DAESB - MAFRD

The table above presents several prices or so-called unit values of imports of agricultural products. The most significant increase in the price is recorded by tomatoes with an increase of 35%, beans (31%) and potatoes (25%). On the other hand, some products have a quite large decrease in price, as eggs (55%), peppers (46%), and apples (17%). This year also, the imported agricultural products were available at much lower price than the price of domestic products in Kosovo; this may be due to differences in quality, delivery term, and policies of exporting states and companies.

Table 86: The average annual prices of wholesale (€/kg)

Products	2010	2011	2012	2013	2014	Difference in % 2014/13
Wheat	0.20	0.29	0.37	0.29	0.26	-10
Maize	0.19	0.27	0.34	0.40	0.41	2
Potatoes	0.23	0.36	0.29	0.36	0.25	-31
Cabbages	0.16	0.25	0.28	0.28	0.32	14
Peppers	0.97	1.08	1.14	0.86	0.55	-36
Beans	1.46	1.70	1.93	2.04	2.64	29
Tomatoes	0.73	0.70	0.82	0.68	0.51	-25
Apples	0.48	0.70	0.51	0.52	0.43	-17
Farm chickens	1.17	1.68	1.51	1.60	2.15	34
Milk	0.66	0.79	0.77	0.79	0.80	1
Honey	5.71	7.44	7.09	8.27	8.12	-2
Eggs	1.76	2.22	2.38	2.26	2.60	15

Source: Market Information System, developed by DAESB - MAFRD

According to the table 86 which represents the wholesale prices of several agricultural products, the most significant increase in the price is recorded by farm chickens (34%) and beans (29%), followed by eggs (15%) and cabbage (14%). Products which have decreased in price are peppers whose price is 36% lower than in 2013, followed by potatoes with a decrease in price by 31%, tomatoes 25% and apples 17%. The price of wheat has decreased by 10% while other products in the list did not have any major changes. 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 87: The average annual prices of retail (€/kg)

Products	2010	2011	2012	2013	2014	Difference in % 2014/13
Wheat	0.24	0.33	0.43	0.33	0.30	-9
Maize	0.24	0.30	0.40	0.44	0.49	11
Potatoes	0.31	0.45	0.37	0.46	0.43	-7
Cabbages	0.25	0.38	0.36	0.35	0.38	9
Peppers	1.22	1.29	1.41	0.99	0.70	-29
Beans	1.80	1.99	2.28	2.27	2.89	27
Tomatoes	0.95	0.87	1.00	0.79	0.65	-18
Apples	0.65	0.87	0.66	0.60	0.62	3
Farm chickens	2.25	1.98	1.87	1.94	2.43	25
Milk	0.81	0.86	0.87	0.88	0.87	-1
Honey	7.20	8.49	8.30	9.22	9.10	-1
Eggs	2.08	2.59	2.76	2.48	2.84	15

Source: Market Information System, developed by DAESB - MAFRD

In table 87, which represents the retail prices, the most noticeable changes in price are recorded by peppers, beans, tomatoes, farm chickens, and eggs. Peppers and tomatoes decreased in price by 29% and 18% respectively. A smaller decrease in the price suffered wheats by 9% and potatoes by 7%. On the other hand, the price increase is recorded by beans (27%), farm chickens (25%), eggs (15%) and maize (11%). Retail prices are usually higher than the production prices in the domestic market, with the possible exception of products whose supply in retail market has originated largely from cheaper imports.

Table 88: Price comparison of several products in Kosovo to several EU countries, 2014 (€/kg)

Country	Wheat	Maize	Potato	Cabbage	Apple	Honey	Eggs*
Bulgaria	0.17	0.14	0.20	0.16	0.23	2.50	6.04
Hungary	0.21	0.13	0.20	0.18	0.23	3.17	5.85
Czech Republic	0.17	0.15	0.18	0.14	0.34	5.08	6.69
Austria	0.23	0.10	0.12	0.21	0.40	8.95	13.89
Greece	0.24	0.20	0.45	0.32	0.62	5.71	18.37
Romania	0.17	0.17	0.34	0.24	0.61	3.09	7.84
Kosovo	0.20	0.28	0.34	0.19	0.55	9.00	9.26

Source: Eurostat and KAS

* Unit per 100 pieces

Table 88 shows the prices of agricultural products in several European Union countries and in 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 market share of imports. If we analyze the price of wheat, we can see that compared to other countries, Kosovo has relatively high prices, only 5% lower than Hungary, and 18% higher than Bulgaria, Czech Republic and Romania. According to data in the table, Greece (€ 0.24) and Austria (€ 0.23) have the highest price of wheat. Compared to other countries, Kosovo has the highest price for maize, while the lowest price has Austria with € 0.10/kg. The price of potatoes in Kosovo and Romania is the same, while compared to Austria, which has the lowest price, the price of potatoes in Kosovo is 183% higher, and compared to Greece, it is 24% lower. The price of cabbage in Kosovo is 36% higher than Czech Republic, and 41% lower than Greece. Based on the data in the table, it is noticed that the price of apples in Kosovo is quite high compared to other countries such as Bulgaria, Hungary, Czech Republic and Austria. Only Greece and Romania have higher prices by 13% and 11% respectively. Same as in 2013, compared to other countries, Kosovo had the highest price of honey in 2014. Only Austria had an approximate price of honey with Kosovo while other countries had significantly lower price. The price of eggs in Kosovo is higher than most countries in the list, except Greece and Austria price of which was 98% and 50% higher than in Kosovo.

In general, based on the data in table 6 we can conclude that Kosovo prices are quite high considering the living standard. 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, quality improve, increase of competitiveness and generally a promotion and greater support for local products is needed.

4.3 Food Quality and Safety

4.3.1 Food Quality

Responsible institutions and legal framework

Food and Veterinary Agency is the competent authority for food safety, animal health and welfare and implementation of phytosanitary policy in Republic of Kosovo.

The Agency exercises its mandate by implementing a series of normative acts which determine provisions which regulate issues of food safety, veterinary and the implementation of phytosanitary policy.

The laws that determine the exact mandate of the Agency are: 03/L-016 Law on Food, No.2004/21 Law on Veterinary, 02/L-85 Law on Animal Care, and a large number of regulations and administrative provisions that determine the general and specific rules for food safety, animal diseases and plant diseases.

The purpose of the Agency's activities is closely related to the main policies of the EU regarding the protection of public health and consumer interests.

Activities undertaken to achieve this goal are fully consistent with the EU concepts, as defined in normative acts and certainly their implementation.

These activities are more and more based on risk assessment by establishing a genuine and planned system of official controls and supervision of food business operators, including entire food chain.

Annual plans of official controls provide systematic oversight of all operators who deal with production, processing and implementation on the market of food products, both domestic and imported, including product testing at authorized laboratory.

Agency Structure

Food and Veterinary Agency consists of five departments:

Department of Public Health, is responsible for alignment of rules on food safety at the national level, the organization and planning of official controls, approval and registration of food operators, monitoring of residues in food and organizing the collection and un-harmful disposal of animal byproducts.

Department of animal health and welfare, is responsible for setting the rules for the health and welfare of animals and animal feed, protection of animal health and welfare, planning the programs for eradicating the contagious diseases and prevention of outbreaks of zoonotic diseases and implementation of animal identification and registration.

Agency Inspectorate consists of veterinary, phytosanitary and sanitary sectors who are responsible for implementing the policies and programs of the agency for food safety, animal health and welfare and plant health.

Agency Inspectorate implements its scope of activities through regional offices in Prishtina, Prizren, Gjilan, Mitrovica, Peja and soon in Ferizaj and Gjakova.

Department of Administration is responsible for work progress and administrative procedures of the agency complying with the rules defined by the applicable legislation on the work and administration at the Government of the Republic of Kosovo.

Cooperation of the agency with other institutions of the Republic of Kosovo is concentrated on a daily basis and with a regular and efficient coordination.

In drafting of normative acts, as well as in daily activities, the coordination of works and actions with the National Public Health Institute, departments of MAFRD, Ministry of Industry and Trade as well as with the Office of the Prime Minister and the Ministry of Finance takes place.

Cooperation under the Integrated Border Management is coordinated by the officers involved in the National Centre for Border Management.

Food and Veterinary Agency in its structure also includes the Governing Board and the Scientific Council, two bodies that provide management and scientific contribution in the daily activity of the Agency.

Food business operators

Since 2010, the Agency has continued the evaluation of agro-food companies in Kosovo (in the milk, meat, slaughterhouses and refrigerating industries).

In 2015, 188 food business operators are approved, who are dealing with production and processing of food of animal origin. These operators are categorized according to risk, based on which the frequency of official controls and drafting a strategy for their enhancement as a challenge of the progress report and the Stabilization and Association Agreement is planned.

Since 2014, with the functioning of the sector of food hygiene of non-animal origin, AUV has started the registration of operators who deal with food production and processing of non-animal origin such as manufacturers and processors of oil, spices, confectionary and sweets production, potatoes and potato products as well as drinking water packagers.

Businesses are required to fulfill the conditions set by the Regulation No. 11/2011 on the hygiene of food products and Regulation No. 12/2011 which sets out specific rules for the hygiene of food of animal origin.

Table 89: The number of businesses in food and processing (September 2015)

Type of activity	Number of operators	Status
Cold storage (refrigerating warehouse) (refrigerators)	43	Active
Milk processing	43	Active
Meat processing	49	Active
Slaughterhouse (large animals)	46	Active
Poultry slaughtering	3	Active
Collection and packaging of honey and bee products	3	Active
Egg processing	2	Active
Fish processing	1	Active

Source: FVA

Milk

In 2013, nearly 35% of milk processing capacities in Kosovo have been certified by HACCP. This was confirmed by the Kosovo Milk Processing Association (KMPA), considering that six biggest producers of milk are certified, which almost all of them are supported by EU funds. As for meat and meat products, the data are worrisome, as there are only (3) companies certified by HACCP.

4.3.2 Analysis of food safety and animal health

Food and Veterinary Laboratory (FVL) is an organizational unit of the Food and Veterinary Agency FVA. Food and Veterinary Laboratory monitors and diagnoses animal diseases, performs analysis of food of animal origin, conducts monitoring of quality and food safety, veterinary residues and contaminants in food and animal feed. ISO 17025-2005 accreditation is made in 2014 with over 50 methods and four laboratory sectors.

Food and Veterinary Laboratory has these operational laboratories:

1. Pathology and histology laboratory
2. Laboratory of bacteriology, parasitology, and poultry and bee diseases
3. Laboratory of serology and molecular diagnostics
4. Laboratory for food microbiology and preparations
5. Laboratory for food chemistry and veterinary residues in food
6. Laboratory for analysis of fresh milk

In order to maintain animal health and public health, FVL conducts:

- Milk analyzes and its products, including milk for technological processing;

- All analyzes of products of animal origin and animal feed;

- Monitors, analyzes and studies the status of notification, circulation, fighting and eradication of infectious, parasitic and other diseases;

- Assesses the epizootic situation in the country, and diagnoses infectious and zoonotic diseases based on the recommendations of the OIE and the Manual of Disease Diagnostics.

Based on National Plans of Official Controls and Samples:

- Suggests the following measures: prophylactic vaccination and diagnostic-research tests of animal diseases, disinfection, disinfection and derating in order to prevent spreading of animal diseases;

- Researches, promotes and applies methods of detection and prevention of infectious and parasitic diseases and other diseases in farms and facilities for animal growth and feed;

- Cooperates with institutions and authorities within the country (KIA-MAFRD, NIPH-MH),

- Cooperates with laboratories in the region and accredited laboratories in terms of advancing the laboratory testing methods;

- Participates in inter-laboratory tests and proficiency tests for validation of methods and their accreditation;

- Cooperates with laboratories in the region and abroad;

- Supports and cooperates with the FVA projects regarding laboratory component such as the ongoing EU_DCE project on diseases Classical Swine Mortars and the one of Rabies.

For 2014, samples presented in the following table are analyzed by sector:

Table 90: Sample analysis by sector, 2014

FVL laboratories	Sample	Analysis
Pathology and pathohystology	336	336
Bacteriology, parasitology and mold	61	181
Serology and molecular diagnostics	11,144	11,144
Residual chemistry	676	676
Food microbiology	414	414
Milk analysis	20,070	20,070
Total	**32,701**	**32,821**

Source: FVA

4.3.3 Food Safety

Sanitary inspections

Table 91: Sanitary inspections, 2014

Types of inspection	Number of inspections	Number of samples	Number of smears
Facilities inspected			
Restaurants	440		1045
Canteens	7	3	49

Kindergartens	112	
Producers	695	274
Markets	409	
Pharmaceutical warehouse	108	
Facilities inspected as per customer complaints	166	14
Facilities inspected for tobacco law enforcement	981	
Decisions	12	
Orders	65	
Sanitary consents	90	
Court summonses	265	
Amount of articles disposed in ton/liter	57,291 kg 10,653 lit	
Total number of inspections	**3,107**	

Source: FVA

Veterinary inspections

Veterinary inspections were conducted based on the work plan, the National Plan of sampling and complaints from customers. During 2014, the FVA's inspectors have conducted:

Table 92: Veterinary inspections, 2014

Inspections	2,846
Cert. for transparency	503
Cert. for export	284
Slaughters	7,680
De-seals	43
Rulings	46
Complaints	18
Temporarily prohibition of the activity	3

Source: FVA

Table 93: Veterinary inspections – disposals and confiscations

Sample		Items disposed		Confiscations	
Residue	**Micr.**	**Kg/Lit**	**Animal**	**Livestock**	**Chicken**
137	338	40,923 kg	45 livestock, 234 sheep and goats, 243 bee hives, 54 pigs	279 livestock, 113 sheep and goats, 54 pigs and 15 horses	12,020

Source: FVA

Whereas border veterinary sector has implemented the activities presented in the table below.

Table 94: Analyses carried out by border veterinary sector.

Microbiological	Physical - chemical	Heavy metals	Residue	Aflatoxin	Histamine	Total
144	52	2	0	96	20	314

Source: FVA

Phytosanitary sector

Phytosanitary inspections were conducted based on Law No. 04/L-120 on Plant Protection, Law No. 03/L-042 on PPP (Plant Protection Products), Law No. 2003/10 on Artificial Fertilizers, Law No. 2003/5 on Seeds, Law No. 2004/13 on Planting Material, Law No. 02/L-98 on Variety Protection, Law No. 04/L-114 on Flour Fortification, Law No. 03/L-029 on Agricultural Inspection in the work plan, the National Plan of sampling and complaints from customers.

During 2014, Phytosanitary inspectors of FVA have conducted;

33,342 control of cargo at the border;

372 transit cargo;

11 rejections of cargo;

2,725 inspections of business operators;

329 inspections of traders and producers of planting material;

352 inspections of agricultural pharmacies;

465 ha– are inspected for certification of wheat seed;

277 inspections of warehouses for fertilizers and seeds;

186 inspections of food producers and traders;

384 consents for licensing of producers, traders and importers of planting material as well as importers and traders of fertilizers and seeds;

2,882 samples for analysis of plants and plant products;

28 court summonses;

2,389 phytosanitary certificates for export of plants and plant products;

130 phytosanitary certificates for re-export;

77 internal phytosanitary certificates;

1,397 quality certificates of various food products;

11 licenses for import of Tobacco were issued;

Various products of plant origin are disposed (97,368 kg); liquids and alcohols (111,385 liters) and 20,250 pieces of various saplings.

4.3.4 Veterinary regulations regarding the market operation

Veterinary policies are regulated by the laws below, applicable in Kosovo:

1. Law on Veterinary 21/2004;
2. Law on Food 03/L-016;
3. Law on Animal Care 02/L-10 and
4. Law on Livestock 04/L-191.

FVA operates based on the laws listed above, of which derive by-law acts which determine the circulation of live animals and products of animal origin in the Republic of Kosovo, and also the identification and registration of animals, veterinary inspections for import/export of live animals and control of animal origin products. Laws also define the rights and obligations of central and local government as well as physical persons such as farmers and other stakeholders regarding the protection of public health and animal health.

Food and Veterinary Agency (FVA) as part of the protection of animal health and public health respectively, for several years now has a traceability and fighting infectious diseases program, the diseases which are a danger to national security at the country level, as: brucellosis, anthrax, rabies and tuberculosis. Also the identification of animals and registration of livestock properties is part of this program. Veterinary services in the field are defined by the Law on Veterinary 21/2004 and Administrative Instruction derived from this law.

Activities that have so far been conducted in the field are related to specific veterinary services, including:

- Vaccination of animals against infectious diseases (brucellosis, anthrax, rabies and classical swine fever) Tab 1.
- Diagnostic research related to animal diseases (tuberculosis, brucellosis, bluetongue, leukemia etc.);
- Identification and registration of domestic animals and
- Cases of disease outbreaks of other animal at the country level.

Regulations for animal feed

The general EU policies for animal feed safety defined by the EU Regulation No.183/2005 on animal feed hygiene requires business operators of animal feed (for basic production of animal feed) to take all necessary measures to prevent, eliminate and reduce risks associated to animal feed.

FVA is at preparation stage of draft regulation on the registration, approval and control of food safety for animals that will be implemented by business entities that deal with production, trade and distribution of animal feed, referring to rules set by the Law on Food and hygiene packages, applicable in Kosovo.

5 Agricultural policies, direct payments in agriculture and support for rural development

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

Based on the Strategy for Agriculture, Forestry and Rural Development, also in 2014 the MAFRD continued to support farmers through direct payments and grants in the framework of rural development measures.

In 2014, the planned budget for direct payments was 14 mil. € and part of the direct payments program were the following:

1. Direct payments for autumn sowing of wheat – The minimum eligible area was 2 ha/farmer and farmers received 125 €/ha. The budget planned budget for the subsidizing of autumn sowing of wheat was 5.8 mil. €.
2. Direct payments for the planting of wheat seeds – The minimum eligible area was 5 ha and the maximum was 100 ha of wheat seeds planted and farmers received 225 €/ha. The budget budget for the subsidizing of wheat seeds was 0.1 mil. €.
3. Direct payments for the spring planting of maize– The minimum eligible area was 1 ha/farmer and farmers received 100 €/ha. The budget planned for the subsidizing of spring planting of maize was 1 mil. €.
4. Direct payments for the spring planting of sunflower – The minimum eligible area was 1 ha/farmer and farmers received 100 €/ha. The budget planned for the subsidizing of spring planting of sunflower was 0.1 million. €.
5. Direct payments for existing vineyards – The minimum eligible area was 0.10 ha/farmer and farmers received 1,000 €/ha if they cultivated vineyards in size from 0.10 ha and up to 100 ha, and if farmers had more than 100 ha of vineyards planted, then the support was in excess of 300 €/ha. The budget planned for the subsidizing of existing vineyards was 1.15 mil. €.
6. Direct payments for the production of seedling material for fruit trees and grapes on vegetative rootstock – The minimum number of seedlings that the farmers had to produce in 2014 was 5,000 seedlings, and the maximum number of seedlings eligible for benefits was 100,000 seedlings. The payments varied depending on the number of seedlings i.e. farmers that produced 5.000-25,000 seedlings were supported with 0.20€/seedlings, 25,000-50,000 with 0.15€/seedlings and 50,000-100,000 with 0.10€/seedlings. The budget planned for the subsidizing of planting material was 0.1 mil. €.

7. Direct payments for vegetables in the open field – The minimum eligible area was 0.50 ha/farmer and farmers received 300 €/ha.
8. Direct payments for dairy cows and buffalos - The farmers need to breed at least 5 dairy cows or buffalos or 5 heads altogether, while the maximum number was 50 heads in active dairy production. The subsidizing was 50 €/head. The budget planned was 2 mil. €.
9. Direct payments for sheep and goats - The farmers must breed at least 30 heads of dairy sheep and 20 heads of dairy goats in active dairy production, and for these measures the farmers could benefit for up to 500 heads of sheep and goats. The payment was 10 € per head and the budget planned was 1.3 mil. €.
10. Direct payments for beekeeping - The farmers must breed at least 30 bee companies (hives) and the maximum number of hives for which a farmer can benefit is 500 hives. The payment per hive was 10 € and if the farmer is certified for organic production the payment was 15 €/hive. The budget planned for the subsidizing of beekeeping sector was 0.5 mil. €.
11. Direct payments for milk according to quality categories – The farmers must submit at least 1,500 liters of milk to licensed dairies within a three month period (according to calendar year quarters). The farmer benefits 0.06 €/liter for the milk of extra class, 0.04 €/liter for Class I milk and 0.02 €/liter for Class II milk. The budget planned was 1.5 mil. €.
12. Direct payments for laying hens - The farmers must breed at least 2,400 laying hens in all stages of active egg production. The farmers received 0.50 €/laying hens if they had 2,400 to 10,000 laying hens, 0.40 €/laying hens if they had 10,000-20,000 and 0.30€/laying hens when there are over 20,000. The budget planned was 0. 25 mil. €.
13. Direct payments for sows in reproduction. The farmers must breed at least 2 sows for active reporoduction in all phases of reproduction. The farmers received 20 €/head and the total budget planned for the support of pigs sector was 0.2 mil. €

In 2014 the total support in direct payments was 15.3 mil. €, and compared to the previous year the support in direct payments has increased for 26%. Overall in 2014, except for the support to wheat, poultry and seedlings, which marked a slight decline, the subsidies for all other categories have increased, and this, along with the subsidies the have started in 2014 for the first time, contributed to an overall increase of subsidies.

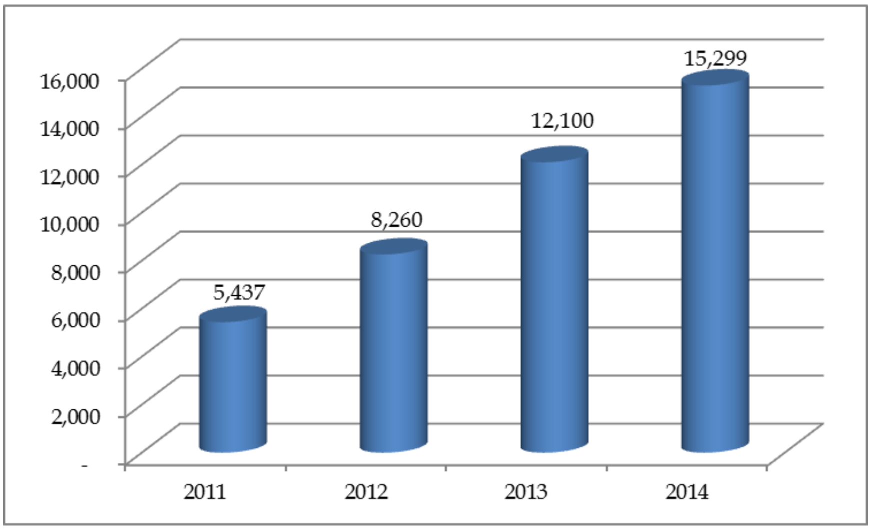
Table 95: Direct payments 2011-2014

	2011	2012	2013	2014
Wheat	3,206,956	3,795,094	5,824,268	5,555,218
Wheat seeds	-	25,020	63,720	107,391
Maize	-	575,459	943,028	1,268,719
Sunflower	-	73,711	41,439	44,853
Vineyards	-	-	1,124,516	2,290,783
Vegetables in open field	-	-	-	1,026,735
Dairy cows	992,340	2,104,800	2,105,950	2,211,750
Sheep and goats	1,238,070	1,327,450	1,159,720	1,210,120
Bees	-	358,610	500,660	777,610
Hens	-	-	240,305	231,648
Sows	-	-	-	6,220
Milk	-	-	-	491,884
Seedlings	-	-	96,264	75,791
Total	**5,437,366**	**8,260,144**	**12,099,869**	**15,298,721**

Source: Agricultural Development Agency (ADA)

Subsidies in the 2011-2014 period almost tripled, from 5.4 mil. € in 2011 they reached 15.3 mil. € in 2014. Of the total amount in support, the largest amount went to wheat (36%), followed by vineyards (15%), dairy cows (14%), maize (8%), sheep and goats (8%) and the remaining 19% to other sectors.

Figure 16: Direct payments 2011-2014, in 1000 €



Source: Agricultural Development Agency (ADA)

The planned budget for the implementation of the rural development program for 2014 was 11. 25 mil. €. The following measures were part of the rural development program in 2014:

- Measure 101: Investments in physical assets and agricultural holdings;

- Measure 103: Investments in physical assets in the processing and trading of agricultural and fishery products;
- Measure 302: Diversification of farms and business development;
- Measure 303: Preparation and application/implementation of local development strategies - LEADER approach;
- Measure: The scheme for irrigation of agricultural land.

5.2 Directs payments/subsidies

In 2014 MAFRD continued subsidizing farmers through direct payments. Farmers that were supported by these payments are farmers engaged in cultivation of wheat, maize, wheat seeds, sunflowers, vineyards and for the first time they launched subsidies for vegetables in the open field. As for the livestock sector, in addition to dairy cows, sheep, goats, bees, poultry, during this year they also started subsidizing sows and milk according to quality. As for the inputs, the subsidizing of planting material continued for fruit trees and grape vines on vegetative rootstock.

5.2.1 Direct payments for crops

In 2014 the value of direct payments for the crop production sector reached 10.3 mil. € or 29% more than in the previous year. Vegetables in the open field were subsidized for the first time this year and 23 main vegetables were part of the list. The subsidizing per ha (hectare) remained the same for all crops except the vineyards, where the payment per ha has changed from 500 € to 1,000 € for farmers that own 0.10 ha to 100 ha, while for farmers who own more than 100 ha, the payment has increased from 200 € in 2013 to 300 € in 2014.

Table 96: Direct payments by sector, 2011-2014

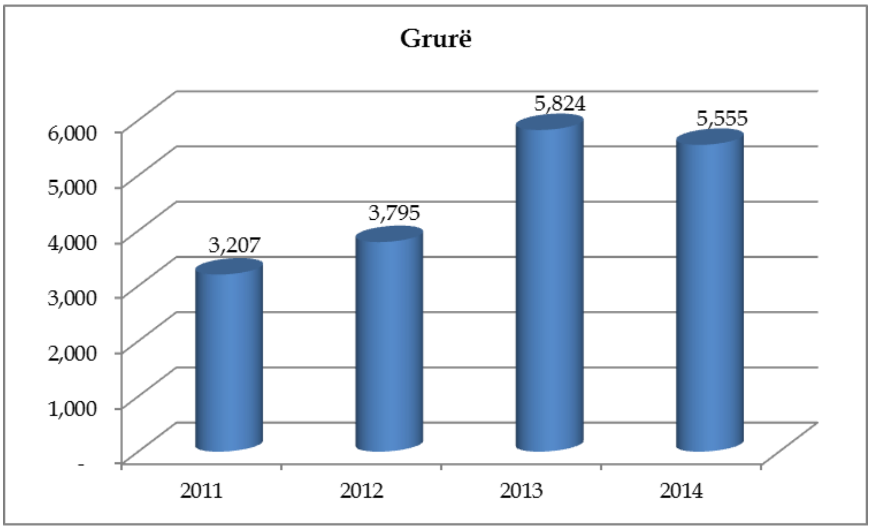
		2011	2012	2013	2014	Difference 2014/2013 in %
Wheat	Number of applicants	10,953	9,604	11,758	11,871	1
	Number of beneficiaries	8,364	8,841	10,686	10,579	-1
	Number of ha paid for	32,070	37,951	46,594	44,442	-5
	Payment per ha	100	100	125	125	0
	Total amount paid	3,206,956	3,795,094	5,824,268	5,555,218	-5
Wheat seeds	Number of applicants	-	10	27	16	-41
	Number of beneficiaries	-	10	27	16	-41
	Number of ha paid for	-	250	850	511	-40
	Total amount paid	-	25,020	63,720	107,391	
Maize	Number of applicants	-	2,346	3,858	6,134	59
	Number of beneficiaries	-	2,209	3,626	5,413	49
	Number of ha paid for	-	5,755	9,430	12,687	35
	Payment per ha	-	100	100	100	0
	Total amount paid	-	575,459	943,028	1,268,719	35
Vineyards	Number of applicants	-	-	2,579	2,995	16
	Number of beneficiaries	-	-	2,556	2,995	17
	Number of ha paid for	-	-	2,791	2,435	-13
	Payment per ha	-	-	500/200	1000/300	
	Total amount paid	-	-	1,124,516	2,290,783	104
Sunflower	Number of applicants	-	32	31	15	-52
	Number of beneficiaries	-	29	29	13	-55
	Number of ha paid for	-	737	414	449	8
	Payment per ha	-	100	100	100	0
	Total amount paid	-	73,711	41,439	44,853	8
Vegetables in open field	Number of applicants	-	-	-	1,870	
	Number of beneficiaries	-	-	-	1,548	
	Number of ha paid for	-	-	-	3,422	
	Payment per ha	-	-	-	300	
	Total amount paid	-	-	-	1,026,735	

Source: Agricultural Development Agency (ADA)

Wheat

Direct payments for wheat in 2014 were in the amount of 5.5 mil. €, which, compared to 2013, has decreased by 5%. Payment per ha was the same as in the previous year i.e. in the amount of 125 €. The number of farmers applying increased by 1%, while the number of beneficiaries has decreased by 1%, resulting in a percentage of 5% reduction in the number of hectares subsidized. The percentage of farmers rejected was 10.9% or 1.8% points higher than in 2013. As for wheat, the proportion of farmers rejected for the period 2001-2014 on average was 11.5%.

Figure 17: Direct payments for wheat 2011-2014, in 1000 €



Source: Agricultural Development Agency (ADA)

In 2014, 10,579 farmers have benefited from 125 €/ha or 89.1% of the total number of farmers who applied. From the total amount of direct payments for wheat in the amount of 5.5 million. €, Pristina and Mitrovica region account for 49%, Peja 14%, Gjakova 12%, Ferizaj 11%, Gjilan 10% and wheat is the least subsidized in the Prizren region with only 4%.

As for the number of farmers rejected, the highest percentage was in the region of Prizren (25.8%) and Gjakova (20.8%), while the lowest was 5.4% in the region of Ferizaj.

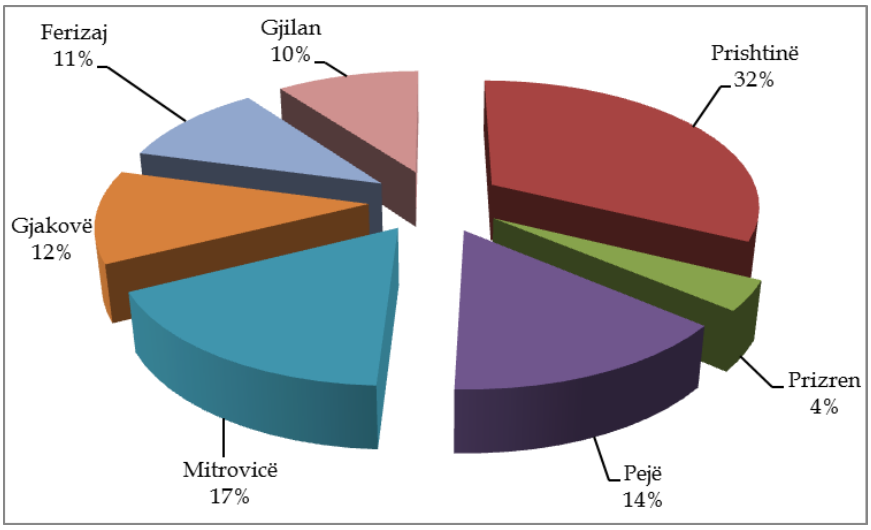
Table 97: Direct payments for wheat by region, 2014

No.	Region	No. of Applicants	No. of beneficiary farmers	Area subsidized (ha)	Amount paid in €
1	Prishtina	3,714	3,431	14,366	1,795,693
2	Prizren	550	408	1,672	208,956
3	Peja	1,611	1,415	6,499	812,425
4	Mitrovica	2,170	1,976	7,505	938,118
5	Gjakova	1,648	1,306	5,181	647,629
6	Ferizaj	961	909	4,723	590,329
7	Gjilan	1,217	1,134	4,497	562,069
	Total	**11,871**	**10,579**	**44,442**	**5,555,218**

Source: Agricultural Development Agency (ADA)

Based on the data presented, it appears that the average area per farmer was around 4.2 ha, however, this varied depending on the region, the highest was in the region of Ferizaj with 5.2 ha and the lowest in the region Mitrovica with 3.8 ha.

Figure 18: Area subsidized for wheat by region, 2014

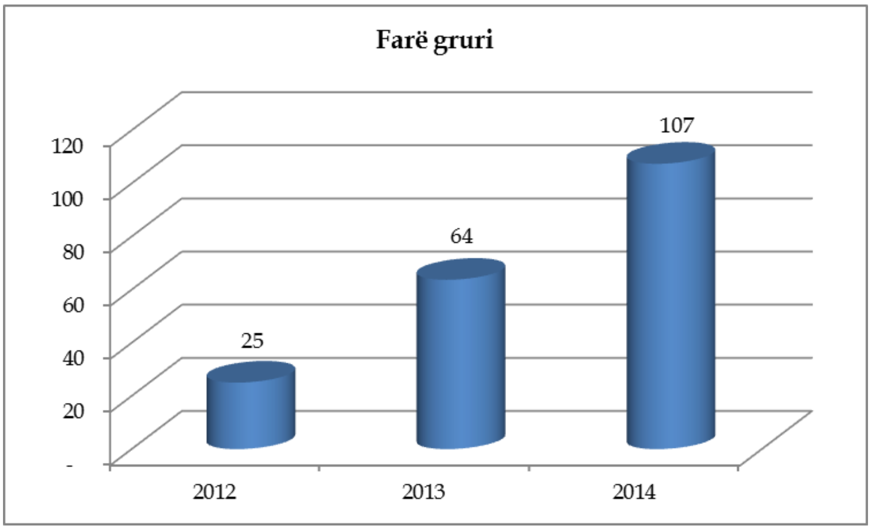


Source: Agricultural Development Agency (ADA)

Wheat seeds

The year 2014 is the third year the wheat seeds are being subsidized, and this was done in order to increase the yield and quality of produced wheat and reducing the cost of production, taking into account the fact that the process of seed production is expensive. 63 types of seeds are part of the list of seeds allowed for the planting of wheat and in order for the farmers to earn the payment of 225 €/ha, they must pass two inspections by phytosanitary inspectors and it must be verified that the criteria for seeds are met, otherwise the farmers would get only the amount of 125 €/ha for the production of mercantile wheat.

Figure 19: Direct payments for wheat seeds 2012-2014, in 1000 €



Source: Agricultural Development Agency (ADA)

In 2014 the area sown with wheat seeds was subsidized with the amount of 107.4 thousand €. During this year there was a decrease of 41% in the number of beneficiaries and a decrease of

40% in the number of hectares subsidized. The amounts shown in the table and the figure for 2014 are higher despite the fact that the number of hectares subsidized is smaller, because in 2012 and 2013 the amounts shown as support for wheat seeds represent only the difference between the amount of support per hectare of wheat seeds and the amount of support per hectare of mercantile wheat, while in 2014 it is presented only as support per hectare of wheat seeds.

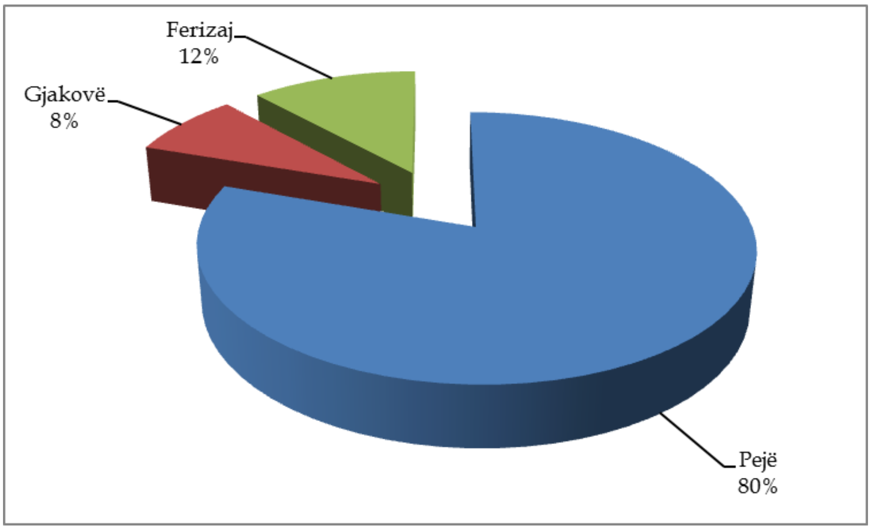
Table 98: Direct payments for wheat seeds by region, 2014

No.	Region	No. of Applicants	No. of beneficiary farmers	Area subsidized (ha)	Amount paid in €
1	Prishtina	-	-	-	-
2	Prizren	-	-	-	-
3	Peja	12	12	410	60,359
4	Mitrovica	-	-	-	-
5	Gjakova	3	3	41	41,029
6	Ferizaj	1	1	60	6,004
7	Gjilan	-	-	-	-
	Total	**16**	**16**	**511**	**107,391**

Source: Agricultural Development Agency (ADA)

Regions that had applicants and where wheat seed production was supported, are: Peja (80%), Ferizaj (12%) and Gjakova (8%). In total some 511 ha for wheat seeds were subsidized and if we consider the number of beneficiaries, the average per beneficiary was about 32 ha. In the region of Ferizaj we have only one beneficiary with 60 ha, followed by Peja with an average of about 34 ha/beneficiary and the Gjakova region with an average of around 14 ha/beneficiary.

Figure 20: **Area subsidized for wheat seeds by region, 2014**

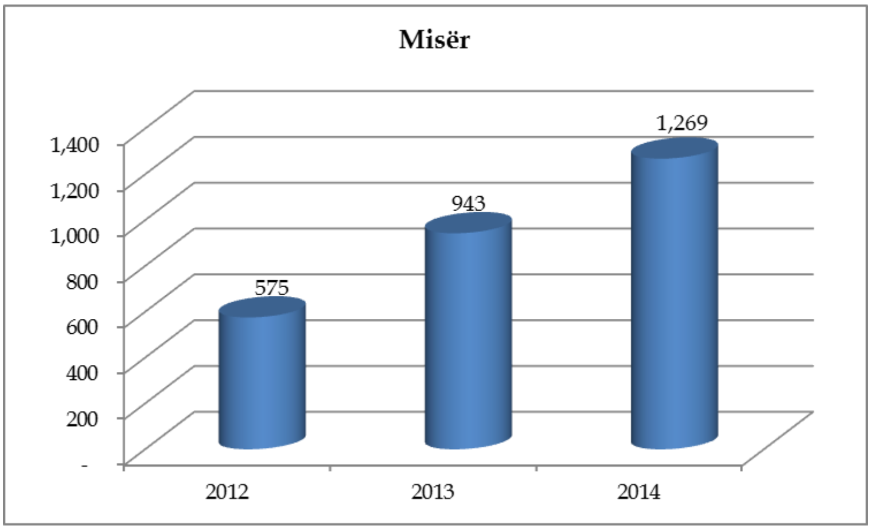


Source: Agricultural Development Agency (ADA)

Maize

In 2014 the subsidizing of maize continued with 100 €/ha. The total of payments for maize was 1.3 mil. € or 35% more than in 2013. This is due to the increase by 49% in the number of beneficiaries. The subsidizing of maize has been made with the aim of increasing farmers' income as well as reducing the cost of production, and this will have a direct impact in the cost of production of livestock products.

Figure 21: Direct payments for maize 2012-2014, in 1000 €



Source: Agricultural Development Agency (ADA)

In 2014 compared to 2013 the number of applicants increased by 59% while the number of beneficiaries by 49%. Of the total number of applicants, 88.2% have benefited while 11.8% were rejected, resulting in a percentage of 15.6% of hectares rejected. The largest percentage of rejected farmers were from the Prizren region with 20.7% and the lowest in Peja with 6.8%.

Table 99: Direct payments for maize by region, 2014

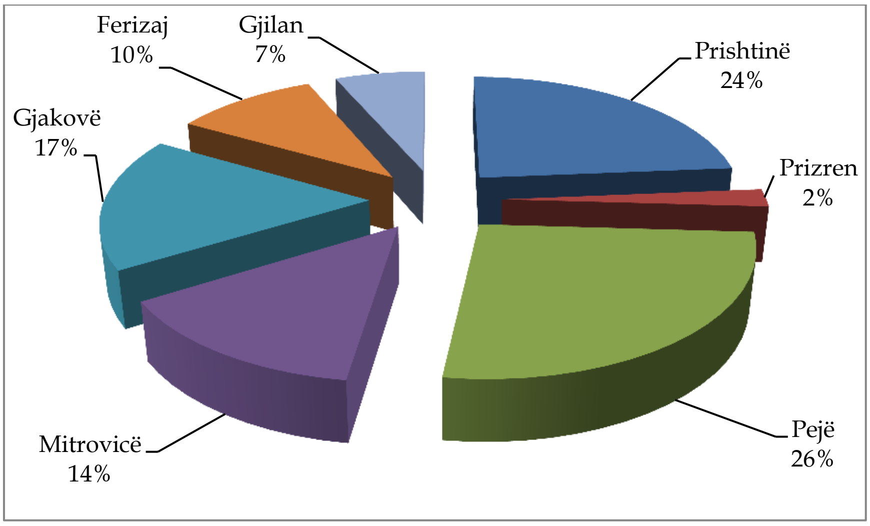
No.	Region	No. of Applicants	No. of beneficiary farmers	Area subsidized (ha)	Amount paid in €
1	Prishtina	1,515	1,307	3,002	300,224
2	Prizren	193	153	286	28,572
3	Peja	1,351	1,259	3,338	333,767
4	Mitrovica	925	824	1,769	176,905
5	Gjakova	1,144	933	2,173	217,318
6	Ferizaj	548	519	1,298	129,778
7	Gjilan	458	418	822	82,155
	Total	**6,134**	**5,413**	**12,687**	**1,268,719**

Source: Agricultural Development Agency (ADA)

The regions with most subsidized hectares are: Peja (26%), Prishtina (24%) and Gjakova (17%), while the regions with less subsidized areas of maize are the regions of Gjilan (7%)

and Prizren (2%), in these two regions the number of applicants was also smaller compared to other regions.

Figure 22: Area subsidized for maize by region, 2014

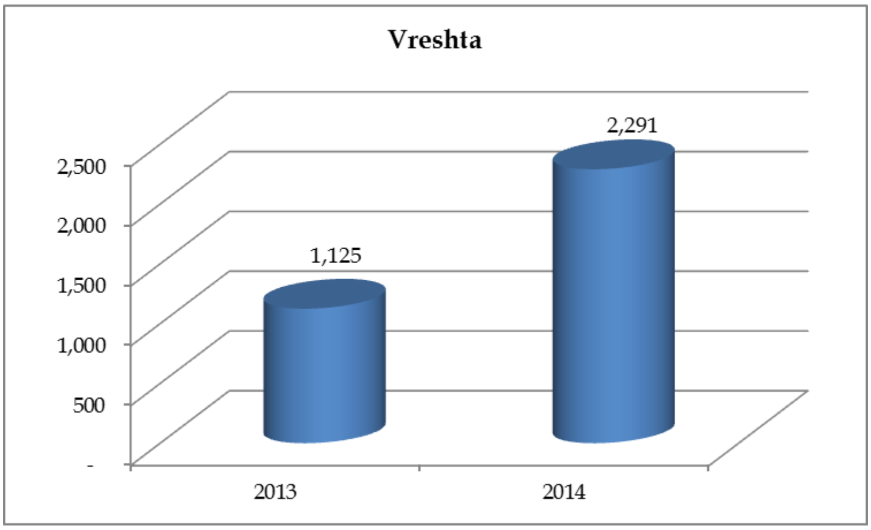


Source: Agricultural Development Agency (ADA)

Vineyards

The year 2014 is the second year the existing vineyards are subsidized, and compared to 2013 the payment per hectare has increased 100% in cases where farmers apply for an area of 0.10 ha up to 100 ha and 50% for farmers who apply for areas larger than 100 ha. The total amount of payments for vineyards in 2014 was 2.3 million € or 104% higher than in 2013. Although the number of subsidized ha was lower by 13%, the total amount of support has been greater because of the increased payment per hectare.

Figure 23: Direct payments for vineyards 2013-2014, in 1000 €



Source: Agricultural Development Agency (ADA)

Direct payments for vineyards were made in 4 regions, namely in the region of Prishtina, Prizren, Peja, Gjakova and Ferizaj. It is worth mentioning that no farmers were rejected, in all regions all farmers that applied have benefited.

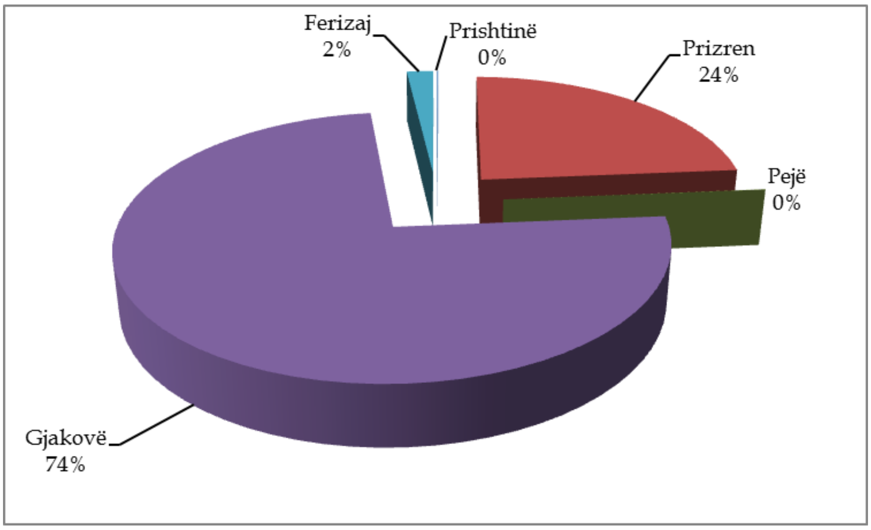
Table 100: Direct payments for vineyards by region, 2014

No.	Region	No. of Applicants	No. of beneficiary farmers	Area subsidized (ha)	Amount paid in €
1	Prishtina	4	4	2	2,270
2	Prizren	762	762	574	452,690
3	Peja	1	1	1	500
4	Mitrovica	-	-	-	-
5	Gjakova	2,227	2,227	1,812	1,812,323
6	Ferizaj	1	1	46	23,000
7	Gjilan	-	-	-	-
	Total	**2,995**	**2,995**	**2,435**	**2,290,783**

Source: Agricultural Development Agency (ADA)

Gjakova region is the one that got most of the support with 74%, becuase grape production is concentrated in Rahovec, while Prizren region was supported with 24% and the remaining 2% went to other regions. The regions of Ferizaj and Peja each had only beneficiary, and the Prishtina region had 4, which altogether account for only 1% of total beneficiaries and the majority i.e. 99% of the beneficiaries were from the region of Gjakova (74%) and Prizren (25%).

Figure 24: Area subsidized for vineyards by region, 2014

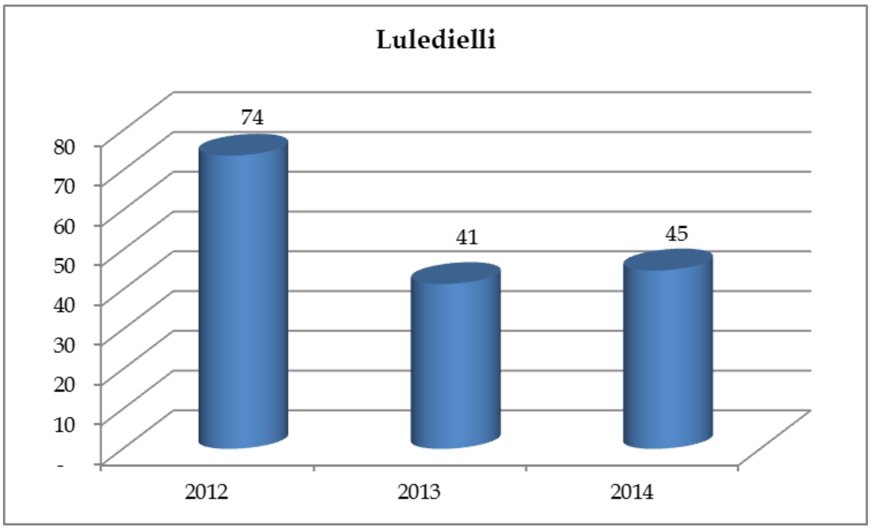


Source: Agricultural Development Agency (ADA)

Sunflower

The largest area with sunflower was subsidized in 2012, followed with a decrease by 44% in 2013 and an increase by 8% again in 2014 compared to the previous year. Payment per hectare has remained the same (100 €/ha) since 2012 when sunflower was subsidized for the first time. In 2014 there was a decrease in the number of farmers who applied and in the number of beneficiaries by 52%, 55% respectively. Despite the reduction in the number of beneficiary farmers, the subsidized area increased by 8%.

Figure 25: Direct payments for sunflower 2012-2014, in 1000 €



Source: Agricultural Development Agency (ADA)

From the total number of applicants 2 farmers were rejected, 1 in the Prishtina region and 1 in Peja region. The percentage of rejected farmers increased from 6.5% in 2013 to 13.3%. Average size area for beneficiary farmers was 34.5 ha.

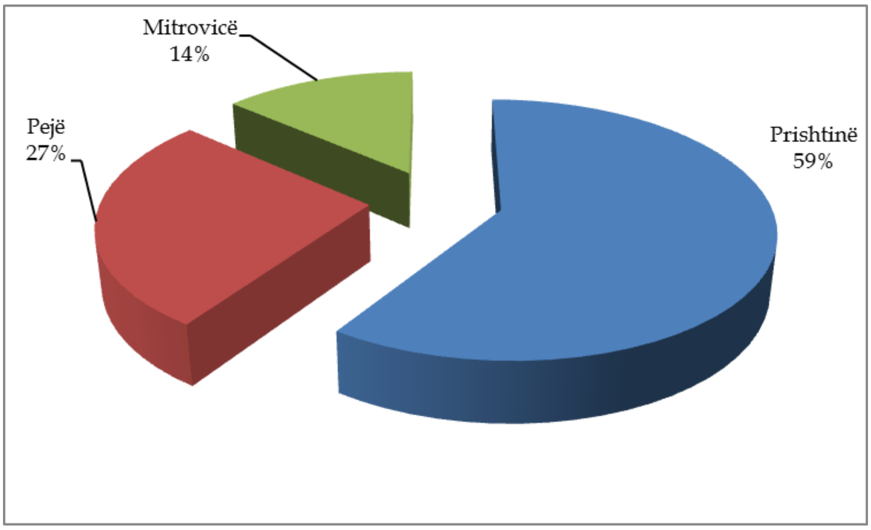
Table 101: Direct payments for sunflower by region, 2014

No.	Region	No. of Applicants	No. of beneficiary farmers	Area subsidized (ha)	Amount paid in €
1	Prishtina	12	11	267	26,665
2	Prizren	-	-	-	-
3	Peja	2	1	121	12,069
4	Mitrovica	1	1	61	6,119
5	Gjakova	-	-	-	-
6	Ferizaj	-	-	-	-
7	Gjilan	-	-	-	-
	Total	**15**	**13**	**449**	**44,853**

Source: Agricultural Development Agency (ADA)

Beneficiaries were mainly farmers from the region of Prishtina and 2 other beneficiaries from the region of Peja and Mitrovica. Although Peja region had only one beneficiary, he got 27% of the total support or received support for 121 ha.

Figure 26: Area subsidized for sunflower by region, 2014



Source: Agricultural Development Agency (ADA)

Vegetables in the open field

The subsidies for vegetables in the open field have started for the first time in 2014 with a payment of 300 €/ha. A total of 3,422 ha were subsidized, in the amount of around 1 mil. €. Some of the municipalities had no applicants at all and the municipality that has benefited 32% of the total support was the municipality of Rahovec. The percentage of rejected farmers was 17%, with the highest percentage in Gjilan region and the lowest in the region of Mitrovica. As for the vegetables by species, the species of pepper, watermelon and potatoes have dominated.

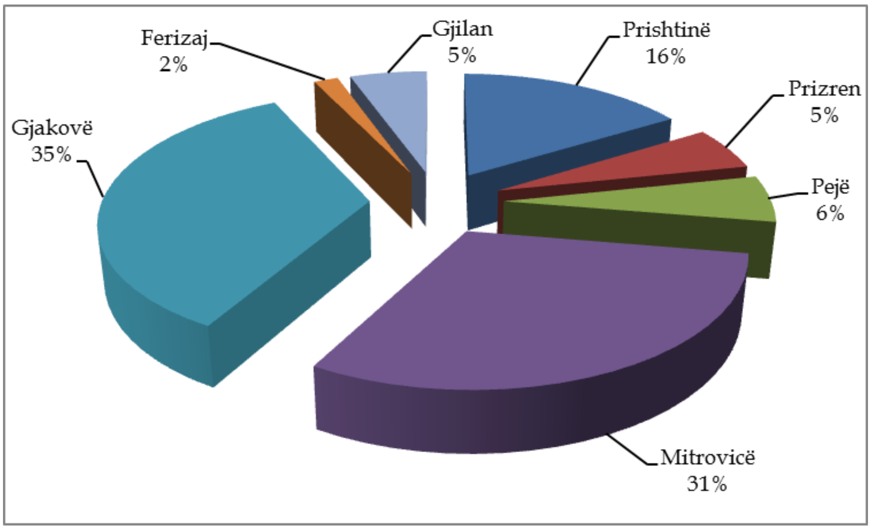
Table 102: Direct payments for vegetables in the open field by region, 2014

No.	Region	No. of Applicants	No. of beneficiary farmers	Area subsidized (ha)	Amount paid in €
1	Prishtina	282	242	556	166,884
2	Prizren	195	122	187	56,055
3	Peja	140	114	201	60,339
4	Mitrovica	295	272	1,046	313,935
5	Gjakova	811	684	1,184	355,299
6	Ferizaj	41	37	59	17,847
7	Gjilan	106	77	188	56,376
	Total	**1,870**	**1,548**	**3,422**	**1,026,735**

Source: Agricultural Development Agency (ADA)

Regions where the number of beneficiaries and area subsidized has been greater were Gjakova (35%) and Mitrovica (31%) followed by Prishtina (16%) and other regions with 18%. The average of hectares per beneficiary was 2.2 ha, the highest was in the Mitrovica region with 3.8 ha and the lowest in the region of Prizren with only 1.5 ha per beneficiary.

Figure 27: Area subsidized for vegetables in the open field by region, 2014



Source: Agricultural Development Agency (ADA)

5.2.2 Direct payments for livestock and milk

In 2014 the value of direct payments for the livestock sector reached 4.9 mil. € or 23% higher than in the previous year. Milk according to quality classes and sows have started being subsidized for the first time this year, sows were subsidized with 10 €/head, while milk was subsidized according to quality with 0.06/0.04/0.02 €/liter depending on the quality class it belongs to. Subsidies per unit remained the same in all cases where there were earlier subsidies. Out of the total support, the majority (45%) went for the support of dairy cows, followed by sheep and goats with 24%, the beekeeping sector with 15%, milk 10%, poultry 5% and the sector that benefited the least was the pigs sector because this is a sector that is not well-developed and the consumption demand is very small.

Table 103: Direct payments by sector, 2011-2014

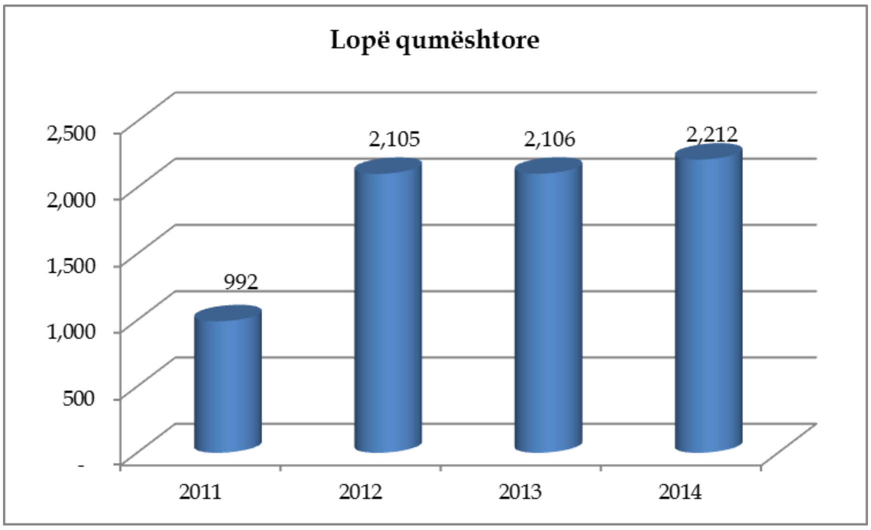
		2011	2012	2013	2014	Difference 2014/2013 in %
Dairy cows	Number of applicants	4,366	5,584	5,803	6,052	4
	Number of beneficiaries	4,162	5,231	5,075	5,472	8
	Number of heads paid for	33,078	42,096	42,119	44,235	5
	Payment per head	30	50	50	50	0
	Total amount paid	992,340	2,104,800	2,105,950	2,211,750	5
Sheep and goats	Number of applicants	1,422	1,533	1,370	1,442	5
	Number of beneficiaries	1,343	1,449	1,252	1,295	3
	Number of heads paid for	123,807	132,745	115,972	121,012	4
	Payment per head	10	10	10	10	0
	Total amount paid	1,238,070	1,327,450	1,159,720	1,210,120	4
Sows	Number of applicants	-	-	-	72	
	Number of beneficiaries	-	-	-	65	
	Number of heads paid for	-	-	-	311	
	Payment per head	-	-	-	20	
	Total amount paid	-	-	-	6,220	
Bees	Number of applicants	-	1,120	1,086	1,504	38
	Number of beneficiaries	-	779	985	1,394	42
	Number of hives paid for	-	35,861	50,066	77,761	55
	Payment per hive	-	10	10	10	0
	Total amount paid	-	358,610	500,660	777,610	55
Hens	Number of applicants	-	-	61	64	5
	Number of beneficiaries	-	-	58	59	2
	Number of heads paid for	-	-	567,996	526,966	-7
	Payment per head	-	-	0.5/0.4/0.3	0.50/0.40/0.30	
	Total amount paid	-	-	240,305	231,648	-4
Milk	Number of beneficiaries	-	-	-	769	
	Payment per liter	-	-	-	0.06/0.04/0.02	
	Total amount paid	-	-	-	491,884	

Source: Agricultural Development Agency (ADA)

Dairy cows

Dairy cows also continued to be subsidized in 2014 with 50 €/head. If you look at the changes that have occurred, compared to 2013, there was an increase in the number of applicants by 4%, while the number of beneficiaries has increased by 8%. The percentage of rejected farmers decreased by 3% points, from 12.5% in 2013 to 9.5%. The increase in the number of beneficiary farmers by 8% resulted in an increase by 5% of heads subsidized. The total amount of money paid as direct payments for dairy cows was 2.2 mil. €.

Figure 28: Direct payments for dairy cows 2011-2014, in 1000 €



Source: Agricultural Development Agency (ADA)

The highest percentage of farmers rejected was in the region of Prishtina with 14% and the lowest in the region of Mitrovica with only 3%. On average one farmer received subsidies for 8 dairy cows and there was no significant difference between regions.

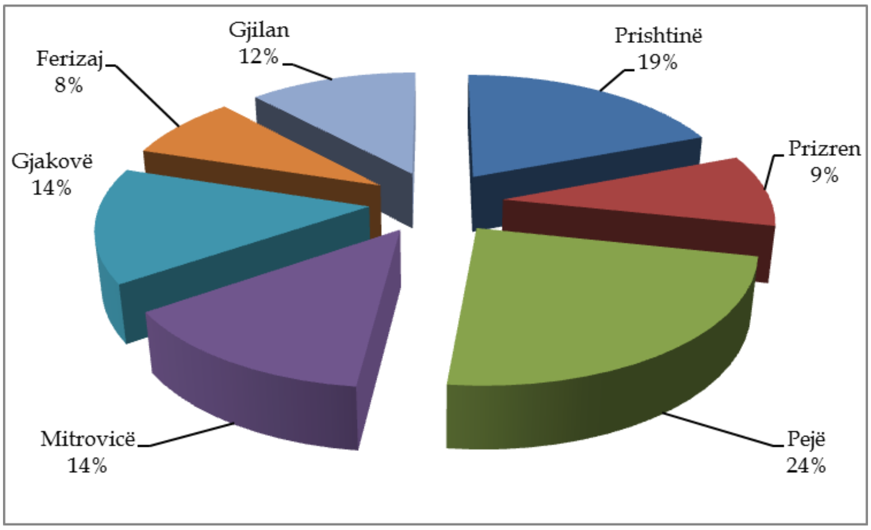
Table 104: Direct payments for dairy cows by region, 2014

No.	Region	No. of Applicants	No. of beneficiary farmers	Number of heads subsidized	Amount paid in €
1	Prishtina	1,189	1,022	8,488	424,400
2	Prizren	538	469	4,034	201,700
3	Peja	1,358	1,242	10,399	519,950
4	Mitrovica	886	856	6,029	301,450
5	Gjakova	902	807	6,397	319,850
6	Ferizaj	517	466	3,607	180,350
7	Gjilan	662	610	5,281	264,050
	Total	**6,052**	**5,472**	**44,235**	**2,211,750**

Source: Agricultural Development Agency (ADA)

Regions with most subsidized dairy cows were the regions of Peja and Prishtina, while the least subsidized were farmers from the regions of Prizren and Ferizaj.

Figure 29: Number of dairy cows subsidized by region, 2014

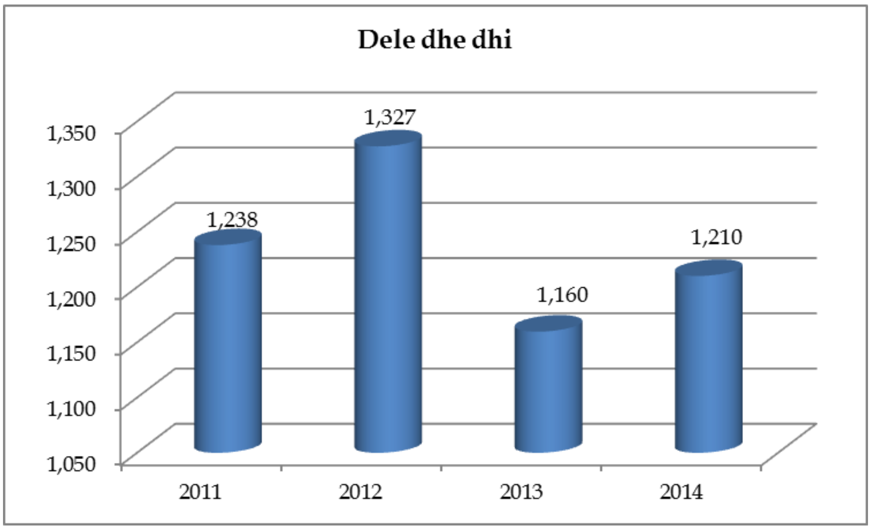


Source: Agricultural Development Agency (ADA)

Sheep and goats

Sheep and goats continued to be subsidized with 10 €/head in 2014 as well. The total amount of payments was 1.2 mil. € or 4% higher than in 2013. Out of the total amount of support, 92% (110, 853 heads) are subsidies for sheep and only 8% (10, 159 heads) for goats.

Figure 30: Direct payments for sheep and goats 2011-2014, in 1000 €



Source: Agricultural Development Agency (ADA)

Sheep

Sheep subsidies were awarded to 1,098 farmers, who make up 92% of farmers that applied, and as for the number of rejected farmers, most of them were from Prishtina region, followed by Prizren and Peja. The average number of sheep for which a farmer benefited was 101 heads and this varied depending on the region, the lowest average being in the region of Mitrovica with 75 heads, while the highest was in the region of Prizren with 131 heads.

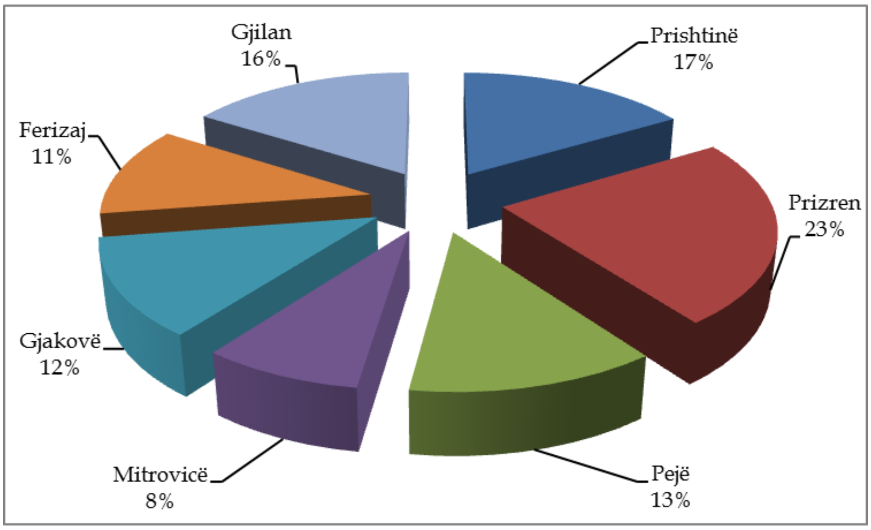
Table 105: Direct payments for sheep by region, 2014

No.	Region	No. of Applicants	No. of beneficiary farmers	Number of heads subsidized	Amount paid in €
1	Prishtina	239	214	18,246	182,460
2	Prizren	214	198	25,909	259,090
3	Peja	196	180	13,820	138,200
4	Mitrovica	126	118	8,908	89,080
5	Gjakova	127	115	13,576	135,760
6	Ferizaj	115	108	12,635	126,350
7	Gjilan	182	165	17,759	177,590
	Total	**1,199**	**1,098**	**110,853**	**1,108,530**

Source: Agricultural Development Agency (ADA)

Prizren was the leading region in terms of the number of subsidized heads with 23%, followed by Prishtina with 17%, Gjilan 16%, Peja with 13%, while the least supported region was the region of Mitrovica.

Figure 31: Number of sheep subsidized by region, 2014



Source: Agricultural Development Agency (ADA)

Goats

The total amount of direct payments for goats was 101,590 € or 9% higher than in 2013. The number of farmers beneficiaries of direct payments for goats was lower compared to sheep i.e. out of the total of 243 applicant farmers, 197 have benefited and the largest number was from the regions of Prishtina and Gjilan. As for the number of farmers rejected, most of them were from the region of Prizren, and the smallest number from Gjakova region.

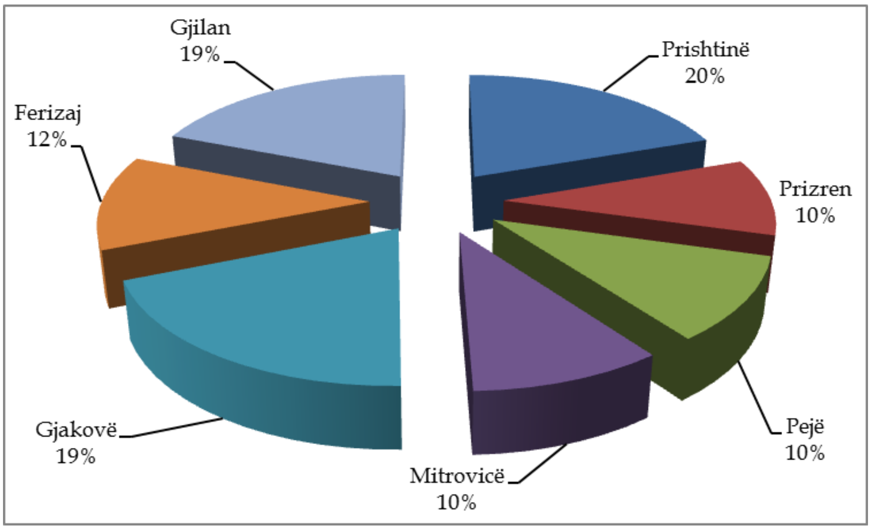
Table 106: Direct payments for goats by region, 2014

No.	Region	No. of Applicants	No. of beneficiary farmers	Number of heads subsidized	Amount paid in €
1	Prishtina	62	47	1,994	19,940
2	Prizren	31	22	988	9,880
3	Peja	29	23	1,064	10,640
4	Mitrovica	22	18	987	9,870
5	Gjakova	26	24	1,973	19,730
6	Ferizaj	29	26	1,218	12,180
7	Gjilan	44	37	1,935	19,350
	Total	**243**	**197**	**10,159**	**101,590**

Source: Agricultural Development Agency (ADA)

As for the number of goats subsidized, Prishtina region leads with 20%, followed by Gjakova and Gjilan with 19%, Ferizaj with 12% and Prizren, Mitrovica and Peja with the same participation of 10%.

Figure 32: Number of goats subsidized by region, 2014



Source: Agricultural Development Agency (ADA)

Sows

Pigs sector began receiving subsidies for the first time in 2014. Sows in reproduction were subsidized through direct payments and the farmers have benefited 20 €/head. Out of the total of applicant farmers, 9.7% of farmers were rejected and they were mainly from the regions of Prishtina, Peja and Gjakova, there were no rejected farmers in the regions of Prizren and Gjilan. The regions of Mitrovica and Ferizaj had no applicants at all.

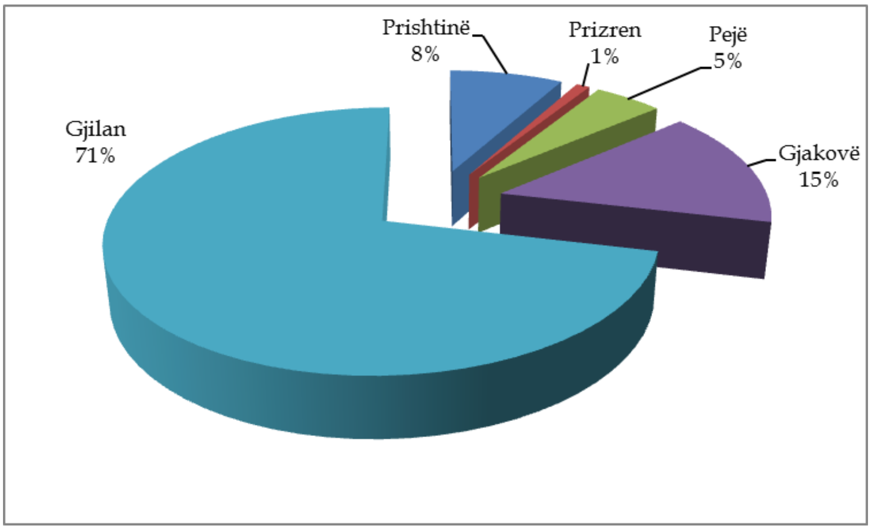
Table 107: Direct payments for sows by region, 2014

No.	Region	No. of Applicants	No. of beneficiary farmers	Number of heads subsidized	Amount paid in €
1	Prishtina	8	6	25	500
2	Prizren	1	1	3	60
3	Peja	8	5	15	300
4	Mitrovica	-	-	-	-
5	Gjakova	15	13	46	920
6	Ferizaj	-	-	-	-
7	Gjilan	40	40	222	4,440
	Total	**72**	**65**	**311**	**6,220**

Source: Agricultural Development Agency (ADA)

The total amount of support for sows in 2014 was 6,220 €. The largest number of sows subsidized was in the region of Gjilan (71%), respectively in the municipalities of: Kllokot, Gjilan and Viti, followed by the Gjakova region with 15%, while the remaining 14% belong to the three other regions (Prishtina, Peja and Prizren).

Figure 33: Number of sows subsidized by region, 2014

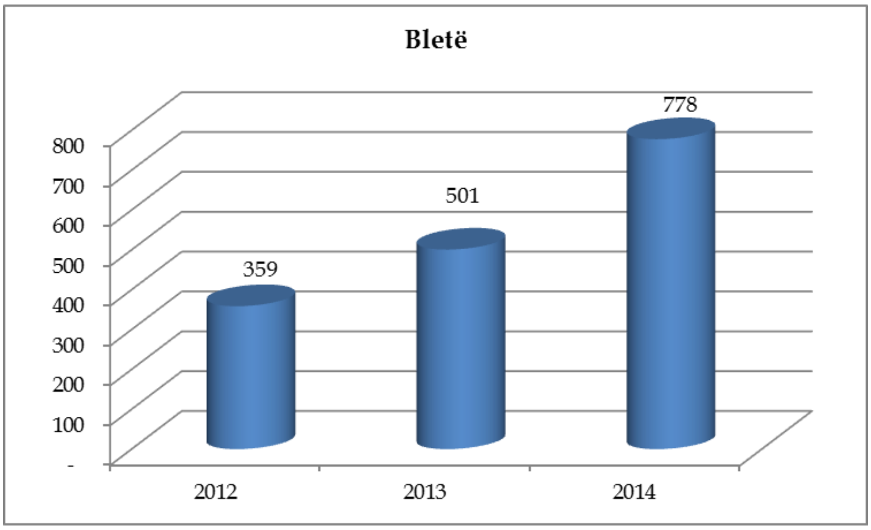


Source: Agricultural Development Agency (ADA)

Beekeeping

The year 2014 is the 3rd yeard that the beekeeping sector is being subsidized, and the total amount of support has grown consistently to reach 778 thousand € in 2014. Compared to 2013 the total amount of subsidies for bees increased by 55%, and compared to the average of the past two years, the growth was 81%. The percentage of rejected farmers has decreased significantly, from 30% in 2012 to only 7% in 2014.

Figure 34: Direct payments for bees 2012-2014, in 1000 €



Source: Agricultural Development Agency (ADA)

The average number of hives for which one farmer benefited has increased from 46 in 2012, reaching 56 in 2014. The highest average was in the region of Prizren with 64 hives per farmer, while the lowest was in the region of Prishtina with 51 hives. As for the number of rejected farmers, the highest percentage was in the region of Prishtina with 11% opposed to Ferizaj where only 1% of applicants were rejected

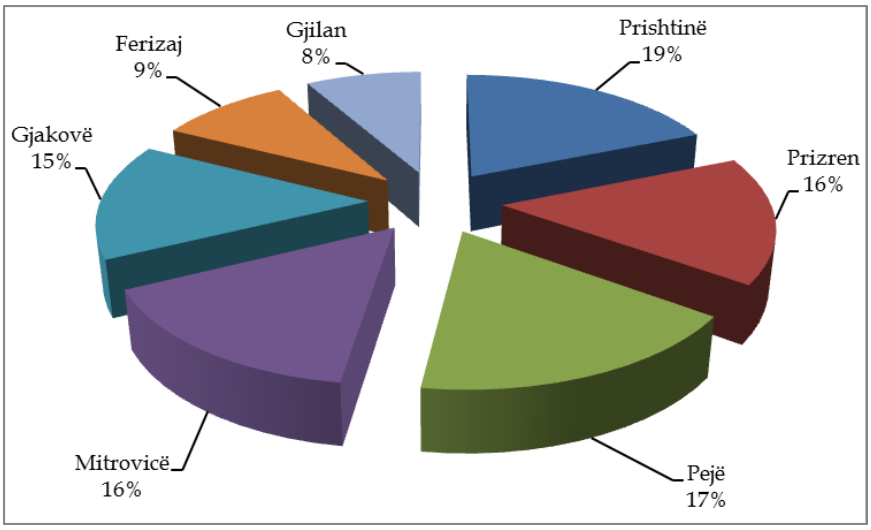
Table 108: Direct payments for bees by region, 2014

Ne.	Region	No. of Applicants	No. of beneficiary farmers	Number of hives subsidized	Amount paid in €
1	Prishtina	319	283	14,621	146,210
2	Prizren	203	193	12,501	125,010
3	Peja	285	256	13,533	135,330
4	Mitrovica	231	217	12,039	120,390
5	Gjakova	205	193	11,447	114,470
6	Ferizaj	136	134	7,223	72,230
7	Gjilan	125	118	6,397	63,970
	Total	**1,504**	**1,394**	**77,761**	**777,610**

Source: Agricultural Development Agency (ADA)

The distribution of subsidies in the regions in the case of bees had no significant differences, the support in the regions of Prishtina, Peja, Prizren, Mitrovica and Gjakova has ranged from 15% to 19% depending on the region, while the regions of Ferizaj and Gjilan have benefited less, respectively 17% altogether.

Figure 35: Number of hives subsidized by region, 2014

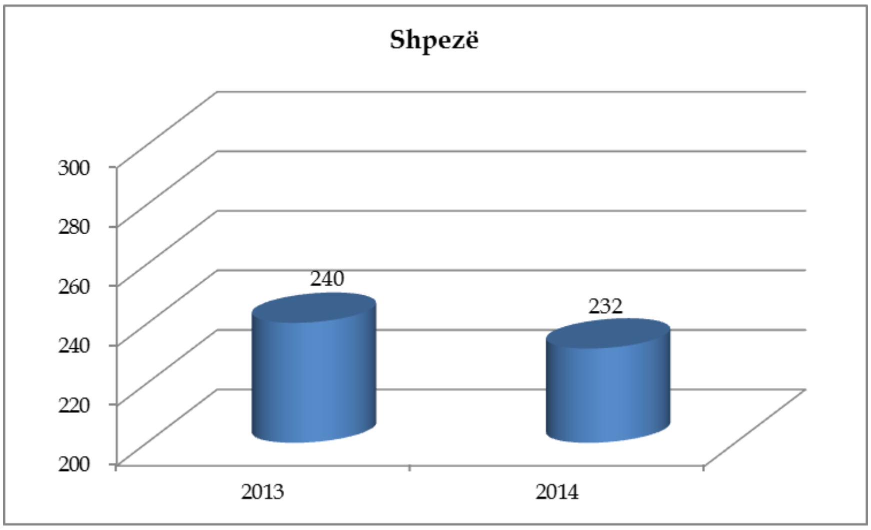


Source: Agricultural Development Agency (ADA)

Poultry

Subsidies for poultry in 2014 decreased slightly compared to the previous year, they were reduced by 4% respectively. Payment per unit remained the same, but this reduction is the result of the decrease in the number of subsidized poultry by 7%.

Figure 36: Direct payments for poultry 2013-2014, in 1000 €



Source: Agricultural Development Agency (ADA)

The total amount of money paid in 2014 as subsidies for the poultry sector was 231,648 €. Out of the total number of applicants, 92% were subsidized and the remaining 8% were rejected because they failed to meet the criteria and all these farmers were from the region of Gjakova.

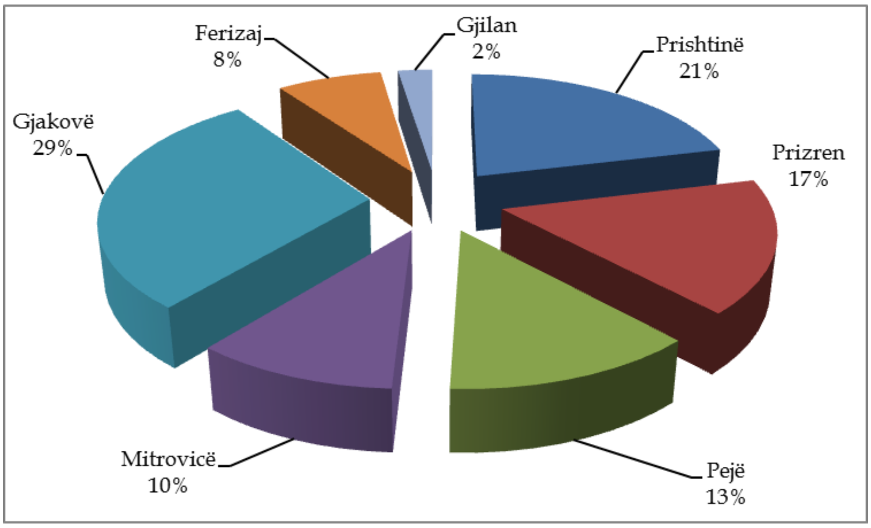
Table 109: Direct payments for poultry by region, 2014

No.	Region	No. of Applicants	No. of beneficiary farmers	No. of heads subsidized	Amount paid in €
1	Prishtina	16	16	111,865	52,098
2	Prizren	12	12	88,540	40,520
3	Peja	9	9	66,980	31,568
4	Mitrovica	3	3	53,670	18,835
5	Gjakova	19	14	153,660	66,562
6	Ferizaj	4	4	39,351	16,906
7	Gjilan	1	1	12,900	5,160
	Total	**64**	**59**	**526,966**	**231,648**

Source: Agricultural Development Agency (ADA)

59 farmers were subsidized with a total of 526, 966 heads. Tha majority of hens i.e. 29% were from the region of Gjakova, followed by Prishtina with 21%, Prizren 17%, Peja with 13%, and the remaining 20% from the other three regions.

Figure 37: Number of subsidized poultry by region, 2014



Source: Agricultural Development Agency (ADA)

Milk according to quality

The implementation of support to milk based on quality class began for the first time in 2014. During the period of 4 quarters a total of 769 farmers of different regions have benefited. These farmers received the benefits for the milk delivered to licensed dairies. The average number of beneficiaries during one quarter was around 192 beneficiaries and the average amount received by a beneficiary within a quarter was around 635 €. The second quarter had the biggest number of beneficiaries with 210 farmers and the lowest in the third quarter with 179 farmers.

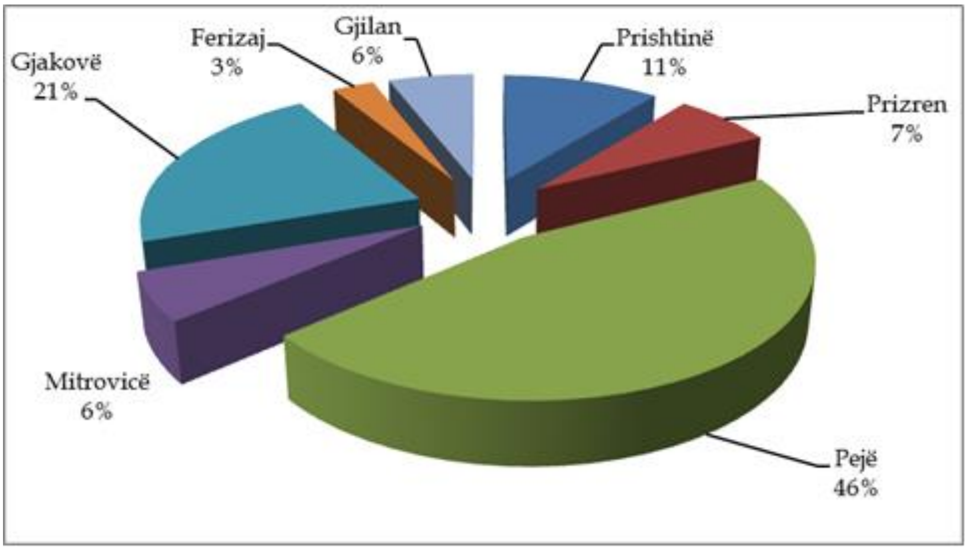
Table 110: Direct payments for milk according to quality by regions, 2014

No.	Region	No. of beneficiary farmers	Amount paid in €
1	Prishtina	83	33,923
2	Prizren	52	23,131
3	Peja	356	271,434
4	Mitrovica	45	17,145
5	Gjakova	166	122,325
6	Ferizaj	22	6,666
7	Gjilan	45	17,260
	Total	**769**	**491,884**

Source: Agricultural Development Agency (ADA)

Most of the milk delivered was from the region of Peja and Gjakova, which is an indication that the dairy processing industry is more developed in these regions compared to other regions. Out of the total number of beneficiaries, these two regions have a 67% participation, followed by Prishtina (11%), Prizren (7%), Gjilan and Mitrovica (6%) and Ferizaj with the lowest share of only 3%.

Figure 38: Number of beneficiary farmers by region, 2014



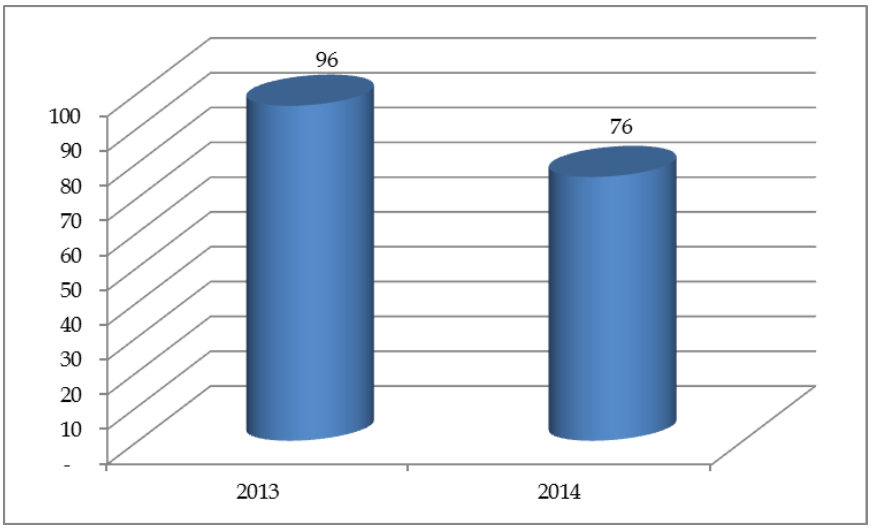
Source: Agricultural Development Agency (ADA)

5.2.3 Support for agricultural inputs

Support for seedlings

In 2014 MAFRD continued with the subsidizing of seedlings for fruit trees and grape vines on vegetative rootstock. Compared to 2013, we can see that the amount for subsidies has decreased by 21% and this was a result of a decrease in the number of subsidized seedlings.

Figure 39: Direct payments for seedlings 2013-2014, in 1000 €



Source: Agricultural Development Agency (ADA)

From the total number of applicants for seedlings only has been rejected and this one was from the region of Gjakova and the largest number of beneficiaries (75%) were from the regions of Gjilan and Peja. Compared to 2013, the number of applicants has decreased by 15%, while the percentage of rejected farmers has decreased by 4.1% points.

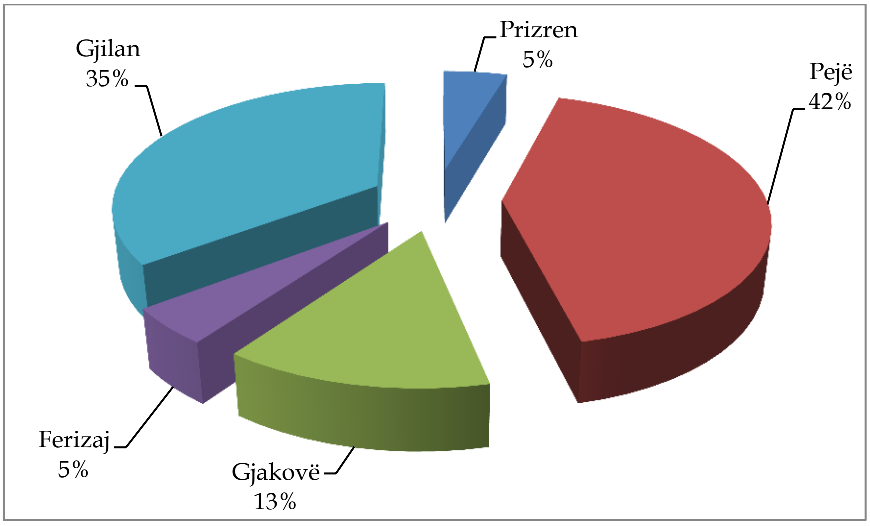
Table 111: Direct payments for seedlings by region, 2014

No.	Region	No. of Applicants	No. of beneficiary farmers	Number of seedlings subsidized	Amount paid in €
1	Prishtina	-	-	-	-
2	Prizren	1	1	22,000	4,400
3	Peja	5	5	201,320	30,826
4	Mitrovica	-	-	-	-
5	Gjakova	3	2	64,850	10,970
6	Ferizaj	1	1	22,391	4,478
7	Gjilan	7	7	169,745	25,117
	Total	**17**	**16**	**480,306**	**75,791**

Source: Agricultural Development Agency (ADA)

At regional level, the majority of subsidized seedlings (77%) was in the regions of Peja (42%) and Gjilan (35%), followed by Gjakova with 13% and Prizren and Ferizaj with 5% each.

Figure 40: Number of seedlings subsidized by region, 2014



Source: Agricultural Development Agency (ADA)

Guarantee fund for loans

Kosovo's agriculture is facing major difficulties, and this in spite of being favored and being considered a priority for the economy. The overall level of development of the agricultural sector is still not at the desired level, despite ongoing support (grants and subsidies) by the government as well as donors. The machinery in Kosovo is outdated compared to the existing superior trends (machinery, technology, etc.) in the EU countries. It took years for the recovery and normalization of agro-economy, and in spite of this huge commitment the sector is still in the transition phase.

Agriculture continues to have low access to financing from banks, with 7.9% for 2014, a sector that is the least credited by financial institutions in Kosovo. The interest rates on loans for the agricultural sector are very high compared to the loans for other sectors and to the countries in the region, with a difference of 3% to 5%, although 2014 was characterized by a decline of 2% in the rates compared to the previous year. Lending still has a high cost for farmers because agri-loans are recognized by banks and microfinance institutions (MFIs) as nonperforming loans. This low level of lending highlights the conservative approach of the banking system towards the agricultural sector.

Farmers need the Agri-loans to finance the investments, such as: the 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, etc. 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: Qelim Kosovë, Timi Invest, Start, Perspektiva 4, Mështekna, Kreditimi Rural i Kosovës (KRK), KosInvest World Vision, KGMAMF, KEP Trust, Finca and Agjencioni për Financim në Kosovë (AFK).

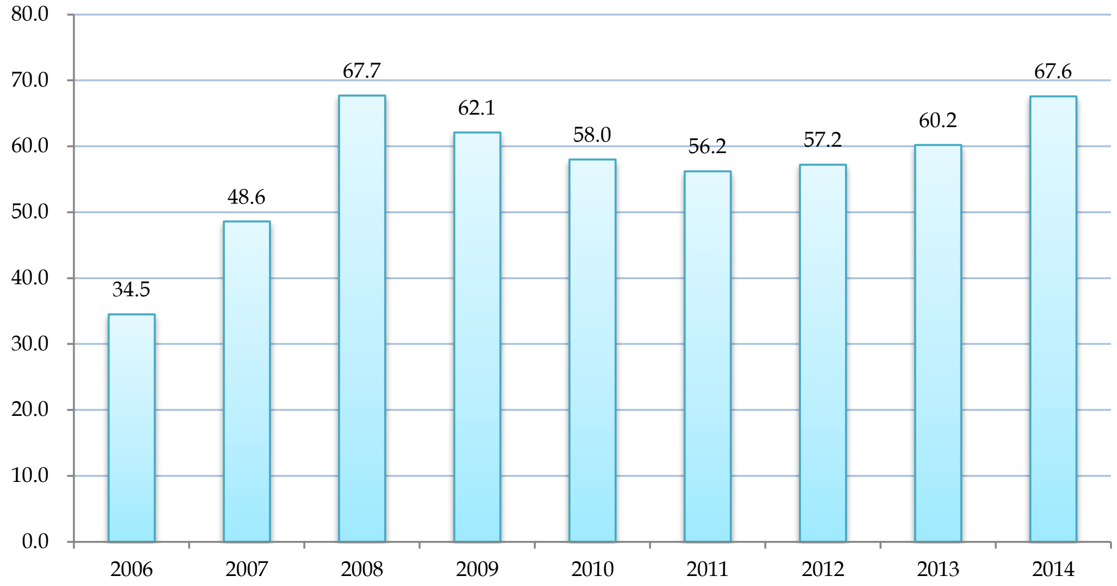
The leaders in the number of disbursed Agri-loans are PCB, TEB and RBKO, followed by Microfinance Institutions: KRK and AFK. The table shows that most loans were disbursed in 2008 and their amount is very close to the amount of loans in 2014 (-0.1%) despite the fact that the number of loans disbursed was halved. The number of loans granted since the beginning of 2006 and up to 2014 is approximately 208 thousand loans, with a total amount of 512.1 mil. €. Therefore, for these 9 years, an average of 1,900 loans were monthly disbursed, with an average amount of 4.7 mil. €.

Table 112: Agri-loans, 2006-2014

Agri-loans 2006 - 2013	Loans disbursed	Number of loans disbursed	Minimum loans (€)	Maximum loans (`000 €)	Amount of loans disbursed / Banks and MFIs (€)	Total amount of loans disbursed (`mil. €)	Loans repayment (months)	Average interest rate (%)	Share of Agri-loans compared to other loans (%)
2006	5 - 8,073	18,142	50 - 2,000	2 - 650	35,380 - 17,298,789	34.5	12 - 39	8.0 - 48.0	0.66 - 76.19
2007	12 - 14,598	27,065	50 - 3,500	2 - 100	56,920 - 26,378,292	48.6	12 - 33	9.0 - 35.2	0.27 - 72.32
2008	21 - 17,864	33,674	50 - 1,000	3 - 200	42,300 - 31,814,353	67.7	12 - 27	12.0 - 33.8	0.22 - 74.00
2009	11 - 14,417	30,822	50 - 2,000	3 - 100	36,500 - 26,997,455	62.1	12 - 27	12.0 - 34.3	0.41 - 71.03
2010	4 - 10,772	24,528	50 - 3,300	3 - 149	37,660 - 28,606,314	58.0	12 - 45	12.0 - 32.6	0.06 - 67.02
2011	3 - 7,198	20,865	50 - 3,000	3 - 380	8,560 - 27,395,515	56.2	16 - 33	12.0 - 32.8	0.02 - 60.83
2012	7 - 5,645	18,961	50 - 1,000	3,7 - 300	11,000 - 27,562,821	57.2	16 - 27	12.0 - 28.1	0.01 - 59.00
2013	3 - 3,608	17,578	50 - 50,000	3 - 220	15,280 - 24,623,328	60.2	15 - 45	10.5 - 26.2	0.02 - 64.00
2014	14 - 3,638	16,442			18,400 - 18,488,960	67.6	13 - 50	9.0 - 26.5	0.70 - 58.60
Total		**208,077**				**512.1**			

Source: Commercial banks and MFIs in Kosovo

Figure 41: Total amount of loans disbursed (`mil. €)

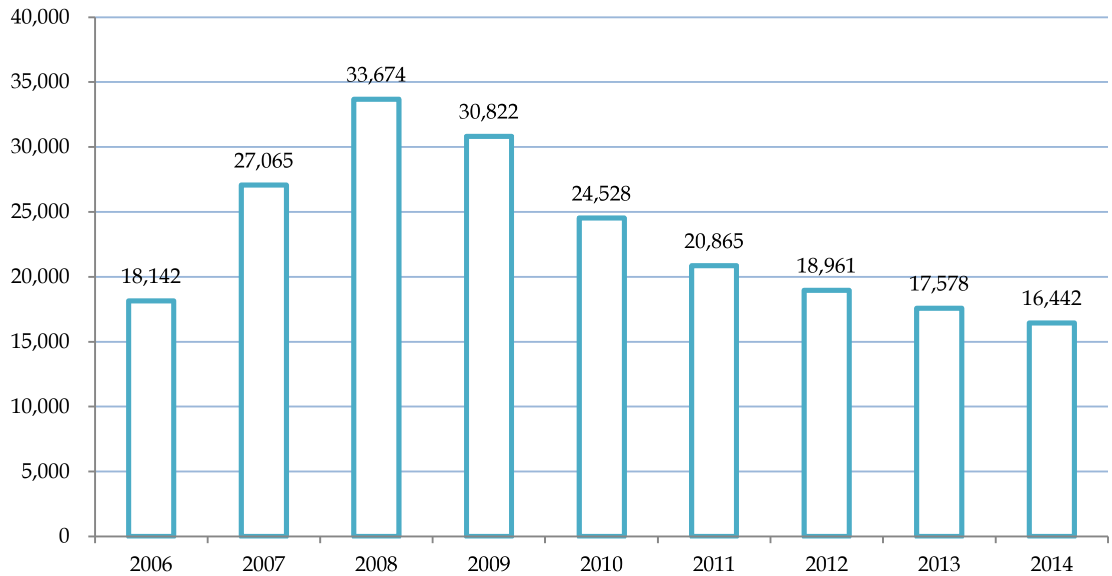


Source: Commercial banks and MFIs in Kosovo

The leaders in the amount of loans disbursed are: PCB, TEB, RBKO, and as for the MFIs: KRK, AFK and KEP. The table and figure show that years 2008 and 2014 can be clearly distinguished in terms of number of awarded loans, while the year 2006 has almost half as the mentioned years or by 49% less, in other words the volume of agricultural loan portfolio was doubled (96.2%) in 2014 compared to 2006.

Figures 1 and 2 show that although the number of loans was the same in 2006 and 2013, the value of loans in 2013 has doubled compared to 2006 i.e. the average of loans for the years 2012, 2013 and 2014 (95.9 %) has been doubled.

Figure 42: Number of loans disbursed



Source: Commercial banks and MFIs in Kosovo

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 12 and 27 months in 2008.

In 2006 the interest rates for agricultural loans varied between 8% and 48% a year, depending on the amount of loan and the repayment period, while in 2014 the rates stabilized from 9% to 26.5%. Agricultural producers are still unsatisfied with the high 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. 2006 was a year characterized with low collateral rates, whereas 2012 with the highest collateral rate. However, a standard required collateral 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. From 2006 and onwards we observed that the grace period was shorter, however, in recent years it has increased. 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.

Below we will present the positions of financial institutions over the years:

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

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

In 2008, the highest number of loans disbursed was achieved by PCB, KRK, KEP, whereas PCB, KRK and RBKO were the ones with the highest amounts of loans disbursed. The highest share of Agri-loans compared to other loans was achieved by KRK, Qelim, KGMAMF and Perspektiva.

In 2009, the highest number of loans disbursed was achieved by PCB, KRK, KEP and

KGMAMF, whereas PCB, KEP, KRK and RBKO were the ones with the highest amounts of loans disbursed. The highest share of Agri-loans compared to other loans was achieved by the same as in the previous year.

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

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

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

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

In 2014, the highest number of loans disbursed was achieved by PCB, TEB, KRK, AFK and RBKO. With the highest total amounts of loans disbursed by: KRK, AFK and TEB. The highest share of Agri-loans compared to other loans was achieved by Perpektiva, KRK and KGMAMF.

As for the share (%) of bad loans among agri-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 5.38%, whereas among Microfinance Institutions this percentage varies between 9.38% and 23.77%, except in one Microfinance Institution which had about 85% of bad loans in the last nine years.

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 the Ministry of Agriculture, Forestry and Rural Development 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, by disbursing loans and at the same time increasing access to agricultural and agri-business loans, this fund contributes with a total value of 26 mil. $ (20.1 mil. €) and MAFRD has a share of 2.5 mil. €. The USAID programme provides new opportunities in Agriculture for a period of four years, with the aim of creating more favorable 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 doubles or is even higher. The difference is noticeable even in the average loan duration, which differentiate from 36 months without DCA to 48 months with DCA.

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

For loan insurance, banks require collateral for amounts over 25,000€ (with DCA). For example, in the period April-September 2014, the average loan was around 22,000 € whereas the collateral was around 60,000 €, however, with DCA applied the ratio between the average loan amount and the collateral is lower (40,166 € with 55,211 €).

When analyzing 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, the loan repayment period is extended, and there is a lowering of interest rate on average by 3% 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.

There is a lack of Bank data for RBKO, which were not included for the years 2006 and 2007.

For 2015 there is a new picture of lending, with the reduction of interest rates by banks, but not by microfinance institutions as well. Thanks to the commitment and cooperation of the CBK, MAFRD, USAID, etc., we expect a reduction in bank interests for loans in the agricultural sector and facilities in awarding loans.

5.3 Investment Grants

Ministry of Agriculture, Forestry and Rural Development has also continued in 2014 with a grant scheme for support, to improve the agriculture and rural development sector as well as achieve higher standards and improve quality of various agricultural crops. By including measures and sub-measures for different agricultural sectors, the RDP is implemented by the division for Approval of Rural Development Project:

Measure 101 - Investments in physical assets in agricultural economies, This measure includes the fruit trees sector (apple, pear, plum and cherry), the small fruits sector (strawberry, raspberry and blackberry), the vegetable sector (greenhouses) and vegetables in the open field (including potatoes), the meat sector (fattening of calves and broilers), the milk sector (milk cows, sheep and goats), the cereals sector, the grape sector and the egg producing chickens sector.

Measure 103 - Investments in physical assets in the processing and trade of agricultural and fishery 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 sub-measures 302.1 Beekeeping, production/processing and trade of honey;

302.2 Processing of medicinal herbs plant, forest fruits and mushrooms collected;

302.3 Farm processing and marketing of agricultural products on a small scale (vegetables, fruits, herbs, spices, medicinal plants, mushrooms and milk of sheep and goats).

Table 113: The budget projected for RDP 2014

Measure	Value in €
Measure 101: Investments in physical assets in agricultural economies	**5,750,000**
Milk sector	1,150,000
Egg sector	300,000
Meat sector	1,000,000
Fruit sector	1,200,000
Table grape sector	200,000
Vegetable sector	1,400,000
Cereal sector	500,000
Measure 103: Investments in physical assets in the processing and trade of agricultural products	**3,000,000**
Milk processing sector	1,000,000
Meat processing sector	1,000,000
Fruit and vegetable processing sector	700,000
Wine processing sector	300,000
Measure 302: Diversification of farms and business development	**850,000**
Beekeeping and production/processing and trade of honey	300,000
Processing of herbs, medicinal plants, forest fruits and mushrooms collected	300,000
Farm processing and trade of agricultural products on a small scale (vegetables, fruits, herbs, spices, medicinal plants, mushrooms and milk of sheep and goats)	300,000
Measure: Irrigation of agricultural lands	**1,500,000**
Total	**11,100,000**

Source: Agricultural Development Agency (ADA)

Grant scheme support is also this year provided by: World Bank Budget, Danida Budget and Nacional Budget.

World Bank Budget – Based on the agreement with the World Bank, all projects that reached the value of € 30,000.00 of public support were paid by the budget of the World Bank. The number of beneficiaries who have met the criteria to be paid by the budget of the World Bank is larger than the budget designated for these projects. The table below presents sub-measures paid by the budget of the World Bank for fruits, soft fruits, greenhouses, cereals, milk and calves. Total number of farmers paid by this budget is 17 farmers, with a total of 599,080.32 €, while the amount of support by the national budget is 179,654.32 €. Category of greenhouses, milk and cereals has the highest number of beneficiaries compared to other categories, and also the allocated budget amount for these categories is higher than the amount of the categories of fruits, soft fruits and calves.

Table 114: Sub-measures paid by the World Bank budget

No.	Sub-measure	No.	World Bank budget /€	National budget /€
1	Fruits	2	68,327.81	20,498.34
2	Soft fruits	2	61,606.47	18,481.96
3	Greenhouses	4	155,676.58	42,061.95
4	Cereals	4	133,857.68	42,645.80
5	Milk	4	148,923.01	46,351.59
6	Calves	1	30,688.77	9,614.68
Total		17	599,080.32	179,654.32

Source: Agricultural Development Agency (ADA)

Danida budget - Based on the agreement, all the projects that reached the value of 15,000.00 € to 30,000.00 € of public support, were paid by the Danida budget. The number of beneficiaries who have met the criteria to be paid by the Danida budget is larger than the budget designated for these projects. Total number of farmers paid by this budget is 118, with a total value of 3,126,317.33 €. Based on sub-measures paid by the Danida budget, the most paid sub-measure is sub-measure of greenhouses which includes about 37 farmers, with a total value of 1,152,628.64 €, followed by sub-measure of milk with a total value of 557,786.20 € and sub-measure of calves for fattening with a total value of 491,628.70 €. The table below presents the data for the number and values of farmers and sub-measures which are paid by Danida budget.

Table 115: Sub-measures paid by Danida budget

No.	Sub-measure	No.	Danida budget/€	National budget/€
1	Fruits	12	385,568	121,321
2	Soft fruits	2	37,261	11,178
3	Vegetables	2	42,593	8,518
4	Greenhouses	37	1,152,628	355,125
5	Cereals	5	133,610	40,077
6	Milk	26	557,786	201,782
7	Chicken	5	107,807	23,536
8	Calves for fattening	21	491,628	203,775
9	Broilers	8	217,432	73,512
Total		**188**	**3,126,317**	**1,083,828**

Source: Agricultural Development Agency (ADA)

National budget – Based on the agreement with the World Bank, all projects of the value under 15,000.00 €, were paid by the national budget, but 22 other projects of higher value were paid by national budget due to the lack of budget from the World Bank and Danida. The data in the table show that 54 farmers were paid in sub-measure for beekeeping (302), in the amount of 322,484.51 €, followed by other sub-measures as milk, fruits, etc. The total number of farmers paid by the national budget is 137 farmers in the amount of 1,812,710.51 €.

Table 116: Sub-measures paid by the national budget

No.	Sub-measure	No.	Value/€
1	Fruits	6	230,592
2	Soft fruits	10	133,408
3	Vegetables	16	152,057
4	Greenhouses	5	125,963
5	Grapes	16	108,016
6	Cereals	4	144,814
7	Milk	14	323,476
8	Chicken	5	81,365
9	Calves	5	105,018
10	Broilers	2	85,514
11	Beekeeping (302)	54	322,484
Total		137	1,812,710

Source: Agricultural Development Agency (ADA)

Also 15-35% of the beneficiaries that were paid by the World Bank and Danida, were paid by the national budget.

Table 117: Payments made by the National, the World Bank and Danida budget

Sector	No.	National B./€	World B./National/€	Danida B. /National/€	Total/€
Fruits	6	230,592	20,498	121,321	372,412
Soft fruits	10	133,408	18,481	11,178	163,068
Vegetables	16	152,057		8,518	160,575
Greenhouses	5	125,963	42,061	355,125	523,150
Grapes	16	108,016			108,016
Cereals	4	144,814	42,645	40,077	227,537
Milk	14	323,476	46,351	201,782	571,610
Chicken	5	81,365		23,536	104,902
Calves for fattening	5	105,018	9,614	203,775	318,408
Broiler	2	85,514		73,512	159,027
Beekeeping (302)	54	322,484			322,484
Total		**1,812,710**	**179,654**	**1,038,828**	**3,031,192**
No. of beneficiaries	**137**		**17**	**118**	**272**

Source: Agricultural Development Agency (ADA)

The total value of the payment made under the budgets for rural development projects for 2014 was 10,519,413.80 € divided into the national budget, the World Bank budget and the Danida budget, as specified in the table below.

Table 118: The amount of payment for RDP by budgets for 2014

Budget	Amounts paid in €
National budget	4,727,030
World Bank budget	2,598,185
Danida budget	3,194,197
Total	**10,519,413**

Source: Agricultural Development Agency (ADA)

Upon completion of field controls by the ADA, the process of approval or rejection of projects based on the audit report has continued, and after this process, the contract was signed between the beneficiaries and the ADA, for starting the implementation of planned investments. In case of rejection, the rejection decision with the reasons was drafted, and sent to the farmer. By this, the process of approval of the RDP is completed, and continued the investment implementation process. The number of approved applications that met the selection criteria based on the RDP budget for 2014 was 337 applications in the amount of 13,039,985.10 €, Including measure 101, measure 103, measure 302 and measure the extension of agricultural land irrigation.

Table 119: The number of applications and the value approved in € of the RDP for 2014

Measure	The no. of approved applications	The value approved in €
Measure 101		
Fruits sector	24	1,165,703
Soft fruits sector (strawberry, raspberry and blackberry)	16	317,269
Greenhouse vegetable sector	48	1,961,915
Open air vegetable sector (including potatoes)	20	364,330
Cereals sector	14	589,575
Grapes sector	19	211,668
Milk Sector	47	1,515,013
Egg sector	11	295,456
Meat sector (fattening of calves)	33	1,038,139
Meat sector (broiler)	11	427,975
Measure 103		
Milk processing	8	1,374,203
Meat processing	8	1,234,948
Fruit and vegetable processing	9	1,296,664
Production of wine	4	249,404
Measure: Irrigation of agricultural lands	6	587,829
Measure 302		
Sub-measure 302.1- Beekeeping and production/processing and trade of honey	56	374,754
Sub-measure 302.2- Processing of herbs, medicinal plants, forest fruits and mushrooms collected	3	35,132
Total	**337**	**13,039,985**

Source: Agricultural Development Agency (ADA)

Rural grants supported by the EU Office in Kosovo

Support to the agricultural sector continued by the EU office in Kosovo, through the IPA program. The following data are from 2009 to 2013, which include capacity building in the milk sector, the meat sector , the processing sector, fruit and vegetables, wines, rural tourism and economic development in rural areas, including all regions of Kosovo.

Referring to the total budget allocated through the years, the following table shows the budget allocation to the beneficiaries of certain sectors.

In 2009, the total budget was 9,403,348 €, while the contribution from the EU office was 7,196,453 €, and in 2011 the total budget was 6,192,592 €, while the contribution from the EU office was 4,498,625 €.

For 2012 the total budget was 6,227,869 €, while the budget of the EU office of 4,154,243 €. In 2013, the budget recorded a decrease which shows that the total budget was 5,592,178 €, while the support from the EU office was 3,711,029 €.

Table 120: IPA 2009-2013, rural grants supported by the EU

Year	2009		2011		2012		2013	
Beneficiaries	Total budget/ €	Contribution from EU/€	Total budget / €	Contribution from EU /€	Total budget / €	Contribution from EU /€	Total budget / €	Contribution from EU /€
Milk sector	267,303	200,477	357,847	266,632	347,157	207,534	370,674	277,000
	687,874	403,576	587,114	398,724	555,908	387,000		
	685,752	499,891	542,201	361,500	679,640	473,500		
	679,626	490,214	521,394	391,045	335,633	200,641		
	472,056	354,042						
	565,181	418,234						
	571,434	428,575						
	542,383	488,145						
Meat sector	615,065	414,184	509,148	381,861	629,497	435,000	749,016	449,410
	590,151	442,613	409,533	305,000	340,870	204,522	660,200	336,702
			486,635	357,986	435,073	304,000		
			484,116	361,121				
			465,684	349,263				
Processing	560,964	409,503	523,439	388,259	606,578	420,000	776,388	465,833
	365,533	274,143	514,984	344,648	581,891	394,000		
	268,231	201,173						
	605,342	447,953						
Fruits and vegetables	334,021	294,005						
	446,142	383,682						
	199,656	168,829						
Wines					642,657	446,900	641,406	474,641
Rural tourism	462,814	393,391					655,641	490,000
Development of the economy in rural areas	483,820	483,820	313,715	235,000	547,543	381,400	378,032	283,000
			476,781	357,586	525,424	299,746	706,190	444,444
							654,630	490,000
Total	**9,403,348**	**7,196,453**	**6,192,592**	**4,498,625**	**6,227,869**	**4,154,243**	**5,592,178**	**3,711,029**

Source: EU Office in Kosovo

5.3.1 Restructuring physical potential

Agricultural sector in Kosovo plays a very important role in providing employment opportunities and income generation. A large part of the farms are so small that almost all of their production is consumed directly by the farm family. Therefore, a focus on supporting investments in physical assets of farms that are commercial oriented and are able to provide a steady income is required.

Given the fact that most of the farms are very small, it seems reasonable to encourage the horizontal cooperation among farmers in the form of co-operation of producers, who can build the basis for subsequent production organizations, or associations of producers but also for the vertical integration of farmers, for example in market chains through supply contracts.

Based on comparative advantage that Kosovo has in some sectors, the contribution of sectors in farm economy of the sectors' need for alignment with EU standards, the measures will be focused on supporting investments in the following sectors; fruits, vegetables (including potatoes), milk, meat, grapes and eggs.

Among the general objectives under measure 101 "Investments in physical assets in agricultural economies" are:

- Increase the competitiveness of Kosovo agriculture and substitution of import;
- Create new jobs and increase employment in rural areas;
- Support for farmers in selected sectors, with the aim of alignment with the rules, standards, policies and practices of the EU;
- Support for economic, social and territorial development, by targeting sustainable and comprehensive growth, through the development of physical capital;
- Address the challenges of climate change through the utilization of renewable energy.

This measure is supported by the World Bank budget, the Danida budget and the National budget. The following presents sub-measures within measure 101, investments in physical assets in agricultural economies, and the number of beneficiaries and the amount approved in € for 2014.

Table 121: The number of applications and the amount approved for measure 101

Measure 101	No. of applications approved	Value approved in €
Fruit sector	24	1,165,703
Soft fruit sector (strawberry, raspberry and blackberry)	16	317,269
Greenhouse vegetable sector	48	1,961,915
Sector of vegetables in the open field (including potatoes)	20	364,330
Cereals sector	14	589,575
Grapes sector	19	211,668
Milk sector	47	1,515,013
Eggs sector	11	295,456
Meat sector (fattening of calves)	33	1,038,139
Meat sector (broiler)	11	427,975
Total	**243**	**7,887,047**

Source: Agricultural Development Agency (ADA)

5.3.2 The development of the processing sector

To compete successfully in an increasingly open market of the food processing, the industry needs to update technology and improve safety management systems. The food industry has a duty to create safe collection, transport and storage of raw materials, to reduce waste and to ensure food security. To support the sector in terms of processing and marketing, MAFRD has implemented the measure 103 "Investments in Processing and Marketing of Agricultural Products". Under this measure, the priority is given to investments for the implementation of standards of food safety that are of special importance for local market supply with safe food products and to compete successfully with foreign suppliers. To encourage industry adoption to environmental standards, the priority was given to investments aimed at waste treatment, water purification and utilization of waste products. The supported investments under measure 103 will contribute to improvement of the situation of primary agricultural production, giving priority to beneficiaries who are supplied by a high percentage of raw materials by contracts with farmers.

This measure will support investments in the food processing industry in the following five sub-sectors: milk processing, meat processing, fruit processing and vegetable processing, and wine production.

The overall objectives of the measure 103 are:

- Increase the competitiveness of the agro-food sector by increasing productivity and introducing new technologies and products;
- Alignment with EU standards and improvements in environmental protection, food safety and product quality, animal welfare and traceability of the food chain and waste management;
- Strengthening linkages with primary production;
- Production of renewable energy in order to preserve the environment;

Regarding measure 103, the number of applications approved for 2014 was in total 29, dominated by the fruit and vegetable sector, while the total value approved was 4,155,220.90 €, led by the milk processing sector with a value of 1,374,203.30 €.

Table 122: The number of applications and the value approved for measure 103

Measure 103	No. of applications approved	The value of approved in €
Milk processing	8	1,374,203
Meat processing	8	1,234,948
Fruit and vegetable processing	9	1,296,664
Wine production	4	249,404
Total	**29**	**4,155,220.90**

Source: Agricultural Development Agency (ADA)

5.4 Improving and developing the capacity

5.4.1 Education, training and advisory services

Advisory Services Department in MAFRD has started the implementation of the measure for vocational training since 2008. Private training companies in close cooperation with the Municipal Directorates of Agriculture have been contracted to conduct trainings. During 2015, the following activities are conducted: the project "Development of rural areas by enhancing advisory services", financially powered by the Ministry of Agriculture, Forestry and Rural Development, and implemented by the company "Consult Engineering”. The purpose of this project was meeting the needs of farmers and rural communities with practical advice on agriculture and rural development, by increasing farmers' income and living standard of the community in rural areas of Kosovo. For advice provision in various sectors of agriculture 27 experts were engaged, most of whom have been Professors of the University of Agriculture. Consultations are conducted in Kosovo municipalities with the topics requested by farmers, where together with the trainers we have delivered actual knowledge and achievements in the field of agriculture, forestry, veterinary and rural development as well as areas related to the land.

The organization and mobilization of municipal advisors for advice provision – Under the project "Development of Rural Areas through Advancing Advisory Services", initially the mobilization of municipal advisors for organization of advices was made.

Organization and provision of professional advices to groups of farmers in various sectors - By the proposal of the municipal advisors, the demands of farmers and in cooperation with our experts and officials from DSHKT, the topics to provide advices to various groups of farmers were selected. Field advices were organized throughout the territory of Kosovo.

At the request of farmers and municipal advisors, most advices were organized on farms in order to achieve best practice results. These advices were attended by all farmers’ groups including minority farmers who live in Kosovo. During this time, 401 advices with various topics were implemented, and 5,247 farmer from all municipalities of the Republic of Kosovo have benefited from these advices, or on average about 13 farmers attended each training.

Organization and provision of professional advices to groups of farmers was made in these sectors:

73 trainings in the veterinary and animal production sector, with a total of 917 participants.

26 trainings in the fruit and grapes sector, with a total of 368 participants.

26 trainings in the vegetables and arable sector, with a total of 333 participants.

43 trainings in plant protection sector, with a total of 469 participants.

22 trainings in irrigation sector, with a total of 214 participants.

20 trainings in the agro-processing sector, with a total of 169 participants.

15 trainings in the environmental protection sector, with a total of 122 participants.

28 trainings in the forestry sector, with a total of 301 participants.

90 trainings in agro economy sector, with a total of 1,356 participants.

35 trainings in beekeeping sector, with a total of 741 participants.

23 trainings on hazardous works topic for young people under the age of 18, with a total of 253 participants.

Engaging an information technology expert – The IT expert has completed the design and programming of the web site for the Department of Technical and Advisory Services. This web site is designed in the way that users can easily obtain relevant information. The IT expert has introduced the designing of internet website to the central staff of DSHKT. The IT expert has also performed maintenance of web site with the available data. The web site is brought online and is available to the farmers.

Advisory service support with extension material - During the implementation period of the project, 9 captions of brochures were developed and published. The topics are selected by the municipal advisors on the basis of applications received by the farmers of the respective municipalities.

Published brochures for this year are:

How to prepare a Business Plan;

Preparation of vegetable seedlings, seeds planting and services performed after planting;

Vineyard cadaster, its role and importance for farmers and wine producing companies;

Breeding of small ruminants;

Protection of crops from the weeds;

Ticks and their pathogens in Kosovo, protection, control and prevention;

Farm record keeping;

Best practices in the silage preparation;

Hazardous work for young people under the age of 18.

Brochures in question were printed in 3,000 copies for each caption of which 92% are in Albanian and 8% in Serbian language. Besides the brochure "Cadaster of vineyards, its role and importance for farmers and wine producing companies", which at the request of the Department of Viticulture and Winery, is published in 7,000 copies which has reached and exceeded the annual number of copies of brochures.

Delivering messages to farmers - At the time of implementation of the project, 10 messages on local television stations were broadcasted, covering seven regions of Kosovo: Prishtina, Prizren, Peja, Gjilan, Gjakova, Ferizaj and Mitrovica. The TV messages had the accompanying character of activities that were taking place, where it influenced the awareness raising of farmers for other counseling and activities taking place under the project.

Organization of visits to farmers within Kosovo - In cooperation with municipal advisors of different municipalities, a total of 16 visits were organized to farmers within Kosovo. Visits were conducted to farmers or distinct businesses so that other farmers can learn from the best practices of development and also to share experiences among themselves. From these 16 visits benefited 426 farmers from municipalities: Glogovac, Vushtrri, Gjakova, Fushe Kosova, Shtime, Klina, Rahovec, Suhareka, Peja, Prizren, Skenderaj, Malishevo, Istog, Prishtina, Ferizaj, Hani i Elezit. For each visit a topic was defined in advance, where the host of the visit made presentations to other farmers from different municipalities. During 2015, three 5-days study visits were realized for field advisors, one in Croatia and others in Albania and Slovenia. The visits aimed at exchanging experiences, gaining new experiences as well as capacity building for advisors.

5.4.2 Structural promotion, efficiency and development

Training of potential applicants to apply for the grant program - Ministry of Agriculture, Forestry and Rural Development (MAFRD) through loans taken by the World Bank, continues in the third year with providing advices to potential applicants for grants in agriculture. This year, the consortium of consulting companies PANGEA SC-Italy, NASS-Bulgaria, IAMB-Italy and ESG-Kosovo, is contracted for these services for a period of three years. Under this activity, 10 modules in 8 regions were developed, and 34 municipalities were included. During this period, 347 farmers have been trained, of which 68 women. Whereas individual advices benefited 167 farmers and agro-processors. The purpose of the trainings has been the support of farmers and agro-processors interested to apply for the grant program 2015.

Training topics:

General Presentation for Grants - General Criteria

Investment in the fruit sector 1 – Measure 101 (the fruit and grape sector)

Investment in the vegetable sector 1 - Masa 101 (the greenhouses and vegetable sector, including potatoes)

Investment in the livestock, meat and milk sector, Measure 101 (the meat and milk sector – the egg sector)

Investment in the fruit sector 2, Measure 103 (fruit and grape sector)

Investment in the vegetables sector 2, Measure 103 (the greenhouses and vegetable sector including potatoes)

Investment in the livestock, meat and milk sector, Measure 103 (the meat and milk sector - the egg sector)

Development of projects and applying for grants, Measure 101 and 103 (the meat and milk sector – the egg sector)

Development of projects and applying for grants, Measure 101 and 103 (the greenhouse and vegetable sector, including potatoes)

Development of projects and applying for grants, Measure 101 and 103 (the fruit and grape sector)

Table 123: Participation in trainings and individual advices

Region	Participants in trainings	Individual advices	Total
Prishtina	57	20	77
Mitrovica	70	12	82
Peja	27	20	47
Prizren	16	7	23
Ferizaj	33	27	60
Gjilan	34	26	60
Gjakova	73	55	128
Graqanica	37	0	37
Total	**347**	**167**	**514**

Source: DSHKT - MAFRD

Under this contract, the Project for Agriculture and Rural Development (ARDP) of The World Bank has conducted two study visits with producers and agro-processors (applicants for grants in agriculture), in the Republic of Macedonia and the Republic of Turkey - Antalya. Beneficiaries of these study visits are 30 producers and processors from different municipalities of the Republic of Kosovo.

Training to improve the efficiency of Extension Staff (Extension Methodology) – KDC - Kosovo, MCIC and K8 - Macedonia, and MDF - Netherlands are implementing the contract "Training to improve the efficiency of extension staff." The purpose of this project is training of public and private extension staff by the methodology for adult learning.

During the period April 23, 2015 - June 30, 2015, 34 days of trainings for each module for all public advisors of Municipal Information Centers and Advisory and Technical Services Department (DSHKT) of MAFRD were organized, in (34 municipalities in these modules):

Leadership Development,

Effective communication skills and techniques, and

Effective assessment techniques and strategies

7 other training modules continued from September 1, 2015 - January 28, 2016 and a total of 105 days of trainings were conducted, with topics: Methods for providing training sessions for advisory services; Development strategies for adult learning; Providing practical training sessions for farmers; Effective learning models; Logic development model for planning advisory services; How to write effective data sheet for farmers; Improving skills in written.

Under this contract, 5 brochures were developed which are in the reviewing process by DSHKT to be approved and published each caption by 100 pieces in Albanian and Serbian language, with topics:

Diseases and pests of honey bees and their protection,

Technology of processing and conservation of vegetables,

Pruning of fruits during the period of relative quietness,

Breeding of small animals - sheep,

Agriculture and agricultural mechanism,

Support for municipal advisors - By the support of the project "Assistance to strengthen advisory services of MAFRD and improving the quality of technical services provided by the laboratories of MAFRD" funded by the EU (Liaison Office of the European Commission (C17)), the following activities are developed:

- Formalization of the Advisory Information Center (QIK), of advisory services in the municipality. For the period 2015, 11 QIK were made official, as follows: Decani, Gracanica, Kllokot, Hani i Elezit, Partesh, Ranilug, Malisheva, Gjilan, Klina, Podujeva and Vushtrria;
- During this period, 8 Administrative Instructions were signed (based on the Law on Advisory Services for Agriculture and Rural Development), which instructions were also signed by the Minister;
- Capacity building of advisors and leader farmers – trainings for certification of QIK advisors were organized and prepared, where 5 modules for 10 training days was planned. The trainings were organized in two groups of 21 advisors, where 42 advisors attended this training. Each module has its own objective. Module 1 (minimum basic knowledge of advisors, including the law and regulations that govern). Module 2: Improving management system (coordination, delegation of work, time management) Module 3: (Improving attitudes/skills of advisors). Module 4: (Improving methods of providing advices). Module 5 (Basic principles for farm management)

- The tests for advisors' certification were organized, where 42 advisors attended and completed their certification.
- In seven pilot municipalities selected for sampling soil analysis, samples were taken, analyzed and the results of the analysis were commented to the leader farmers, where in each municipality were selected by 30 farmers.
- Organization of training in integrated production of tomatoes and other vegetable crops. The training is held at the farm on the topic: "agro-technical measures in the flowering stage of tomato and other crops." The training was attended by 40 advisors and leader farmers.
- Organization of 4 workshops in 4 regions of Kosovo. Presentations are made by officials of DSHKT, DAESB, ADA, IBK, where the Kosovo Advisory System for Agriculture and Rural Development was presented. The workshop was participated by 245 farmers, advisors, NGOs and other stakeholders for Agriculture and Rural Development.

Trainings held in cooperation with SHK partner organizations (German GIZ and Austrian ATI_ADA).

- Trainings were organized and held also for the fruit sector. Training is held at the Training Centre in Lipljan and Rahovec in the Institute of Viticulture and Wine. The training topics were: humidity and temperature as appropriate factor for the disease development, apple chrome and fighting chrome with preparations that can be found in the Kosovo market, fighting weeds, pest identification, criteria for determining the seedlings.

Activities conducted in the municipal information advisory centers of advisory services

Technical advices support for farmers by advisors, including the following sectors: livestock, beekeeping, vines, and fruit and vegetable where benefited as follows:

- Number of farmers supported with technical advice - 1,076;
- Number of farmers supported in project preparation for grants – 100;
- Number of farmers supported in filling the applications for subsidies and grants – 1,350;
- Number of farmers supported with extension material - 1,992;
- Number of farmers informed through informative advisory centers – 1,714
- Number of applications received from KIC for subsidies in agriculture – 40,100;
- Number of training days for advisors and leader farmers – 850

5.5 Policies on markets, trade and international policy developments

As seen in Chapter 4.2, the commercial exchange of agricultural products in Kosovo is presented with a very negative trade balance. Given the production potential of Kosovo (see Chapter 1 and 2), it is clear that since the postwar period, our country is characterized by high import. Such a dependence on imports cannot be regarded as necessary since export opportunities can be developed. This is supported by various studies in the agricultural sector and also in the food processing industry.

Traditional trade policies dealing with the tariff implementation, quotas, or export subsidies etc., do not appear as an option for a sustainable development of production and potential trade. In line with the overall development of international agricultural trade policies, the Kosovo trade policies within the Ministry of Trade and Industry and the Ministry of Agriculture are also moving towards a systematic integration of agriculture oriented to a trade system of the world market. With the integration of agriculture in the WTO – the agreement in Marrakesh in 1994, the support mechanisms are detached from the traded and optional products, re-associated to the eco-system-services support, rural development and etc. Something that appears prominently in trade policy today is the solution of commercial disputes, the possibility of countervailing measures in anti-dumping cases, and trade promotion in general. Also, in the center of discussion of trade policy currently are licensing and mutual acceptance of phytosanitary standards and other technical standards.

Current trade regimes cover:

- Tariff principle increased on imports amounts to 10%. Still, it has to do with only 26% of all agricultural imports in 2013, since imports from EU and CEFTA countries are excluded according to relevant agreements.
- The Stabilization and Association Agreement with the EU, provides opportunities for trade with EU countries in line with other countries of the Western Balkans.
- CEFTA: In 2006, by various bilateral trade agreements, transferred to a common agreement.
- A free trade agreement with Turkey, signed in 2013, leading to free trade and the gradual elimination of tariffs on all industrial products and 846 tariff positions of agricultural products over a period of ten years.

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

- Improving the availability of data and the analysis of trade flows for a better monitoring of market developments.
- Establish and support specific ministerial committees dealing with aspects of agricultural production and trade.

- Support of international competitiveness of agricultural and processing industries through trade related measures such as strengthening brand names, labeling, improving sanitary, phytosanitary and veterinary measures.
- Monitoring and providing support in cases of antidumping measures.
- Improved registration support for trade and administration capacities (e.g. International Guidelines for Kosovo Trade).

Legislative basis:

- Law on Foreign Trade No. 04 / L-048
- Law on Internal Trade No. 04 / L-005
- Law on Import Protection Measures No. 4-L / 047
- Law on Anti-dumping and Countervailing Measures No. 03-L / 097
- Law on Trademarks No. 02-L / 54
- The new VAT law No. 05/L-037
- Law No. 04-L/163 for goods exempt from customs tax and goods with zero customs tax.

Tax regime in Kosovo

Kosovo has developed a fiscal system based on best experiences and policies of the EU in order to have the most appropriate fiscal policy and legislation as the EU.

Establishment of our system is based on economic development under the concept:

- Free market economy,

- Principles of the rule of law and

- Market liberalization.

Regarding the agricultural sector, the fiscal policy is one of the main political instruments which have a direct impact on the development and advancement of the sector.

Regulations which have helped the development of the agricultural sector through the implementation of the fiscal policies for customs and VAT exemption on all agricultural agro-inputs excluding insecticides. Regulations No. 2004/13, No. 2004/35, No. 2006/4, No. 2007/ 12 and No. 2007/31.

With the entry into force of Law no. 04-L / 163 on goods exempt from customs tax and goods with zero customs tax, the Regulation No. 2007/31 was repealed.

6 Agricultural income and production costs

Through the FADN data of 2014 presented in the following tables, an effort to analyze the economic situation of farms in Kosovo was made, focusing mainly on the level, development and distribution of income on the farm.

Indicators of farm income in FADN are drawn by the income statement of the farm. Subtraction of total intermediate consumption (SE275) from total output (SE131), provides indicators of total farm income (SE410). Depreciation costs (SE360) will be further decreased in order to obtain indicator of net value added (SE415). Eventually, the family farm income (SE420) is generated by subtracting the external factors - wages, rent and interest paid (SE365) from the net value added of the farm.

From the table below we can see that the highest family farm income was in the type of farms that as the activity is cultivation of fruits and grapes (12,396 €). Then come farms having sheep and goats (8,255 €) and mixed farms with family income of 7,833 €, followed by other types of agricultural activities as presented in the table.

The permanent crops had the most total income on the farm, comprised by, orchards and vineyards (13,803 €), followed by farms possessing milk cows (9,693 €) and arable crops (8,056 €) as well as other types of farms presented in the table.

Farms having cultivation of vegetables (horticulture) as agricultural activity are not presented at all as it was very small number of this type of farms represented in the sample and as such are not representative and are not presented in the table.

Table 124: Main variables by farm type (Euro/farm)

Typology of farms by activity	Total output (SE131)	Gross farm income (SE410)	Net value added at the farm (SE415)	Family farm income (SE420)
Arable crops	12,849	8,056	5,525	5,223
Permanent crops	17,087	13,803	12,756	12,396
Grazing livestock	12,435	9,693	8,375	8,255
Mixed crops	10,516	7,198	5,499	5,412
Mixed livestock	12,404	2,907	715	628
Mixed plants and animals	11,016	9,139	7,683	7,833

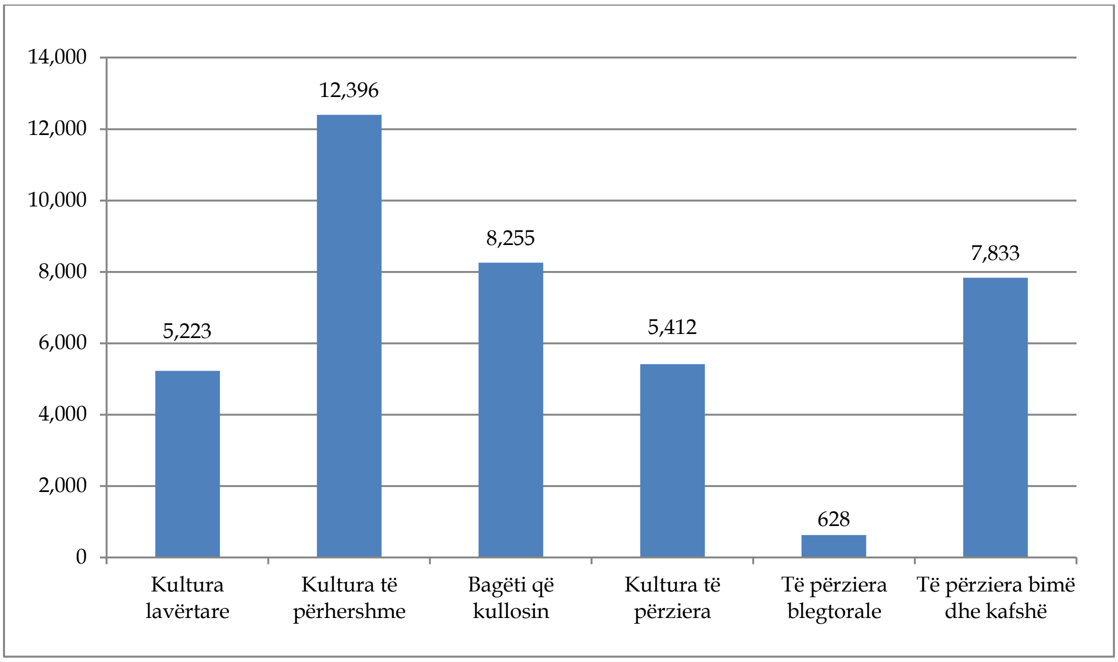
Source: FADN 2014

If we compare the data in terms of total output (SE131), depending on the typology of farms, there was a decrease of (-20%) in 2014 for arable farms compared to 2013. Changes or decrease in the amount of total output was also suffered by the farms cultivating fruits and vineyards by (-25%), and (-10%) less production of the farm type of grazing livestock (cows, sheep and goats and other ruminant animals).

To the type of farms with mixed crops, there is a decrease in 2014 compared to the farms of 2013 (-8%), while the mixed livestock farms shows an increase in total output (SE131) by 63.8% compared to 2013.

Regarding the Net Value Added (415), there are also significant changes noticed in the results obtained for 2013 and 2014. A decrease in the value added in 2014 by (-48%) compared to the previous year are displayed in arable crop farms, fruit and vines (-34%), grazing livestock (-19%) and also in mixed livestock farms.

Figure 43: Family farm income (SE 420) (Euro/farm)



Source: FADN 2014

From the results of variables where family farm income (SE420) in 2014 compared to those of 2013 are presented, it shows a significant decrease of incomes in farms cultivating arable crops (cereals, plant oils, other mixed crops and forage) by (-41%) in 2014 compared to the previous year, as well as grazing animal farms (cows, sheep and goats and other ruminant animals) also had a decrease by (-19%). Less income (-13%) in 2014 was also in mixed vegetable and livestock farms.

Table 125: Main variables by farm size (Euro/farm)

Average value for the agricultural economy	SE	Very small	Small	Medium Small	Medium Large
	Variables	< 4000	< 8000	< 15,000	< 25,000
Total utilized agricultural area (UAA) , ha	SE025	3.9	5.4	8.1	12.4
Total animal units	SE080	1.9	4.2	8.2	10
Total output	SE131	6,040	7,853	16,316	24,444
Total output of plant products	SE135	3,719	4,150	7,685	12,115
Total output of livestock products	SE206	2,274	3,662	8,400	11,388
Other outputs	SE256	48	40	231	941
Total intermediate consumption	SE275	1,455	2,352	5,797	8,548
Total specific expenses	SE281	781	1,193	3,921	2,325
Total fixed farm costs	SE336	675	1,159	1,876	6,223
Depreciation	SE360	1,202	1,303	1,755	2,038
External factors	SE365	12	30	175	381
Gross income at the farm	SE410	5,102	5,750	11,357	16,754
Net value added at the farm	SE415	3,900	4,446	9,602	14,716
Family farm income	SE420	3,888	4,416	9,486	14,335

Source: FADN 2014

Large farms generate far more income than smaller ones. Total output of very small farms was 23% lower (6,040 €) than in small farms (7,853 €) and 75% lower than in medium to large farms (24,444 €). The average intermediate consumption of various inputs in very small farms was low (1,455 €), compared to the medium to small farms in which this consumption was significantly higher (5,797 €). In medium to large farms, the intermediate consumption had a significant difference for 47% more compared to medium small farms.

Net value added in very small farms was 3,900 €, while in small farms this value was 4,446 €. The highest net value added was in medium small farms (9,602 €), or expressed in percentage 115% higher than in small farms, while in the medium to large farms (14,716 €) this value was 53% higher compared to medium to small farms.

Table 126: Main variables of FADN by regions, in Euro/farm

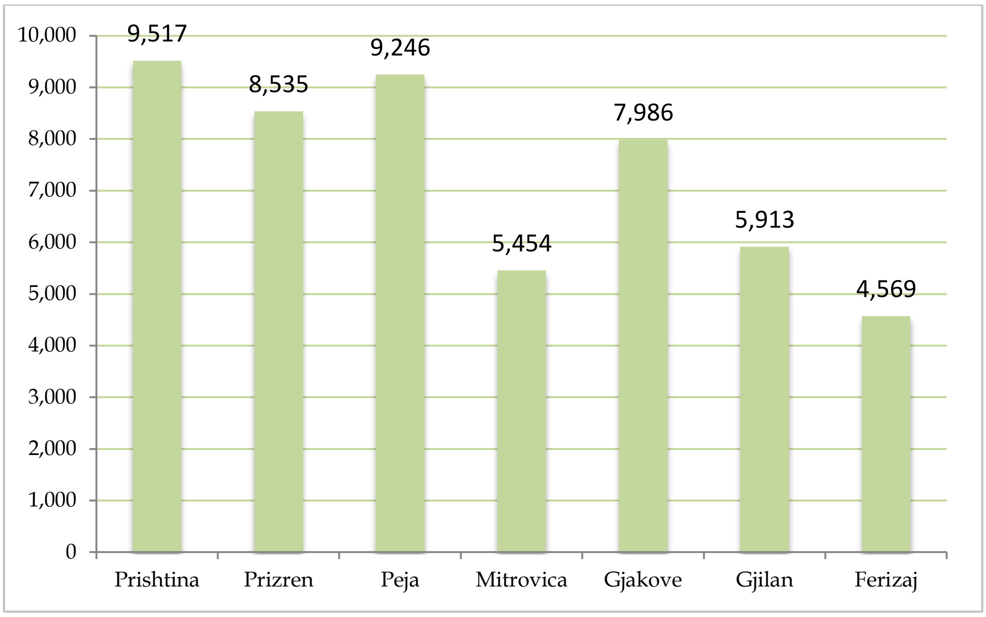
Region	Number of farms in the sample	Total output - SE131	Gross farm income - SE410	Net value added at the farm - SE415	Family farm income - SE420	Farms' participation (%)
Prishtina	69	16,539	11,560	9,600	9,517	7.11
Prizren	28	12,352	10,086	8,582	8,535	15.48
Peja	74	13,721	10,911	9,322	9,246	6.60
Mitrovica	108	10,699	6,948	5,638	5,454	27.41
Gjakova	61	11,238	9,169	7,663	7,986	18.78
Gjilan	26	8,444	7,017	5,923	5,913	17.51
Ferizaj	28	7,911	6,870	4,674	4,569	7.11
Total	394					100

Source: FADN 2014

The differences in family farm income (SE-420) are found in various regions of Kosovo. Besides the differences between regions, there are also differences in farm incomes compared to farms in the same type of agricultural activity compared to 2013, where in 2014 the Prishtina region had less farm income by (-6%), Prizren region (-19%), Peja region (-15%), and also farms in other regions are characterized by less incomes in 2014 compared to 2013.

Based on the results of the table presented above, it follows that Prishtina region has more total output - (SE131) or total income (16,539 €) compared to other regions, followed by Peja (13,721 €), Prizren (12,352 €), Gjakova (11,238 €), and with the lowest value of total output - (SE131) appears to be Ferizaj (7,911 €) etc. The least overall production was recorded in region of Ferizaj (7,911 €) and Gjilan (8,444 €). The greatest net value added was in region of Prishtina (9,600 €), Peja (9,322 €) and Prizren (8,582 €). Ferizaj and Mitrovica regions appear to have the least net value added at the farm. Regarding the number of involved farms by region, the highest number had regions of Mitrovica 27%, Gjakova 19%, Gjilan 17%, Prizren 15%, Prishtina and Ferizaj by 7%, and Peja which had the lowest participation of all other regions and was represented in the FADN sample with only 7%.

Figure 44: Family farm income, €



Source: FADN 2014

Kosovo, geographically divided into two plains, is not characterized by very large climatic differences between different regions of the country, except for changes in some settlements that are located in areas with higher height above sea level where the climate is cooler. The main factors affecting the determination of the market price of agricultural land are: distance from habitation and the market, the land regulation system (irrigation system, drainage and the opening of roads, etc.), access to roads, terrain configuration and other factors. Forms of payment of land (buying and selling) and renting is mainly based on the bases of fertility degree and the factors mentioned above, and based on the change of use (conversion to building land).

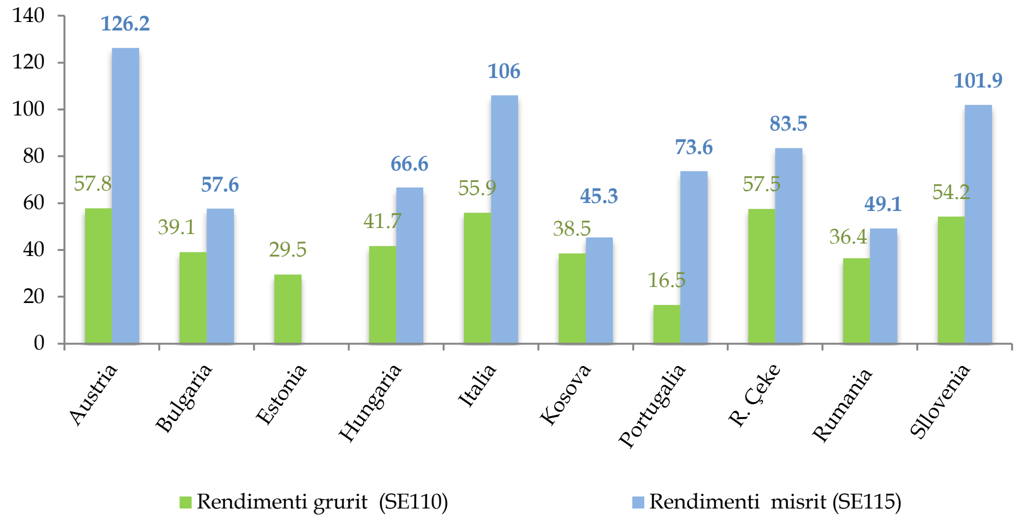
Observed changes in incomes of agricultural families are mainly due to the small scale of the participation of farms from regions designated in the sample. So, in order to have better information about farm income on a regional basis, the number of farms in the sample should be increased and a more equal distribution of farms in the sample throughout the territory of Kosovo should be made.

Table 127: Characteristics of the FADN farms in Kosovo and several EU countries

Countries	Total UAA (SE025) ha	Total livestock units (SE080)	Wheat yield (SE110) quintal /ha	Corn yield (SE115) quintal /ha	Milk yield (SE125) liter/ heads
Austria	30.7	24,7	57.8	126,2	6,436
Bulgaria	33.6	9.6	39.1	57.6	3,098
Estonia	119.6	35.2	29.5	-	7,392
Hungary	47.0	15.3	41.7	66.6	6,623
Italy	15.8	11.8	55.9	106.0	6,145
Kosovo	**7.1**	**5.8**	**38.5**	**45.3**	**3,364**
Portugal	25.0	14.3	16.5	73.6	7,206
Czech R.	228.5	103.3	57.5	83.5	6,993
Romania	9.8	6.7	36.4	49.1	3,390
Slovenia	11.1	12.5	54.2	101.9	5,263

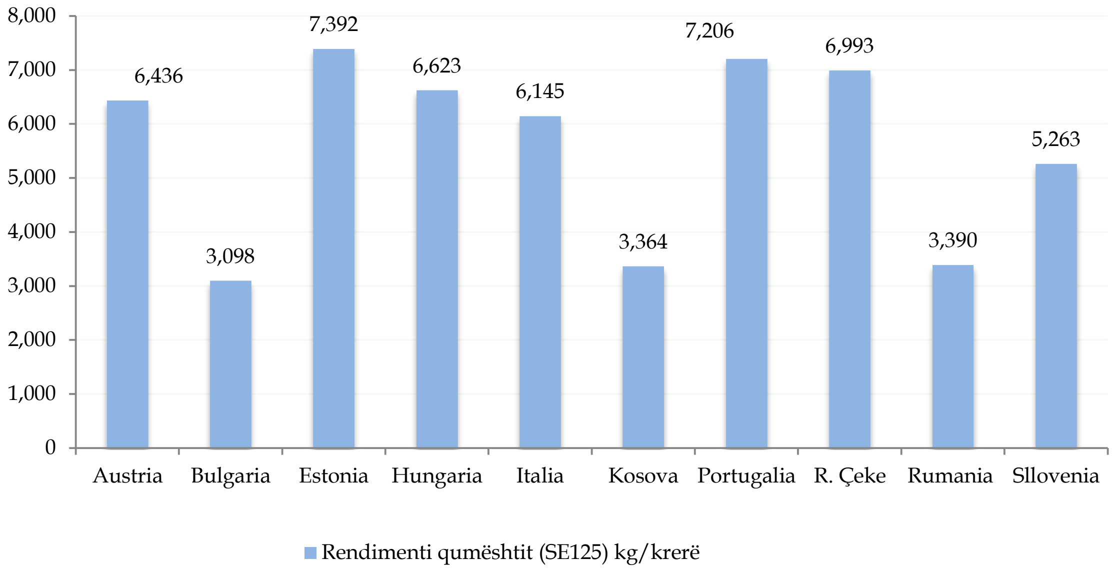
Source: FADN 2014; http://ec.europa.eu/agriculture/rica/database/database_en.cfm

Figure 45: The wheat and maize yield in several EU countries



Source: FADN 2014; http://ec.europa.eu/agriculture/rica/database/database_en.cfm

Figure 46: Milk yield in Kosovo and in several EU countries



Source: FADN 2014; http://ec.europa.eu/agriculture/rica/database/database_en.cfm

Compared to other countries, FADN farms in Kosovo have a small area of utilized agricultural land (average 6.1ha per farm) and a small number of animals (average 7.7 livestock units per farm). Moreover, livestock farms in our country, namely farms specialized in milk from milk cows have a lower milk yield (4,979 liters per year), compared to the countries presented in table 11, with the exception of Romania (3,390 liters) and Bulgaria (3,098 liters) which have an even lower production. Estonia has the highest milk yield (7,392 liters per year), partly due to possession of large areas of grazing land, followed by Portugal (7,206 liters per year) and Czech Republic (6,993 liters per year). Regarding the yield of wheat from countries presented in table, the largest wheat yield had Austria (57.8 quintal/ha), Czech Republic (57.5 quintal/ha), Italy (55.9 quintal/ha), and Slovenia (54.2 quintal/ha). While the lowest wheat yield had Portugal (16.5 quintal/ha) and Estonia (29.5 quintal/ha). Kosovo wheat yield was 38.5 quintal/ha which yield can be compared to the average wheat yield in Bulgaria and Romania.

The rank of countries for corn cultivation is almost the same as in wheat. The largest yield had Austria (126.2 quintal/ha), Italy (106.0 quintal/ha), Slovenia (101.9 quintal/ha), and other countries. The corn yield in Kosovo was 45.3 quintal/ha.

General Revenue (Gross) at the farm (SE410), net value added (SE415), net farm income (SE420) as well as the average of standard output is different in different EU countries.

Table 128: Comparison of financial indicators with EU countries (€/farm)

Country	Gross farm income (SE410)	Net value added (SE415)	Family farm income (SE420)	Standard output/farm
Austria	48,922	33,488	29,994	68,400
Bulgaria	20,006	16,197	7,614	26,520
Czech R.	160,870	125,249	50,965	289,320
Estonia	46,118	33,577	22,156	81,600
Hungary	35,646	29,978	19,945	49,920
Italy	35,576	28,503	22,494	69,720
Kosovo	**9,184**	**7,606**	**7,585**	**9,175**
Portugal	18,248	14,625	12,410	39,480
Romania	7,911	6,745	5,527	10,320

Source: FADN 2014

From the data presented in table 127, it is observed that FADN farms in Kosovo had net income at the farm in the amount of 7,585 €, which is 37% higher than at farms in Romania (5,527 €) and 0.4% lower than at farms in Bulgaria.

Net farm income in our country are much lower than those in the Czech Republic (50,965 €), Austria (29,994 €) and Italy (22,494 €). This is partly due to the economic sizes of farms, represented by their standard output. Kosovo belongs to IV category of economic size as ranked by EU.

7 References

KAS (2015) Agriculture Census 2014

KAS (2015): Labour Force Survey 2014

KAS (2015): Exports by SH sections in value.

KAS (2015): Input Price Index and Prices in Agriculture 2010-2014 Prishtina.

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KAS (2012): Economic Accounts for Agriculture 2010 - 2011. Prishtina.

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KAS (2006): Agricultural Household Survey 2005. Prishtina.

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KAS (2014): Gross Domestic Product by expenditure approach 2008-2013

KAS (2015): Gross Domestic Product 2008-2014

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Agricultural Development Agency (2015): ADA Annual Report 2014. Prishtina

KAS (2015): Economic Accounts for Agriculture 2013

CBK (2015), Macroeconomic Developments Report (Issue 3)

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8 Appendices

8.1 List of laws and legal acts related to Agriculture, Forestry and Rural Development

8.1.1 The national legislation in force

Law No. 04/L-253 on Amending and Supplementing the Law No. 04/L-127 on the Agriculture Census (Official Gazette of the Republic of Kosovo No. 32/15 May 2014)

8.1.2 Administrative Instructions approved by the Ministry of Agriculture, Forestry and Rural Development in 2014

Administrative Instruction (MAFRD) No. 01/2014 on setting conditions for designation of wines with a protected geographical origin and designations of locations with protected geographical indications, dated 14.02.2014.

Administrative Instruction (MAFRD) No. 02/2014 on Direct Payments in Agriculture for 2014, dated 18.02.2014.

Administrative Instruction (MAFRD) No. 03/2014 on silviculture treatment forms to forests and the procedures of selling wood assortment, dated 28.02.2014.

Administrative Instruction (MAFRD) No. 04/2014 on setting of criteria for taking of samples, analyse of must, wine and other grape and wine products and organoleptic evaluation of wine, dated 28.02.2014.

Administrative Instruction (MAFRD) No. 05/2014 on measures and criteria of support in agriculture and rural development for 2014, dated 31.01.2014

Administrative Instruction (MAFRD) No. 07/2014 on supplementing and amending of the Administrative Instruction No. 05/2013 on organization, responsibilities, rights and obligations of advisory services of central and local level and on the reporting form and manner, dated 26.03.2014.

Administrative Instruction (MAFRD) No. 09/2014 on setting the supportive criteria for organizations and associations of producers and processors of agricultural and agro-food products, dated 14.04.2014.

Administrative Instruction (MAFRD) No. 10/2014 dated 14.04.2014 on amending and supplementing of the Administrative Instruction MA-No. 10/2006 on the quality of artificial fertilizers, dated 01.08.2006.

Administrative Instruction (MAFRD) No. 11/2014 on amending and supplementing the Administrative Instruction No. 23/2008 on licensing of legal entities for planning and projection in the field of forestry, dated 25.04.2014.

Administrative Instruction (MAFRD) No. 12/2014 on prevention, fighting and elimination of the fire blight disease - Erwinia Amylovora, dated 16.05.2014.

Administrative Instruction (MAFRD) No. 13/2014 on procedures for the inspecting controls, dated 22.05.2014.

Administrative Instruction (MAFRD) No. 14/2014 on the circulation of live animals within the territory of Kosovo, dated 22.05.2014.

Administrative Instruction (MAFRD) No. 15/2014 on placing live animals in quarantine, dated 22.05.2014.

Administrative Instruction (MAFRD) No. 16/2014 criteria for support of local development strategies – leader approach, dated 28.05.2014.

Administrative Instruction (MAFRD) No. 17/2014 on classification, packaging, labelling and accompany of plant protection products, dated 24.06.2014.

Administrative Instruction (MAFRD) No. 18/2014 dated 04.04.2014 on amending and supplementing of the Administrative Instruction (MAFRD) No. 02/2014 on direct payments in agriculture for 2014, dated 18.02.2014.

Administrative Instruction (MAFRD) No. 19/2014 dated 04.09.2014 on amending the Administrative Instruction (MAFRD) No. 16/2014 criteria for support of local development strategies – Leader Approach, dated 28.05.2014.

8.2 Statistics regarding employment

Table 129: Number of unemployed and unemployment rate by sex and age

Kosovo 2014	Male	Female	Total
Unemployment (in 1,000)			
15-24	32.2	18.2	50.4
25-34	38	18	56
35-44	27.5	11.5	39
45-54	19	4.8	23.9
55-64	6.3	1.2	7.6
Total 15-64	123.1	53.7	176.7
Unemployment (in %))			
15-24	56.2	71.7	61
25-34	37.1	47.9	40
35-44	28.9	36.1	30.7
45-54	24.5	20.8	23.6
55-64	16.4	11	15.2
Total 15-64	**33.1**	**41.6**	**35.3**

Source: Labour Force Survey 2014

Table 130: Employment by activities and sex

Kosovo 2014 (aged 15 and above)	Male	Female	Total
Economic activities (in 000)			
Agriculture, Forestry and Fishing	7.5	1.1	8.6
Mining and ore	3.4	0.4	3.6
Production	39.5	5.4	44.9
Supply of electricity, gas, steam and air conditioning	5.3	0.4	5.7
Water supply, sewerage, waste management	3.2	0.2	3.4
Construction	34.7	0.9	35.6
Wholesale and retail trade, car and motorcycle repairs	34.8	12.1	46.8
Transport and storage	10.6	0.5	11.0
Accommodation and food service activities	16.8	2.8	19.7
Information and communication	7.5	2.1	9.6
Financial and insurance activities	4.5	1.4	5.9
Real estate activities	0.0	0.1	0.2
Professional, scientific and technical activities	4.5	2.0	6.5
Administrative and support service activities	9.6	1.4	11.0
Public administration and protection, compulsory social security	15.4	5.3	20.7
Education	22.3	16.5	38.8
Human health and social work activities	10.5	13.1	23.6
Arts, entertainment and recreation	3.9	0.8	4.7
Other service activities	8.5	2.5	11.1
Household employment activities	4.0	5.3	9.3
Activities of the institutions and extra-territorial organizations	3.5	1.5	5.0
Total	**250.1**	**75.6**	**325.7**

Source: Labour Force Survey 2014

8.3 Statistics on the farm structure by sector

8.4 Statistics on prices

Table 131: Prices in the value chain 2010, €/kg

Products	Local price	Imports price	Difference (€)	Difference (%)
Wheat	0.19	0.18	-0.01	-5
Corn	0.22	0.13	-0.09	-41
Potatoes	0.29	0.21	-0.08	-28
Cabbages	0.18	0.16	-0.02	-11
Peppers	0.59	1.46	0.87	147
Beans	1.80	0.74	-1.06	-59
tomatoes	0.62	0.38	-0.24	-39
Apples	0.49	0.21	-0.28	-57
Eggs	2.13	1.44	-0.69	-32
Honey	7.42	3.82	-3.6	-49
Farm chicken	1.94	1.19	-0.75	-39

Source: KAS, developed by DAESB - MAFRD

Table 132: Prices in the value chain 2011, €/kg

Products	Local price	Imports price	Difference (€)	Difference (%)
Wheat	0.25	0.26	0.01	4
Corn	0.29	0.20	-0.09	-31
Potatoes	0.30	0.26	-0.04	-13
Cabbages	0.17	0.29	0.12	71
Peppers	0.58	0.28	-0.30	-52
Beans	1.95	0.87	-1.08	-55
Tomatoes	0.50	0.32	-0.18	-36
Apples	0.49	0.28	-0.21	-43
Eggs	2.51	2.50	-0.01	0
Honey	8.11	4.39	-3.72	-46
Farm chicken	2.12	1.46	-0.66	-31

Source: KAS, developed by DAESB - MAFRD

Table 133: Prices in the value chain 2012, €/kg

Products	Local price	Imports price	Difference (€)	Difference (%)
Wheat	0.26	0.33	0.07	27
Corn	0.30	0.35	0.05	17
Potatoes	0.32	0.22	-0.10	-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
Eggs	2.91	1.53	-1.38	-47
Honey	8.52	4.81	-3.71	-44
Farm chicken	2.12	1.92	-0.20	-9

Source: KAS, developed by DAESB - MAFRD

Table 134: Prices in the value chain 2013, €/kg

Products	Local price	Imports price	Difference (€)	Difference (%)
Wheat	0.22	0.20	-0.02	-9
Corn	0.31	0.21	-0.10	-32
Potatoes	0.43	0.24	-0.19	-44
Cabbages	0.17	0.19	0.02	12
Peppers	0.78	0.78	0.00	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
Eggs	2.69	2.72	0.03	1
Honey	8.83	4.71	-4.12	-47
Farm chicken	2.27	1.16	-1.11	-49

Source: KAS, developed by DAESB - MAFRD

Table 135: Prices in the value chain 2014, €/kg

Products	Local price	Imports price	Difference (€)	Difference (%)
Wheat	0.20	0.20	0.00	0
Corn	0.28	0.21	-0.07	-25
Potatoes	0.34	0.30	-0.04	-12
Cabbages	0.19	0.19	0.00	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
Eggs	2.78	1.22	-1.56	-56
Honey	9.00	5.02	-3.98	-44
Farm chicken	2.33	1.20	-1.13	-48

Source: KAS, developed by DAESB - MAFRD

8.5 Comparative statistics

Table 136: Comparison of key labour statistics between countries

	Participation rate in the workforce		Employment to population ratio		Unemployment rate	
Country	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**
Kosovo	40.5	41.6	28.4	26.9	30	35.3
Albania	59.9	61.5	50.2	50.5	16.1	17.9
Macedonia	57.2	-	40.6	-	29	-
Serbia	62.2	48.9	49.2	39.7	21	18.9
Montenegro	58.9	42.6	47.4	34.9	19.6	18
Bosnia and Herzegovina	43.6	43.7	31.6	31.7	27.5	27.5

Source: Web sites of National Statistical Offices