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 2016

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Kosovo Green Report 2016

Ministry of Agriculture, Forestry and Rural Development, Prishtina 2016

Foreword

It is apparent that the economic development is insufficient without reliable statistical data, because we can create a clear vision of the future only when we precisely know at what developmental stage we are. Nevertheless, this also applies to agriculture, which certainly is among the sectors with the greatest potential for sustainable economic development in Kosovo.

The Green Report is a significant document, which for several years now provides specific data about the situation in the agricultural sector evaluating data from year to year. It has continuously served for a better orientation of supporting policies in all sub-sectors of agriculture. Additionally, it has served as an informative overview for each citizen of the country, but also for each interested party regarding the situation of this sector and the advances made over the years. I am delighted that this year too, the report highlights the continuous progress, particularly of the two segments: the growth of domestic production and the increase of export of the agricultural products.

We are aware that there are still many challenges ahead of us, which are also presented in this report. But jointly with our experts, strategic partners and as well as with all stakeholders, we are addressing them, so that our shared efforts result in alleviation of these challenges and the ongoing trend of positive developments.

I want to thank each official who has partaken in the collection, updates, and analyses of these records, and compilation and presentation of this important document.

Certainly, the Ministry of Agriculture, Forestry and Rural Development will continue to be a partner to all those who want to contribute to the sustainable development of the agricultural sector, to make it truly the central sector of our country's economic development.

Memli Krasniqi

Minister of Agriculture, Forestry and Rural Development

Introduction

The Green Report communicates a thorough overview of the agricultural sector. The report is an annual publication, which along with the agricultural census serves as an indicator and a guide for direction of our development policies for the sector. Moreover, the outcomes from the report allow us to make yearly alterations regarding agricultural investments.

This is the 4th consecutive edition of the Green Report of the Republic of Kosovo, which was produced in 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 provided by departments and their respective agencies.

Department of Economic Analysis and Statistics (Skender Bajrami, Belgin Dabiqaj, Delvina Hana, Adelina Maksuti, Hakile Xhaferi, Edona Mekuli, and Shkelqim Duraku) 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 Martin Kniper. On this occasion, we would like to express our gratitude for the support provided at trade data preparation for the Green Report 2016.

In comparison with the previous years, there have been noticeable improvements in increased production, product diversification, production practices, and formation of additional processing lines. Furthermore, the consumption of domestic products and export to the other countries has progressively risen. The above noted aspects strengthen domestic economy, poverty alleviation, social welfare, employment, and sustainable development.

We will regularly renew the information for the sector and communicate it publicly, with the hope that it will serve the public greatly. We encourage all of you involved or intending to become involved in agriculture to do so.

Ekrem Gjokaj, PhD. Editor

Director of the Department of Economic Analysis and Agricultural Statistics

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List of Abbreviations

HBS	Household Budget Survey
EEA	European Environment Agency
AFK	Agency for Finance in Kosovo
LFS	Labour Force Survey
KPA	Kosovo Privatization Agency
MA	Managing Authority
KFA	Kosovo Forestry Agency
KAS	Kosovo Agency of Statistics
FVA	Food and Veterinary Agency
ADA	Agriculture Development Agency
EU	European Union
BKT	Banka Kombëtare Tregtare (National Commerce Bank)
GDP	Gross Domestic Product
CBK	Central Bank of the Republic of Kosovo
GVA	Gross Value Added
CEFTA	Central European Free Trade Agreement
DEAAS	Departament of Economic Analyses and Agriculture Statistics
DCA	Development Credit Authority
DG	The Directorate-General
MD	Municipal Departments
DMWAE	Directorate for management of wild animals and ecotourism
DAPM	Departament of Agriculture Policies and Markets
DRDP	Department of Rural Development Policy
DTAS	Department of Technical Advisory Services
HF	Hemorrhagic fever
ESA	European System of Integrated Economic Accounts
EU-DCE	Strategic Coordination Group and Joint Implementation Strategy
FAO	Food and Agriculture Organization
FINCA	Foundation for International Community Assistance
IMF	International Monetary Fund
FPSRK	Federation of Sports and Recreational Fishermen of Kosovo
GHG	Green House Gas
LAG	Local Action Groups
WG	Working Gourp
GG	Greenhouse Gases
ha	hectare
HACCP	Hazard Analysis Critical Control Point

KAI	Kosovo Agriculture Institute
FDI	Foreign Direct Investment
NPISH	Non-profit Institutions Serving Households
NIPH	National Institute of Public Health
MIF	Microfinance institutions
ISO	International Organisation for Standardisation
KEP Trust	Kosovo Enterprise Program
KGMAMF	Kosovo Grameen Missione Arcobaleno Microcredit Fund
KRK	Kreditimi Rural i Kosovës
EEA	Economic Accounts for Agriculture
FVL	Food and Veterinary Laboratory
MAFRD	Ministry of Agriculture, Forestry and Rural Development
mil.	million
MESP	Ministry of Environment and Spatial Planning
SAA	Stabilization and Association Agreement
MoH	Ministry of Health
MTI	Ministry of Trade and Industry
NLB	Nova Ljubljanska Banka
SOE	Socially-Owned Enterprises
SME	Small and Medium Enterprises
FMU	Forest Management Unit
WTO	World Trade Organization
OIE	World Organization for Animal Health
NGO	Non-governmental Organization
c.w.	carcass weight
GDP	Gross Domestic Product
PCB	Procredit Bank
RDP	Rural Development Plan
GRK	The Government of the Republic of Kosovo
RBI	Raiffeisen Bank International AG
KRDN	Kosovo Rural Development Network
AGC	Area with Grain cereals
SIDA	Swedish International Development Agency
KFIS	Kosovo Forest Information System
UAA	Utilized Agricultural Area
LDS	Local Development Strategy
USA	United States of America
KDPA	Kosovo Dairy Processors Association
t	ton

TEB	Turk Ekonomi Bankasi
VAT	Value Added Tax
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Developement
WVI	World Vision International

1 Resources and inputs

1.1 Overall economic environment

During 2015, Kosovo’s economy was characterized with increased activity compared to the previous year. According to the data from Kosovo Agency of Statistics on GDP, Kosovo's economy recorded a real growth of 4.1% in 2015 compared to 2014. The real rate of economic growth in the Eurozone during 2015 was 1.6%. Germany, France and Spain are among contries of the Eurozone who recorded a more significant economic growth. In 2015, real GDP growth in Western Balkans is estimated to be approx. 2.4%. According to the IMF, Montenegro and Macedonia are characterized with the highest economic growth during 2015, respectively economic growth of (3,2%), while Serbia recorded the lowest real growth of GDP (0.5%).

Viewed in the aspect of the share in GDP by economic activities at current prices, agriculture, hunting, forestry and fishing in 2015 had a share of 10.3%. GDP per capita in 2015 was 3.277 €. GDP with current prices in 2015 was 5 billion 807 million €.

Real growth during 2015 was recorded in the following economic activities: Water supply 18.02%, financial and insurance activities 17.43%, construction 15.76%, professional, scientific and technical activities 14.59%, electricity and gas supply 10.41%, other services 10.36%, transport and storage 7.22 %, information and communication 6.57%, processing industry 4.84%, health and social welfare activities 4.01%, wholesale and retail, repair of vehicles and motorcycles 3.71%, hotels and restaurants 2.45% arts, entertainment and leisure 1.73%, education 1.51% and other 0.10%.

Table 1: GDP according to economic activities at current prices, 2009-2015 (in 000 €)

	Economic Activities	Gross Value Added (GVA)						
		2009	2010	2011	2012	2013	2014	2015
A	Agriculture,hunting, forestry and fishing	575,192	598,838	614,262	617,588	638,710	661,820	599,608
B	Mining and quarrying	92,225	136,399	124,087	114,049	118,288	116,411	118,447
C	Processing industry	491,251	489,304	493,945	549,265	584,764	575,830	625,841
D	Energy and gas supply	93,106	108,249	123,450	128,280	144,870	156,739	191,221
E	Water supply	25,564	29,936	34,287	36,620	52,059	47,078	48,344
F	Costruction	266,846	283,165	361,886	341,199	352,185	335,153	397,314
G	Wholesale and retail; repair of vehicles and motorcycles	509,468	538,761	535,207	611,578	655,390	688,580	712,234
H	Transport and storage	155,892	171,433	186,582	187,695	193,714	197,360	209,275
I	Hotels and restaurants	22,196	27,477	34,843	39,082	89,795	52,093	60,094
J	Information and Communication	33,330	34,547	42,113	54,359	53,279	109,251	108,965
K	Financial and insurance activities	128,666	151,483	173,521	192,621	213,264	221,158	212,086
L	Real estate activities	413,718	417,021	416,862	437,190	475,530	499,116	499,305
M	Professional, scientific and technical activities	49,880	51,586	62,086	72,106	74,587	76,593	90,861
N	Administrative and support activities	12,530	12,114	19,635	22,422	21,577	34,082	33,859
O	Public administration and protection; mandatory social insurance	417,523	434,705	476,976	497,788	495,527	499,169	454,493
P	Education	115,900	122,292	154,861	162,005	164,556	217,134	234,071
Q	Health and social welfare	44,124	57,919	67,380	72,006	75,251	97,600	107,790
R	Art, entertainment and leisure	3,648	11,333	15,394	20,262	23,754	22,932	23,653
S	Other services	7,816	10,550	7,484	10,898	8,409	9,353	12,744
T	Activities of households as employers; Undifferentiated goods –and- services producing activities of households for own use	5	5	5	1	-	-	-
	GVA at basic prices	**3,458,881**	**3,687,117**	**3,944,864**	**4,167,016**	**4,435,509**	**4,617,451**	**4,740,205**
	Taxes on products	711,461	795,524	949,831	973,592	978,075	971,540	1,097,282
	Subsidies on products	-100,719	-80,677	-80,159	-81,844	-86,967	-21,497	-30,479
	Gross Domestic Product	**4,069,622**	**4,401,964**	**4,814,535**	**5,058,763**	**5,326,617**	**5,567,494**	**5,807,009**

Source: KAS, Gross Domestic Product 2009-2015

Real growth according to the main components of GDP, with expenditures approach for 2015 is as follows: Gross fixed capital formation 12.1%, household final consumption expenditures 3.8%, imports of goods and services 3.6%, net exports of goods and services 2.5%.

Budgetary revenues marked a net value of 1.46 billion euros, while budget expenditures in 2015 reached a value of 1.55 billion €. Remittances received in Kosovo, which at the same time represent the largest category in terms of secondary revenues account, reached the value of 752.4 mil. €, representing an annual increase of 8.5%. In the framework of financial account, FDIs received in Kosovo are characterized by a significant increase in 2015 compared to the previous year. Foreign Direct Investments (FDI) received in Kosovo during 2015 reached a value of 324.4 mil. €. In the framework of the banking sector assets, the value of total loans issued by commercial banks recorded an annual growth of 7.3%, reaching to 2.02 billion €.

Table 2: Gross Domestic Product at current prices 2009-2015 (in mil. €)

	2009	2010	2011	2012	2013	2014	2015
GDP at current prices	4,070	4,402	4,815	5,059	5,327	5,568	5,807
Final consumption expenditure	4,222	4,517	4,976	5,320	5,539	5,855	5,961
Final consumption expenditure of Households	3,529	3,768	4,142	4,458	4,652	4,926	5,045
Final consumption expenditure of the Government	668.1	722.3	802.1	842.1	863.9	910.4	893.9
Government of Kosovo	407.2	495.7	578.4	625	658.8	723.5	772.2
Donors (salaries)	260.8	226.6	223.7	217.1	205.2	186.8	121.7
Fincal consumption expenditures of NPISH	25	26	31.1	20.2	23	18.8	21.7
Gross capital formation	1,267	1,451	1,632	1,465	1,471	1,435	1,601
Gross fixed capital formation	1,130	1,301	1,476	1,317	1,323	1,294	1,499
Inventory changes	137.6	149.4	156.5	148.3	148.3	141	102.4
Net export	-1,419	-1,565	-1,793	-1,727	-1,684	-1,723	-1,755
Imports of goods and services	2,114	2,443	2,737	2,649	2,611	2,814	2,874
GDP per capita (Euro)	2,329	2,480	2,672	2,799	2,935	3,084	3,277

Source: KAS, Gross Domestic Product 2009-2015

Current expenditures, which mainly consist of wages and salaries, goods and services, subsidies and transfers reached the value of 1.15 billion euros, corresponding to an annual growth of 9.2%. On the other hand, capital investments, which in 2015 represented approx. 26% of total expenditures, recorded a value of euro 403.9 million which represents an annual decrease of 1.8%. In 2015, the average interest rate on loans decreased to 7.7% from 9.3% in 2014. During 2015, loans to enterprises marked a higher rate of annual growth (15.6%) compared to loans to households (8.2%). Unlike the banking sector, where loans for agriculture represent the category with the lowest share, at microfinance institutions agriculture enjoys a higher support representing the second largest category, with a share of 25.4%. Lending to agriculture sector also marked an annual growth of 15.4% (3.6% in 2014).

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

Description	Current account	Goods and services	Out of which goods	Revenues	Current transfers	Capital and Financial account	Out of which capital	Net errors and non-disclosures
2005	-228.7	-1,087.00	-1,078.50	139.1	700.3	72.7	18.9	174.8
2006	-205.2	-1,144.10	-1,173.10	158.8	759.2	-14.9	20.8	240.9
2007	-197.5	-1,242.40	-1,354.40	186.3	842.0	22.3	16.5	203.3
2008	-450.5	-1,498.10	-1,644.70	164.0	873.2	-277.9	10.5	162.1
2009	-273.9	-1,418.50	-1,646.30	60.9	983.4	-12.8	100.3	160.9
2010	-494.4	-1,565.20	-1,741.60	67.0	982.5	-254.5	21.3	218.5
2011	-616.4	-1,790.80	-2,047.10	111.3	1,021.10	-335.5	42.0	238.9
2012	-367.2	-1,726.30	-2,050.10	153.6	1,192.50	-128.1	12.9	226.2
2013	-304.7	-1,683.40	-1,995.60	121.5	1,222.40	-97.5	34.7	172.5
2014	-415.8	-1,722.70	-2,058.60	113.8	1,171.90	-123.8	21.2	270.8
2015	-515.3	-1,767.90	-2,109.30	77.5	1,149.30	-236	25.8	253.5

Source: CBK, Macroeconomic Development Report (Number 4)

The economy of Kosovo was characterized by increased commercial activity in the first nine months of 2015, namely an increase of the value of total exports and imports of goods and services. The value of exports of goods and services in the first nine months of 2015 recorded an annual increase of 6.4%, while the total value of imported goods and services marked an increase of 3.2%. In relation to GDP, Kosovo's export of goods and services continue to remain at a low level of approx. 20%, while the ratio between imports of goods and services and GDP remained at approx. 50%. Despite the growth in exports of goods, their yet low basis compared to the value of imports of goods has contributed to increased trade deficit. On the other hand, the services account was characterized by a decrease in positive balance during this reporting period, mainly as a result of more rapid growth of the value of imported services compared to the value of exported services.

1.1.1 The level of socio-economic development

Kosovo has an area of 10,908 km², with resident population of 1,771,604[1] inhabitants. It is estimated that 60% of the population live in rural areas. The share of agriculture in gross domestic product in 2015 was 10.3%. According to results of Agriculture Census 2015, there are 130,775 agricultural households, employing 86.620 people with full-time jobs. The process of rural development in all countries is structured within the National Development Plan, where agriculture usually represents the most dominant economic activity in the rural areas, contributing to the enhacement of production by providing goods for export.

However, based on sectoral analysis, it results that due to small size of farms, non-advanced management system, obsolete devices and lack of the possibility to invest in modern

[1] Assessment, Kosovo’s population in 2015

production technologies with own resources, only a small number of farms have the potential to be competitive at market prices in the region and beyond. Given the small size of farms, we must find ways to foster the cooperation between producers by strengthening the associations and strengthening the role of agricultural cooperatives enabling farmers to outsource production in the market chain through supply contracts. This form of cooperation enables safe revenues through guaranteed price, improvement of competitiveness, marketing, improvement of quality and hygiene standards. The product can also be preserved longer in storage depots and as a result local products will be available in our markets for a longer period of time and there will be greater opportunities for their export.

The process of rural development can not take place without the development of other non-agricultural activities in rural areas. These activities aim at creating additional revenues for improved living standards and poverty reduction, by creating appropriate socio-economic conditions to prevent rural-urban migration for people living in rural areas.

Although recently there were investments in infrastructure, machinery and modern technology, rural population in Kosovo is facing various difficulties. One of the difficulties that farmers face constantly is access to loans, which is one of the main funding sources for new investments or the expansion of agricultural activities and their enhancement. Rural families in Kosovo are characterized generally by poor access to road infrastructure, which hinders their access to markets, supply with drinking water, wastewater purification and many other obstacles. Furthermore, power supply in many rural areas is not very stable. Situation of the people who still live in remote areas is worst where due to the lack of infrastructure, population is forced to migrate and seek for more convenient places to live.

For continuous advancement on improvement of conditions in settlements, in 2015 were allocated 23 mil. € budget to subsidize certain categories from production of vegetables, livestock and other categories, and 20 mil. € for investment grants. Based on comparative advantages that Kosovo has in some sectors and requirements for alignment with EU standards, measures deriving from RDP focus on supporting investments in the following sectors: fruits, vegetables, milk, meat, grapes and wine. Thanks to this support and own source investments, some companies of food industry have enhanced production capacities, by managing to meet EU standards on hygiene and food safety. This enabled them to export their products in EU countries, in countries of the region and in many other countries of the world. The number of such companies is growing every day. A useful measure for the food industry was considered the measure undertaken by the MoF as the second fiscal package to support businesses on exemption of raw materials.

MAFRD also creates a supportive environment for stimulation, strengthening of natural values (natural heritage) at the national level, by promoting ecotourism deriving from the Agriculture and Rural Development Plan 2014-2020, Axis 2 "Environment ', which includes measures for improvement of the natural resources management, measures for diversification of farms and alternative activities and measures for improvement of rural infrastructure on preservation of natural and cultural heritage in remote rural areas. This is being achieved by initiating the development of small processing enterprises, hotel services and other forms of non-agricultural activities.

1.1.2 Work and employment

Increased levels of employment and improved living standards in a country depend on effective support policies and macroeconomic strategies.Mainly, the statistics of the labor market shed light on social and socio-economic issues, such as the rate of employment (part-time, temporary employees, self-employed, unemployment (the rate of youth unemployment and long-term unemployment) revenues and their structural components, social inequality, patterns of work and social integration. Among other things, the report on Labour Force Survey 2015 contains information such as the degree of participation in the workforce and some key comparative statistics with countries in the region in terms of labor and employment.

From the outcomes obtained from the survey it results that employment rate has changed from year to year. During 2012-2015, the highest rate of employment was in 2013 (28.4%) whereas the lowest in 2015 (25.2%). The percentage of part-time employed persons decreased from 11.1% in 2013 to 5.3% in 2015. Self-employment (as a percentage of employees) marked a slight decline in 2015 relative to 2014. The percentage of employees in unstable jobs (persons who are self-employed and have no employees and those who work without pay in a family business) has decreased from 24.9% in 2014 to 22.8% in 2015.

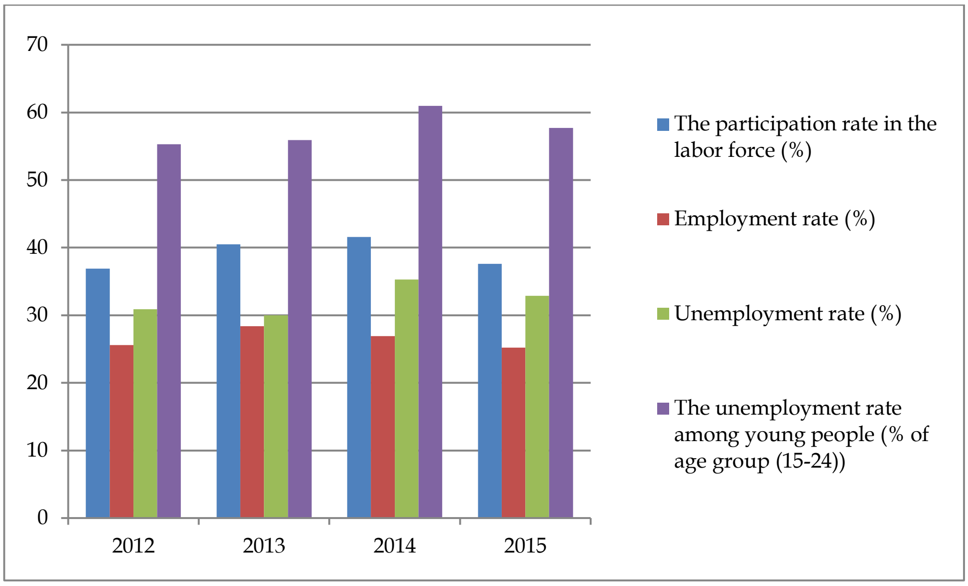
Production, trade, education and construction continue to employ almost half of employed persons.

The unemployment rate has also undergone changes over the years. In the period 2012-2015, the lowest unemployment rate was in 2013 (30%), and the highest in 2014 (35.3%). In 2015 the unemployment rate was 32.9%. Unemployment is higher among women with 36.6% compared to men 31.8%. From 2014 to 2015, the percentage of discouraged persons (inactive persons who do not seek jobs because they believe there is none) increased from 10.7% to 14.1%, hence increasing the rate of inactivity.

Participation in the labor force decreased from 41.6% in 2014 to 37.6% in 2015, and in 2015 there was also a decline in female participation in the workforce and their employment. Youth unemployment decreased in 2015 to 57.7%, from 61.0% in 2014. Furthermore, there was a decline on the long-term unemployment, with the decrease of percentage of unemployed who have been unemployed for more than 12 months, from 73.8% in 2014 to 72.2% in 2015. The percentage of young people who are neither in employment nor in education and training (respondents aged 15-24 years, who are neither in employment nor in education and training) has increased from 30.2% in 2014 to 31.4% in 2015.

In 2015, around 71.1% of employed persons were employees (people who work for someone else and receive salary), 6.2% were self-employed and had other employees, 14.8% were self-employed with no other employees and 7.9% were employed in household businesses. The majority of employed women had the status of the employee (79.4% compared with 68.6% for men). Almost a quarter of men were selfemployed compared to 13.8% of women. Currently, Kosovo has the highest unemployment rate in the region, followed by Bosnia and Herzegovina

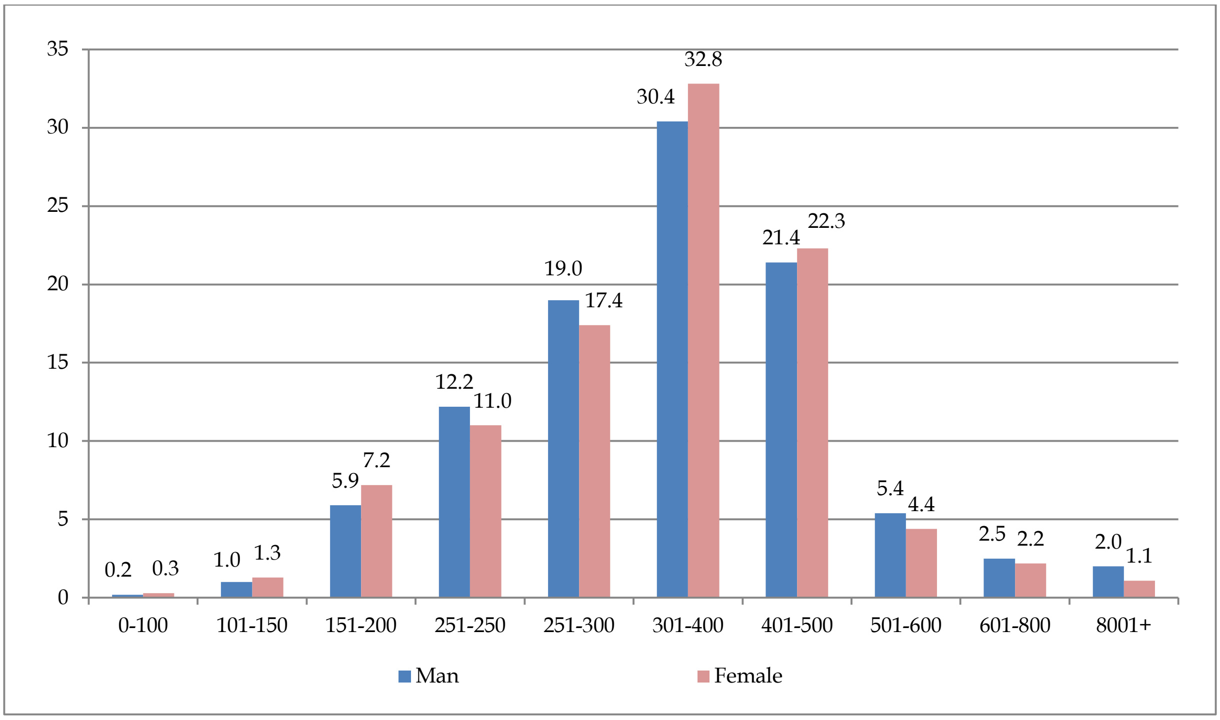
Figure 1: Comparison of key statistics, 2012- 2015



Source: KAS – Labour Force Survey 2015

Unlike previous years, in the past four years (2012-2015), nominal income rates (i.e., not adjusted for inflation) have marked a slight increase. In 2015, the average salary of 31.6% of employees was 300-400 € (32.8% females and 30.4% males).

Figure 2: Net monthly salary for employees by gender (%)



Source: Labour force survey, 2015

1.1.3 Land use

Use of agricultural land is characterized by forms of exploitation, activities and inputs people undertake in the use of land to produce, change, maintain or preserve it. The data on agricultural land use are very important as they enable to forecast for agricultural production and food safety, early warning for food safety, and assess the potential for production in agriculture. The possession of this data leads to the creation of sustainable agricultural policies.

Total area of land used in Kosovo is 512,000 ha (both in ownership or leased), with an average 3.9 ha of land per agricultural household[2]. In 2014, 413,635 ha of the agriculture land was used for agriculture production, or 80% of the land, used by 129,884 agricultural households, with an average used agricultural land of 3.2 ha.

The area of agricultural land in use refers to the total area of arable land - fields, meadows and pastures, perennial crops and orchards used by agricultural economy, regardless of the type of ownership This chapter presents data on: agricultural land, by categories of use of arable land: cereals, vegetables, orchards, vineyards*, industrial plants, forage crops, orchards, seedlings nurseries, other crops, meadows and pastures (including joint land).

[2] Agricultural census, November 2014

Table 4: Used agricultural land , 2015

Use of agricultural land	Area (ha)	Participation in %
Cereals	134,886	32.9
Vegetables	14,656	3.6
Fruits	4,930	1.2
Vineyards*	3,068	0.7
Industrial	346	0.1
Forage crops	28,472	6.9
Orchards	587	0.1
Seedling nurseries	178	0.0
Other crops	34	0.0
Meadows and pastures (including joint land)	216,481	52.7
Barren land	6,787	1.7
Total area of utilized agricultural land	**410,427**	**100**

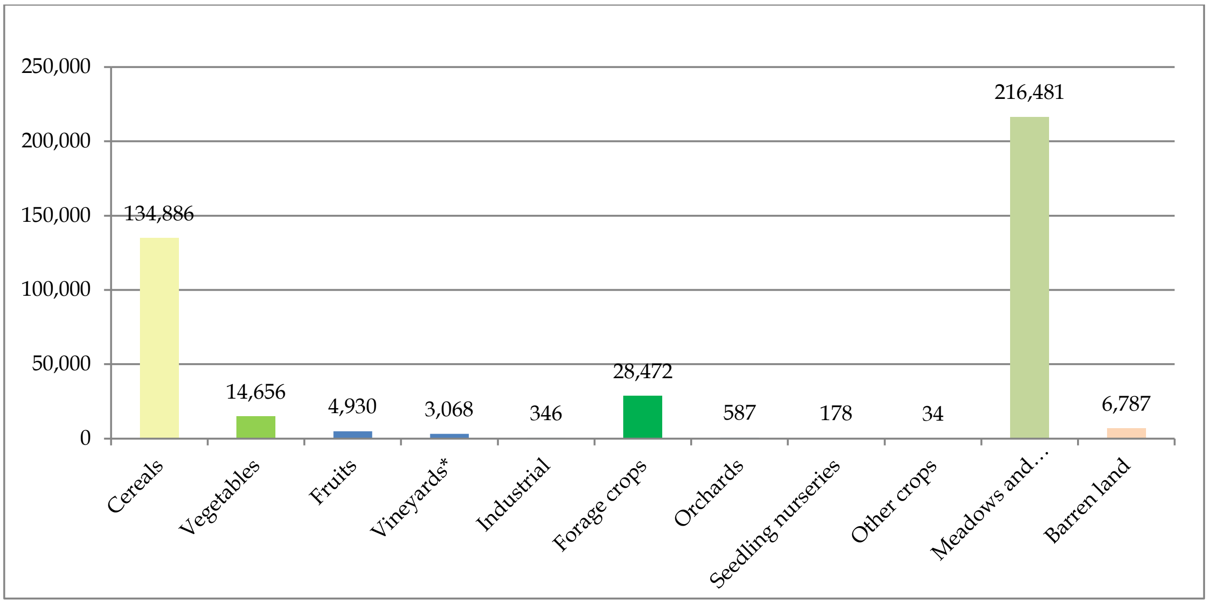
Source: Agricultural Household Survey 2015, Department of Viticulture and Viniculture, processed by DAESB - MAFRD

The utilized area of agricultural land in 2015 was 410.427 ha. The bulk of it are: meadows and pastures (including joint land) or 216.481 ha (52.7%). Arable lands - fields which include approximately 45.6%, most of them are grain cereals. Grain cereals were planted in 72.8% (134,886,34 hectares) of arable land area, or 32.9% of the total area of utilezed agricultural land.

The second group of crops on arable land - fields after cereals are forage crops in an area of 28,472.44 ha (15.4%) or a share of 6.9%, in the total area of agricultural land used.

In 2015, vegetables were cultivated in an area of 14.656 ha (3.6%), fruits occupy 1.2% of the total arable land totaling 4,930 hectares, while the area cultivated with vineyards was 3,068 ha (0.7%). Regarding the barren land, this category of land occupied 6.787 ha, which means 1.7% of the area of used agricultural land.

Figure 3: The area of agricultural land used per ha in 2015



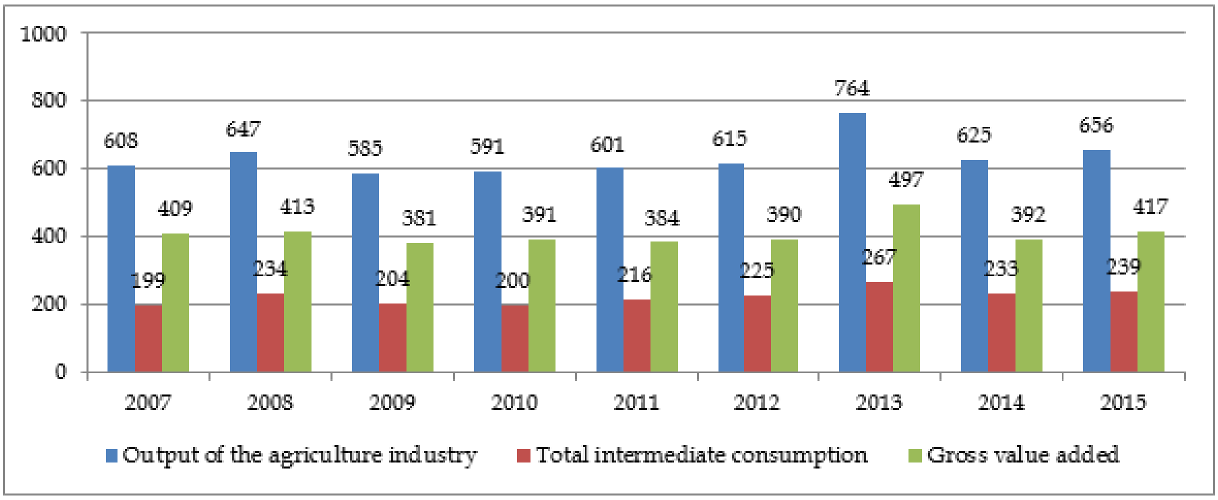
Source: Agricultural Household Survey, 2015

1.2 Economic accounts and prices of inputs in agriculture

Economic Accounts for Agriculture provide detailed information regarding revenues from agricultural activities. Accounts contain 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 industry production and gross value added for the period 2007-2015.

In 2015 there was an increase of the intermediate consumption and production of the agricultural industry. Intermediate consumption in 2015 was 2.5% higher than in 2014, while agricultural industry production recorded 5% growth compared to previous year.

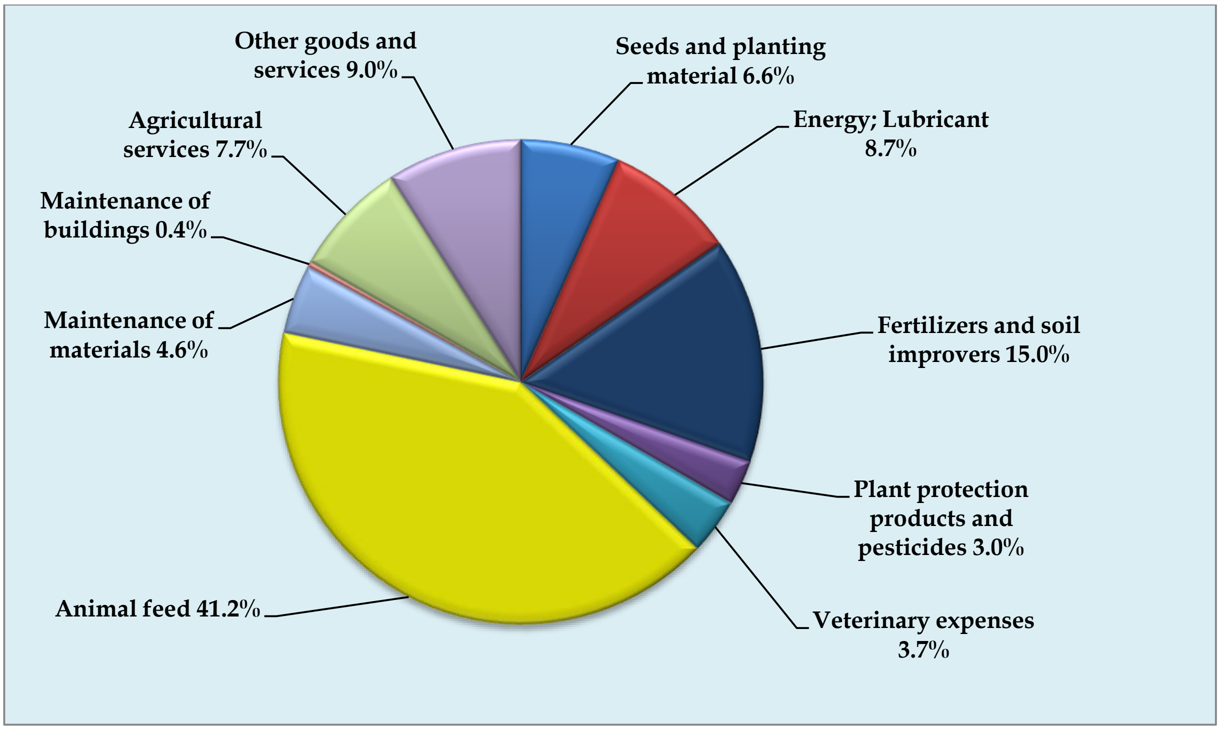
Figure 4: Intermediate consumption, agricultural production and gross value added in million €



Source: KAS, Economic Accounts for Agriculture 2015, developed by DAESB – MAFRD

Gross value added presents the difference between the value of agricultural production and the value of intermediate consumption. GVA in 2015 was 6% higher than in 2015. In 2015, the gross value added was equal to 63% of the production value of the agricultural industry, and in comparison to 2013 and 2014 there was no large difference.

Figure 5: Intermediate consumption of agriculture in 2015 (%)

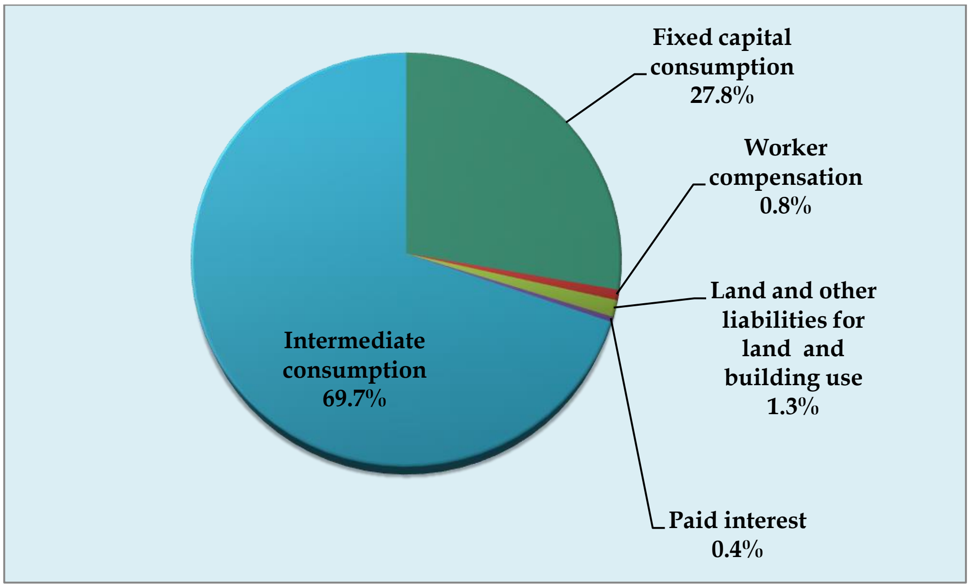


Source: KAS, Economic Accounts for Agriculture 2015, developed by DAESB – MAFRD

The figure above shows the value of the components of agricultural intermediate consumption for 2015. The animal feed category which includes nutrient material which the farmer purchases from other farmers or raw material and nutrient material that farmer produces in farm, contributes by 41%, which represents about half of the intermediate consumption. Fertilizers and soil improvers participate by 15% of intermediate consumption, energy costs 9%, seeds and planting material 7%, while agricultural services and veterinary costs contribute by 8% and 4% respectively.

The figure below shows the various costs on the farm during the year. The most important category for 2015 is intermediate consumption, which contributes by 70%, followed by fixed capital consumption by 28%, while other categories presented are characterized by very low participation.

Figure 6: Agricultural inputs by categories, 2015



Source: KAS, Economic Accounts for Agriculture 2015, developed by DAESB – MAFRD

Prices of agricultural inputs

Annual price index of the agricultural inputs 2010 - 2015 includes data on price index in Kosovo for the period January - December 2010/2015. Prices of agricultural input products in this publication are gathered in agricultural pharmacies, veterinary pharmacies, companies, markets, and other places where prices of agricultural inputs are available.

Products that 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. Prices of plant protection products, which in the past four years have continosly increased, in 2015 marked a faily high decline of 29%. A significant decrease of 12% was seen in the category of Energy and Animal feed. On the other hand, significant increase was seen in the category of Seeds of 38% and a slight increase in the category of Goods and Services that contribute in Agricultural Investments by 4%.

The annual index of inputs in 2015 decreased by 2% for Input 1 compared to the same period of 2014. The Index for Input 2 has increased by 5% between 2015 and 2014. The total input Index (Input 1 + Input 2) also increased compared to the same period of 2014 by 0.7%.

Table 5: Annual price index of agricultural input 2010 – 2015 (2010 = 100)

Description	2010	2011	2012	2013	2014	2015	Difference 2015/2014 in %
GOODS AND SERVICES CURRENTLY CONSUMED IN AGRICULTURE (INPUT 1)	100.0	112.9	119.7	122.1	120.5	118.3	-1.8
SEEDS AND PLANTING MATERIAL	100.0	112.7	109.4	107.1	115.3	158.6	37.6
ENERGY; LUBRIFICANT	100.0	114.7	123.4	118.9	115.7	102.2	-11.7
-Electric energy	100.0	101.0	114.5	124.5	133.1	139.0	4.4
-Fuel	100.0	117.1	125.5	119.1	114.2	97.8	-14.4
-Lubrificant	100.0	117.1	125.5	119.1	114.2	97.8	-14.4
FERTILIZERS AND SOIL IMPROVERS	100.0	126.0	142.4	146.1	139.2	130.6	-6.2
-Simple fertilizers	100.0	130.7	152.2	155.7	148.1	135.9	-8.2
-Compound fertilizers	100.0	130.7	152.2	155.7	148.1	135.9	-8.2
PLANT PROTECTION PRODUCTS AND PETICIDES	100.0	98.5	99.6	129.7	159.4	113.6	-28.7
VETERINARY EXPENSES	100.0	107.0	106.8	109.3	104.6	102.6	-1.9
ANIMAL FEED	100.0	122.3	137.5	143.4	130.8	114.4	-12.5
-Simple raw food	100.0	123.7	140.5	146.0	131.4	117.2	-10.8
-Compound raw food	100.0	137.0	144.4	144.2	135.5	117.0	-13.7
MAINTENANCE OF MATERIALS	100.0	100.0	100.4	100.7	100.4	99.1	-1.3
MAINTENANCE OF BUILDINGS	100.0	100.7	101.6	100.3	100.4	99.7	-0.7
OTHER GOODS AND SERVICES	100.0	101.1	103.7	107.1	108.6	112.6	3.6
GOODS AND SERVICES CONTRIBUTING TO AGRICULTURAL INVESTMENT (INPUT 2)	100.0	101.3	101.5	103.0	105.3	110.0	4.5
TRACTOR	100.0	101.3	101.3	104.1	107.1	118.5	10.6
OTHER	100.0	101.3	101.7	102.0	103.8	103.1	-0.7

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 indexes 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 (nonresidential buildings of the farm, other works except land improvements).

1.3 Farm structure

Used area of agricultural land in Kosovo in 2015 was 410.427 ha, of which 185.385 ha (45%) is arable land or fields. The agriculture household survey of 2015 shows a different structure and farms are not divided by size and number of agricultural households. Since farm size is very important information, and structure can not change for a very short time, for this publication was used the division of farms classified according to the results of the Agriculture Census 2014. Agriculture Census Results have shown that there are 113.231 agricultural households dealing with crop production and possessing averagly 1.6 ha of arable land - fields.

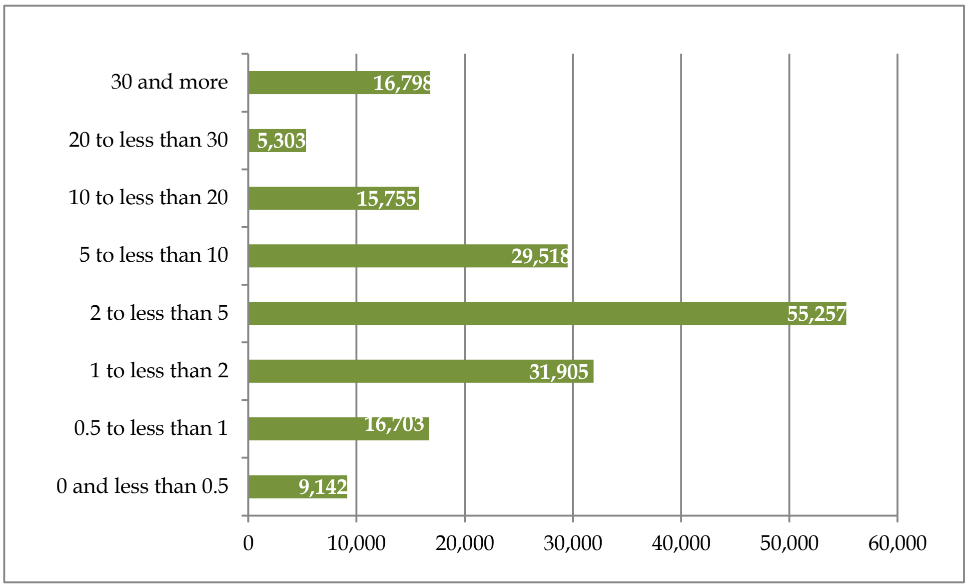
Table 6: Farm structure by size and number of Agricultural Households in 2014

Farm size	Area (ha)	Participation in (%)	No. of Agricultural ecnomies	Participaction 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

Farms with a size of 0 and less than 0.5 comprise 9.142 ha, and have a share of 5.1%, followed by farms with a size of 0.5 to less than 1, which cover the area of 16.703 ha, with a share of 9.3%. The size from 1 to less than 2 have a total area of 31.905 ha and represent 17.7% of arable land-field. Farms with a size of 2 to less than 5 ha represent an of 55.257 ha, which at the same time represent 30.6% of total arable land-fields.

Figure 7: Farm structure by size - area (ha), 2014

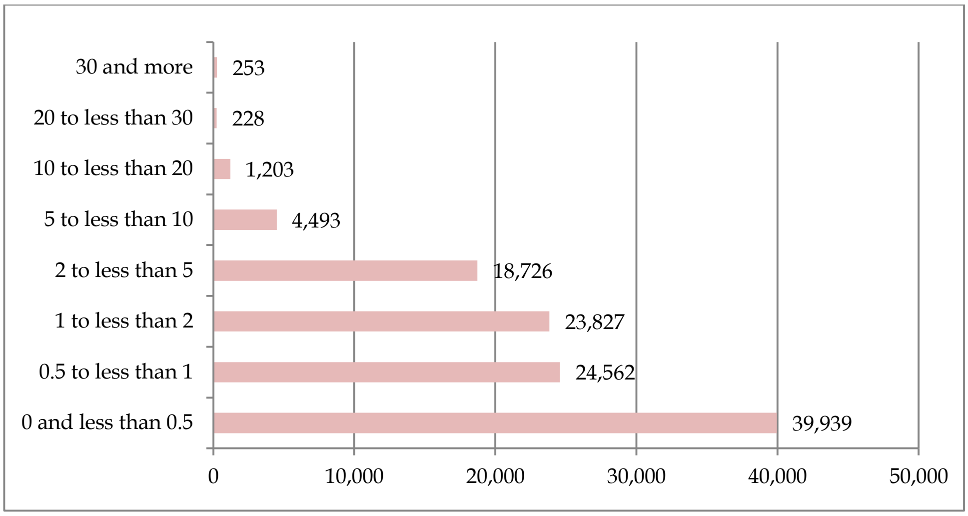


Source: KAS – Agriculture Census 2014

Based on data of the Agriculture Census 2014, there are 39,939 Agricultural Households possessing farms with a size of 0-0.5 ha of arable land and they comprise the largest percentage (35.2%), whereas after the first category most of arable land is cultivated by 24,562 Agricultural households with farm area sized from 0.5 to less than 1 ha of arable land, or (21.6%) of Agricultural households.

23,827 agricultural households or 21.0% of them own farm sized from 1 to less than 2 ha, while the other category of farms was cultivated by 18,726 or 16.5% of agricultural households that posses area from 2 to less than 5 ha of arable land that have a share of 30.6% of the area of arable land or 55.257 ha. Only 6,177 agricultural households have farm size of 5 to more than 30 ha, representing only 5.45% of agricultural households.

Figure 8: Agricultural households and size of the area of arable land



Source: KAS – Agriculture Census 2014

The average area of arable land - fields cultivated by the agricultural households in 2014 was 1.6 ha, which means that in our country we have only 0.10 ha of arable land per capita.

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

In EU countries, Czech Republic is considered to have the highest average size of agricultural households 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 Agricultural businesses - Agro-industry

Food and beverages have traditionally comprised the largest part of household consumption. Food industry and other agro businesses that employ a large number of skilled and unskilled employees, consists of a complex network of activities related to the supply, consumption and services. Agro-food subsector in our country is quite fragmented, where on the one hand, we have large corporations that compete in local and international market and, on the other hand, small enterprises that often serve to local markets primarily concentrated on the preferences of local specialties. As such, this sub-sector plays a key role in the field of rural development and maintenance of industrial activities in rural areas.

Kosovo's food industry and other agribusinesses[3], for 2011-2015 have generated revenues of € 1,487,318,535, with a total of 9.642 active businesses with approximately 36.748 employees. While in 2015 only, there were 8.790 persons and 2,130 active businesses, and an annual turnover of over 323 million €. It can be said that compared to previous year, there is an improvement in terms of increase of the number of employees, active businesses and annual turnover.

[3] Plant and animal production; hunting and related services; Forestry and woodcutting ; Fishing and aquaculture; Food processing; Production of beverages; Production of tobacco products; Production of leather and leather products; Production of wood and wood and of cork products, except furniture; production of items from straw and plaiting materials, production of paper and paper products, prodiction of non-metallic mineral products.

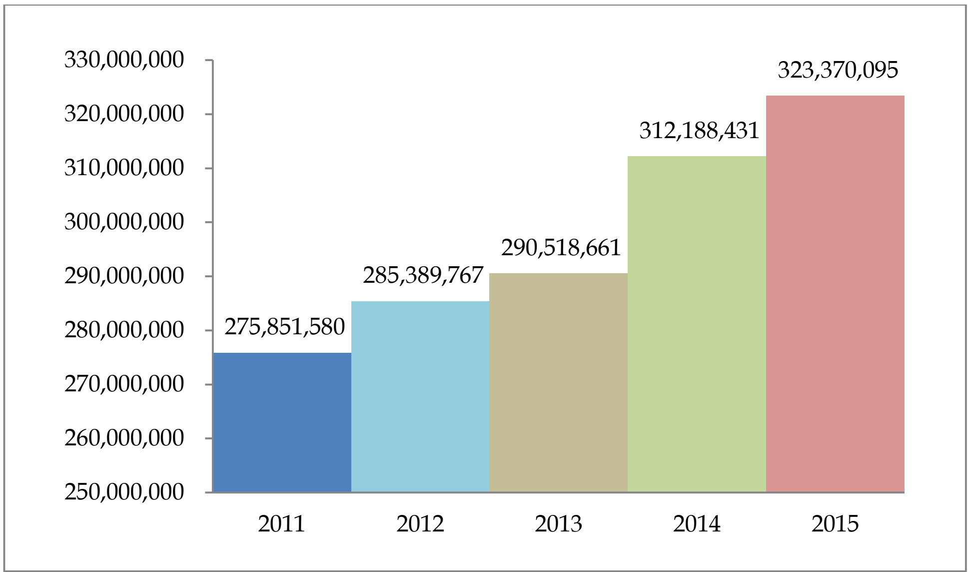
Table 7: Food industry and agro business for 2011-2015

Year	Turnover	No. of employees	No. of active businesses
2011	275,851,580	6,046	1,742
2012	285,389,767	6,778	1,819
2013	290,518,661	7,130	1,896
2014	312,188,431	8,004	2,055
2015	323,370,095	8,790	2,130
Total	**1,487,318,535**	**36,748**	**9,642**

Sources: KAS, Department of Economic Statistics

Structural profile of food production, beverages, plant and animal production, hunting and related services represent one of the biggest sectors in the economy of Kosovo, which generated approx. 323 million. €, and is one of the key sectors in the economy of Kosovo providing continuous employment in our country. Based on the statistics drawn from the Business Registry, it can be observed that there were large differences in terms of annual turnover, number of employees and active businesses depending on the region.

Figure 9: Turnover from food industry and agro-businesses for 2011-2015 in €



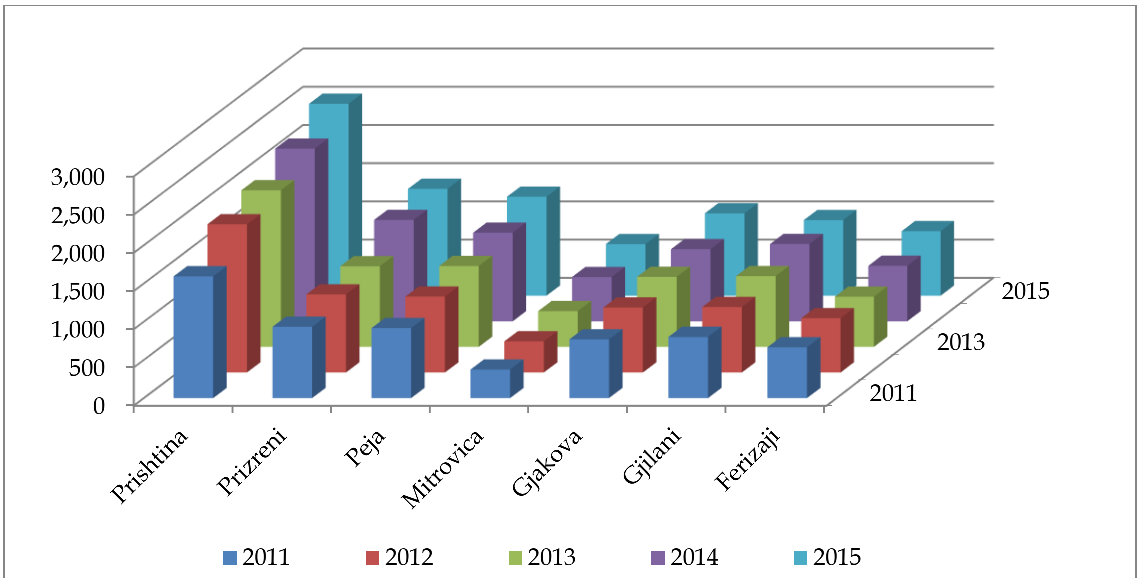
Source: KAS, Departament of Economic Statistics

Starting from 2011, the monetary turnover of this sector has seen a gradual increase. While in 2011 the turnover was 275 million €, in 2014 there was an increase of 13%. Unlike in 2014, the turnover increased in 2015 by only 4%. From 2011 to 2015 food products processing sub-sector had a greater turnover in comparison to other types of businesses in this subsector.

In 2015 the total turnover was 323 million. €, where processing industry had a share of 74% or 239 mil. € . In the framework of the processing industry, most of it or 67% (160 mil. €) was food processing and 33% (78 mil. €) production of beverages. In addition to processing industry, other business activities were the following: plant and animal production, hunting and related services with a turnover of 14% (45 mil. €), production of wood, wood and cork products, with a share of 7% (21 mil . €), production of paper and paper products with a share of 4% (12 mil. €) and fishing and aquaculture with 1% (2 mil. €).

With regards to the number of employees, from the data presented in the table it results that during 2011-2015, in food industry and other agro-businesses were employed a total of 36.748 employees. Their number in 2011 was 6.046, increasing to 8.790 in 2015. Thus, there is an increase in the number of employees by 45% from 2011 to 2015. Of the total number of employees in 2015, approximately 6,212 employees or 71% were engaged in food processing industry, 13% in plant and animal production, hunting and related services, and 12% in production of wood and wood and cork products, fishing and aquaculture 1% and 3% employed in other subsectors.

Figure 10: The number of employees in the food industry and agro-businesses by year and region

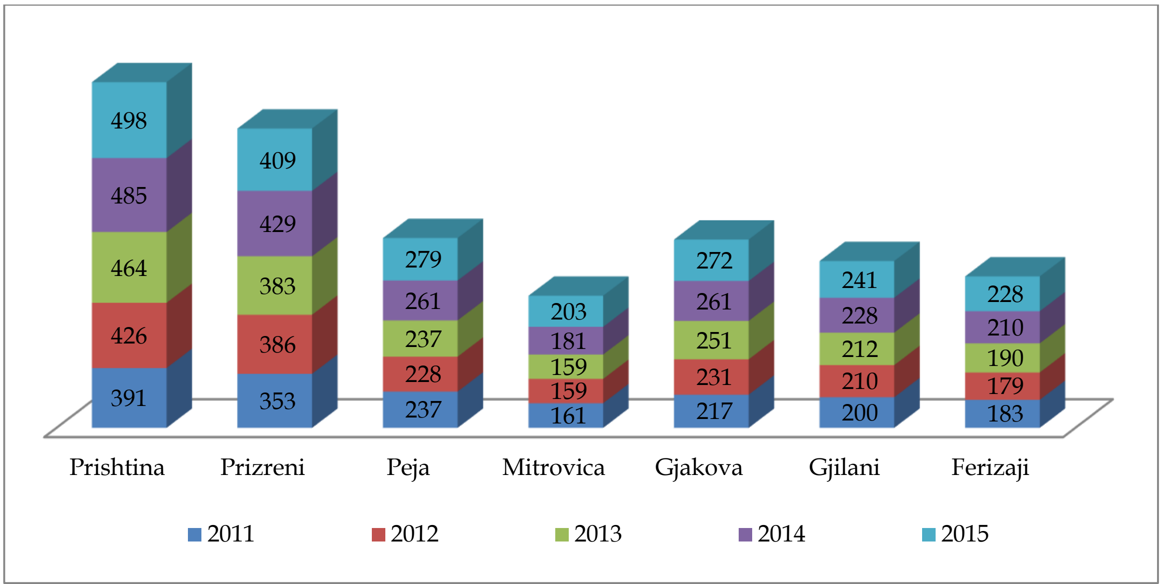


Source: KAS, Departament of Economic Statistics

It is observed that in the period 2011-2015 there was an increase in the number of employees, number of active businesses and increased annual turnover. The number of employees increased continously, in 2015 the number of employees was 2,744 more than in 2011. If we compare the number of employees in 2015 to previous year, this number was 10% higher or 785 more persons employed.

There was an increase in the number of active businesses where from 1,742 active businesses in 2011, this number increased to 2.131 in 2015 or expressed in percentage it turns out that there has been an increase of 22%. A greater number of active businesses or 52% of the total number of active businesses were from the category of foodstuff processing. Just as in the previous years, similar participation of the number of active businesses of 19% was from the plant and animal production, hunting and related services, and 19% of other active businesses belonged to the category of wood production and wood and cork products, while 10% were from other business categories.

Figure 11: The number of employees in the agro-food businesses by year and region



Source: KAS, Departament of Economic Statistics

With regards to annual turnover, number of employees and active businesses, there are numerous differences by region. The following describes the overall situation on the turnover, number of employees involved and the number of active businesses in the regions for 2015.

Ferizaj region in 2015 experienced an increase in the number of employees compared to the previous year, from 726 to 844. There has also been an increase in the number of active businesses, in 2015 there were 228 active businesses, or 18 more than in the previous year. Annual turnover experienced an increase, in 2015 this figure reached 19 mil. € from 16 mil.€ in 2014.

In 2015, in Gjilan region there were 989 employees and 241 active businesses and an annual turnover of over 31 million €. The region in question marked a decrease in the number of employees and annual turnover and an increasein the number of active businesses.

Gjakova region in 2015 had 1,078 employees and 272 active businesses, and an annual turnover of over 43 million €.

Mitrovica region in 2015 had 675 employees and 203 active businesses with a turnover of over 19 million €. Compared to previous year, number of employees and active businesses increased in Mitrovica region, but the annual turnover did not mark an increase.

With regards to Peja region, it had 1,295 employees and 279 active businesses and a turnover of around 60 mil. €. Unlike previous year, this region has seen an increase in all the points mentioned.

Same as most of the other regions, Prizren region has seen positive changes. The number of employees increased to 1,398 and the total turnover reached the figure of over 59 million. €. While the number of active businesses decreased to 409 from 429 in 2014.

An increase in the number of employees was also recorded in Prishtina region, where in 2015 there were 2.511 employees and 498 active businesses. Annual tunrover in this region decreased to 90 mil. € from 97 mil. € in 2014.

Regarding the state of businesses at municipal level, it was observed that of all the municipalities, in terms of annual turnover municipality of Prizren leads with 12%, followed by Peja and Prishtina with 10% each. With regards to the number of employees, municipality of Prishtina leads with 15% followed by Prizren with 12% and Peja 7%, while with regards to the number of active businesses, municipality of Prizren with 13% Prishtina with 12% and Ferizaj with 8%.

2 Agricultural production and its 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 UN recommendations on 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 presents the data in monetary value: value in production prices, value in current prices and value in constant prices. EAA in current prices include value in production prices along with subsidies by deducting the taxes.

Table below presents data on annual production from Economic Accounts for Agriculture in current prices for the period 2009-2015, on plant and livestock production and the production of agricultural goods as well as results from other categories presented in the following table. The value of plant production in 2015 calculated in current prices was 350.7 mil. €, while the value of livestock production amounted to 278.9 mil. €. Total value of the plant and livestock production during this year was 629.7 million €. Starting from 2009 until 2012, plant production has undergone some minor fluctuations and average value for these years was approximately 317 mil. €, except in 2009 where smaller production was observed. Growth continued until 2013 (427 mil. €), which at the same time marked the highest point of production for period 2009-2013. Based on results of the calculations of Economic Accounts for Agriculture 2015, it results that vegetable production increased to 8.0% in 2015 compared to 2014. This increase in the value of production is a result of increased production of vegetables and horticulture and forage plants.

Plant production includes: cereals, industrial plants, forage plants, vegetables and horticulture, potatoes and fruits. Vegetables and horticulture products are the most important category in the plant production and comprise approximetaly 30.5% of the total production, followed by cereals with 25.5%, forage plants constituting 20.4% of total production, fruits approx. 15.8%, potatoes 6.6% and 1.2% other plants.

Livestock and livestock products reached the highest value during 2013 (298 mil. €). The total value of livestock production for 2015 was 278.9 mil. €, which included the following categories: milk, eggs, honey and raw wool. Milk is the most important livestock product; in a value of 132.6 million €. out of a total 158.6 mil. €, followed by eggs with 25.9 million €.

Milk marked a decrease of 12.2% in 2015 compared to 2014. While eggs marked an increase of 18.1% compared to 2014. With regards to categories of livestock, it mainly includes the sale of meat of animals: cattle 47.8%, sheep and goats 17.7 %, pigs 11.2%, poultry meat 12.9% and 10.6% other animals.

Livestock production increased by 7.7% in 2015 compared to 2014. This increase can be explained with the increase of the value of livestock and livestock products. Therefore as a result of increased production in the categories listed above, plant and livestock production in total increased by 7.9% in 2015 compared to 2014.

The following marked an increase in the value of plant products in 2015 compared to 2014: vegetables and horticulture products 29.1%, forage plants by 6.5% and fruits 1.1%, whereas potatoes have the same value as in 2014.

Entrepreneurial farm incomes in 2015 are 12.2% more than in the previous year.

Table 8: Economic Accounts for Agriculture at current prices, in mil. €

Code	Economic Accounts for Agriculture	2009	2010	2011	2012	2013	2014	2015	Difference	Difference (%)
1	Cereals (including seeds)	61.9	93.5	107	107.1	102.1	92.1	89.5	-2.6	-2.8
2	Industrial plants	0.05	0.05	0.05	0.14	0.12	0.26	0.17	-0.1	-34.6
3	Forage plants	55.8	51.2	56	67.8	95.2	67.3	71.7	4.4	6.5
4	Vegetables and horticulture plants	114.4	123.3	119.6	104.1	154.4	82.9	107	24.1	29.1
5	Patatoes	23.1	26.6	20.2	12	19.6	23	23	0.0	0.0
6	Fruits	28.7	26	23.2	32.9	51.9	54.6	55.2	0.6	1.1
9	Other plant products (seeds)	3.4	3.4	3.7	3.5	4.2	4.5	4.1	-0.4	-8.9
10	Total plants products	287.4	324	329.7	327.6	427.6	324.7	350.7	26.0	8.0
11	Livestock	119.7	97.6	96	92.3	117.3	85.9	120.3	34.4	40.0
12	Livestock products	158.9	148.8	155.8	174.2	181.1	173	158.6	-14.4	-8.3
13	Total livestock products	278.6	246.4	251.9	266.6	298.4	258.9	278.9	20.0	7.7
14	Total plant and livestock products	566.1	570.3	581.6	594.1	726	583.7	629.7	46.0	7.9
15	Agricultural services	14.7	14.8	14.7	14.5	20.4	20.2	18.5	-1.7	-8.4
16	Total agricultural products	580.8	585.2	596.2	608.6	746.3	603.9	648.2	44.3	7.3
19	Total intermediate consumption	204.2	200.1	216.4	224.5	250	233.2	239.3	6.1	2.6
20	Gross added value at base price	380.8	390.6	384.3	390.3	305.8	377.3	416.8	39.5	10.5
21	Fixed capital consumption	75.4	77.9	81	84.5	93.7	90.6	95.5	4.9	5.4
22	Net added value at base price	305.4	312.7	303.3	305.8	403.6	286.8	321.3	34.5	12.0
23	Compensation of employees	3.2	3.5	3.9	4.2	4.6	4.6	2.7	-1.9	-41.3
25	Other subsidies on production	0.16	0.06	0.1	0	1.02	0.6	0.6	0.0	0.0
26	Factor revenues	305.6	312.8	303.4	305.8	404.6	287.4	322	34.6	12.0
27	Operational surplus/mixed revenues	302.4	309.3	299.5	301.6	400.1	282.7	319.3	36.6	12.9
28	Rents and other costs for the use of real estate	2.2	2.2	2.3	2.3	3.3	3.1	4.5	1.4	45.2
29	Paid interest	1	1	0.9	0.8	0.6	0.4	1.4	1.0	250.0
31	Entrepreneurial incomes	299.2	306.1	296.3	298.4	396.2	279.2	313.2	34.0	12.2

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

2.2 Cereals

In 2015 in Kosovo were planted 134,886 ha with cereals, of which 97% planted with wheat and maize. Wheat and maize are two crops that for a long time occupy the most cultivated agricultural land. Compared to the previous year the total area cultivated with cereals increased by 2%, while compared to the average of the previous three years there is a decline of 2%. In 2015, the surface of all cereals marked a decrease, except maize whose surface increased by 18%. In 2015, compared to the average of the previous three years, crops which recorded a decrease on the cultivated area are wheat and oats.

Table 9: Area, production and yield of cereals, 2009-2015

Crop	2009	2010	2011	2012	2013	2014	2015	Difference 2015/(2014) in %	Difference 2015/2014 in %
Area				ha				%	
Cereals	*119,984*	*119,871*	*121,095*	*137,215*	*141,912*	*131,949*	*134,886*	-2	2
Wheat	77,938	78,420	79,928	102,918	101,846	90,728	89,942	*-9*	*-1*
Maize	35,854	35,424	35,209	31,181	36,122	35,038	41,492	*22*	*18*
Barley	1,717	1,177	844	568	1,363	1,487	1,141	*0*	*-23*
Rye	394	571	607	253	235	588	396	*10*	*-33*
Oat	4,081	4,279	4,508	2,294	2,346	3,940	1,790	*-37*	*-55*
Other grain cereals	-	-	-	-	-	168	125		*-26*
Production				t				%	
Cereals	*411,208*	*430,524*	*435,034*	*438,792*	*540,136*	*463,581*	*443,584*	-8	-4
Wheat	271,373	294,540	300,203	345,027	391,727	331,296	304,443	*-14*	*-8*
Maize	125,864	120,461	119,693	86,304	136,633	116,209	131,486	*16*	*13*
Barley	5,363	3,642	2,608	1,808	4,415	4,716	3,061	*-16*	*-35*
Rye	834	1,371	1,457	740	571	1,521	809	*-14*	*-47*
Oat	7,774	10,510	11,072	4,913	6,790	9,840	3,415	*-52*	*-65*
Other grain cereals	-	-	-	-	-	-	371		
Yield				t/ha				%	
Wheat	*3.48*	*3.76*	*3.76*	*3.35*	*3.85*	*3.65*	*3.38*	-6	-7
Maize	*3.51*	*3.40*	*3.40*	*2.77*	*3.78*	*3.32*	*3.17*	-4	-4
Barley	*3.12*	*3.09*	*3.09*	*3.18*	*3.24*	*3.17*	*2.68*	-16	-15
Rye	*2.12*	*2.40*	*2.40*	*2.92*	*2.43*	*2.59*	*2.04*	-23	-21
Oat	*1.90*	*2.46*	*2.46*	*2.14*	*2.89*	*2.50*	*1.91*	-24	-24
Other grain cereals	-	-	-	-	-	-	*2.96*		

Source: KAS – Agricultural Household Survey ('09,'12'13,'15); KAS- Expert's assessments within EAA '10-'11; Agricultural census ('14)

Reduction in the surface was accompanied with a lower total production whereby oat production in 2015 compared to 2014 decreased by 65% due to reduction in the surface by 55% and the yield by 24%. In addition to oat, rye and barley recorded a significant decrease in production. Wheat production recorded smaller decrease, and this, not because the cultivated area was smaller, but because the yield marked a decline of 7%. In the group of cereals in 2015, only production of maize marked an increase of 13%.

The total area planted with cereals in 2015 was 134,886 ha of which 67% was planted with wheat. The total domestic production was 304,443 tons which covers 63.3% of the domestic consumption needs and the rest is covered by imports. In Kosovo most of the wheat was used for human consumption, such as for flour whereas the rest was sold and used for animal feed. The value of wheat production was 57.8 million. € which is 12.8% lower than in 2014, and this due to decreased production quantity and because the price was € 0.01 lower. The trade balance continues to be negative, in 2015 the amount of imported wheat, including wheat products increased by 17% compared to 2014.

Table 10: Supply balance for wheat, 2009-2015

	Unit	2009	2010	2011	2012	2013	2014	2015
Area with Cereal	ha	119,984	119,871	121,095	137,215	141,912	131,949	134,886
Area with wheat	ha	77,938	78,420	79,928	102,918	101,846	90,728	89,942
Share of wheat	%	65.0	65.4	66.0	75.0	71.8	68.8	66.7
Yield	t/ha	3.48	3.76	3.76	3.35	3.85	3.65	3.38
Production	t	271,373	294,540	300,203	345,027	391,727	331,296	304,443
Import of wheat and wheat equivalents	t	174,840	199,570	210,782	178,313	171,387	178,782	204,015
Supply	t	446,213	494,110	510,985	523,340	563,114	510,078	508,458
Export of wheat and wheat equivalents	t	35,017	37,257	40,213	37,365	38,158	33,132	27,765
Domestic use	t	411,195	456,853	470,772	485,974	524,956	476,946	480,693
Self-sufficiency rate	%	66.0	64.5	63.8	71.0	74.6	69.5	63.3
Wheat seed	t	23,381	23,526	23,978	30,875	30,554	27,218	26,983
Loss	t	8,141	8,836	9,006	10,351	11,752	9,939	9,133
Animal feed	t	43,664	47,392	48,303	55,515	63,029	53,306	48,985
Industrial use	t	8,426	9,687	10,130	8,864	8,756	9,044	10,417
Processing	t	184,337	202,737	207,148	229,689	262,006	223,688	208,086
Human consumption	t	143,246	164,675	172,207	150,681	148,859	153,751	177,089
Producer prices (on farm)	€/kg	0.17	0.19	0.25	0.26	0.22	0.20	0.19
Value of production	mil. EUR	46.1	56.0	75.1	89.7	86.2	66.3	57.8
Wheat trade balance	mil. EUR	-51.8	-75.5	-74.7	-72.2	-68.8	-73.8	-81.9

Source: KAS – Agricultural Household Survey ('09,'12'13,'15); ASK- Expert's assessments within EAA '10-'11; Agricultural Census ('14); KAS, Foreign Trade Statistics; calculations by DAESB - MAFRD

Maize is the second most cultivated corp in the group of cereals. In 2015, 30.8% of the total area planted with cereals is planted with maize. In 2015, area planted with maize is 18% higher compared to 2014, while production is 16% higher. With this amount of production, Kosovo can cover 70% of domestic needs, where most of it is used as animal feed. In order to meet the general needs, Kosovo imports maize and the trade balance remains negative in the amount of 11.3 mil. €.

Table 11: Supply balance for maize, 2009-2015

	Unit	2009	2010	2011	2012	2013	2014	2015
Area with Cereal	ha	119,984	119,871	121,095	137,215	141,912	131,949	134,886
Area with maize	ha	35,854	35,424	35,209	31,181	36,122	35,038	41,492
Share of maize	%	29.9	29.6	29.1	22.7	25.5	26.6	30.8
Yield	t/ha	3.51	3.40	3.40	2.77	3.78	3.32	3.17
Production	t	125,864	120,461	119,693	86,304	136,633	116,209	131,486
Import of maize and maize equivalents	t	25,472	36,666	32,063	28,081	38,471	45,921	56,760
Supply	t	151,336	157,127	151,756	114,385	175,104	162,130	188,246
Export of maize and maize equivalents	t	195	91	78	54	61	312	221
Domestic use	t	151,141	157,036	151,678	114,331	175,043	161,818	188,025
Self-sufficiency rate	%	83.3	76.7	78.9	75.5	78.1	71.8	69.9
Maize seed	t	717	708	704	624	722	701	830
Loss	t	3,776	3,614	3,591	2,589	4,099	3,486	3,495
Animal feed	t	97,097	92,911	92,319	66,473	105,449	89,618	101,369
Industrial use	t	2,235	2,758	2,522	2,066	2,975	3,177	3.841
Processing	t	9,324	10,161	9,661	7,456	11,222	10,834	12,750
Human consumption	t	37,992	46,884	42,881	35,123	50,575	54,003	65,291
Producer prices (on farm)	€/kg	0.20	0.22	0.29	0.30	0.31	0.28	0.23
Value of production	mil. EUR	25.2	26.5	34.7	25.9	42.4	32.5	30.2
Maize trade balance	mil. EUR	-5.5	-8.1	-8.9	-8.6	-9.9	-10.4	-11.3

Source: KAS – Agricultural Household Survey ('09,'12'13,'15); KAS- Expert's assessments within EAA '10-'11; Agricultural Census ('14); KAS, Foreign Trade Statistics; calculations by DAESB – MAFRD

2.3 Vegetables

During 2015 , area planted with vegetables in Kosovo is estimated to be a total of 14,656 ha, as opposed to 15,854 ha in 2014; i.e vegetable area decreased by 8% relative to the previous year.

Vegetable crops prevalent on larger areas in 2015 are potatoes, pepper, beans and onions which comprise 71% of total cultivated area of vegetables. Compared with 2014, potatoes recorded a decrease of surface by 9%. On the other hand, peppers with 3,090 ha has marked an increase in area by 21%, tomatoes by 42%, cucumber by 65% and onions for 4%. .

Other crops with smaller area that have marked increase compared to 2014 are: melon, cabbage, spinach, leeks, and garlic. The following table presents the current situation in terms of surfaces covered with vegetables over the years including 2015 and the differences.

Table 12: Vegetable areas, 2009 - 2015

Crops	2009	2010	2011	2012	2013	2014	2015	Difference 2015/(12-14) in %	Difference 2015/2014 in %
Area	ha							%	
Vegetable	15,839	16,356	16,196	14,557	16,356	15,854	14,656	-7	-8
Potatoes	3,376	3,760	3,746	3,198	2,777	3,695	3,353	4	-9
Tomates	821	935	967	1,271	950	558	791	-15	42
Aubergine	5	6	5	2	8	-	5	-2	
Peppers	2,955	2,914	2,993	3,153	3,686	2,553	3,090	-1	21
Pumpkin	986	956	880	671	1,005	1,354	551	-45	-59
Maize pumpkin	74	94	94	106	96	232	229	58	-1
Mushrooms	1	1	2	2	-	1			
Cucumber	316	343	359	255	340	193	317	21	65
Watermelon	954	1,141	1,240	847	827	781	781	-5	0
Melon	118	175	171	271	455	167	193	-35	16
Cabbage	962	836	842	568	851	556	594	-10	7
Cauliflower	12	7	4	13	29	-	32	52	
Spinach	50	71	75	40	55	139	204	162	47
Salad	37	48	51	29	75	-	59	14	
Beet	5	40	43	2	5	58	19*	-14	-67
Radish	3	3	3	1	2	-	2	16	
Parsley	8	11	11	9	20	-	9	-36	
Leak	62	113	121	93	143	44	78	-17	75
Onion	798	1,043	1,074	881	1,060	1,041	1,079	9	4
Garlic	97	150	152	141	193	85	114	-18	34
Beans	4,112	3,609	3,260	2,954	3,648	3,959	2,945	-16	-26
Peas	33	32	34	7	52	241	134	34	-44
Other legumes	11	15	13	16	30	59	19	-45	-67
Carrots	43	53	56	27	49	76	57	13	-24
Other vegetables	-	-	-	-	-	64	-		

Source: ASK - Agricultural Household Survey ('09, '12'13, '15); ASK –expert assessments within EAA '10 -'11; Agriculture Census ('14)

* in 2015 beet included red beet and fodder beet, published in Agricultural Household Survey 2015

Regarding the production in 2015, vegetable production is estimated to be 246,096 tons for a total area of 14,656 ha, which compared to 2014, has marked an evident increase of 11%.

With reference to vegetable production in 2015, it is worth noting that crops such as potatoes, domates, cucumber, watermelon, melon, cabbage, spinach, onion, leaks, garlic and beans recorded a significant increase compared with 2014. It is worth mentioning that the cucumber production which in 2014 was 5,428 tons increased by 220% in 2015. Same is true for production of leeks which in 2014 was 640 tons and in 2015 reached the level of production of 1.942 tons.

Among the crops that recorded decreased outputs, refering to the following table it may be concluded that pepper production decreased by 4% compared to 2014, pumpkin by 57%, beet (red beet and fodder beet) by around 65%, carrots by 5%, and peas and other legumes production by around 65%.

Table 13: Vegetable output, 2009 – 2015

Crops	2009	2010	2011	2012	2013	2014	2015	Balance 2015/(12-14) in %	Balance in 2015/2014 në %
Yield				t				%	
Vegetables	*202,995*	*338,989*	*345,565*	*163,146*	*235,326*	*221,330*	*246,096*	*19*	*11*
Potatoes	58,687	87,354	87,036	33,407	50,847	64,027	70,678	*43*	*10*
Domates	15,107	60,318	62,358	13,693	17,291	17,386	24,333	*51*	*40*
Aubergine	64	134	98	17	*170*	-	165		
Pepper	46,669	93,924	96,322	50,744	72,928	57,921	55,469	*-8*	*-4*
Pumpkin	7,190	7,617	7,119	9,099	10,224	14,363	6,141	*-45*	*-57*
Maize pumpkin	1,195	1,861	1,846	2,065	1,963	4,604	4,811	*67*	*4*
Mushrooms	6	16	19	19		7			
Cucumber	7,199	12,902	13,502	5,239	8,975	5,428	17,365	*165*	*220*
Watermelon	18,896	25,743	27,975	17,080	17,641	16,669	17,404	*2*	*4*
Melon	1,318	2,138	2,090	2,455	4,824	1,778	2,966	*-2*	*67*
Cabbage	27,895	22,988	23,154	13,975	21,924	14,426	16,694	*0*	*16*
Cauliflower	218	131	75	169	*1,793*	-	218		
Spinach	280	859	898	262	408	1,199	1,892	*204*	*58*
Salad	549	608	635	200	*736*	-	884		
Beet	65	389	422	27	59	678	240*	*-6*	*-65*
Radish	18	23	21	6	*8*	-	12		
Parsley	52	67	71	50	*112*		103		
Leak	814	1,559	1,675	1,293	2,206	640	1,942	*41*	*204*
Onion	8,697	13,257	13,655	8,601	15,308	12,812	13,795	*13*	*8*
Garlic	456	867	878	557	1,046	431	705	*4*	*64*
Beans	7,139	5,575	5,033	3,723	5,892	5,831	9,018	*75*	*55*
Peas	80	96	103	34	313	1,117	392	*-20*	*-65*
Other legumes	49	75	66	111	177	353	124	*-42*	*-65*
Carrots	352	488	514	320	481	779	743	*41*	*-5*
Other vegetables						881			

Source: ASK - Agricultural Household Survey ('09, '12'13, '15); ASK- expert assessments within EAA '10 -'11; Agriculture Census ('14)

* in 2015 beet includes red beet and fodder beet, published in Agricultural Household Survey 2015

Based on the total vegetable area in 2015, which was approximately 14,656 ha, tomato accounted for 5.4%, whereas tomato output in 2015 is estimated at 24,333 tons recording an increase compared to 2014 which was about 10,157 tons and covers 62% of self-sufficeny rate. Import of tomatoes was 15,110 tons, and the value of export was 63 tons. While the total human consumption is 38,408 tons, total domestic use is 39,381 tons. The value of production in in

2015 was 9.6 mil.€ relative to 9.2 mil. € in 2014, and the trade balance remained negative at 5.4 mil.€.

Table 14: Supply balance for tomatos, 2009-2015

Balance sheet items	Unit	2009	2010	2011	2012	2013	2014	2015
Vegetable area	ha	15,839	16,356	16,196	14,557	16,356	15,854	14,656
Tomato area	ha	821	935	967	1,233	950	558	791
Share	%	5.2	5.7	6.0	8.5	5.8	3.5	5.4
Yield	t/ha	18.40	63.63	63.40	20.28	18.20	31.15	30.77
Output	t	15,107	59,490	61,312	25,006	17,291	17,386	24,333
Import of tomato	t	13,448	13,583	14,536	12,636	13,756	16,814	15,110
Supply	t	28,555	73,073	75,848	37,643	31,047	34,199	39,444
Eksport of tomato	t	88	649	412	115	32	64	63
Domestic use	t	28,467	72,424	75,436	37,527	31,016	34,135	39,381
Self-sufficiency rate	%	53.1	82.1	81.3	66.6	55.7	50.9	61.8
Loss	t	604	2,380	2,452	1,000	692	695	973
Processing	t	145	571	589	240	166	167	234
Final own consumption	t	2,756	10,851	11,183	4,561	3,154	3,171	4,438
Total human consumption	t	27,863	70,045	72,984	36,527	30,324	33,440	38,408
Total domestic use	t	28,467	72,424	75,436	37,527	31,016	34,135	39,381
Producer prices (on farm)	€/kg	0.61	0.62	0.50	0.71	0.56	0.55	0.41
Value of production	mil EUR	8.8	35.4	29.4	17.0	9.3	9.2	9.6
Tomato trade balance	mil EUR	-4.7	-5.1	-4.7	-3.0	-3.3	-5.2	-5.4

Source: ASK - Agricultural Household Survey ('09, '12'13, '15); ASK-expert assessments within EAA '10 -'11; Agriculture Census ('14); ASK, Foreign Trade Statistics; calculations by DAESB – MAFRD

In terms of Supply balance of pepper, its recorded share is 21,1% of the total vegetable area,i.e. in the total area of vegetables estimated at 14,656 ha.

The output for pepper crops in 2015 was 55,469 tons, with recorded self-efficency rate at 87% for 2015. As far as proccesing is concerned, 553 tons were used for processing in 2015.

The imported quantity of pepper was 9,246 tons, while the export was 602 tons. Domestic use for 2015 is estimated at 64,246 tons, while total consumption was 61,895 tons.

The value of production for 2015 was 37.3 mil.€, while the trade balance continued to remain negative at 4.0 mil.€, compared to 4.1mil.€ in 2014.

Table 15: Supply balance for pepper, 2009-2015

Balance sheet items	Unit	2009	2010	2011	2012	2013	2014	2015
Vegetable areas	ha	15,839	16,356	16,196	14,557	16,356	15,854	14,656
Pepper areas	ha	2,955	2,914	2,993	3,153	3,686	2,553	3,090
Share	%	18.7	17.8	18.5	21.7	22.5	16.1	21.1
Yield	t/ha	15.79	32.23	32.18	16.09	19.79	22.69	17.95
Output	t	46,669	93,924	96,322	50,744	72,928	57,921	55,469
Import of pepper	t	7,007	7,448	7,932	7,721	9,150	10,489	9,246
Supply	t	53,676	101,372	104,254	58,465	82,078	68,409	64,715
Export of pepper	t	1,653	2,493	2,045	2,053	1,187	994	602
Domestic use	t	52,023	98,878	102,209	56,412	80,891	67,416	64,114
Self-sufficiency rate	%	89.7	95.0	94.2	90.0	90.2	85.9	86.5
Loss	t	1,867	3,757	3,853	2,030	2,917	2,317	2,219
Processing	t	448	902	925	487	700	556	533
Final own consumption	t	8,512	17,132	17,569	9,256	13,302	10,565	10,118
Total human consumption	t	50,157	95,121	98,356	54,382	77,974	65,099	61,895
Total domestic use	t	52,023	98,878	102,209	56,412	80,891	67,416	64,114
Producer prices (on farm)	€/kg	0.63	0.59	0.58	0.58	0.78	0.65	0.70
Value of production	mn EUR	28.2	53.2	53.6	28.3	54.6	36.1	37.3
Pepper Trade Balance	mn EUR	-3.4	-4.1	-3.2	-2.9	-3.0	-4.1	-4.0

Source: ASK - Agricultural Household Survey ('09, '12'13, '15); ASK –expert assessments within EAA '10 -'11; Agriculture Census ('14)ASK, Foreign Trade Statistics; calculations by DAESB – MAFRD

Of the total vegetable area of 14,656 ha in 2015, potato crop is cultivated in an area of total 3,353 ha, with a share of around 23%, while in 2014 it was 3.695 ha. The potato output is estimated to be 10% higher compared to 2014 which was 64,027 tons. The self-sufficency rate was 111.8%, while total human consumption around 59,673 tons and domestic use is estimated to be about 63,206 tons. Potato processing in 2015 was estimated at 3,357 tons compared to 3,041 tons in 2014. Import of potato was 4,822 tons and export was 12,294 tons.

The value of production is estimated at 22.2 mil.€ in 2015, while in 2014 it was 18.9 mil.€. The trade balance remained negative at 0.4 mil. €.

Table 16: Supply balance for potato, 2009-2015

Balance sheet items	Unit	2009	2010	2011	2012	2013	2014	2015
Vegetable areas	ha	15,839	16,356	16,196	14,557	16,356	15,854	14,642
Potato areas	ha	3,376	3,760	3,746	3,198	2,777	3,695	3,353
Share	%	21.3	23.0	23.1	22.0	17.0	23.3	22.9
Yield	t/ha	17.38	23.23	23.23	10.45	18.31	17.33	21.08
Output	t	58,687	87,354	87,036	33,407	50,847	64,027	70,678
Potato import	t	791	2,778	1,380	1,595	2,708	4,503	4,822
Supply	t	59,478	90,132	88,416	35,002	53,555	68,530	75,500
Potato export	t	3,643	3,095	3,971	5,450	9,690	12,673	12,294
Domestic use	t	55,835	87,037	84,445	29,553	43,865	55,858	63,206
Self-sufficiency rate	%	105.1	100.4	103.1	113.0	115.9	114.6	111.8
Loss	t	2,934	4,368	4,352	1,670	2,542	3,201	3,534
Processing	t	2,788	4,149	4,134	1,587	2,415	3,041	3,357
Final own consumption	t	16,726	24,896	24,805	9,521	14,491	18,248	20,143
Total human consumption	t	52,901	82,669	80,093	27,882	41,323	52,656	59,673
Total domestic use	t	55,835	87,037	84,445	29,553	43,865	55,858	63,206
Producer prices (on farm)	€/kg	0.30	0.29	0.30	0.32	0.43	0.31	0.33
Value of production	mn EUR	16.7	24.1	24.8	10.2	20.8	18.9	22.2
Potato Trade Balance	mn EUR	0.0	-0.2	0.1	0.3	0.7	-0.2	-0.4

Source: ASK - Agricultural Household Survey ('09, '12'13, '15); ASK – expert assessments within EAA '10 -'11; Agriculture Census ('14); ASK, Foreign Trade Statistics; calculations by DAESB – MAFRD

2.4 Fruits and Vineyards

Total areas of planted orchards in 2015 has marked an increase of 16% compared to 2014. In 2015, area planted with fruit was 7,998 ha, dominated by crops like apple with 1,972 ha planted, plum planted in 1,518 ha, followed by other crops such as strawberries, raspberries etc,.

Among the crops which have marked an increase in planted areas compared to 2014 are the following: pear which this year has seen an increase of 75%, sour cherry 18%, blackberries 29%, and raspberries, quince and walnuts have marked an increase of over 100%.

Crops that marked a reduction of the area are: appricot, peach, cherry, huzelnutes etc,. The following table of the areas with fruits shows in detail the difference of crops over the years.

Table 17: Area with fruits, 2009 - 2015

Crops	2009	2010	2011	2012	2013	2014	2015	Difference 2015/(12-14) in %	Difference 2015/2014 in %
Area				ha				%	
Fruits	*6,027*	*6,578*	*6,733*	*7,082*	*8,342*	*6,921*	*7,998*	*7*	*16*
Apples	1,355	1,661	1,790	1,725	2,024	1,973	1,972	*3*	*0*
Pears	261	352	354	326	561	210	367	*0*	*75*
Quinces	28	39	38	52	111	26	58	*-8*	*121*
Medlar	12	22	22	16	35	21	-		
Plums	1,060	1,063	1,063	1,404	1,843	699	1,518	*15*	*117*
Appricot	10	16	13	22	47	23	12	*-61*	*-48*
Peach	17	41	42	39	84	28	12	*-76*	*-57*
Cherry	35	50	50	50	88	51	27	*-57*	*-47*
Sour cherry	69	58	58	107	106	125	147	*31*	*18*
Wallnuts	74	63	75	57	91	48	177	*171*	*271*
Hazelnuts	12	13	15	2	22	88	65	*75*	*-26*
Strawberries	26	49	45	52	148	201	203	*52*	*1*
Raspberries	1	1	0	0	23	141	324	*490*	*129*
Blackberries	10	10	10	10		15	19	*53*	*29*
Wine grapes	2,420	2,504	2,510	2,517	2,408	2,420	2,321	*-5*	*-4*
Table grapes	637	636	648	702	751	781	747	*0*	*-4*
Chestnuts	-	-	-	-	-	24	-		
Blueberries	-	-	-	-	-	14	14		*0*
Other fruits	-	-	-	-	-	32	14		*-57*

Source: ASK - Agricultural Household Survey ('09, '12'13, '15); ASK –expert assessments within EAA '10 -'11; Agriculture Census ('14) MAFRD Department of Viticulture and Viniculture

In terms of overall production of fruits in 2015, it is estimated that total production was at 69,711 tons. Compared with 2014, a noticeable difference is marked where the total amount of production was at 45 873 tons. Crops with the largest production are: apple at 18,352 tons, which if compared to 2014 has marked an increase of 36%, followed by crops like pears at 3,189 tons, plum at 17,543 tons compared to 7,525 tons in 2014, raspberries at 1,748 tons compared to 529 tons in 2014, followed by other crops as blackberries at 284 tons, wine grapes at 18,426 tons which has marked an increase of 22 % compared to 2014, while the production of table grapes in 2015 has increased by 44% compared to 4,869 tons in 2014.

In 2015 there were differences in production compared to 2014 marked with a decrease in production of appricot by 31%, peach and cherry by 53%, followed by hazelnuts which in 2015 had a low level of production with only 13 tons compared to 111 tons in 2014. The following table of production of fruits shows in more detail the level of total production over the years and by specific crops.

Table 18: Production of fruits, 2009 - 2015

Crops	2009	2010	2011	2012	2013	2014	2015	Difference 2015/(12-14) in %	Difference 2015/2014 in %
Production				t				%	
Fruits	*49,308*	*52,419*	*41,429*	*59,633*	*76,702*	*45,873*	*69,711*	*15*	*52*
Apples	11,742	12,545	13,523	8,120	16,786	13,519	18,352	*43*	*36*
Pears	1,748	2,495	2,510	1,562	4,259	1,363	3,189	*33*	*134*
Quinces	165	275	265	506	977	224	294	*-48*	*31*
Medlar	57	90	92	66	138	87	-		
Plum	8,084	6,957	6,957	17,514	24,433	7,525	17,543	*6*	*133*
Appricot	47	89	71	83	239	110	75	*-48*	*-32*
Peach	83	177	180	173	441	130	61	*-75*	*-53*
Cherry	161	257	256	167	354	211	99	*-59*	*-53*
Sour cherry	301	255	255	1,175	381	793	810	*3*	*2*
Walnuts	300	314	371	234	483	229	323	*2*	*41*
Hazelnuts	9	18	21	2	31	111	13	*-73*	*-88*
Strawberries	180	294	270	275	465	965	1,498	*164*	*55*
Raspberries	4	2	1	1	105	529	1,748	*726*	*230*
Blackberries	124	73	73	73	-	107	284	*215*	*164*
Wine grape	20,570	22,536	12,048	22,656	20,473	15,101	18,426	*-5*	*22*
Table grape	5,733	6,042	4,536	7,026	7,137	4,869	6996	*10*	*44*
Chestnut	-	-	-	-	-	-	-		
Blueberries	-	-	-	-	-	-	276		
Other fruits	-	-	-	-	-	-	109		

Source: ASK - Agricultural Household Survey ('09, '12'13, '15); ASK – expert assessments within EAA '10 -'11; Agriculture Census ('14); MAFRD- Department of Viticulture and Viniculture

The total area planted with fruits in 2015 was 7,998 ha, of which apple crops is estimated to be at 1,972 ha with a share of 25%. Apple yield in 2015 was 14,909 tons, while estimated export amount was 9.30 tons, which is 2.45 tons more than in 2014. The overall production was around 18,352 tons. Imported amount of apple in 2015 was 14,909 tons, while exported amount is estimated to be about 17 tons.

The self-sufficiency rate is estimated to be 55% in 2015. Domestic use was 33,243 tons, while 1,652 tons estimated for processing, the overall consumption was 31,408 tons, and the losses in 2015 amounted to 1,835 tons.

In terms of the value of production, we can say that in 2015, the value is estimated to be 7.3 mil. €, which if compared to 2014 has marked an increase, while the apple's trade balance continues to be negative for 2015, at 4.9 mil. €.

Table 19: Supply balance for apples, 2009 - 2015

Balance sheet items	Unit	2009	2010	2011	2012	2013	2014	2015
Fruit area	ha	6,027	6,578	6,733	7,071	8,342	6,921	7,998
Apple areas	ha	1,355	1,661	1,790	1,725	2,024	1,973	1,972
Share	%	22.5	25.3	26.6	24.4	24.3	28.5	24.7
Yield	t/ha	8.67	7.55	7.55	4.71	8.29	6.85	9.30
Output	t	11,742	12,545	13,523	8,120	16,786	13,519	18,352
Imports of apple	t	11,161	12,222	11,085	12,590	13,143	15,808	14,909
Supply	t	22,903	24,767	24,608	20,710	29,929	29,326	33,261
Exports of apple	t	27	7	3	45	15	7	17
Domestic use	t	22,876	24,760	24,605	20,665	29,914	29,319	33,243
Self-sufficiency rate	%	51.3	50.7	55.0	39.3	56.1	46.1	55.2
Losses	t	1,174	1,255	1,352	812	1,679	1,352	1,835
Processing	t	1,057	1,129	1,217	731	1,511	1,217	1,652
Final own consumption	t	6,341	6,774	7,302	4,385	9,064	7,300	9,910
Gjeneral human consumption	t	21,702	23,505	23,253	19,853	28,235	27,968	31,408
Total domestic use	t	22,876	24,760	24,605	20,665	29,914	29,319	33,243
Producer prices (on farm)	€/kg	0.51	0.49	0.49	0.54	0.53	0.49	0.44
The value of production	mn EUR	5.4	5.5	6.0	3.9	8.0	6.0	7.3
The trade balance of apples	mn EUR	-3.0	-3.4	-3.3	-4.1	-4.4	-4.6	-4.9

Source: ASK - Agricultural Household Survey ('09, '12'13, '15); ASK – expert assessments within EAA '10 -'11; Agriculture Census ('14); ASK, Foreign Trade Statistics; calculations by DAESB – MAFRD

Area planted with plums in 2015, is estimated to be about 1,518 ha of the total area of 7,998 ha planted with fruits.

Production of plum in 2015, is estimated to be about 17,543 tons, while coverage with plum is estimated at 100%. The rest is covered by imports which in 2015 was 237 tons compared to 474 tons in 2014, thus marking an evident decrease. As for domestic production, the production amount was 17,700 tons, for processing are estimated about 3.263 tons, and losses 1,228 tons.

Plum production value for 2015 was 7.0 mil. €, while the trade balance was negative with 0.1 mil.€.

Table 20: Supply balance for plum, 2009 - 2015

Balance sheet items	Unit	2009	2010	2011	2012	2013	2014	2015
Fruit area	ha	6,027	6,578	6,733	7,071	8,342	6,921	7,998
Plum area	ha	1,060	1,063	1,063	1,404	1,843	699	1,518
Share	%	17.6	16.2	15.8	19.9	22.1	10.1	19.0
Yield	t/ha	7.63	6.54	6.54	12.47	13.26	10.76	11.56
Output	t	8,084	6,957	6,957	17,514	24,433	7,525	17,543
Import of plums	t	184	313	245	339	311	474	237
Supply	t	8,268	7,270	7,202	17,853	24,744	7,998	17,780
Export of plums	t	0	0	0	2	8	0	81
Domestic use	t	8,268	7,270	7,202	17,852	24,736	7,998	17,700
Self-sufficiency rate	%	97.8	95.7	96.6	98.1	98.8	94.1	99.1
Loshes	t	566	487	487	1,226	1,710	527	1,228
Processing	t	1,504	1,294	1,294	3,258	4,545	1,400	3,263
Final own consumption	t	4,887	4,206	4,206	10,587	14,770	4,549	10,605
Gjeneral human consumption	t	7,702	6,783	6,715	16,626	23,026	7,472	16,472
Total domestic use	t	8,268	7,270	7,202	17,852	24,736	7,998	17,700
Producers prices (on farm)	€/kg	0.32	0.29	0.35	0.40	0.34	0.78	0.43
The value of production	mn EUR	2.4	1.9	2.3	6.5	7.7	5.5	7.0
The trade balance of plums	mn EUR	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1

Source: ASK - Agricultural Household Survey ('09, '12'13, '15); ASK – expert assessments within EAA '10 -'11; Agriculture Census ('14); ASK, Foreign Trade Statistics; calculations by DAESB – MAFRD

Of the total area planted with fruits for 2015, strawberries account for 3% of total planted area with fruits which is estimated to be about 7,998 ha.

Strawberry production marked an increase in 2015 with 1,498 tons compared to 965 tons in 2014. In terms of meeting the strawberry demand, 91% of demand is met.

Losses accounted for about 105 tons, processing accounted for 279 tons, and the total of final own consumption accounted for about 905 tons.

Strawberry amount imported for year 2015 was 150 tons marking an increase compared with 2014 , while the exported amount increased to 3 tons compared to 2 tons in 2014.

From 0.9 mil. in 2014, the production value in 2015 marked a decrease to 0.8 mil €. while the trade balance was negative with 0.2 mil.

Table 21: Supply balance for strawberry, 2009 - 2015

Balance sheet items	Unit	2009	2010	2011	2012	2013	2014	2015
Fruit area	ha	6,027	6,578	6,733	7,071	8,342	6,921	7,998
Strawberry areas	ha	26	49	45	52	148	201	203
Share	%	0.4	0.7	0.7	0.7	1.8	2.9	2.5
Yield	t/ha	6.92	6.00	6.00	5.29	3.14	4.81	7.38
Output	t	180	294	270	275	465	965	1,498
Import of strawberry	t	133	167	164	169	163	4	150
Supply	t	313	461	434	444	628	968	1,648
Export of strawberry	t	0	2	11	36	0	2	3
Domestic use	t	313	459	422	408	628	967	1,645
Self-sufficiency rate	%	57.5	64.0	63.9	67.4	74.1	99.8	91.0
Losses	t	13	21	19	19	33	68	105
Processing	t	33	55	50	51	86	179	279
Final own consumption	t	109	178	163	166	281	583	905
General human consumption	t	300	438	403	389	595	899	1,540
Total domestic use	t	313	459	422	408	628	967	1,645
Producer prices (at the farm)	€/kg	0.89	0.80	1.23	1.03	0.91	1.05	0.58
The value of production	mn EUR	0.1	0.2	0.3	0.3	0.4	0.9	0.8
The trade balance of strawberry	mn EUR	-0.1	-0.2	-0.1	-0.1	-0.2	0.0	-0.2

Source: ASK - Agricultural Household Survey ('09, '12'13, '15); ASK – expert assessments within EAA '10 -'11; Agriculture Census ('14); ASK, Foreign Trade Statistics; calculations by DAESB – MAFRD

Vineyards

The total area of vineyards in 2015 was 3,068 ha. Compared with 2014, there is only a slight difference, i.e. in 2015 the area is smaller by only 4%. Of the total area of vineyards in 2015, 24% were planted with table grapes. Grape production has marked a quite high increase of 44% compared to 2014, and this due to better climatic conditions during 2015. The self-suffiency rate for table grapes is still low and as a result, in 2015, in order to meet the local needs about 2,025 tones were imported and only 28 tons of table grapes were exported. The trade balance continued to be negative in 2015, but yet it improved by € 710 000 compared to 2014.

Table 22: The supply balance for table grapes, 2009 - 2015

	Unit	2009	2010	2011	2012	2013	2014	2015
Vineyards area	ha	3,057	3,140	3,158	3,220	3,159	3,201	3,068
Area with table grape	ha	637	636	648	703	751	767	747
Share	%	21	20	21	22	24	24	24
Yield	t/ha	9	9.5	7	10	9.5	7	9
Production	t	5,733	6,042	4,536	7,026	7,137	4,869	6,996
Imports of table grape	t	2,193	2,251	2,011	1,764	2,762	2,920	2,025
Supply of table grape	t	7,926	8,293	6,547	8,790	9,899	7,789	9,021
Exports of table grape	t	91	212	8	454	40	96	28
Domestic use	t	7,834	8,081	6,539	8,336	9,859	7,693	8,993
The self-suffiency rate	%	73	75	69	84	72	63	78
Use of table grape	t	7,834	8,081	6,539	8,336	9,859	7,693	8,993
The price of the producers (on farm)	€/kg	0.83	0.8	0.93	0.93	0.81	1.02	0.91
Production Value	mil. EUR	4.76	4.83	4.22	6.53	5.78	4.97	6.37
Trade Balance	mil. EUR	-1.19	-1.24	-1.47	-0.85	-1.17	-1.59	-0.88

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

The area cultivated with varieties of table grape in Kosovo in 2015 was 747 ha. Of the variety types of table grape , the most cultivated variety is Muscat d'Hambourg in an area of 257 ha, Italian Muscat variety at 168 ha, and Afuz Ali variety at 121 ha. Other varieties are cultivated in smaller areas and comprise 201 ha of total area cultivated with table grape.

Tabel 23: The Varieties of table grape 2015

	Table varieties	
Nr	**Varieties**	**Area in ha**
1	Muscat d'Hambourg	256.7
2	Muscat Italian	168.47
3	Afuz Ali	121.37
4	Cardinal	84.98
5	Moldavkë	16.03
6	Ribier	9.53
7	Demir Kapi	9.55
8	Antigona	8.43
9	Eksperimental tab. grape	7.98
10	Victoria	38.8
11	Black Magic	7.54
12	Queen	1.94
13	Groqanka	0.79
14	Red Globe	4.05
15	July Muscat	0.88
16	Crimson Seedless	1.95
17	Michele Palieri	5.8
18	Seedless grape	2.44
	Total	**747.23**

Source: Department of Viticulture and Viniculture, proccessed by DEAAS – MAFRD

In Kosovo there are more than 40 varieties of grapes that are cultivated for different purposes. Area cultivated with red varieties is larger than that with white varieties by around 98%. Of the total area of 1.542 ha cultivated with red grape,Vranac variete has the lead with 437 ha cultivated, followed by Prokupe variete with 376 ha, the Game variete with 265 ha, black Burgundez with 155 ha, as well as other types that make up the area cultivated with red varieties with a total of 309 ha.

White varieties comprise a culitvated area of 779 ha. The biggest part is cultivated with variety Smederevka with an area of 342 ha, followed by Italian Rizling with an area of 225 ha, and the variety Chardonnay with cultivated area of 86 hectares, whereas the rest of the area of 126 ha is cultivated with varieties such as R. Rhine, Zhuplanka, Rrakacitel, Semion, white Burgundez, Zhillavka, Melnik and white of Kladovo.

Table 24: The varieties of wine grape 2015

	Red varieties		White varieties	
No	Varieties	Area in ha	Varieties	Area in ha
1	Vranac	437.29	Smederevkë	342.28
2	Prokupë	376.38	R. Italian	225.47
3	Game	265.16	Chardonnay	86.29
4	Black Burgundez	155.44	R. Rajne	53.21
5	Zhametë	107.11	Zhuplanka	21.63
6	Cabernet Sauvignon	56.84	Rrakacitel	11.45
7	Coloured Game	22	Semion	8.9
8	Frankovke	30.6	White Burgundez	11.76
9	Merlot	34	Zhillavka	3.17
10	Cabernet Frank	23.03	White of Kladovo	3.18
11	Syrah	3.98	Melnik	11.49
12	Pllovdin	18.42		
13	Red Shaslla	0.52		
14	Petit Verdo	1.49		
15	Carmonere	3.98		
16	Without varieties	2.09		
17	Other	3.27		
Total		**1,542**		**779**

Source: Department of Viticulture and Viticulture, proccessed by DEAAS – MAFRD

Wines

Compared to previous years, year 2015 was a good year for grapes and wine in Kosovo. In 2015, wine production has marked a very high increase of 112%. MAFRD has consistently increased financial support for this sector through grants and subsidies in order to increase the areas of new vineyards planted with table grapes, and also improve the quality, production technology and diversity, thus contributing to stimulating export towards foreign markets.

Table 25: Production of wine 2010-2015

Production	Unit	2010	2011	2012	2013	2014	2015	Difference 2015/('12-'14 in %	Difference 2015/2014 in %
Red wine	1000 l	2,082	1,118	2,518	3,659	3,271	6,034	92	84
White wine	1000 l	974	403	2,769	4,023	1,482	4,044	47	173
Total wine	1000 l	3,056	1,521	5,287	7,682	4,753	10,078	71	112

Source: Departament of Viticulture and Viniculture, proccessed by DEAAS – MAFRD

If we compare the production amount of red and white wine , the amount of white wine has increased by 173% in 2015 compared to 2014, which represents a very large increase of production. Red wine, which includes the rose wine, has also marked a high increase of production in 2015, with an increase of 84%. Wine production had reached a peak in 2013 with an amount of 7.682 mil. liters.

Table 26: Listo f wine producer companies and production in 2015

No		White wine/l	Red wine/l	Rose wine/l	Total wine /l	Grapes for destilation / l
1	Shpk "Stone Castle Vineyards&Winery"	2,512,326.00	3,122,340.00	0.00	5,634,666.00	1,203,844.00
2	NTP "Haxhijaha"	355,023.00	561,133.00	96,000.00	1,012,156.00	69,884.00
3	NTP "Muja"	42,752.77	185,673.89	0.00	228,426.66	3,000.00
4	"Biopak Shpk"	229,022.20	478,828.00	0.00	707,850.20	10,110.00
5	NTP "Sefa"	12,600.00	62,980.00	500.00	76,080.00	10,000.00
6	Shpk"Rahoveci"	4,509.00	26,733.00	0.00	31,242.00	1,240.00
7	NPT"Rahvera - AB"	4,414.00	7,751.00	0.00	12,165.00	850.00
8	NPT"Bahha"	5,072.00	42,169.00	0.00	47,241.00	15,100.00
9	NTP "Agro-alf"	2,520.00	17,551.00	0.00	20,071.00	5,474.00
10	NTP "Daka"	5,400.00	9,670.00	0.00	15,070.00	3,000.00
11	Shpk "Dea"	0.00	2,000.00	0.00	2,000.00	500.00
12	NPT " Altini"	0.00	4,000.00	0.00	4,000.00	400.00
13	NPT " Sunny Hills"	830,115.00	1,106,286.00	0.00	1,936,401.00	0.00
14	Theranda Wine sh.p.k.	1,262.00	9,962.00	0.00	11,224.00	0.00
15	NPT " Tradita"	0.00	7,000.00	0.00	7,000.00	0.00
16	N.P.SH. "ALBATROS"	0.00	35,000.00	0.00	35,000.00	900.00
17	N.P.T " Astra - Vera"	0.00	14,400.00	0.00	14,400.00	2,800.00
18	"Kosova Wine sh.p.k	38,779.00	244,416.00	0.00	283,195.00	11,238.81
	Totalj	**4,043,794.97**	**5,937,892.89**	**96,500.00**	**10,078,187.86**	**1,338,340.81**

Source: Departament of Viticulture and Winery, proccessed by DEAAS – MAFRD

On the above table are presented 18 companies that deal with processing of grapes and other grape and wine products. Of the companies listed in this table, in 2015 we see that the company "Stone Castle Vineyards & Winery" is a leader again with the highest wine production quantity of 5,634,666 liters. Unlike in 2014 where the company Haxhijaha ranked second, in 2015, the company "Sunny Hills" ranked second behind Stone Castle, with 1,936,401 l of produced amount of wine, followed by "Haxhijaha" with 1,012,156 liters. Of the total amounts of wine produced by the 18 companies listed in the table in 2015, the produced amount of white wine was 4,043,795 liters, and 6,034,393 liters of red and rose wine.

2.5 Forage Crops and green cereals

In the group of forage crops and green harvested cereals ,in 2015 there was an increase in the area planted with grass by 47%, other green fora crops by 118% and lucerne by1%. The increase of area planted with grass is followed by an increase of yield of 0.23 tons, resulting in a total increase of grass production of 59%. The areas planted with green corn decreased by 7% and trefoil by 75%. A similar situation is noticeable if we compare 2015 with the average of the previous three years, except for the category of other green forage crops.

Table 27: Area, production and yield of forage crops and green harvested cereals, 2009-2015

Crops	2009	2010	2011	2012	2013	2014	2015	Difference 2015/(12-14) in %	Difference 2015/2014 in %
Area				ha				%	
Forage crops and green harvested cereals	91,426	99,043	98,833	94,444	110,314	26,554	97,183		
Maize (green)	1,094	1,062	1,032	2,511	4,294	2,414	2,256	*-27*	*-7*
Hay (meadow)	66,875	74,952	76,386	72,048	81,924	-	68,711		
Mixture of grass	3,860	2,733	1,645	3,677	5,036	6,689	9,809	*91*	*47*
Lucerne	13,188	14,678	14,707	13,330	15,495	15,011	15,109	*3*	*1*
Trefoil	3,529	2,582	2,577	1,328	1,502	2,085	526	*-68*	*-75*
Other green forage crops	2,880	3,035	2,486	1,550	2,063	355	772	*-42*	*118*
Root crops, forage cabbage									
Production				t				%	
Forage and green harvested cereals	257,768	398,556	396,049	259,522	393,087	151,095	317,888		
Maize (green)	18,209	15,944	15,493	28,006	82,050	36,434	31,633	*-35*	*-13*
Hay (meadow)	168,607	208,058	212,037	166,519	217,155	-	194,768		
Mixture of grass	12,043	9,269	5,578	8,980	14,836	19,575	31,028	*115*	*59*
Lucerne	42,416	145,054	145,054	46,828	60,869	86,583	53,368	*-18*	*-38*
Trefoil	9,356	8,009	7,994	3,908	5,889	6,924	1,784	*-68*	*-74*
Other green forage crops	7,137	12,223	9,893	5,281	12,288	1,579	5,308	*-17*	*236*
Yield				t/ha				%	
Corn (green)	16.64	15.01	15.01	11.15	19.11	15.09	14.02	*-7*	*-7*
Hay (meadow)	2.52	2.78	2.78	2.31	2.65	-	2.83		
Mixture of grass	3.12	3.39	3.39	2.44	2.95	2.93	3.16	*14*	*8*
Lucerne	3.22	9.88	9.86	3.51	3.93	5.77	3.53	*-20*	*-39*
Trefoil	2.65	3.10	3.10	2.94	3.92	3.32	3.39	*0*	*2*
Other green forega	2.48	4.03	3.98	3.41	5.96	4.45	6.87	*49*	*54*

Source: AHS – Agriculture household Survey ('09,'12'13,'15); AHS- the experts assessments within EAA '10-'11; Agriculture Census ('14);

*In 2014, hay was not included in the area and the overall production

2.6 Industrial Crops

Cultivated area with industrial crops in 2015 is dominated mainly by medicinal aromatic plants (54.6%) and sunflower (44.5%), whereas the remaining part of 0.9% is planted with other industrial crops. Total production of industrial crops is 757 tons with sunflower havinë a share of 90%, a crop which has yield of 4.4 tons / ha.

Of 154 ha cultivated with sunflower, 135 ha are supported through direct payments in the amount of € 150 / ha and the number of farmers who benefited was 4 farmers from the region of Pristina and Peja respectively municipalities: Lipjan, Drenas and Junik.

Table 28: Area, production and yield of industrial crops, 2014-2015

Crop	2014	2015
Area	**ha**	
Industrial Crops	595	346
Tobbaco	7	-
Sunflower	355	154
Medicinal aromatic plants	209	189
Other industrial crops	24	3
Production	**t**	
Industrial crops		757
Sunflower		678
Medicinal aromatic plants		71
Other industrial crops		7
Yield	**t/ha**	
Sunflower		4.40
Medicinal aromatic plants		0.38
Other industrial crops		2.48

Source: AHS – Agriculture Registration ; Agricultural Household Survey 2015

2.7 Planting Material

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

After the war in Kosovo nurseries, the planting material was produced mainly by the classical method of grafting with dormant bud which allowed seedlings to be produced in the course of two years, this means production of seedlings with high costs, and often the produced planting material resulted in poor quality where the production of seedlings with generative rootstock was predominant. However, in recent years there is a growing interest of farmers to register nurseries and expand already existing areas. Basic 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 agriculture, with increased level of support 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 rootstock. 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. The Law was followed by adoption of many administrative instructions to regulate certain issues related to planting material.

Under Law No. 2044/13 for planting material, disclosure of fruits planting material production is mandatory. Therefore, referring to AI No.7 / 2007 "On the form and procedures of record keeping on the quantities, types and varieties of planting materials produced, traded and destroyed", from 2006 to 2015, the manufacturers of fruit planting material have disclosed each year the production of fruit planting material.

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

Tabela 29: Production of fruit seedlings with generative and vegetative rootstock

Years	2009	2010	2011	2012	2013	2014	2015	2016
Vegetative rootstock	60.034	107,834	200,110	339,371	646,024	469,636	564,785	477,303
Generative rootstock	124,866	187,961	200,211	176,665	196,828	182,919	86.920	134,995
Total	**184,900**	**295,795**	**400,321**	**516,036**	**842,852**	**652,555**	**651,705**	**612,298**

Source: DAPT / MAFRD

Based on data declared by producers of planting material, in 2016, production of apple seedlings is dominant in quantity of: 415,804 plants of which with vegetative rootstock are 386,499 plants /M9, M27, M26, MM106, MM 111, M25.

2.8 Irrigation of Agricultural Land

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

Taking into account the fact that the estimated capacity per capita is about 1,600 m3 of water annually, Kosovo has adequate water reserves although distribution of water resources continues to be unequal.

In Kosovo, irrigation is implemented in various forms ranging from formal irrigation organized by irrigation companies and informal irrigation and disorganized or individual irrigation from various water sources like rivers, wells, etc.

The collected data by the municipal departments of agriculture, within the respective municipalities it is estimated that in 2015, irrigation was carried out in two different forms: formal irrigation and non-formal irrigation on around 23.122 ha.

It is estimated that from formal irrigation through companies are irrigated a total of 16.176 ha of agricultural land, 4.106 ha from rivers and 2,841 ha from wells. The figures are presented in the following table according to municipalities, irrigation source, irrigated crops and area expressed in hectares.

Based on the data reported by municipal departments, some municipalities have reported having no area under irrigation as Dragash, Kamenica, Novo Brdo, Skenderaj, Malisheva, etc. Most of the crops irrigated are corn, fruit and vegetables, without excluding other sectors mentioned in the table.

Table 30: Irrigation of agriculture land by municipalities for year 2015

Municipalities	Irrigation Source	Irrigated crops	Irrigated area/ ha
Deçani	Drini i Bardhë	Corn, Fruit, Vegetable	1,602
Gjakova	Radoniqi, River, wells	Vegetables, Corn, Watermelon	2,502
Gllogovci	Ibër-Lepenci	Vegetables, Corn, Clover	351
Gjilan	Wells	Vegetable, greenhouse, open field	350
Dragash			
Istog	Drini i Bardhe	Corn,fruit,vegetable	595
Kaçanik	Rivers	Corn,vegetable	509
Klina	Drini i Bardhë	Corn,vegetable,fruit	1,090
F.Kosova	L.Drenica, wells	Corn,lucerne, vegetable	150
Kamenica			
Mitrovica	Ibër-Lepenc	vegetable ,corn	717
Leposaviq			
Lipjan	Wells		102
Novobërda			
Obiliq	Ibër-Lepenc	corn, fruts,vegetable	456
Rahovec	Radoniqi	vegetable, corn, watermelon	2,575
Peja	Drini i bardhë	corn, fruit, vegetable	2,890
Podujevë	Llap River, Wells	vegetable, corn ,fruit	511
Prishtinë	Ibër-Lepenc	potatoes, corn	183
Prizren	Radoniqi, Dukagjini	corn, vegetable, forage	2,478
Skenderaj			
Shtime	River, wells	Vegetable, fruit, lucerne	240
Shtërpca	Lepec river	Corn, vegetable, fruit	1,450
Suhareka	River, wells	Vegetable, fruit, lucerne,field crop production	110
Ferizaj	River, wells	Fruit, vegetable, corn	809
Vitia	Wells	Watermelon, patatoes, orchard	232
Vushtrri	Ibër-Lepenc	Potatoes, cabbage, corn	763
Z. Potok			
Zveçan			
Malishevë			
H.Elezit			
Mamusha	River, wells	Vegetables, Corn	396
Junik	Drini i Bardhë	Clover, Corn, Potatoes	219
Kllokoti	Wells		450
Graçanica	River, wells	Corn	325
Ranilluki			
Parteshi	Wells	Vegetable,corn,lucerne	66

Source: Department of Agriculture Policy and Trade

2.9 Cattle

In 2015, livestock generated an annual output of 278.9 mil €[4] including also subsidies on products. Compared to other livestock sectors, cattle have greater importance, not only by the number of heads but also by the income generated. Cattle share in the structure of animals is around 49%, respectively a total of 258.504 heads.

[4] Economic Accounts for Agriculture, 2015

Diary cows occupy the biggest share regarding different categories within the structure of cattle, with 53% and are the major source of milk in Kosovo. The number of heads included in the category "other cows" are not diary cows and do not take part in reproduction.

In terms of the age, the category of cattle aged 2 years or more, accounts for 60 %, followed by the category of cattle aged less than 1 year with 31% and those aged 1 to less than 2 years with 9%. The gender structure is very different in different age groups. The female gender dominates in the category of cattle aged two or more years because male cattle are mainly intended for slaughtering. In the category under 1 year, male gender is slightly more dominant than female, while in the category of 1 to less than 2 years, the female gender dominates with 60%.

The total number of cattle in 2015 has decreased by 1% compared to 2014, while compared to the average of '12-'14, the decrease was 15%. The number of diary cows has increased by 1% compared to 2014 while compared to the average of the three previous years, there was a decrease of 18 % in the number of dairy cows.

Table 31: The fund and structure of cattle, 2009-2015

Number of animals	2009	2010	2011	2012	2013	2014	2015	Difference 2015/('12-'14) in %	Difference 2015/2014 in %
Cattle stock	343,823	356,496	361,688	329,213	321,113	261,689	258,504	*-15*	*-1*
Calves under 1 year*	67,854	74,438	76,283	66,575	65,298	47,357	45,235	*-24*	*-4*
Female calves under 1 year*	51,661	56,673	58,078	50,687	49,715	36,055	36,108	*-21*	*0*
Male calves 1-2 years*	14,700	12,870	13,375	12,333	10,756	14,351	9,007	*-28*	*-37*
Female calves 1-2 years*	11,190	9,798	10,182	9,389	8,188	10,925	13,737	*45*	*26*
Bulls over 2 years*	3,340	3,247	3,223	2,538	2,831	2,872	2,639	*-4*	*-8*
Heifer*	4,862	4,486	4,392	4,351	5,768	13,920	12,138	*51*	*-13*
Milking cows	190,216	194,984	196,155	183,340	178,557	134,393	135,801	*-18*	*1*
Other cows	-	-	-	-	-	1,816	3,839		*111*
Buffaloes	255	231	190	159	272	670			

Source: KSA – Agricultural Household Survey ('09,'12'13,'15); KAS- Expert assessments within EAA '10 -'11; Agriculture census ('14); * Estimates of DEAAS ('09-'13);

The total number of cattle in 2015 was 258,504, thus marking a 1% decline relative to 2014. In terms of slaughtering, 115,195 cattle have been slaughtered in 2015, down by 10% relative to 2014. The value of production was 41.4 million €, while the import was 33.5 million €. At this production outputs, the rate of self-sufficiency was 60.4%, with per-capita consumption at 18.4 kg.

Table 32: The balance of beef supply, 2009-2015

	Unit	2009	2010	2011	2012	2013	2014	2015
Cattle stock	heads	343,823	356,496	361,688	329,213	321,113	261,689	258,504
Dairy cows	heads	190,216	194,984	196,155	183,340	178,557	134,393	135,801
Total slaughters	heads	152,394	165,371	172,433	162,292	156,062	128,372	115,195
Total domestic production c.w	mil. kg c.w.	25.9	27.8	29.6	27.9	26.7	22.8	19.7
Total imports	mil. kg c.w.	14.7	12.5	10.1	9.2	11.5	10.4	13.0
Supply in c.w.	mil. kg c.w.	40.6	40.2	39.6	37.1	38.3	33.2	32.7
Total exports	mil. kg c.w.	0.2	0.2	0.1	0.0	0.0	0.0	0.0
Consumption	mil. kg c.w.	40.4	40.1	39.6	37.1	38.3	33.2	32.7
Value of production in c.w.	mil. EUR	54.8	55.0	63.5	60.0	58.6	50.5	41.4
Total imports	mil. EUR	27.2	25.5	25.0	24.0	27.8	23.8	33.5
Trade balance	mil. EUR	-26.7	-25.1	-24.9	-23.9	-27.7	-23.8	-33.5
Self-sufficiency rate	%	64.2	69.3	74.7	75.3	69.8	68.7	60.4
Per-capita consumption	kg c.w.	18.5	18.4	22.7	20.4	21.0	18.4	18.4

Source: KSA – Agricultural Household Survey ('09,'12'13,'15); KSA- Expert assessments within EAA '10 -'11; Agriculture census ('14), Foreign Trade Statistics; calculations by DEAAS – MAFRD;

Dairy cows represent 52.5% of the total number of cattle in 2015 or 1% more than in 2014. Of the total supply, 80.9% was domestic production, and the rest is covered by imports. The trade balance remained negative at 25 mil. €. Per-capital consumption was 197 kg per annum, which means that a person consumed 0.6 kg per day, including all milk products.

Table 33: Supply balance for milk and dairy cows products, 2009-2015

	Unit	2009	2010	2011	2012	2013	2014	2015
Milking cows	heads	190,216	194,984	196,155	183,340	178,557	134,393	135,801
Milk production	t	379,576	390,065	393,389	368,605	369,702	278,933	282,534
Import	t (p.e.)	79,942	71,252	75,960	72,371	66,582	67,863	67,491
Supply	t (p.e.)	459,518	461,318	469,349	440,976	436,284	346,796	350,025
Export	t (p.e.)	658	604	360	110	422	378	800
Domestic use	t (p.e.)	458,860	460,714	468,989	440,867	435,862	346,418	349,224
Self-sufficiency rate	%	82.7	84.7	83.9	83.6	84.8	80.5	80.9
Loss	t (p.e.)	7,592	7,801	7,868	7,372	7,394	5,579	5,651
Consumption for calves feed on farms	t (p.e.)	55,798	57,340	57,828	54,185	54,346	41,003	41,532
Processing	t (p.e.)	35,065	34,951	35,684	33,578	33,046	26,690	26,868
Human consumption	t (p.e.)	360,406	360,622	367,609	345,731	341,075	273,146	275,173
Producer prices (on farm)	€/kg	0.31	0.29	0.31	0.32	0.33	0.33	0.30
Value of production	mil EUR	98.0	94.2	101.6	98.3	101.6	76.7	70.6
Trade balance	mil EUR	-21.4	-22.6	-24.5	-25.4	-23.4	-25.5	-25.5

Source: KSA – Agricultural Household Survey ('09,'12'13,'15); KSA- Expert assessments within EAA '10 -'11; Agriculture census ('14), Foreign Trade Statistics; calculations by DEAAS – MAFRD;

2.10 Sheep and goat

Following the cattle, the largest number of livestock is sheep. In the 2015 the number of sheep was 193,703 heads where the majority or 77% were sheep for breeding including those that have given birth and those being bred for the first time. The remaining 23% consists of lambs and rams, in which the majority number is lambs. The number of sheep in 2015 increased by 6% while compared to the average of '12-'14 there was a decrease in their number by 3%. According to the structure, the greatest increase in 2015 was noticed in the category of lambs and rams.

Unlike sheep, goats number is smaller, respectively 30.393 heads and most of them are goats for breeding. In 2015 an increase of 7% in the goats number was noticed, whereas compared with the previous three years average the increase was higher respectively 17%. An increase was noticed in the category of goats for breeding, while the number of heads in the category that includes kid goats, billy goats has marked a decrease.

Table 34: Number of sheep and goats, 2009-2015

Number of animals	2009	2010	2011	2012	2013	2014	2015	Difference 2015/(12-14) in %	Difference 2015/2014 in %
Sheep and goat	*217,167*	*229,157*	*231,209*	*247,901*	*216,577*	*212,014*	*224,096*	*-1*	*6*
Lambs	*199,157*	*204,988*	*206,528*	*221,438*	*193,458*	*183,584*	*193,703*	*-3*	*6*
Breeding sheep	*158,122*	*163,490*	*163,490*	*175,293*	*153,144*	*146,924*	*148,956*	*-6*	*1*
Other (lambs, kid-goats, etc)	*41,035*	*41,498*	*43,038*	*46,145*	*40,314*	*36,660*	*44,747*	*9*	*22*
Goats	*18,010*	*24,169*	*24,681*	*26,463*	*23,119*	*28,430*	*30,393*	*17*	*7*
Breeding goats						*23,575*	*26,310*		*12*
Other heads (kid goats, billy goats, etc)						*4,855*	*4,083*		*-16*

Source: KSA – Agricultural Household Survey ('09,'12'13,'15); KSA- Expert assessments within EAA '10 -'11; Agriculture census ('14)

The importance of sheep and goat sector mainly lies in the meat and milk production used for cheese production and mainly to meet the family consumption needs or to be sold directly to the farm. Domestic production in 2015 was 2.267 tons and this amount was sufficient to meet the local consumption needs at 99%.

Compared to cattle and chicken meat, the sheep and goat meat is consumed less, mainly on certain holidays. Average per capita consumption in 2015 was about 1.3 kg.

Table 35: Supply balance for sheep and goat milk, 2009-2015

	Unit	2009	2010	2011	2012	2013	2014	2015
Sheep stock	heads	199,157	204,988	206,528	221,438	193,459	183,584	193,703
Goat stock	heads	18,010	24,169	24,681	26,463	23,119	28,430	30,393
Slaughters	heads	182,030	212,431	217,228	223,448	193,870	184,467	195,284
Production (t.c.w.)	t	2,118	2,410	2,455	2,559	2,226	2,142	2,267
Net import (t.c.w.)	t	80	63	27	630	48	36	26
Local consumption (t.c.w.)	t	2,197	2,473	2,482	3,189	2,274	2,178	2,293
Value of production	mil. EUR	4.6	5.3	5.7	6.2	5.6	5.4	5.6
Trade balance	mil. EUR	-0.1	-0.1	-0.1	-0.7	-0.2	-0.1	-0.1
Self-sufficiency rate	%	96	97	99	80	98	98	99
Per-capita consumption (t.c.w.)	kg	1.0	1.1	1.4	1.8	1.2	1.2	1.3

Source: KSA – Agricultural Household Survey ('09,'12'13,'15); KSA- Expert assessments within EAA '10 -'11; Agriculture census ('14), Foreign Trade Statistics; calculations by DEAAS – MAFRD;

2.11 Pigs and other farm animals

Compared to other livestock sectors, the pigs sector in Kosovo is of a lesser importance and is mainly focused in meat production in order to meet the needs of domestic consumption. The number of pigs in 2015, compared to the previous year was 29% higher while compared to the period of '12 -'14 the number of pigs has decreased by 5%.

Number of horses, donkeys and mules in 2015 was 2,577 heads which is fewer than in 2014, and also compared with the average of the three previous years.

Table 36: Number of pigs and other farm animals, 2009-2015

Number of animals	2009	2010	2011	2012	2013	2014	2015	Difference 2015/(12-14) in %	Difference 2015/2014 in %
Pigs	50,580	50,580	50,580	55,775	49,198	34,188	44,149	*-5*	*29*
Horses, donkeys and mules	4,429	4,429	4,429	2,139	2,929	2,980	2,577	*-4*	*-14*

Source: KSA – Agricultural Household Survey ('09,'12'13,'15); KSA- Expert assessments within EAA '10 -'11; Agriculture census ('14)

2.12 Poultry

The poultry sector in Kosovo is mostly focused in production of eggs, while the production of chicken meat is less developed. In 2015, the total number of poultry was 2,576 thousand and 97% of them are chickens while the rest are other poultry including turkeys, ducks, geese, etc.

Of the total number of poultry, 75% are egg-laying chickens and their total number has increased by 10% in 2015 compared to the previous year. The total number of poultry in 2015 has decreased by 4%. Compared to the average of the last three years the number of poultry in 2015 has increased by 7%, while only the chicken category, excluding turkeys, ducks and geese has increased by 8%.

The share of broilers in the total number of chickens is 12%, and this number has increased by 57% in 2015 compared to 2014, which indicates that the chicken meat production is growing constantly.

Table 37: Number of poultry and eggs 2009-2015, in 1000 heads

Number of poultry (1000)	2009	2010	2011	2012	2013	2014	2015	Difference 2015/(12-14) in %	Difference 2015/2014 in %
Poultry	2,390	2,347	2,347	2,318	2,244	2,692	2,576	*7*	*-4*
Chicken	2,220	2,220	2,220	2,250	2,108	2,584	2,492	*8*	*-4*
Broilers						194	304		*57*
Egg-laying poultry						1,704	1,874		*10*
Other chick, chicken and roster						687	314		*-54*
Turkey						45	63		*38*
Geese and ducks						18	22		*18*
Other poultry	127	127	127	68	136	44	-		
Eggs*	*238,854*	*231,608*	224,582	218,282	176,078	357,138	361,197	*44*	*1*

Source: KSA – Agricultural Household Survey ('09,'12'13,'15); KSA- Expert assessments within EAA '10 -'11; Agriculture census ('14); *Estimates: DAPM ('09-'11), SHPUK ('12-'13), DEAAS ('14-'15)

In 2015, the total eggs production was estimated to be 361 million eggs. Around 2.5 million eggs in the amount of € 219.511 have been imported in this year. The imported quantity of eggs in 2015 has marked a significant decline compared to 2014, respectively around 60%. Around 80% of import was carried out from Albania, Macedonia and the rest of 20% from other countries such as: Argentina, Turkey, and Italy etc. Average consumption per capita is estimated at 205 eggs/year, therefore Kosovo meets 99% of its egg consumption needs.

In 2015, the production of chicken meat was estimated at 2,621 tons annually, in view of the fact that the poultry sector is focused primarily towards production of egg for consumption and chicks while the production of chicks meat is at the stage of consolidation. In 2015, the import of chicken meat is estimated at around 36,921 tons, valued at 37.4 million €. Of the total imported quantity, 76% was imported from the United States of America, Brazil, Germany, Italy, with the remaining 24% distributed among other countries. The average per-capital consumption in Kosovo is estimated at 22.3 kg/per annum. The current production of Kosovo can only cover 6.6% of the consumption needs.

2.13 Beekeeping

Kosovo has good climatic conditions for the development of beekeeping sector. Taking into account the climate, terrain and many types of honey plants, Kosovo has a good potential for good honey production and other beekeeping products.

In 2015, the number of beehives was 157.005, an increase of 35% compared to 2014, thus there are 40,833 more hives. In 2015, an increase of 84% has been marked compared with the average of the period ’12-’14.

Table 38: Number of beehives, 2009-2015

Number of hives	2009	2010	2011	2012	2013	2014	2015	Difference 2015/(12-14) in %	Difference 2015/2014 in %
Beehives	43,159	46,958	44,634	46,483	93,533	116,172	157,005	*84*	*35*

Source: KSA – Agricultural Household Survey (’09,’12’13,’15); KSA- Expert assessments within EAA '10 -'11; Agriculture census (‘14)

The honey production in Kosovo is around 12-15 kg per hive, so we could say that in 2015 the honey production is approximately 2,120 tons. Import of honey in 2015 was 177 tons while there was no export. Domestic consumption is approximately 1.3 kg per capita and the domestic production meets about 92% of consumption needs while the rest comes from imports. Average annual consumption per capita is growing continuously as a result of the awareness of the population about numerous nutritional values of honey.

The sector support through direct payments has steadily increased despite the fact that payment for hives has remained the same in the amount of € 10/hive. In 2015, a total of 112.958 beehives were subsidized, a number that is 45% higher compared to 2014.

3 Forestry

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

Table 39: Forest area according to content and structure of stand (ha)

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

Source: NFI

During 2015, in implementation of the Strategy for Forestry Sector Development 2010-2020, Forestry Agency was engaged in developing management plans for forest management in an area of 32,845.20 ha for 6 managing units.

Table 40: Management Plans 2015

Managing unit	Area/ha
Drenica forests	7,261.10
Kovaçicë, M.zezë, Cernush	2,525.90
Klina forests	5,145.80
Malisheva forests	7,134.10
Uji i Bardh	4,561.40
Kopilaq	6,216.90
Total	**32,845.20**

Source: KFA

Table 41: Forests exploitation plan in state property 2015 in m³

Technical wood	7,898.20
Fire wood	79,240.09
Net wood mass	87,138.29
Waste	5,350.20
Gross wood mass	92,488.49

Source: KFA

Plan for 2015 was to use 92,488.49 m3 but the quantity used was only 29,673.39 m3 (32.08% of the plan), while in 2014 the plan was to use 90,861.31 m3 but the quantity used was only 22,864.01 m3 (25.16% of the plan). 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 42: Implementation of private forests exploitation in 2015

	unit	Total
Requests reviewed	pcs	3,564.00
Marking of trees	m³	181,941.12
Monitored wood mass	m³	162,202.76
The number of notes delivered	pcs	28,765.00
Professional control-observation	cases	887.00
Trees outside the forest	ha	2,675.19
Marking for transport	m³	162,443.11

Source: KFA

In private forests, a volume of 181,941 m^3 of trees is marked, while monitored wood mass has been 162,202 m^3. Requests reviewed were 3,564 pieces, the number of notes delivered 28,765 pieces. Professional control-observation is 887 cases, and forest cultivation is 2,675 ha while the marking for transport is 1,162,443 m^3. Trees outside the forest are considered as wood mass: at river edges, springs, landmarks, small area outside the forest, etc. Implementation of the wood exploitation was 2,675 ha.

Table 43: Implementation of state forests exploitation in 2015 by MD

Directory	Technical coniferous wood	Technical deciduous wood	Fire wood	Waste	Total m³
Prishtinë	0	0	1,175.40	50.94	1,22.34
Pejë	476.39	53.12	3,115.69	3.00	3,648.20
Mitrovicë	0	0	549.50	0	549.50
Prizren	333.50	50.90	4,157.71	94.20	4,636.31
Gjilan	0	824.59	12,593.32	0	13,417.91
Ferizaj	0	959.20	3,077.23	909.02	4,945.45
DMKE (Blinaja)	17.05	0	1,218.83	13.80	1,249.68
Total	885.74	1,887.81	25,828.88	1,070.96	29,673.39

Source: KFA

Implementation of state forests exploitation in 2015 by coordinating Directorates has been 29,673.39 m^3 in total. Of these, 885.74 m^3 technical coniferous woods, 1,887.81 m^3 technical deciduous wood, 25,828.88 m^3 fire wood and 1,070.96 m^3 waste.

A project named "Silvicultural treatment of new forests in Kosovo", funded by SIDA, Sweden has been completed in 2015. This project intended to raise the living standard in rural areas and reduce the unemployment. Taking into account the silvicultural and socio-economic aspect, the results of this project are estimated to have attained a moderate level, however there is still room for improvement.

Table 44: Locations where the project has been implemented

PMU	Area (ha)	
	Planned	**Carried out**
Koka e Ahut (Suhareke)	130	121
Nerod.-Jezerc (Ferizaj	197	197
Mitrovicë (Dubogak)	349	300
Novobërd (Gjilan)	308	308
Total	984	926

Source: KFA

Forest protection activities from illegal cutting, as follows;

Table 45: Raised charges or summonses for January-December 2015

Forest damage	Pcs	m^3	Total/€
Misdemeanour summonses	3,819	6,651.88	796,909.01
Penal summonses	1,471	9,060.95	1,003.128.10
Total summonses	**5,290**	**15,712.83**	**1,800.037.11**

Source: KFA

In 2015 the Municipal Authorities for Forestry have filed 5,290 criminal charges and have initiated criminal offense procedures, the damage of which is considered to be 15,712.83 m^3, in a monetary value of 1,800,037.11 €, of which 3,819 are criminal offenses in a volume of 6,651.88 m^3 and a damage of 796,909.01 €. 1,471 criminal charges are related to the woods in a volume of 9,060.95 m^3 and the damage is considered to be 1,003,128.10 €. The total volume of wood confiscated is 1,842.11 m^3

Table 46: The submission of the wood confiscated from illegal woodcutters

Forests protection, wood mass confiscation in m^3 in 2015	
Transferred wood mass (2014-2015)	1,516.67
Confiscated wood mass	1,842.11
Quantity sold	21,889.83
Quantity provided under the Memorandum	136.59
Current status of stocks	1,468.95

Source: KFA

This year the transferred wood mass was 1,516.67 m^3. In this period were included also amounts given under the memorandum 136.59 m^3. Also the municipal authorities have confiscated 1,842.11 m^3, the quantity sold 21,889.83 m^3 and the current state of stocks 1,468.95 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 47: Submission of cases of forest fires and forest areas included in 2015

Protection of forests - forest fires 2015						
Municipality	No. of cases		Area (ha)			Total
	Public	Private	Public	Private	Cases	ha
Prishtinë	11	20	59.80	60.50	31	120.30
Mitrovicë	5	8	150.00	259.50	13	409.50
Pejë	1	1	50.00	40.00	2	90.00
Prizren	22	10	176.39	25.61	32	202.00
Ferizaj	14	4	77.67	54.00	18	131.67
Gjilan	35	3	285.73	4.00	38	289.73
Total	**88**	**46**	**799.59**	**443.61**	**134**	**1,243.20**

Source: KFA

During the period January - December 2015, there were forest fires in the Kosovo municipalities, and the area affected by fires was around 1,243.20 ha. The fires were superficial with no major damage to the timber extent. Gjilan had more fire cases in a total of 38 with 285.73 ha in public forests and 4 ha in private ones, Prizren had 32 cases with 176.39 ha in public forests and 25.61 ha in private, Mitrovica had more fire cases in private forests with 259.50 ha and 150.00 ha in public ones, while Peja had less fire cases, only 2.

Table 48: The cultivation plan and its implementation in 2015

A. Planning of forest cultivation	Area/ha
Overall plan for areas treatment	8,379.70
Forestation of unforested and ameliorative areas in spring	300.00
Forestation of unforested and ameliorative areas in autumn	300.00
B. Implementation of forest cultivation plan	
Treatment of the forest area with silvicultural measures	6,650.95
Forestation of unforested areas– (Spring)	223.97
Forestation of unforested areas – (Autumn)	287.13

Source: KFA

Safekeeping of new forests/ Management of forest stands

The area of public forests planned for thinning was 4,958 ha, while around 1,284 ha were treated with this silvicultural measure. The total quantity of the wood mass derived from these thinning is estimated approximately at 8,390 m3.

Food and Agriculture Organization of the United Nations (FAO), with the financial support of the Government of Finland and in close cooperation with the Ministry of Agriculture, Forestry and Rural Development of Kosovo has implemented the project, which aims to support the implementation of Policy and Strategy Paper on Forestry Sector Development in Kosovo.

During 2015, the project "Support to implementation of the forest policy and strategy in Kosovo" has conducted a number of activities that include three components of the project as follows;

- A campaign of public awareness about the role and importance of forests was implemented. This campaign was called "Pyjet janë Burim i Jetës"(Forests-source of life).
- Forest week was also marked this year – An event with children, lectures in primary and secondary schools, awareness meetings with journalists and forest staff of MAFRD and promotion of efficient use of energy from wood.
- The Webpage "Pyjet e Kosovës" and an application "Kosovo forests" for iOS and Android mobile phones are created and launched.
- Kosovo Forest Information system (KFIS) software has been created and incorporated in servers of the Ministry of Public Administration and is ready for access.
- Representatives of MAFRD and forest institutions, are supported in order to participate in the Legally Binding Agreement on Forests in Europe conference organized in Madrid in October 2015.
- During this period, two long-term plans have been developed for managing forests in the following management units; Management Unit "Bodoshnjak" the municipality of Kaçanik and Hani i Elezit with 4872 ha, and the Management Unit Murgulle-Bellasice" the municipality of Podujevo with 6,350 ha.
- Kosovo National Afforestation and Reforestation Program 2016-2015 has been completed and issued, through which are identified areas for implementing this treatment measure of forests and forest lands.
- Development Program for increasing the capacities in the nursery in Peja for the period of 2016 – 2021 has been developed.
- Trainings for forest staff and phytosanitary inspectors are organized in topics "Good practices for forest health protection and implementation of phytosanitary standards in forestry".
- The following publications were published and distributed regarding the forest health field :
- FAO "Guide to implementation of phytosanitary standards in forestry",
- Handbook of "The major forest pests in Southeast Europe".
- Publication of different posters in Albanian, Serbian and English "Main pests of beech forests in south east Europe", "Main pests of oak, pine, fir forests", etc.
- During this period, the WISDOM report (Woodfuel Integrated Supply / Demand Overview Mapping) on Kosovo was published.
- Forum on Challenges of Wood Biomass Use in Kosovo was organized, together with the manual on wood energy, 500 copies in Albanian, 100 in Serbian and 100 in English.

4 Consumption, trade and market prices

4.1 Consumer trends

Macroeconomic data from the Household Budget Survey provides detailed information regarding consumption expenditures on goods and services, information on income, consumption expenditure, self-consumption, basic information on housing and many demographic and socio-economic characteristics. These are among the important indicators relating to living conditions and basic demographic, economic and social characteristics of Kosovo households in 2015.

Table 49: Overall consumption in Kosovo 2009-2015/(€)

Year	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
2015	2,461	3,503	1,432

Source: Survey results of Household Budget 2015

According to the results obtained by the HBS 2015, it is noted a decrease of 0.4% of the total consumption compared to 2014, also 1.4 % decrease in household consumption, but an increase of 3.3% of per capita consumption.

From the total consumption, the bulk of the household budget in 2015 was spent on food and housing, 43% on food and 30% on housing, followed by self-produced food by households with a share of 7 %, while transport, clothing, alcohol and tobacco account for 4% as well as other consumption groups with lower share. The total consumption has increased in 2015 with 1 % compared with two previous years 2013-2014. Thus, self-produced food in 2015 was 7%, the same percentage as in 2009, 2010, and 2011.

Table 50: Distribution of consumption in Kosovo according to consumer groups, 2009 – 2015 in (%)

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

Source: Household Budget Survey results 2015

Food in Kosovo is dominated by meat, milk, cheese, eggs, bread and cereals, which account for more than half of food consumption (in value). Next are ranked vegetables and non-alcoholic beverages.

Most of the food consumed in Kosovo is dominated by meat (20%), bread and cereals (17%), milk, cheese and eggs (18%), which together account for more than half of food consumption, 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 85% of total consumption. Seven other categories participate with only 15% of consumption.

Table 51: Distribution of food consumption in Kosovo, 2009– 2015 (%)

Consumption	2009	2010	2011	2012	2013	2014	2015
Bread and cereals	19	19	21	19	19	18	17
Meat	18	18	19	20	19	20	20
Fish	1	1	1	1	2	1	1
Milk, cheese, eggs	20	19	18	16	16	17	18
Oils and fats	4	4	5	4	4	3	3
Fruits	7	7	6	7	7	8	8
Vegetables	12	12	11	11	12	12	12
Sugar and sweets	5	6	6	7	6	6	6
Other food products	5	5	5	5	5	5	5
Non-alcoholic beverage	9	9	8	10	10	10	10
Total Food	100	100	100	100	100	100	100

Source: Household Budget Survey Results 2015

In 2015, consumption per household in Kosovo was € 7.503, which shows that there has been a slight decrease of 1.4% compared to 2014. In urban areas was noticed a decrease of 1.8 % in consumption and a decrease of 0.9% in rural areas.

Regarding the main sources of income in 2015, the primary and most important were salaries from regular employment in the public sector that constitute 26%. The second source is net income from businesses that constitute 22% of total income.

Other important sources are pensions (13%), 9% of which from Kosovo and 3% from abroad, and the household businesses (11%). Remittances from abroad are very useful for about 9% of households. About 5% of income derives from agriculture.

Table 52: The main source of income for households in Kosovo, % of households

Source of income	2008	2009	2010	2011	2012	2013	2014	2015
Wages and salaries in the public sector	25	26	26	25	23	23	22	26
Wages and salaries in the private sector	19	19	21	22	23	28	30	22
Agriculture	7	6	6	7	5	5	4	5
Income from wages	8	10	8	9	9	7	7	6
Other household businesses	15	12	14	12	15	11	10	11
Pensions	8	8	8	8	8	11	13	13
Remittances from abroad	10	10	9	9	10	8	8	9
Remittances from Kosovo	1	1	1	0	0	0	0	1
Social assistance 2 - Category I	5	3	3	4	4	4	3	4
Social assistance - Category II	-	2	2	2	1	1	1	1
Other 3	2	2	2	2	2	2	2	1
Total	100	100	100	100	100	100	100	100

Source: Household Budget Survey Results 2015

Regarding ownership by gender structure and the mortgaged one, the tradition is still continuing that the man is the owner of the house (apartment). If expressed in percentage, owners of property were 95% men and only 5% women.

4.2 Trade

Trade statistics are the official source of information on imports, exports and trade balance, i.e. the amount and quantity of goods traded between Kosovo and CEFTA countries, the EU and other countries.

International trade data are an important source of information for decision makers in both, public and private sector. These data serve us during multilateral and bilateral negotiations in the framework of the mutual commercial policy, defining and implementing anti-dumping policies, drawing the balance of payments and national accounts as well as other information.

Given this fact, below is presented the overall trade exchange of Kosovo in 2015, the share of export and import of agricultural products (chapters 1-24) in the overall export and import, the coverage of imports by exports, the trade balance, export and import share in percentage (CEFTA, EU and other countries) and presentation of products by chapters at two-digit level (Harmonized System).

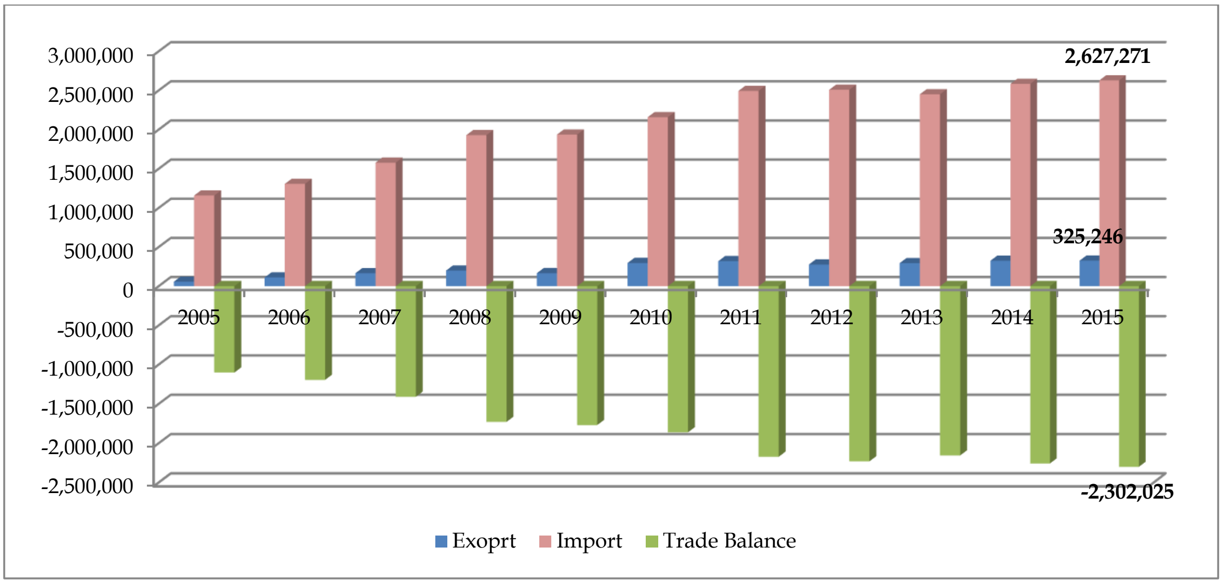
Table 53: Total Export/Import, in 1,000 €

Period	Export	Import	Trade balance	Coverage of imports by the exports(%)
	1	2	3=1-2	4=1/2
2001	10,559	684,500	-673,941	1.5
2002	27,599	854,758	-827,159	3.2
2003	35,621	973,265	-937,644	3.7
2004	56,567	1,063,347	-1,006,780	5.3
2005	56,283	1,157,492	-1,101,209	4.9
2006	110,774	1,305,879	-1,195,105	8.5
2007	165,112	1,576,186	-1,411,074	10.5
2008	198,463	1,928,236	-1,729,773	10.3
2009	165,328	1,935,541	-1,770,213	8.5
2010	295,957	2,157,725	-1,861,768	13.7
2011	319,165	2,492,348	-2,173,183	12.8
2012	276,100	2,507,609	-2,231,509	11.0
2013	293,919	2,450,363	-2,156,444	12.0
2014	324,554	2,583,231	-2,258,677	12.6
2015	325,246	2,627,271	-2,302,025	12.4

Source: KAS, Foreign Trade Statistics

Over the previous period, total exports have fluctuated over the years, but there has been a significant improvement from 2005 to now. While in 2005, the export was over 56 mil €, in 2015 it reached over 325 mil. €, i.e., an export increase of 480%. When comparing the last two years the increase was too small, i.e. a 0.21% increase in 2015, unlike 2014 when the increase was 10% compared with 2013.

Figure 12: Overall export/import, in 1000 €



Source: KAS, Foreign Trade Statistics

The import in 2015 reached the highest value or over 2,627 mil €, an increase of 1.70% more than in 2014. On the other hand, low level of export, and the continuous growth of imports has contributed to negative trade balance, in the amount of 2,302 million €.

The trade balance for 2015 is 1.91% higher than the figure in 2014, continuing the trend as previous years with deep negative balance of trade exchange between Kosovo and other countries.

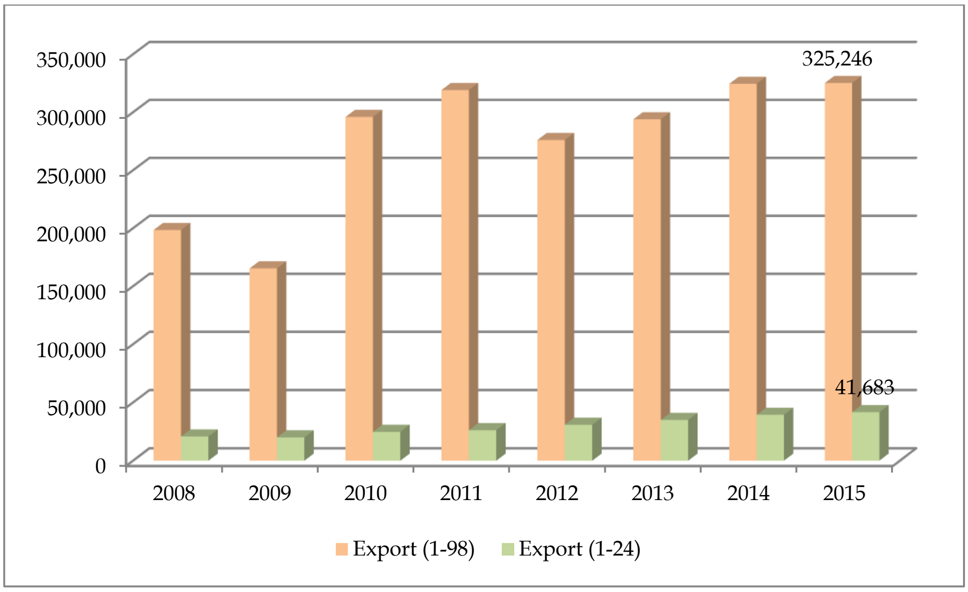
Table 54: Participation of Export-Import of agricultural products, in 1000€

Years	Export (1-98)	Export (1-24)	(%)	Import (1-98)	Import (1-24)	(%)
Years	1	2	3=2/1	4	5	6=5/4
2008	198,463	20,763	10.5	1,928,236	473,666	24.6
2009	165,328	19,993	12.1	1,935,541	434,810	22.5
2010	295,957	24,749	8.4	2,157,725	482,649	22.4
2011	319,165	26,185	8.2	2,492,348	561,428	22.5
2012	276,100	30,807	11.2	2,507,609	574,974	22.9
2013	293,919	34,947	11.9	2,450,363	583,704	23.8
2014	324,554	39,372	12.1	2,583,231	616,051	23.8
2015	325,246	41,683	12.8	2,627,271	628,808	23.9

Source: KAS, developed by DEAAS -MAFRD

During 2008-2015, the lowest share of export (1-24) in total exports (1-98) was registered in 2011 with coverage of 8.2%, while the highest coverage was in 2015 (12.8%). In the commercial exchange of agricultural products, it is observed that there is consistently a slight export increase trend for years 2008-2015. The largest increase in export value of agricultural products was in 2016 (41.6 million €), which is an increase of 5.9% compared to 2014.

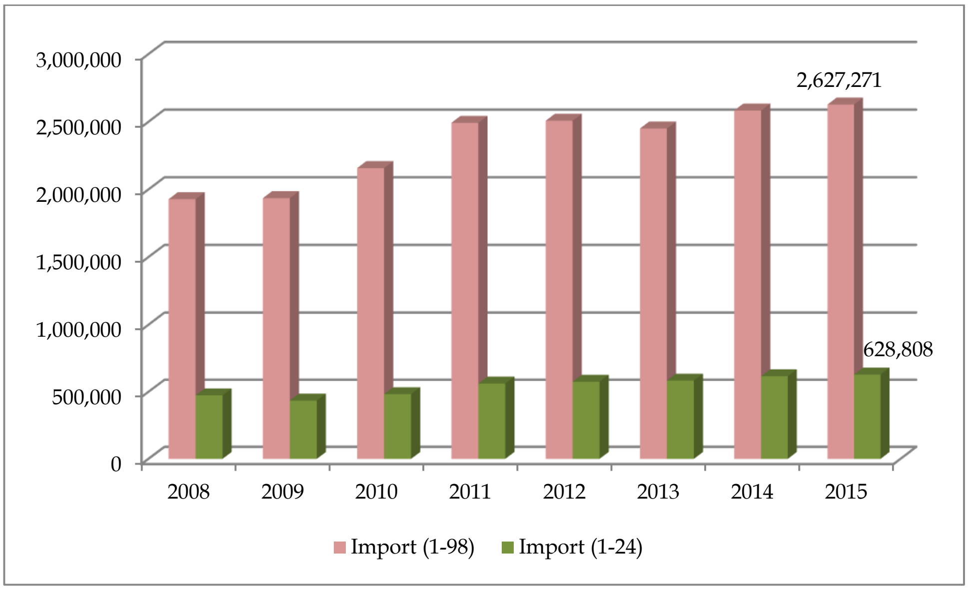
Figure 13: The share of exports of agricultural products in total exports, in 1000 €



Source: KAS, developed by DEAAS -MAFRD

Imports marked a continuous increase. Imports reached the highest value in 2015 (628 million €), an increase of 2% compared with 2014.

Figure 14: The share of imports of agricultural products in total imports, in 1000 €



Source: KAS, developed by DEAAS -MAFRD

The trend of the import share of agricultural products in the total import has remained almost the same. The highest import share in the total import was in 2008, with 24.6%, whereas the lowest import share in the total import was in 2010 (22.4%).

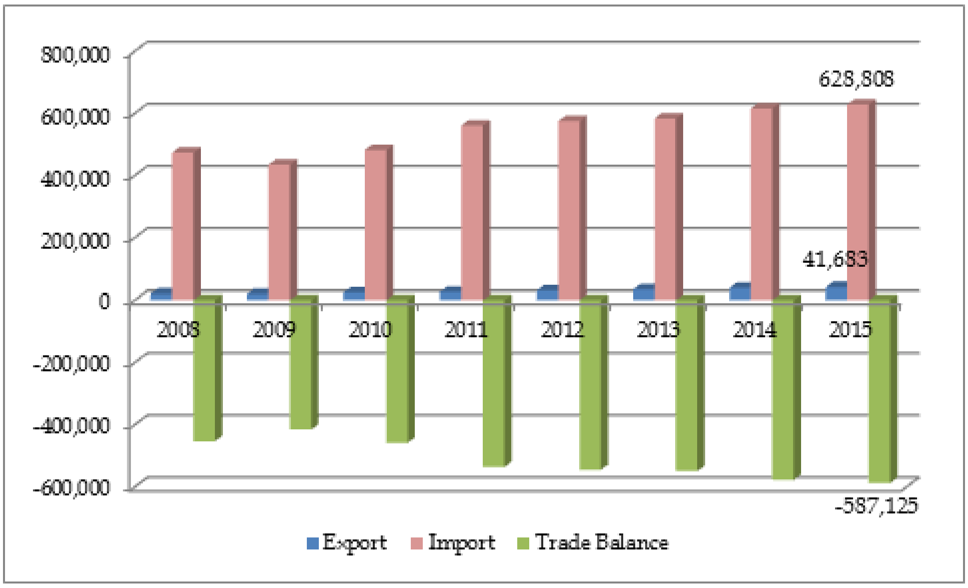
Table 55: Export-import of agricultural products (1-24), in 1000€

Year	Export	Import	Trade balance	Export/Import (%)
	1	2	3=1-2	4=1/2
2008	20,763	473,666	-452,903	4.4
2009	19,993	434,810	-414,817	4.6
2010	24,749	482,649	-457,900	5.1
2011	26,185	561,428	-535,243	4.7
2012	30,807	574,974	-544,167	5.4
2013	34,947	583,704	-548,757	6.0
2014	39,372	616,051	-576,679	6.4
2015	41,683	628,808	-587,125	6.6

Source: KAS, developed by DEAAS -MAFRD

In recent years, despite the fact that import of agricultural products has increased continuously, the export increase was greater resulting in higher coverage of import by the exports. The trade balance value for agricultural products remained negative with an average of 514 million € during 2008-2015. In 2015, the trade balance was negative in the amount of 587 million € or 1.8% more than in 2014.

Figure 15: Export-import of agricultural products (1-24), in, 1000€



Source: KAS, developed by DEAAS -MAFRD

Total exports of agricultural products (1-24) in the year 2015 reached the highest value so far (41.6 mil. €), which compared to 2014 is an increase of 5.9%, while imports accounted for 628 mil. €, marking a slight increase of 2.1%. Consequently, based on the preliminary data, it results that in 2015 there is a trade deficit in the amount of 587 million €. Export covers the import with only 6.6%. The main trade partners with whom Kosovo has achieved the highest value of exports and imports are countries in the region, members of the free trade agreement, CEFTA.

4.2.1 Trade with CEFTA countries

Since 2007, Kosovo is part of CEFTA (Central European Zone for Free Trade), undertaking an obligation to promote free trade and reduce the barriers in trade across borders.

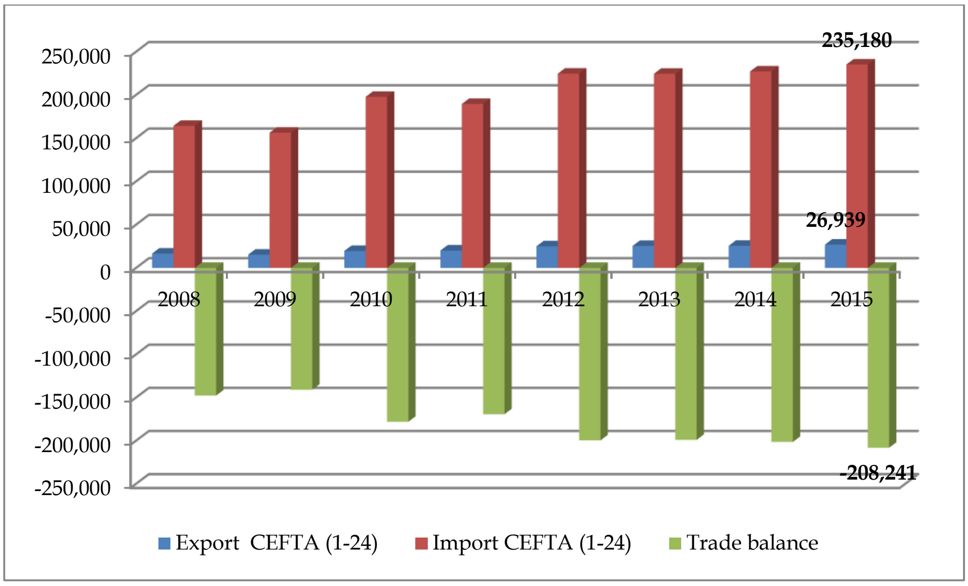
Table 56: Export-import of agricultural products with CEFTA countries, in 1000€

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	34.7
2009	19,993	15,304	76.5	434,810	156,329	36.0
2010	24,749	19,610	79.2	482,649	197,791	41.0
2011	26,185	20,080	76.7	561,428	189,530	33.8
2012	30,807	24,960	81.0	574,974	224,633	39.1
2013	34,947	25,385	72.6	583,704	224,465	38.5
2014	39,372	25,604	65.0	616,051	227,096	36.9
2015	41,683	26,939	64.6	628,808	235,180	37.4

Source: KAS, developed by DEAAS -MAFRD

Exports of agricultural products between these countries has steadily increased since the beginning of its implementation in 2008 and until now. The export of agricultural products with CEFTA members in 2008 reached an amount of over 16 million €, increasing continuously until 2015, reaching a value of 26.9 million €, or an increase of 5.2% compared to 2014.

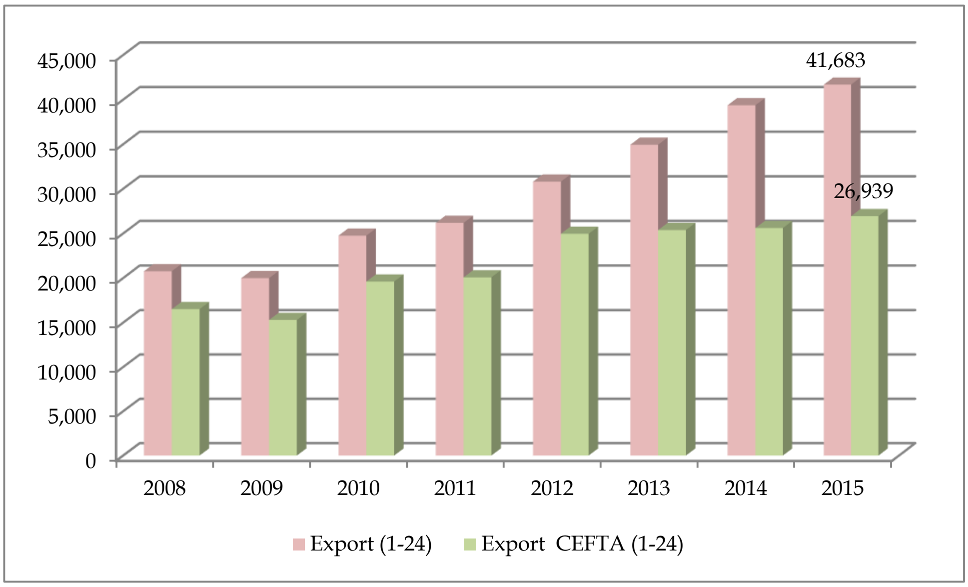
Figure 16: Trade exchange with CEFTA countries, in 1000 €



Source: KAS, developed by DEAAS -MAFRD

Compared with the exports in 2009 which reached an amount of 15 mil. €, in 2015 was marked an increase of 76%. Import of agricultural products from CEFTA countries has changed constantly over the years. The value of imports was lowest in 2009 (156 mil. €), and highest in 2015 (235 mil. €) which compared to 2014 is 3.6% higher.

Figure 17: Export of agricultural products to CEFTA countries, in 1000 €

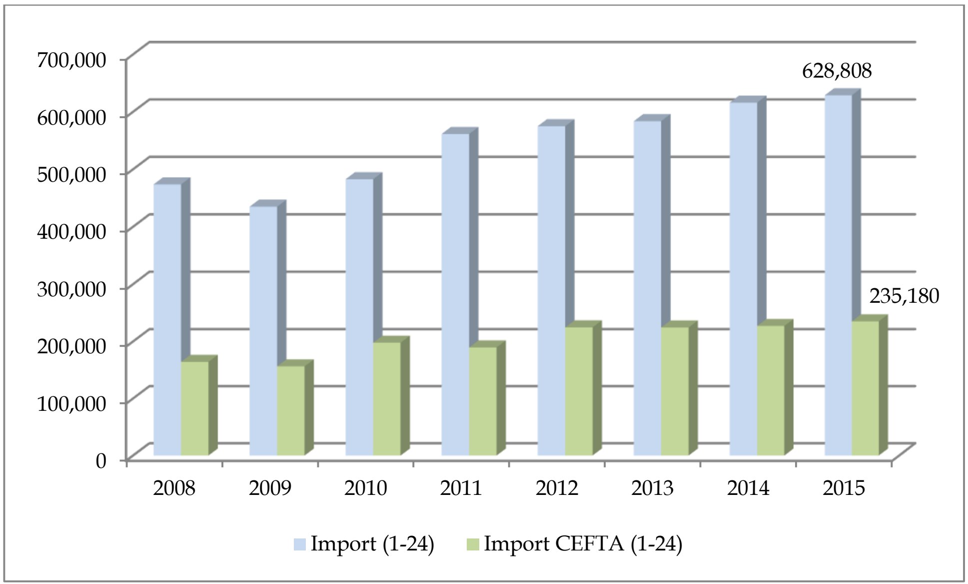


Source: KAS, developed by DEAAS -MAFRD

The share of export of agricultural products to CEFTA countries in total exports has recorded a constant decrease over the years. In the period 2008 - 2010 the share on average was 78%, raising to 81% in 2012, marking the highest share of exports to these countries. The lowest share was recorded in 2015 (65%), which means 65% of products for chapters (1-24) were exported to these countries.

In 2015, in terms of export of agricultural products to CEFTA countries, the highest exports were to Albania at 14 mil. €, followed by exports to Macedonia at 6 mil.€ and Serbia at 4.5 mil. €. This was similar to the previous year with only some minor changes marked.

Figure 18: Imports of agricultural products from CEFTA countries, in 1000 €



Source: KAS, developed by DAESB -MAFRD

In terms of the participation of the import of products from the CEFTA countries in total imports (1-24), the highest participation(in percentages) was registered in 2010 (41%), whereas the lowest one was registered in 2011 (34 %). Since 2011 lower percentages have been recorded but the trend has gone rising, thus in 2015 it was 37%.

Although the export value to these countries during 2015 was very low compared to other years, we can say that there has been a significant increase. If we compare the export in 2015 with the one in 2014, we will notice that export to Albania decreased by 0.6%, Montenegro by 5.2% and B. Herzegovina 8%, on the other hand there is an increase of exports to Serbia of 32% and Macedonia 8 %,

Table 57: Exports of agricultural products to CEFTA countries, in 1000 €

CEFTA Countries	2014	2015	Difference	Difference (%)	Participation (%) 2015
Albania	14,059	13,973	-86	-0.6	51.9
B. Herzegovina	996	916	-80	-8.0	3.4
R. of Moldova	0	0	0		0.0
Montenegro	1,379	1,307	-72	-5.2	4.9
Macedonia	5,742	6,211	469	8.2	23.1
Serbia	3,428	4,532	1,104	32.2	16.8
Total	25,604	26,939	1,335	5.2	100.0

Source: KAS, developed by DEAAS -MAFRD

The value of agricultural products exported from Kosovo to CEFTA countries is still low, but compared to 2014, in 2015 is recorded an increase of 5.2%. The highest exports for this year was to Albania with 52%, Macedonia 23%, Serbia 17% and Montenegro 5%. Most exported products to these countries are: cereals, beverages, alcoholic beverage and vinegar, waste and scrap from the food industry, products of the milling industry; edible fruit and nuts, milk and milk products.

Table 58: Participation of CEFTA countries in the Export/ Import 2015, in 1000 €

CEFTA Countries	Export	Import	Export participation (%)	Import participation (%)
Albania	13,973	18,534	51.9	7.9
B. Herzegovina	916	21,637	3.4	9.2
R. of Moldova	0	82	-	0.0
Montenegro	1,307	3,293	4.9	1.4
Macedonia	6,211	38,420	23.1	16.3
Serbia	4,532	153,214	16.8	65.1
Total	26,939	235,180	100.0	100.0

Source: KAS, developed by DEAAS -MAFRD

In terms of imports with CEFTA countries, again in 2015 the highest imports came from Serbia at over 153.2 mil. €, or 65% of the total imports, followed by Macedonia at over 38.4 mil. € (16%), B. Herzegovina 21.6 mil. € (9%), Albania 18.5 mil. € (8%), Montenegro 3.2 mil. € (1.4%) and Moldova at 82 thousand €. Most imported products from these countries are: cereals, alcoholic beverage and vinegar, waste and scrap from the food industry, products of the milling industry (fodder); edible fruits and nuts, citrus fruits and other products.

4.2.2 Trade with EU countries

Kosovo imported and exported agricultural products with EU countries as well. Although export was lower than import, it is worth mentioning that the value of export to EU countries in 2015 reached the value of over 10.5 mil. €, which compared to previous year is 3.4% higher.

The largest increase was registered in 2012, when the value of exports to EU countries for agricultural products was doubled. Also, the value of imports from EU countries has increased from 2008 and until now, although with marked changes over the years. The highest value registered was in 2014 at over 249 mil. which declined by 0.04% in 2015. The trade balance remains negative with a slight improvement in 2015 of 0.2%

Table 59: Export-import of agricultural products with EU countries, in 1000

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

Source: KAS, developed by DEAAS -MAFRD

Of the total value of exports in 2015, 25% is exported to EU countries. In the period 2008-2015 the average export value of agricultural products was 6 mil. €.

Expressed in percentage it results that the coverage of imports by exports in 2015 in the trade exchange with EU countries was 4.2%.

Import trends have changed from year to year. The lowest value of imports from the EU countries was registered in 2009 (153 mil. €), while the highest value was in 2014 at 249 mil. €. The value of imports in 2015 was 248mil. €, representing a decrease of 0.04% compared to 2014. Imports of agricultural products from the EU account for 39.6 % of the total import value.

Figure 19: Export-import of agricultural products with the EU countries, in 1000 €

Source: KAS, developed by DEAAS -MAFRD

Of the total export of agricultural products to the EU countries in the value of 10.5 mil. €, in 2015 Germany has a participation of 27%, followed by Austria with 13%, Romania and Bulgaria with 7% and other countries.

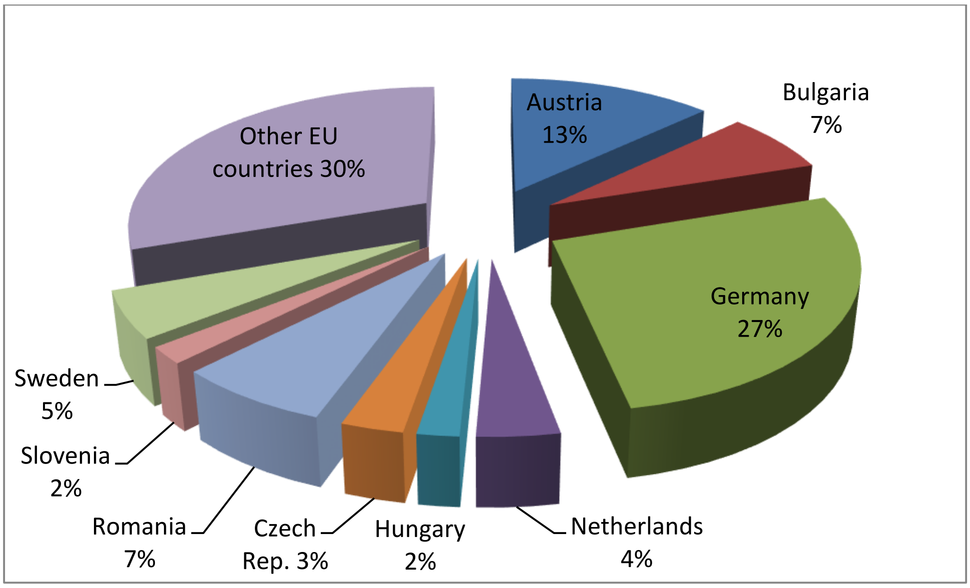
Table 60: Exports of agricultural products to EU countries, in 1000 €

Countries	2014	2015	Difference	Difference in (%) 2015	Share, in (%) 2015
Austria	923	1,366	443	48.0	13.0
Bulgaria	471	734	263	55.8	7.0
Germany	2,272	2,853	581	25.6	27.1
Netherlands	520	389	-131	-25.2	3.7
Hungary	53	198	145	273.6	1.9
Czech Rep.	307	295	-12	-3.9	2.8
Romania	362	743	381	105.2	7.1
Slovenia	252	199	-53	-21.0	1.9
Sweden	599	554	-45	-7.5	5.3
Other EU countries	4,425	3,199	-1,226	-27.7	30.4
Total EU 28	**10,184**	**10,530**	**346**	**3.4**	**100.0**

Source: KAS, developed by DEAAS -MAFRD

The total exports of agricultural products to the EU countries were dominated by the same products that Kosovo exports to the CEFTA countries as beverages, alcoholic beverages and vinegar, products of the milling industry, preparation of vegetables, fruits, nuts or other parts of herbs, edible vegetables, cocoa and cocoa preparations.

Figure 20: Distribution of export within the EU countries in 2015



Source: KAS, developed by DAESB-MAFRD

In 2015, import of agricultural products from the EU countries for chapters 1-24 has decreased by 0.04% compared to the previous year. In addition to the slight decrease of the total imports

(1-24) in 2015, there were also considerable changes terms of countries from which imports came from, with some countries marking an increase and others marking a decrease.

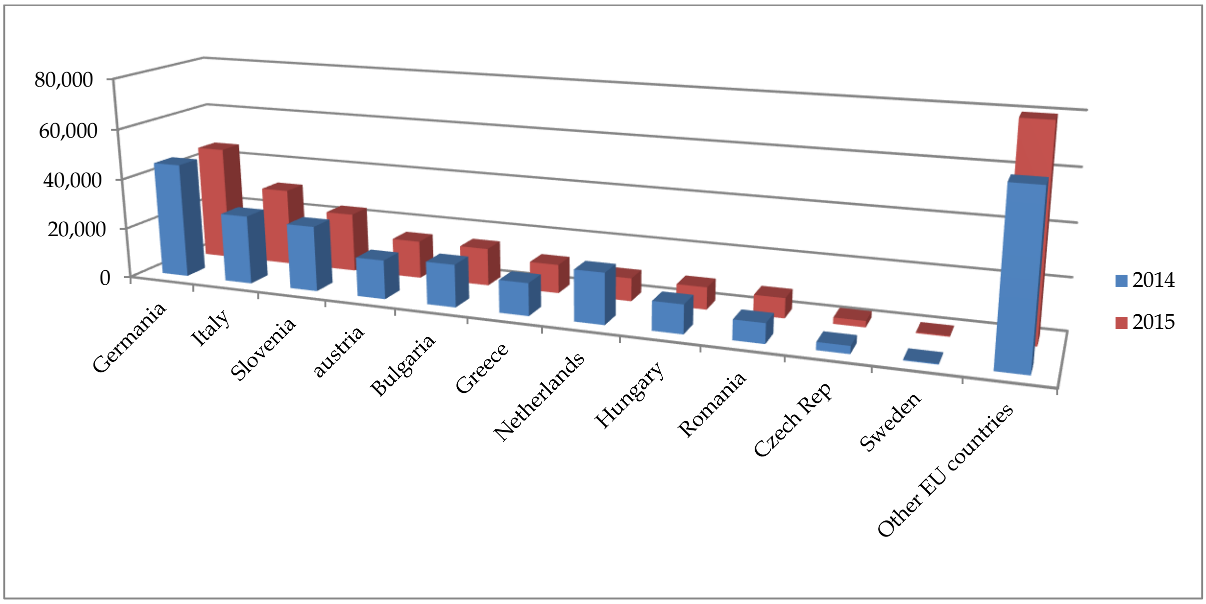
Table 61: Imports of agricultural products from EU countries, in 1000 €

Countries	2014	2015	Difference	Difference 2015/2014(%)	Difference in (%)2015
Germany	45,456	45,714	258	0.6	18.4
Italy	27,239	30,760	3,521	12.9	12.4
Slovenia	25,794	23,403	-2,391	-9.3	9.4
Austria	15,328	14,954	-374	-2.4	6.0
Bulgaria	16,657	14,819	-1,838	-11.0	6.0
Greece	12,663	11,350	-1,313	-10.4	4.6
Holand	19,731	9,051	-10,680	-54.1	3.6
Hungary	11,131	8,680	-2,451	-22.0	3.5
Rromania	7,647	7,739	92	1.2	3.1
Czech rep.	2,970	2,432	-538	-18.1	1.0
Sweden	332	364	32	9.6	0.1
Other EU countries	64,078	79,670	15,592	24.3	32.0
Total BE 28	**249,026**	**248,936**	**-90**	**0.0**	**100.0**

Source: KAS, developed by DEAAS -MAFRD

In 2015, compared to the data for 2014, the imports from countries grouped as "other EU countries" increased by 24.3%, Italy 12.9%, Sweden 9.6%, Romania 1.2% and Germany 0.6%. While a decrease was recorded in imports from Netherlands 54.1%, Hungary 22%, Czech rep. 18.1%, Bulgaria 11%, Greece 10.4%, Slovenia 9.3% and Austria 2.4%.

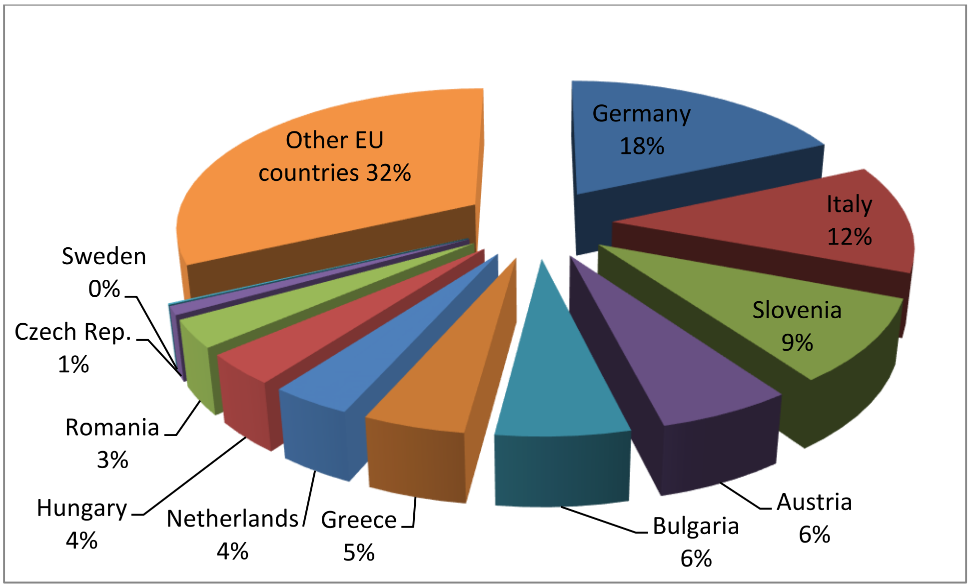
Figure 21: Imports of agricultural products from EU countries, in 1000 €



Source: KAS, developed by DEAAS -MAFRD

Countries with the highest share in total imports from the EU countries were: "Other EU countries" (32%), Germany (18%), Italy (12%), Slovenia (9%), Bulgaria (6%), Austria (6%), Greece (5%), Netherlands (4%) and Hungary (3%).

Figure 22: Distribution of import within EU countries in 2015



Source: KAS, developed by DEAAS -MAFRD

The most imported agricultural products from the EU countries were: tobacco and processed substitutes accounting for 21% of the import value, milk and milk products (10%), alcoholic beverages (8%), meat and meat products (7%) preparations of cereals (7%) vegetables, wheat, and other products of lesser value.

Trade with other countries

Besides CEFTA countries and EU member countries, Kosovo had trade relations with other countries. The main countries from which Kosovo imported agricultural products are: Turkey, Brazil, Switzerland, USA, China, Canada and other countries. The main imported products were: meat and meat products, sweets, preparations of cereals, beverages and other products from chapters 1-24.

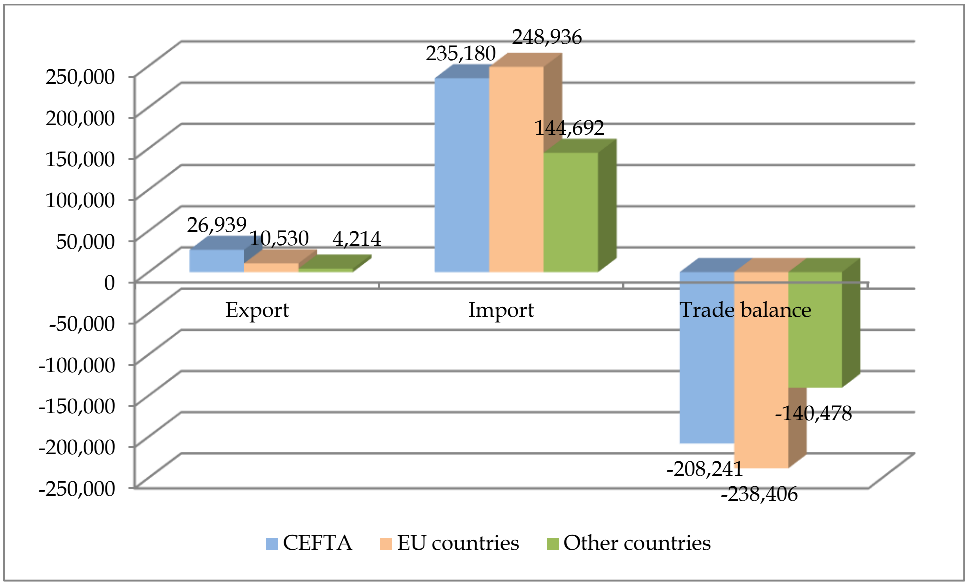
Table 62: Kosovo trade exchange in 2015

	Export	Import	Trade balance	Exports participation %	Imports participation %
CEFTA	26,939	235,180	-208,241	64.6	37.4
EU countries	10,530	248,936	-238,406	25.3	39.6
Other countries	4,214	144,692	-140,478	10.1	23.0
Total	**41,683**	**628,808**	**-587,125**	**100.0**	**100.0**

Source: KAS, developed by DEAAS -MAFRD

In 2015 there was an increase of total exports as well as total imports. Export to CEFTA countries reached a value of about 27 mil. €, and imports a value of over 235 mil. € resulting in a negative trade balance of 208 mil. €.

Figure 23: Kosovo trade exchange in 2015

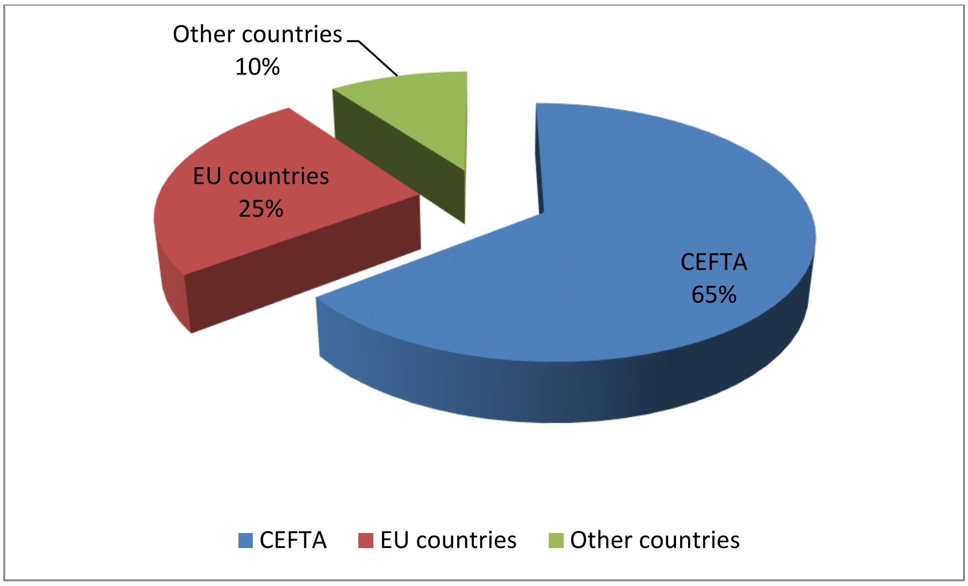


Source: KAS, developed by DEAAS -MAFRD

Kosovo has accumulated over 10.5 mil. € from exports to EU countries, whereas it has spend over 249 million in imports. €, with a negative trade balance of 238 mil. €. Exports to other countries has reached over 4 million. €, while imports over 144 mil. €, which marks a deficit of 140.5 mil. €.

Regarding the rate of participation of groups of countries mentioned above is worth mentioning that 65% of exports were to CEFTA countries, 25% to EU countries, and 10% to other countries.

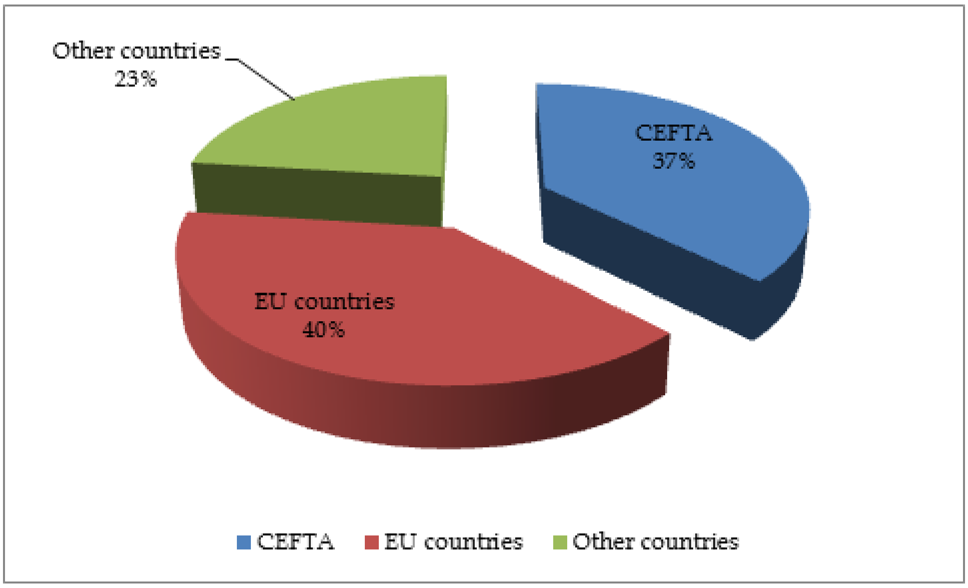
Figure 24: Export of agricultural products (1-24) in 2015



Source: KAS, developed by DEAAS-MAFRD

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

Figure 25: Import of agricultural products (1-24) in 2015



Source: KAS, developed by DEAAS-MAFRD

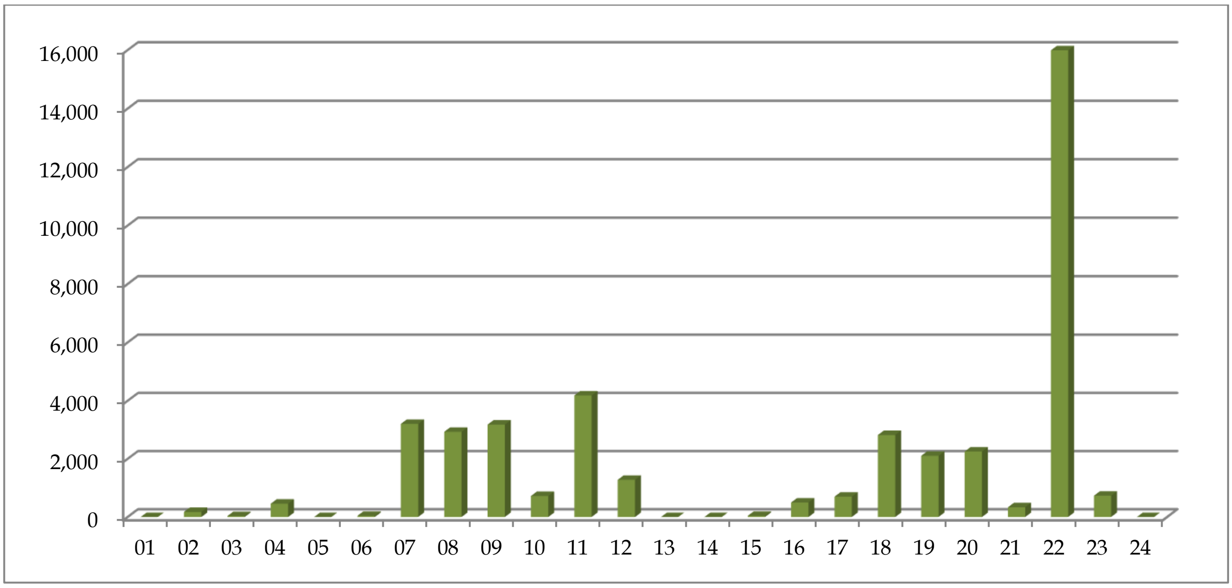
The main countries from the group of other countries, from which Kosovo imports agricultural products are: Brazil, USA, Turkey and other countries, most imported products being meat, cereals, milk and meat products, fruits and vegetables and other products, waste and scrap from the food industry, animal fodder and other products.

The products exported were beverages, alcohol and vinegar, edible vegetables roots and tubers, preparations of cereals, flour, starch or milk, pastry and baking products and other products in lower amounts.

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

Compared to the import value, export value is very low. Within the export of agricultural products for 2015, beverages (alcoholic and non alcoholic) have the highest value of about 16 milion. €, followed by products of the milling industry with over 4 million. €, while edible vegetables and coffee (including tea and spices) reach the amount of 3 mil. € each.

Figure 26: Exports of agricultural products 2015, in 1000 €



Source: KAS, developed by DEAAS-MAFRD

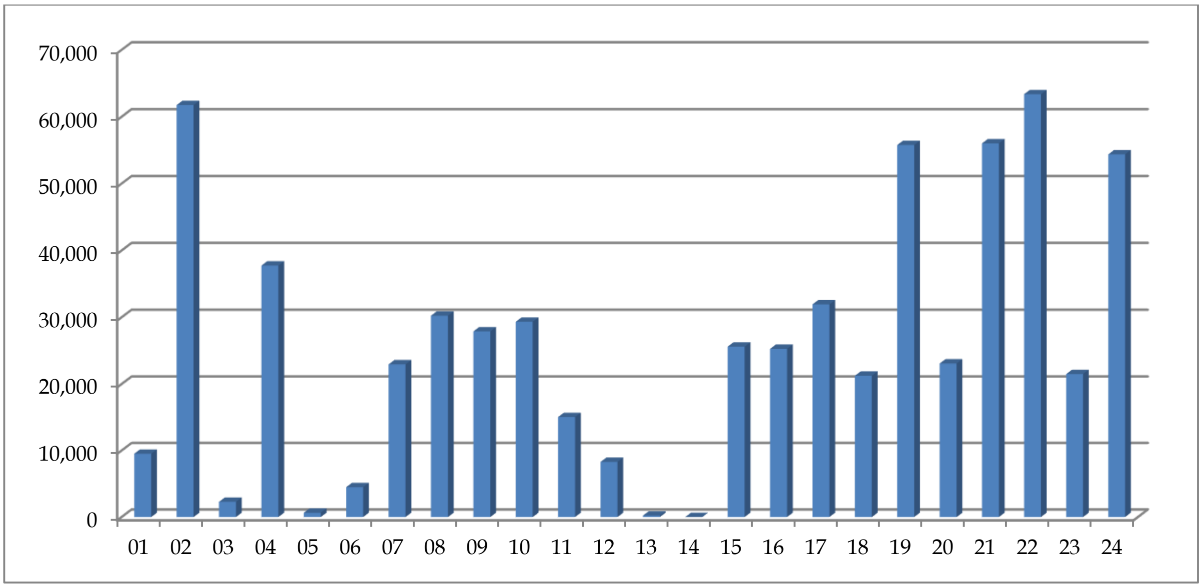
Table 63: Export of agricultural products 2010-2015, in 1000 €

Chapters	2010	2011	2012	2013	2014	2015
01 Livestock	387	104	65	0	0	0
02 Meat and edible meat offal	44	14	5	23	109	175
03 Fish, oysters and other aqu. vertebrates	20	29	120	0	0	32
04 Dairy products, eggs, honey	477	289	149	133	200	459
05 Products of animal origin	0	0	0	0	0	0
06 Trees, plants, flowers	70	8	12	94	22	42
07 Vegetables and certain roots and tubers	3,686	2,642	2,946	2,642	4,927	3,201
08 Fruits and nuts	656	1,677	1,609	2,122	2,588	2,931
09 Coffee, tea, spices	968	573	717	1,371	2,729	3,180
10 Cereals	154	120	79	32	420	724
11 Mixed industrial products, starch	6,180	7,256	8,316	8,448	6,518	4,182
12 Cooking oil, misc. grains, seeds, fruits, medicinal plants, straw, fodder	502	489	681	691	1,347	1,279
13 Adhesive materials, resins and other extracts	0	0	0	8	0	0
14 Fruits planting material, fruit products	0	0	0	0	0	0
15 Fats and oils	100	45	59	46	19	41.39854
16 Preparations of meat, fish, oysters and other water vertebrates	3	0	6	102	301	500
17 Sugar and confectionary	168	141	137	171	159	699
18 Cocoa and cocoa preparations	1,808	295	1,392	1,803	2,661	2,821
19 Preparations of cereals, flour, starch	388	705	704	1,021	1,497	2,104
20 Prepared vegetables, fruits and nuts	3075	2854	2484	1599	1,752	2,253
21 Miscellaneous edible preparations	261	139	164	167	317	336
22 Beverages, cool beverages, alcoholic beverages (alcohol), vinegar	5,313	8,106	10,195	13,300	12,512	15,992
23 Animal fodder	419	698	899	1,086	1,296	732
24 Tobacco and substitutes	70	0	69	88	0	0
Total 1-24	**24,749**	**26,185**	**30,807**	**34,947**	**39,372**	**41,683**

Source: KAS, developed by DEAAS-MAFRD

The total value of imports of agricultural products in 2015 reached the amount of 628 million. €. The most imported products were beverages (alcoholic and non alcoholic) and meat reaching the value of about 63 million. and 61.5 mil. € respectively, followed by various edible preparations at 56 mil. €, preparations of cereals at 55 mil. €, while tobacco and its substitutes reached a value of 54 million. €. Milk and dairy imports recorded the lowest value (37 mil. €), sugars and confectionary import totaling about 32 million. € and edible fruits and nuts at 30 mil. €. Whereas imports of cereals were 29 mil. €.

Figure 27: Import of agricultural products 2015, in 1000 €



Source: KAS, developed by DEAAS-MAFRD

Table 64: Import of agricultural products 2010-2015, in 1000 €

Chapters	2010	2011	2012	2013	2014	2015
01 Livestock	8,042	6,010	8,444	9,315	12,216	9,524
02 Meat and edible meat offal	45,017	52,802	52,262	57,446	62,040	61,758
03 Fish, oysters and other aqu. vertebrates	1,552	1,796	1,913	2,452	1,959	2,292
04 Dairy products, eggs, honey	32,575	36,938	37,792	35,682	38,309	37,750
05 Products of animal origin	722	906	890	873	815	647
06 Trees, plants, flowers	2,191	2,260	2,596	2,827	2,691	4,493
07 Vegetables and certain roots and tubers	17,961	18,664	16,424	16,800	21,796	22,973
08 Fruits and nuts	22,184	23,389	22,169	24,340	29,038	30,251
09 Coffee, tea, spices	16,388	21,270	28,015	27,409	26,479	27,904
10 Cereals	30,327	46,946	38,794	30,024	31,218	29,338
11 Mixed industrial products, starch	13,661	13,294	18,358	14,790	14,647	15,048
12 Cooking oil, misc. grains, seeds, fruits, medicinal plants, straw, fodder	5,844	10,933	10,052	8,015	6,924	8,300
13 Adhesive materials, resins and other extracts	54	95	92	141	260	225
14 Fruits planting material, fruit products	12	26	3	3	5	9
15 Fats and oils	19,296	22,023	26,184	25,670	24,912	25,615
16 Preparations of meat, fish, oysters and other water vertebrates	16,938	20,192	20,675	23,046	24,471	25,298
17 Sugar and confectionary	32,031	36,854	35,077	30,042	31,566	31,948
18 Cocoa and cocoa preparations	16,709	18,538	17,449	19,601	20,679	21,266
19 Preparations of cereals, flour, starch	37,260	43,563	44,933	50,800	53,452	55,777
20 Prepared vegetables, fruits and nuts	15,483	19,337	17,935	20,693	20,764	23,104
21 Miscellaneous edible preparations	33,514	37,874	41,044	46,697	49,532	56,021
22 Beverages, cool beverages, alcoholic beverages (alcohol), vinegar	55,409	57,900	57,688	59,555	65,779	63,374
23 Animal fodder	12,578	12,749	16,644	17,366	18,469	21,512
24 Tobacco and substitutes	46,899	57,067	59,539	60,117	58,027	54,381
Total 1-24	**482,649**	**561,428**	**574,974**	**583,704**	**616,051**	**628,808**

Source: KAS, developed by DEAAS-MAFRD

4.3 Prices in the value chain

Ministry of Agriculture, Forestry and Rural Development through subsidies and grants aims to reduce the import of agricultural products which largely determines the prices of local products. Kosovo market is flooded with imported products which largely affect local producers and the economy of Kosovo in general. Since domestic production is failing to meet consumer needs, a large part of the products are imported from other countries to meet local needs. Although exports 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 2010-2015.

Table 65: The average annual prices of several agricultural products 2010-2015 (€/kg)

Products	2010	2011	2012	2013	2014	2015	Difference 2015/2014(%)
Wheat	0.19	0.25	0.26	0.22	0.20	0.19	-5
Maize	0.22	0.29	0.30	0.31	0.28	0.23	-18
Potatoes	0.29	0.30	0.32	0.43	0.34	0.33	-3
Cabbages	0.18	0.17	0.24	0.17	0.19	0.23	21
Peppers	0.59	0.58	0.58	0.78	0.68	0.81	19
Bean	1.80	1.95	2.47	2.63	2.92	2.68	-8
Tomatoes	0.56	0.41	0.67	0.55	0.68	0.54	-21
Apples	0.49	0.49	0.54	0.53	0.55	0.48	-13
Grapes	0.80	0.93	0.93	0.85	1.02	0.91	-11
Farm chickens	1.94	2.12	2.12	2.29	2.33	2.06	-12
Milk	0.29	0.31	0.32	0.33	0.33	0.30	-9
Honey	7.42	8.11	8.52	8.83	9.00	9.77	9
Eggs [i*]	2.13	2.51	2.88	2.69	2.78	2.23	-20

Source: KAS (Output price index and prices in agriculture, 2010-2015), developed by DEAAS-MAFRD - MAFRD

Based on data from the table above, prices in 2015 compared to 2014, had significant fluctuations. Tomatoes suffered the most noticeable decrease in price, followed by eggs and maize. From the products listed in the table, the largest increase of price had cabbages 21%, peppers 19% and honey 9%, while prices of other products in the table suffered no major changes compared to 2014.

Table 66: Import unit values of several agricultural products 2010-2015 (€/kg)

Products	2010	2011	2012	2013	2014	2015	Difference 2015/14 (%)	Import unit values / production prices 2014
Wheat	0.18	0.26	0.33	0.20	0.20	0.18	-10	0.95
Maize	0.13	0.20	0.35	0.21	0.21	0.16	-24	0.70
Potatoes	0.21	0.26	0.22	0.24	0.30	0.30	0	0.91
Cabbages	0.16	0.29	0.07	0.19	0.19	0.19	0	0.83
Peppers	1.46	0.28	0.36	0.78	0.42	0.47	12	0.58
Bean	0.74	0.87	1.02	0.87	1.14	1.17	3	0.44
Tomatoes	0.38	0.32	0.29	0.23	0.31	0.36	16	0.67
Apples	0.21	0.28	0.71	0.35	0.29	0.33	14	0.69
Grapes	0.56	0.74	1.01	0.46	0.55	0.44	-20	0.48
Farm chickens	1.19	1.46	1.92	1.16	1.20	1.56	30	0.76
Milk	0.68	0.68	0.65	0.61	0.62	0.60	-3	2.00
Honey	3.82	4.39	4.81	4.71	5.02	4.99	-1	0.51
Eggs *	1.44	2.50	1.53	2.72	1.22	1.42	16	0.64

Source: KAS, developed by DEAAS-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 farm chickens with an increase of 30%, eggs (16%) and tomatoes (16%). On the other hand, some products have a quite large decrease in price, as maize (24%), grapes (20%), and wheat (10%). 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 67: Annual average wholesale prices (€/kg)

Products	2010	2011	2012	2013	2014	2015	Difference in % 2015/14
Wheat	0.20	0.29	0.37	0.29	0.26	0.28	8
Maize	0.19	0.27	0.34	0.40	0.41	0.48	17
Potatoes	0.23	0.36	0.29	0.36	0.25	0.27	8
Cabbages	0.16	0.25	0.28	0.28	0.32	0.25	-22
Peppers	0.97	1.08	1.14	0.86	0.55	1.08	96
Bean	1.46	1.70	1.93	2.04	2.64	2.59	-2
Tomatoes	0.73	0.70	0.82	0.68	0.51	0.43	-16
Apples	0.48	0.70	0.51	0.52	0.43	0.49	13
Grapes	1.50	2.04	2.04	1.47	2.04	1.74	-15
Farm chickens	1.17	1.68	1.51	1.60	2.15	1.77	-18
Milk	0.66	0.79	0.77	0.79	0.80	0.79	-1
Honey	5.71	7.44	7.09	8.27	8.12	8.22	1
Eggs *	1.76	2.22	2.38	2.26	2.60	2.18	-16

Source: Market Information System, developed by DEAAS-MAFRD

According to the following table which represents the wholesale prices of several agricultural products, the most significant increase in the price is recorded by peppers (96%), i.e.the price has doubled, followed by maize (17%), and apples (13%). Products which have decreased in price are cabbages whose price is 22 % lower than in 2014, followed by farm chicken with a decrease in price by 18%, tomatoes and eggs by 16%. Other products in the list did not have significant changes. Wholesale prices are usually higher than production prices, but for products with high participation of imports at low prices, this rule may not apply.

Table 68: Annual average retail prices (€/kg)

Products	2010	2011	2012	2013	2014	2015	Difference in % 2015/14
Wheat	0.24	0.33	0.43	0.33	0.30	0.31	5
Maize	0.24	0.30	0.40	0.44	0.49	0.52	6
Potatoes	0.31	0.45	0.37	0.46	0.43	0.32	-25
Cabbages	0.25	0.38	0.36	0.35	0.38	0.29	-24
Peppers	1.22	1.29	1.41	0.99	0.70	1.23	76
Bean	1.80	1.99	2.28	2.27	2.89	2.80	-3
Tomatoes	0.95	0.87	1.00	0.79	0.65	0.51	-22
Apples	0.65	0.87	0.66	0.60	0.62	0.57	-9
Grapes	1.81	2.23	2.45	1.65	2.45	1.91	-22
Farm chickens	2.25	1.98	1.87	1.94	2.43	2.01	-17
Milk	0.81	0.86	0.87	0.88	0.87	0.84	-3
Honey	7.20	8.49	8.30	9.22	9.10	9.27	2
Eggs *	2.08	2.59	2.76	2.48	2.84	2.32	-18

Source: Market Information System, developed by DEAAS - MAFRD, * Unit per 30 pieces

In the table above are presented retail prices, in which the most noticeable changes in price are recorded by peppers, patatoes, cabbages, tomatoes, and grapes. Patatoes and cabbages decreased in price by 25% and 24% respectively. A smaller decrease in the price suffered tomatoes and grapes by 22%. On the other hand, a high price increase is recorded by peppers (76%), whereas minimum increase is recorded by maize (6%) and wheat (5%). 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 69: Comparison of prices of certain products in Kosovo and various EU countries, 2015 (€/kg)

Country	Wheat	Maize	Potato	Cabbage	Apple	Honey	Eggs *
Bulgaria	0.16	0.14	0.20	0.24	0.24	2.76	6.41
Hungary	0.16	0.14	0.22	0.28	0.26	2.99	5.75
Czech Republic	0.16	0.14	0.17	0.25	0.35	4.38	6.89
Austria	0.13	0.15	0.19	0.27	0.39	11.33	13.74
Greece	0.19	0.21	0.48	0.48	0.60	5.82	18.50
Romania	0.17	0.17	0.27	0.40	0.60	3.29	7.42
Kosovo	0.19	0.23	0.33	0.23	0.48	9.77	7.43

Source: Eurostat and KAS, * Unit per 100 pieces

The table above 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 participation of imports. If we analyze the price of wheat, we can see that compared to other countries, Kosovo has relatively high prices similar to Greece, 19% higher than Bulgaria, Czech Republic and Hungaria. According to data in the table, Austria (0.13 €) has the lowest price of wheat. Compared to other countries, Kosovo has the highest price for maize, while the lowest price has Bulgaria, Hungaria and Czech Republic with 0.14€/ kg. The price of potatoes in Kosovo is not satisfactory compared to Czech Republic which has the lowest price, the price of potatoes in Kosovo is 94% higher, and compared to Greece, it is 31% lower. The price of cabbage in Kosovo is highly competitive with EU countries, with Bulgaria having a slightly higher price by 4% and Greece by 54 %. 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 20%. Same as in 2014 and 2015, Kosovo had the highest price of honey compared to other countries. 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 60% and 46% higher than in Kosovo.

In general, based on the data in table above 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.

4.3.1 Food safety

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 the Republic of Kosovo.

The Agency implements legislation with regard to food safety and veterinary issues and the implementation of phytosanitary policy

The laws that determine the exact mandate, duties and responsibilities of the Agency are: Law no. 03/L-016 on Food, Law no. 2004/21 on Veterinary, Law no. 02/L-10 on Animal Care, and a large number of by-laws for the implementation of laws and other legislation in force. The scope 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 for systematic oversight of all operators who deal with production, processing and placing on the market of food products, both domestic and imported, including product testing at authorized laboratories.

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

Since 2014, with the functioning of the sector of food hygiene of non-animal origin, FVA has started the registration of operators who deal with production and processing of food 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 stuffs and Regulation no.12/2011 laying down specific rules on hygiene of food of animal origin.

Table 70: Number of businesses in food and processing (September 2016)

Type of activity	Number of operators	Status
Cold storage (refrigerating warehouse) (refrigerators)	44	Active
Milk processing	40	Active
Meat processing	52	Active
Slaughterhouse (large animals)	46	Active
Poultry slaughtering	5	Active
Collection and packaging of honey and bee products	3	Active
Egg processing	2	Active
Fish processing	1	Active

Source: FVA

Food standards

Thanks to financial support from MAFRD, the European Commission and other donors, operators in the food industry every year are implementing international food standards and are implementing rules of HACCP and ISO standards in their daily production which significantly affect the level of hygiene of their spaces and the security of food products.

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 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 the following:

- 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 the 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;

- Conducts milk and milk products analyses, including milk for technological processing;

- All analyses of products of animal origin and animal 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 FVA projects regarding laboratory component such as the ongoing KAHL project on the brucellose disease and the project of EU-DCE final stage on rabies disease and classical swine fever (hog cholera).

Table 71: Sample analysis by sector, 2015

FVL laboratories	Sample	Analysis
Pathology and pathohystology	197	197
Bacteriology, parasitology and mycology	119	229
Serology and molecular diagnostics	11583	12981
Residue chemistry	424	1675
Food microbiology	695	3891
Milk analysis	19254	55477
Total	32272	74450

Source: FVA

Veterinary inspections

Veterinary inspections were conducted based on the work plan, the National Plan of sampling and complaints from customers. During 2015, the FVA's inspectors have conducted:

- 6,880 Inspections of business operators;
- 50,378 Border controls;
- 296 Court summonses;
- 398 Unsealing;
- 350 Export veterinary certificates;
- 3,945 Phytosanitary certificates for export
- 919 Import permits.

Seizure of animals (262 cattle, 8 horses, 1397 chickens and 255 sheep)

Slaughter of animals due to infections of 81 bovines with brucellosis, 70 cattle with TB, 493 sheep and 166 goats with Brucellosis and 397 bee hives in American pest.

45,489 samples and 720 swabs.

During inspections in 2015 were disposed: 542,677.93 kg of different food items and 1,356,819.00 liters of liquids which are disposed in approved landfills and 48,700 seedlings and ornamental plants were destroyed.

4.3.3 Veterinary legislation and market functioning

Market regulations veterinary, Veterinary Policy

Veterinary policies are regulated by the following laws applicable in Kosovo:

- Law No. 21/2004 on Veterinary (Official Gazette of the Republic of Kosovo No. 18/10.11.2007);

- Law No. 03/L-016 on Food (Official Gazette of the Republic of Kosovo No. 49/25.03.2009);
- Law No. 02/L-10 on Animal Care (Official Gazette of the Republic of Kosovo, No. 5/01.10.2006);
- Law No. 04/L-191 on Livestock (Official Gazette of the Republic of Kosovo No. 25/08.07.2013).

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 so far have 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)
- Diagnostic research related to animal diseases (tuberculosis, brucellosis, bluetongue, leukemia etc.)
- Identification and registration of domestic animals and
- Spraying of repellents on animals against Hemorrhagic Fever disease (EHKK)

Cases of outbreaks of other animal diseases at country level

Table 72: Vaccination of animals against infectious diseases

No.	Type of vaccine	Amount/dose
1	Rabies	23,070
2	Anthrax	2,873
3	Classical swine fever	19,991
4	Brucellosis	67,702

Source: FVA

Table 73: Diagnostic research related to animal diseases

No.	Type of tested disease	Tested animals/heads
1	Tuberculosis	16,843
2	Brucellosis, leucosis, bluetongue, IBR BVD	3,563
3	Mastitis in cattle	16,304

Source: FVA

Table 74: Identification and registration of animals

No.	Animal type	Number of cattle
1	Bovines	80,459
2	Sheep	86,105
3	Goats	10,606
4	Pigs	21,040

Source: FVA

Table 75: Spraying of animals in endemic areas

No.	Municipality	Villages	Bovines	Sheep	Goats
1	Malisheve	44	41,158	23,546	8,375
2	Suhareke	6	3,911	1,229	1,111
3	Rahovec	7	8,940	1,072	1,116
4	Kline	13	10,003	4,102	1,728
	Total	70	64,012	29,949	12,330

Source: FVA

Table 76: Management of disease outbreaks

No.	Naming the disease	Species	Outbreaks	No. of disposed animals
1	Brucella abortus	Bovines	16	81
2	Brucella melitensis	Sheep	2	493
3	Brucella melitensis	Goats	3	166
4	TB	Cattle	15	70
5	American Pest	Bees	11	397

Source: FVA

Legislation on animal feed

Common agricultural policy of the EU countries on the safety of animal feed defined by the EU Regulation No. 183/2005 on feed hygiene requires animal feed business operators (for base food production for animals) to take all necessary measures to prevent, eliminate and reduce risks associated with animal feed.

FVA is currently preparing a draft regulation on the registration, approval and control of animal feed safety that will be implemented by business entities that deal with production, marketing and distribution of feed, referring to rules set by the Law on Food and hygiene packages applicable in Kosovo.

In 2015 were drafted and adopted the following two regulations:

- Regulation (GRK) - No. 10/2015 on health conditions for aquaculture animals, their products and the prevention and control of aquatic animal diseases, adopted at the 33th meeting of the Government of Republic of Kosovo with the decision number 03/33 dated 17.06.2015.
- Regulation (GRK) - No. 03/2015 on the establishment of minimum standards for the protection of pigs, approved at the 13th session of the Government of the Republic of Kosovo with the decision number No. 06/13 dated 12.02.2015.

4.4 Greenhouse gas emission in Kosovo

4.4.1 Emissions from agriculture

Climate change represents one of the major global challenges of humanity. While global climate has been remarkably stable over the past 10.000 years, providing an opportunity for the development of human civilization now there are obvious signs that the climate is changing. GHG emissions resulting from human activities are a major cause of these changes. In order to mitigate and adapt to these changes, at the global level so far actions have been taken and global agreements were reached. In the wake of these are the Rio Declaration (1992) with responsibilities for implementing the concept of sustainable development and the Climate Change Convention obligations to reduce emissions of greenhouse effect gases. The Kyoto Protocol also represents a very important step to limit emissions of greenhouse gases.

Efforts to prevent climate change and reduce greenhouse gas emissions, are continuing nowadays. One of these efforts is also considered the Paris climate conference known as COP 21. The purpose of the Conference is to reach an agreement in which all countries will be bound to reduce emissions of greenhouse gases. This agreement is expected to enter into force in 2020, when the determined period expires for the validity of the Kyoto Protocol. Although Kosovo's contribution to greenhouse gas emissions globally is almost negligible, its commitment to join the global efforts to reduce greenhouse gas emissions were evident. Undoubtedly, one of the most important activities in this direction is the preparation of the national inventory of greenhouse gases, as one of the main mechanisms to identify the main sources of emissions in order to implement measures to reduce them. Kosovo is still not a party to the Framework Convention on Climate Change (UNFCCC).

Kosovo is a country which is developing day by day, with a perspective to be a member of EU. In the process of EU integration, along with other aspects, the adoption and implementation of relevant legislation is required. Regarding the climate change, EU policies are in line with the requirements of the Framework Convention on Climate Change (UNFCCC), therefore by adapting and transposing the EU legislation, Kosovo indirectly meets the requirements set out by the Convention.

So far, Kosovo through MESP has undertaken a series of actions to fulfil the need for monitoring of climate change, adaptation to it and mitigation of impacts arising from this change. In the framework of national legislation on climate change, aspects related to these changes are included in the relevant environmental legislation, including Environmental Law, Law on Protection of Air from Pollution, Law on Water and other relevant laws.

The relevant sub-legal acts are approved regarding substances that damage the ozone layer and fluorinated greenhouse gases, and those on consumer information on fuel and CO2 emissions of new passenger cars. Two administrative instructions are in the process of adaptation as:

Administrative Instruction on monitoring greenhouse gas emisions, and administrative instruction on mechanisms for monitoring greenhouse gas emissions.

The Climate Change Strategy 2014-2024 is adopted, which is consistent with the expected policy framework of the EU on climate and energy. This strategy is based on the concept of low carbon development and its adoptation. Within the main objectives of this strategy: Kosovo will develop the capacity to meet its future obligations under the UNFCCC and as a member of the EU, and will slow the increase of greenhouse gas emissions through: increasing energy efficiency in all sectors, the development of renewable energy sources, and sustainable use of natural resources.

Besides the Framework Strategy on Climate Change,work was also conducted at lower sectorial levels as the drafting of Action Plan on New Policy Development and Promotion of Local Initiatives in Climate Change Management (2012-2018) and the Strategy on Climate Change in the Forestry sector. Actions related to reduction of greenhouse gas emissions, mitigation of climate impacts and adaptation are included within other national plans and strategies such as the Action Plan on Waste and Action Plan on Air Quality etc. Within the activities in the climate change sector, Kosovo has prepared the register (inventory) of greenhouse gases for 2008-2013.

Agriculture Sector accounts for about 7%[5] of the total emission of greenhouse gases in Kosovo or about 700 Gg (Giga grams) CO_2 equivalent (eq.), respectively 700 thousand tons CO_2 equivalent. GHG emissions for this sector are calculated according to the methodology IPCC 2006, applying relevant emission factors according to TIER 1.

This sector belongs to the third category under the IPCC 2006 and consists of two other sub sectors (categories) . The first sub sector 3A includes emissions from livestock. These include mainly methane emissions from enteric fermentation (digestive process of animals) and methane and nitrogen oxide emissions from animal manure management.

This sector accounts for about 550 Gg CO_2 eq. per year. Second sub-sector 3C treats emissions from soil fertilization and biomass burning. The most important classes of this sub sector are indirect emissions of nitrogen oxide emissions related to waste management and fertilization of crops. Altogether, this sub-sector emits about 150 Gg CO_2 eq per year.

Table 77: The main sources of emissions of greenhouse gases in the agricultural sector according to sub sectors for 2014[6]

Sources of emissions from the agricultural sector	CO2 Gg (Gigagram) equivalent	(%)
Enteric fermentation (digestive process of animals)	380	65.4
Direct N2O emissions from the land management (soil)	77.2	13.3
Indirect N2O emissions from the land management (soil)	36.8	6.3
Animal manure management	56.6	9.7
Indirect N2O emissions from animal manure management	9.0	1.6
The application of UREA	19.5	3.4
Burning of biomass (burning of stubble fields)	1.5	0.3
Total emissions from the Agriculture sector	580.6	100.0

Source: Greenhouse Gas Inventory for 2014, the Environmental Protection Agency of Kosovo

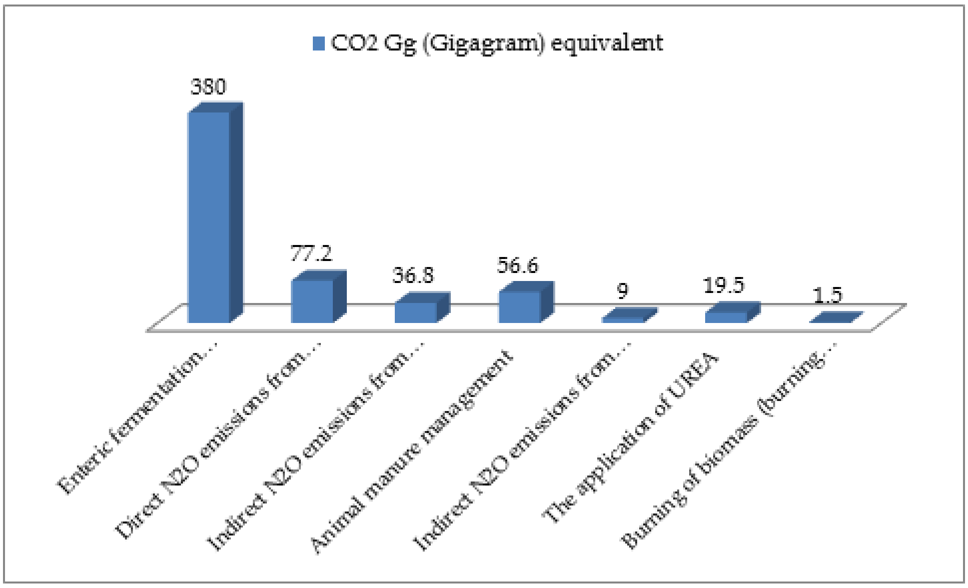
In 2014, about 580.6 Gg CO_2 eq. were registered. Enteric fermentation (the digestive process of animals) represents 65.4% of emissions or 380 Gg CO_2 eq., followed by from direct N_2O emissions from land(soil) management at 13.3% (77.2 Gg eq.), and emissions from animal manure management at 9.7% (56.6 Gg eq.). Methane (CH_4) with a share of 77% of the total, is

[5] Greenhouse Gas Emissions in Kosovo 2008-2013

[6] Source: Greenhouse Gas Inventory for 2014, the Environmental Protection Agency of Kosovo

the main gas emitted in the sector, followed by nitrous oxide (N2O) at 20% and Carbon Dioxide (CO2) at 3%.

Figure 28: The main sources of GHG emissions in the agricultural sector (%)



Source: Greenhouse Gas Inventory for 2014, the Environmental Protection Agency of Kosovo

If we analyze the trend of emissions in agriculture for the period 2007-2014, we find that in 2014 there is a significant decline of (-15.8%) of emissions compared to the previous year. In 2013 there were recorded in total 690 Gg CO2 eq . in the agricultural sector and in 2012 there were 732 GgCO2 eq. For the period 2007-2014, the highest emissions in this sector were registered in 2011 (740 Gg CO2 eq.). In comparison to 2011 which marked the highest emissions in this sector, in 2014 there is registered a decline of 21.5%.

The main sources of information (active data) for calculation of emissions from this sector are the data on the number of livestock by category, the management of farmyard manure, annual quantity of UREA and fertilizers used for fertilization, data on agricultural production, data on burned areas by categories of land and certain data on climate and annual average temperature.

The main source of these data is the Agricultural Household Survey of the Kosovo Agency of Statistics and the Ministry of Agriculture, Forestry and Rural Development. The main problem with regard to the data needed to improve the inventory for this sector is the lack of specific data for each of the categories mentioned above, the lack of historical data (1990 onwards) and lack of experience in this sector. Inter-institutional cooperation, engagement of sector experts and the realization of specific training will be necessary to improve the inventory of data of greenhouse gas emissions from this sector.

The main options for reducing emissions from this sector would be the reducing of burned areas by categories of land, more efficient manure management and controlled use of fertilizers.

In EU countries, the European Environment Agency[7] is the authority on the climate change, and provides information regarding climate change in Europe. EEA supports the implementation of legislation on climate mitigation and adaptation in Europe, the evaluation of EU policies and the development of long-term strategies to mitigate and adapt to climate change. EEA's information (data, indicators, assessments, projections) focus on climate change mitigation (GHG emissions trends, forecasts, policies and measures), and on climate change impacts and adaptation actions in Europe. AEA works closely with the European Commission (DG for Climate Action, Joint Research Centre, Eurostat). AEA administers European climate change data center and manages European Platform (Climate-ADAPT). AEA works closely with the European Commission (DG for Climate action, Joint Research Centre, Eurostat).

According to EEA data, the climate change is a continuous process: rising temperatures, shifting rainfall, melting snow and glaciers, and rising sea levels, and it is expected that these changes will continue and that the extreme weather events, resulting in hazards such as floods and droughts will become more frequent and intense. It is estimated that most of the global warming since the mid 20th century, is the result of increased concentrations of greenhouse gases (GHG) from human activities. The global temperature has increased by about 0.8 °C over the past 150 years, and is forecasted to increase further. This increase in temperature threatens dangerous changes to the global natural system generally threatening the ecosystem changes that negatively impacts agriculture, forestry, power generation, tourism and infrastructure in general. The EU 2009 climate and energy package constitutes binding legislation to implement the 20-20-20 targets by 2020: a 20% reduction in EU greenhouse gas emissions from 1990 levels, raising the share of EU energy consumption produced from renewable resources to 20%, a 20% improvement in the EU's energy efficiency.

[7] eea.europa.eu

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

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

Based on the Direct Payment Program 2015 and Agriculture and Rural Development Program 2015, in 2015 the farmers support continued through direct payments and grants within the rural development measures.

In 2015, planned budget for direct payments was 23 million € and parts of the direct payments program were:

1. Direct payments for autumn wheat planting – minimum eligible area was 2 ha/farmer and a farmer received 150 €/ha. Planed budget for subsidies of autumn wheat planting was 6.6 million €.
2. Direct payments for wheat seeds planting – minimum eligible area was 5 ha, the seed of planted wheat had to be part of the list of permitted seeds and the farmer received 250 €/ha. Planed budget for subsidies of wheat seed was 0.1 million €.
3. Direct payments for spring corn planting – minimum eligible area was 1 ha/farmer and a farmer received 150 €/ha. Planed budget for subsidies of spring corn planting was 1.8 million €.
4. Direct payments for spring sunflower planting - minimal accepted area was 1 ha/farmer and a farmer received 150 €/ha. Planed budget for subsidies of spring sunflower planting was 0.6 million €.
5. Direct payments for existing vineyards - minimal eligible area was 0.10 ha/farmer and a farmer received 1,000 €/ha for vineyard of 0.10 ha to 100 ha, whereas if the farmer had more that 100 ha planted vineyards the support was 300 €/ha. Planed budget for subsidies of existing vineyards was 2.5 milion €.
6. Direct payments for production of seedlings of fruit trees and grape vine on vegetative rootstock–the farmer had to have at least 0.50 ha of agricultural land in ownership or rented as well as the minimal number of seedlings that the farmer had to produce during 2015 was 5,000 seedlings. Payments varied depending on the number of seedlings. Farmers who produced 5,000-40,000 fruit tree seedlings were supported with 0.20 €/seedling, over 40,000 fruit trees seedlings were supported with 0.15/seedling and farmers that cultivated over 5,000 grape vine seedlings were supported with 0.10 €/seedling. Planed budget for subsidies of seedlings was 0.1 million €.
7. Direct payments for open field vegetables – minimum eligible area was 0.50 ha/farmer and a farmer received 300 €/ha. Planed budget for subsidies of open field vegetables was 2 million €.

8. Direct payments for existing orchards – minimum eligible area was 0.50 ha for farmers who cultivated fruit trees and 0.25 ha for farmers who cultivated small fruits. Subsidies were 400 €/ha and the planed budget for subsidies of existing orchards was 1.1 mil €.
9. Direct payments for dairy cows and buffalos – the farmer had to breed at least 5 dairy cows or buffalos or 5 heads jointly. Subsidies were 70 €/head. Planed budget was 3.08 million €.
10. Direct payments for sheep and goats – the farmer had to breed at least 30 heads of sheep and 20 heads of dairy goats in active production of milk. Payment per head was 15 € and planed budget was 1.808 million €.
11. Direct payments for beekeeping – the farmer had to breed at least 30 beehives and have them placed in 3 bee farms /apiaries maximum. The payments for beehives were 10 €, whereas in the case were the farmer was certified for organic production the payment was 15 €/beehive. Planed budget for subsidies of beekeeping sector was 0.775 million €.
12. Direct payments for milk according to quality category – the farmer had to deliver at least 1,500 liters of milk in the licensed dairies within the three months period (according to calendar quarters). Farmer received 0.06 €/liter for extra class milk, 0.04 €/liter for I class milk and 0.02 €/liter for II class milk. Planed budget was 1.5 million €.
13. Direct payments for egg laying hens – the farmer had to breed at least 2,000 egg laying hens in all active egg production phases. There were subsidies for 18 week chicks and laying hens in active productions. A farmer received 0.50 €/ egg laying if having 2,000 to 10,000 egg laying hens and 0.40 €/ egg laying hen if having over 10,000. Planed budget was 0.237 million €.
14. Direct reproduction for sows in reproduction – the farmer had to breed at least 2 sows for active reproduction in all phases of reproduction. A farmer received 20 €/ head and the total planed budget for the sow sector was 0.05 million €.
15. Direct payments for reported cattle slaughter – beneficiaries were farmers who breed cattle indentified in the Register of Republic of Kosovo and who slaughter them in slaughterhouses licensed by FVA for A, B, C and D categories and at the same time beneficiaries were also licensed slaughterhouses of above mentioned categories. Subsidies were 30 €/slaughter for slaughterhouses on condition that they were obliged to pay 20 € to the farmer in the event of slaughter and keep 10 € for the services of conducted slaughter. Planed budget for reported cattle slaughter was 0. 75 million €.

In 2015, total support through direct payments was 21.4 million €. Compared to the previous year, the support through direct payments increased by 40%. In general, during 2015 beside the support for wheat, sunflower seeds, poultry and vineyards that marked a slight decrease, subsidies for all other categories have increased, and this due to the subsidies that for the first time started to be applicable in 2015, which contributed to the general increase of subsidies.

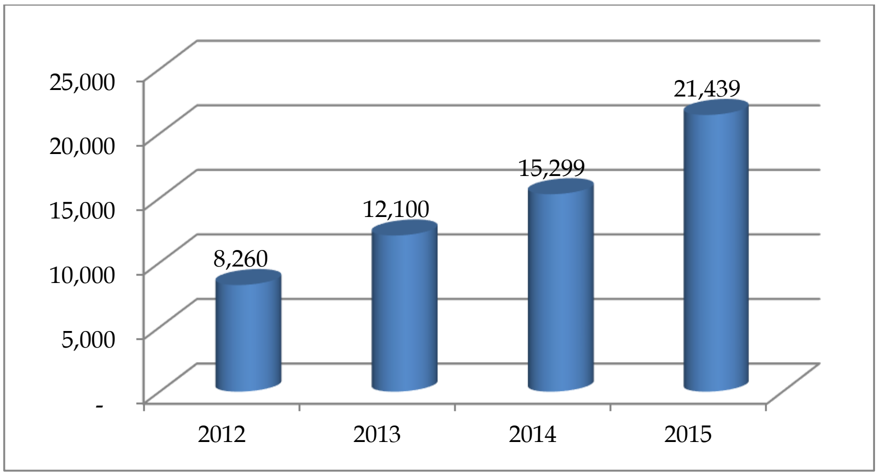
Table 78: Direct payments 2012-2015

	2012	2013	2014	2015
Wheat	3,795,094	5,824,268	5,555,218	6,417,047
Wheat seed	25,020	63,720	107,391	86,063
Corn	575,459	943,028	1,268,719	2,735,462
Sunflower	73,711	41,439	44,853	20,322
Vineyards	-	1,124,516	2,290,783	2,046,167
Open field vegetables	-	-	1,026,735	1,564,692
Existing orchards	-	-	-	692,256
Dairy cows	2,104,800	2,105,950	2,211,750	3,790,990
Sheep and goats	1,327,450	1,159,720	1,210,120	1,921,365
Beekeeping	358,610	500,660	777,610	1,129,580
Poultry	-	240,305	231,648	210,868
Sows	-	-	6,220	11,240
Milk	-	-	491,884	711,644
Reported cattle slaughter	-	-	-	2,520
Seedlings	-	96,264	75,791	98,522
Total	**8,260,144**	**12,099,869**	**15,298,721**	**21,438,737**

Source: Agency for Agricultural Development (AAD)

During 2012-2015 subsidies have increased continuously, from 8.3 million € in 2012, to 21.4 million € in 2015. Of the total support in 2015, the biggest amount was allocated for wheat (30%), followed by dairy cows (18%), corn (13%), vineyards (10%), sheep and goats (9%) and the rest of 20% was allocated to other sectors.

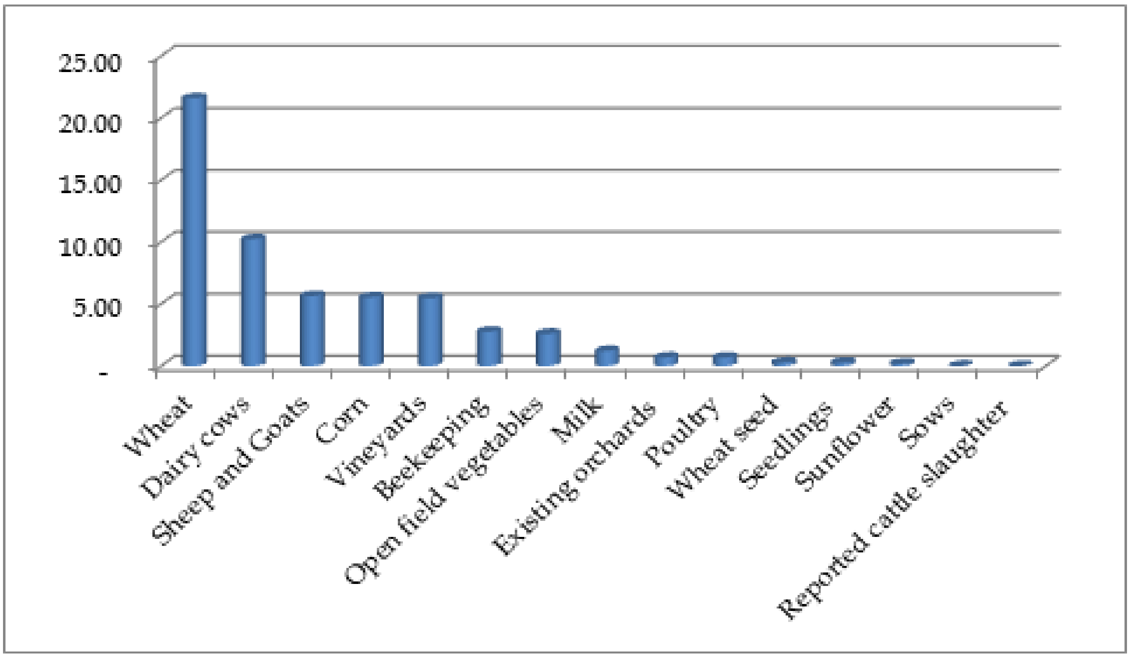
Figure 28: Direct payments 2012-2015, in 1000 €



Source: Agency for Agricultural Development (AAD)

During 2012-2015 the allocation of direct payments was as presented in the figure below. The biggest amount of subsidies was allocated for wheat followed by dairy cows, sheep and goats, corn and vineyards being that these sectors started to be subsidized almost since the beginning of application of direct payments, in comparison to other sectors whose subsidizing started only later or were previously supported but that the cultivated area and the number of applicant farmers was smaller.

Figure 29: Direct payments by sectors 2012-2015, in million €



Source: Agency for Agricultural Development (AAD)

The planed budget for implementing the rural development program for 2015 was 20 million €. Part of the rural development plan for 2015 were the following measures:

- Measure 101: Investments in physical assets and agricultural households (11 million €);
- Measure 103: Investments in physical assets for processing and trading of agricultural products and fishery (5 million €);
- Measure 302: Diversification of farms and business development (1.5 million €);
- Measure 303: Preparation and implementation of local development strategies - LIDER (0.3 milion €);
- Measure 501: Technical assistance (0.2 million €);
- Measure: Irrigation of agricultural lands (2 million €);

5.2 Direct payments/subsidies

In 2015 MAFRD continued with subsidies of farmers through direct payments. Farmers that are supported through these payments are farmers that deal with wheat, corn, wheat seeds, sunflower, vineyard, orchard, open field vegetable cultivation and for first time this year the subsidies for existing orchard started . This year in the livestock sector besides dairy cows, sheep, goats, bees, poultry, sows, milk according to quality also have started subsidies for reported cattle slaughter. As for the inputs, subsidies continued for seedlings for fruit trees and grape vine grafted onto vegetative rootstock.

5.2.1 Direct payments for agricultural crops

In 2015 the total amount of direct payments for agricultural crops marked an increase of 58% compared to 2014. Total amount of direct payments for agricultural crops in 2015 was 13.6 million €, where the highest partaking had wheat, followed by corn, vineyards, open field vegetables, existing orchards etc. Payments per ha changed for certain crops such as: wheat, wheat and sunflower seeds, where as for the first time subsidies for existing orchards were provided. Subsidies of existing orchards were provided for farmers that cultivate fruit trees and those who cultivate small fruits. In total, direct payments for agricultural crops have a partake of 63% in the total direct payments for 2015.

Table 79: Direct payments by sector, 2012-2015

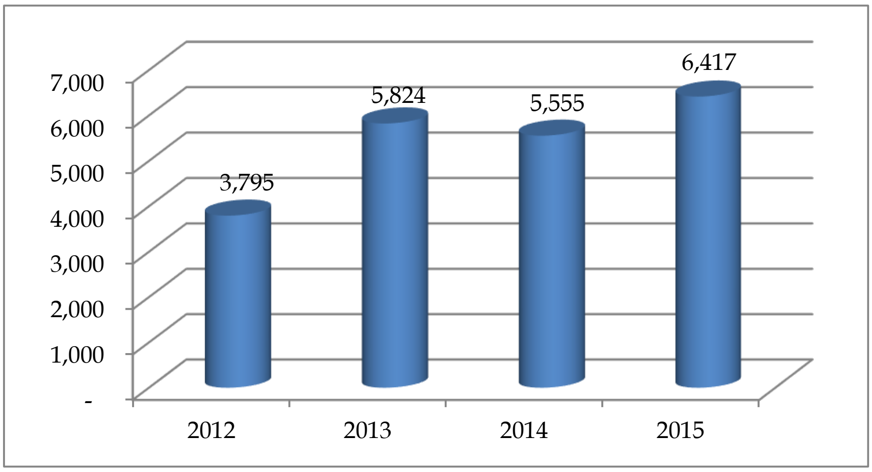
		2012	2013	2014	2015	Difference 2015/2014 in %
Wheat	Number of applicants	9,604	11,758	11,871	11,032	-7
	Number of beneficiaries	8,841	10,686	10,579	10,298	-3
	Number of ha paid	37,951	46,594	44,442	42,780	-4
	Payment per ha	100	125	125	150	20
	The total amount paid	3,795,094	5,824,268	5,555,218	6,417,047	16
Wheat seed	Number of applicants	10	27	16	17	6
	Number of beneficiaries	10	27	16	11	-31
	Number of ha paid	250	850	511	344	-33
	Payment per ha	25,020	63,720	107,391	86,063	-20
Corn	Number of applicants	2,346	3,858	6,134	8,278	35
	Number of beneficiaries	2,209	3,626	5,413	7,574	40
	Number of ha paid	5,755	9,430	12,687	18,236	44
	Payment per ha	100	100	100	150	50
	The total amount paid	575,459	943,028	1,268,719	2,735,462	116
Vineyards	Number of applicants	-	2,579	2,995	2,914	-3
	Number of beneficiaries	-	2,556	2,995	2,806	-6
	Number of ha paid	-	2,791	2,435	2,456	1
	Payment per ha	-	500/200	1000/300	1000/300	
	The total amount paid	-	1,124,516	2,290,783	2,046,167	-11
Sunflower	Number of applicants	32	31	15	7	-53
	Number of beneficiaries	29	29	13	4	-69
	Number of ha paid	737	414	449	135	-70
	Payment per ha	100	100	100	150	50
	The total amount paid	73,711	41,439	44,853	20,322	-55
Open field vegetables	Number of applicants	-	-	1,870	4,717	152
	Number of beneficiaries	-	-	1,548	4,268	176
	Number of ha paid	-	-	3,422	5,216	52
	Payment per ha	-	-	300	300	0
	The total amount paid	-	-	1,026,735	1,564,692	52
Existing orchards	Number of applicants	-	-	-	1,796	-
	Number of beneficiaries	-	-	-	1,578	-
	Number of ha paid	-	-	-	1,731	-
	Payment per ha	-	-	-	400	-
	The total amount paid	-	-	-	692,256	-

Source: Agency for Agricultural Development (AAD)

Wheat

Direct payments for wheat increased from € 125/ha in 2014 to € 150/ha in 2015. Thus, the total amount paid for wheat increased by 15.5%, despite the fact that the number of subsidized hectares decreased by 4%. The number of farmers applying decreased by 7%, whereas the number of beneficiaries by 3%, resulting in a smaller percentage of rejected farmers in 2015 by 4.2 percentage points compared to the previous year. Beneficiaries were farmers who cultivated at least 2 hectares with wheat. Average area subsidized for a beneficiary was 4.15 ha, whereas the highest, respectively over 5 ha, was in the Municipalities of Obiliq, Fushe Kosovo and Ferizaj. For applicants with areas of over 5 ha, the field control was carried out up to 100 %, whereas for applicants with areas of 2-5 ha, the field control was carried out up to 40%, or higher in cases where it was deemed necessary. The total amount of direct payments for wheat was 6.4 million € in 2015.

Figure 30: Direct payments for wheat 2012-2015, in € 1000



Source: Agricultural Development Agency (ADA)

Out of the total number of applicant farmers, 91% were beneficiaries. The highest percentage of beneficiary farmers of the 95% of applicants, was in the region of Gjilan and Prishtina. The average area subsidized per farmer was 4.2 ha, and varied depending on the region. The lowest was in the region of Prizren at 3.5 ha, whereas the highest was in the region of Ferizaj, at 4.8 ha.

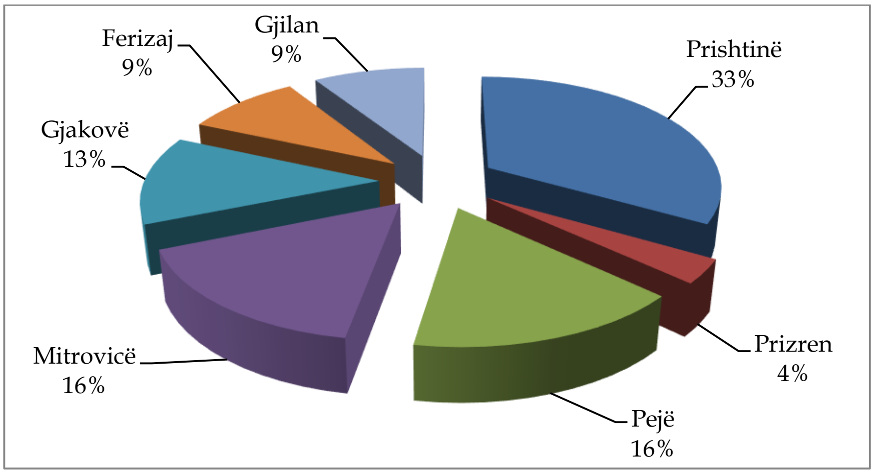
Table 80: Direct payments for wheat by region in 2015

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	3,542	3,370	14,249	2,137,386
2	Prizren	448	409	1,482	222,252
3	Peja	1,569	1,469	6,803	1,020,474
4	Mitrovica	2,020	1,813	6,906	1,035,887
5	Gjakova	1,456	1,339	5,474	821,069
6	Ferizaj	884	839	3,994	599,109
7	Gjilan	1,113	1,059	3,872	580,871
	Total	**11,032**	**10,298**	**42,780**	**6,417,047**

Source: Agricultural Development Agency (ADA)

Regarding the area subsidized for wheat, the region of Prishtina leads with 33%, followed by Mitrovica and Peja with 16%, Gjakova 13% and other regions with 22%. Payment distribution in regions was almost the same as in the previous year.

Figure 31: Area subsidized for wheat by region, 2015

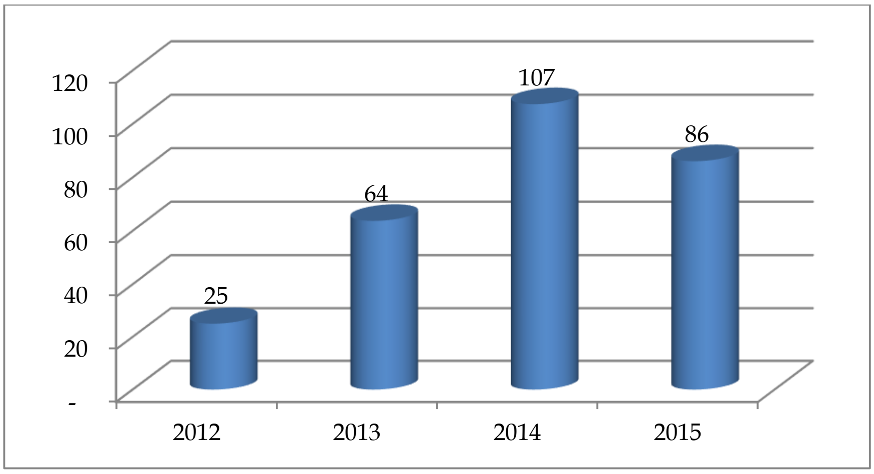


Source: Agricultural Development Agency (ADA)

Wheat seeds

The wheat seeds started being subsidized for the first time in 2012. In 2012-2015, the total amount of direct payments for wheat seeds was € 282.194. The direct payments for hectares planted with wheat seeds in 2015 increased by 11% compared to the previous year, namely from € 225/ha in 2014 to € 250/ha. The number of hectares subsidized decreased by 33%, thus affecting the total amount of payments, which is lower despite the fact that payment per hectare was increased.

Figure 32: **Direct payments for wheat seeds 2012-2015, in 1000 €**



Source: Agricultural Development Agency (ADA)

The average area for which a farmer cultivating wheat seed benefited, was around 31.3 ha. The highest was in the region of Peja (33.5 ha) wherein the wheat seed production is concentrated, mainly in the municipality of Klina and Istog, whereas the smallest area per beneficiary was in the region of Gjakova, at 21 ha. The number of applicant farmers was 17, of which 65% benefited € 250/ha cultivated with wheat seed. Those who did not meet the criteria for seed production were rejected but were paid €150 as subsidy for wheat.

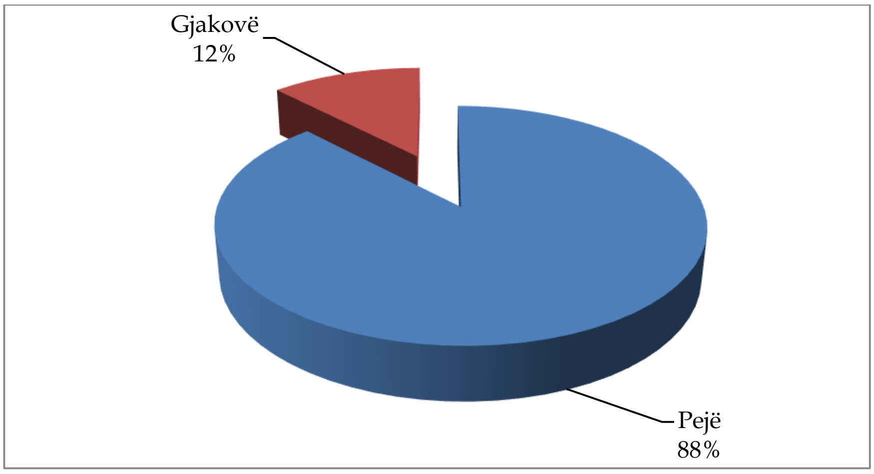
Table 81: Direct payments for wheat seeds by region, in 2015

No.	Region	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	-	-	-
2	Prizren	-	-	-
3	Peja	9	302	75,593
4	Mitrovica	-	-	-
5	Gjakova	2	42	10,470
6	Ferizaj	-	-	-
7	Gjilan	-	-	-
	Total	**11**	**344**	**86,063**

Source: Agricultural Development Agency (ADA)

The total amount of direct payments for wheat seeds was € 86.063 in 2015. Regions that had applicants and were supported are Peja and Gjakova, whereas there were no applicants from other regions.

Figure 33: Area subsidized for wheat seeds by region, in 2015

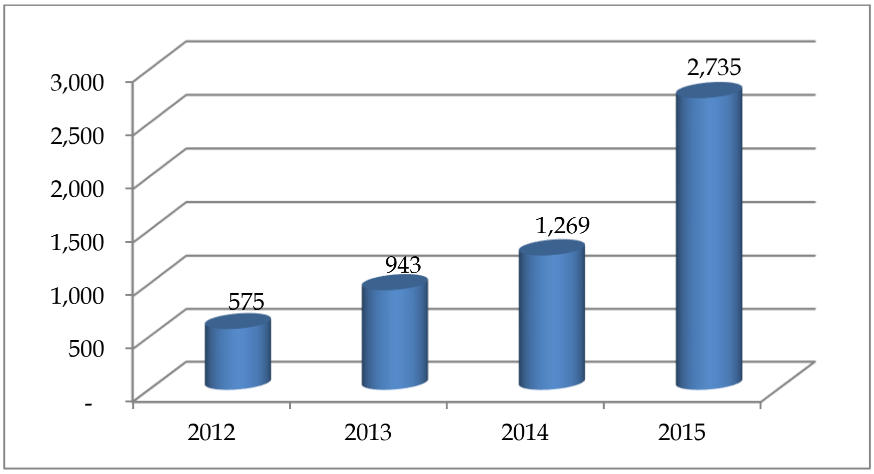


Source: Agricultural Development Agency (ADA)

Maize

In 2015, the number of hectares planted with maize and which were subsidized tripled compared to 2012 when maize started being subsidized for the first time. Initially, the payment per ha was in the amount of € 100, increasing to € 150/ha in 2015. Beneficiaries were farmers who cultivated at least 1 ha of maize. Field control was carried out up to 60%, whereas for those who applied for areas larger than 5 ha, it was carried out up to 100%. The total amount of directs payments for maize was € 2.7 million in 2015, higher for 15% compared to 2014, due to increased payment per hectare and increased number of hectares subsidized.

Figure 34: Direct payments for maize 2012-2015, in €1000



Source: Agricultural Development Agency (ADA)

In 2015, 18,236 ha cultivated with maize were subsidized which compared to the previous year represents an increase of 44%. The percentage of rejected farmers was 8.5%, which varied depending on the region. The highest percentage of rejection was in the region of Prizren

(11%), a region characterized with the lowest area subsidized for maize. The average area, for which a farmer benefited, was 2.4 ha and it ranged from 1.8 ha in the region of Prizren to 2.7 ha in the region of Peja and Ferizaj.

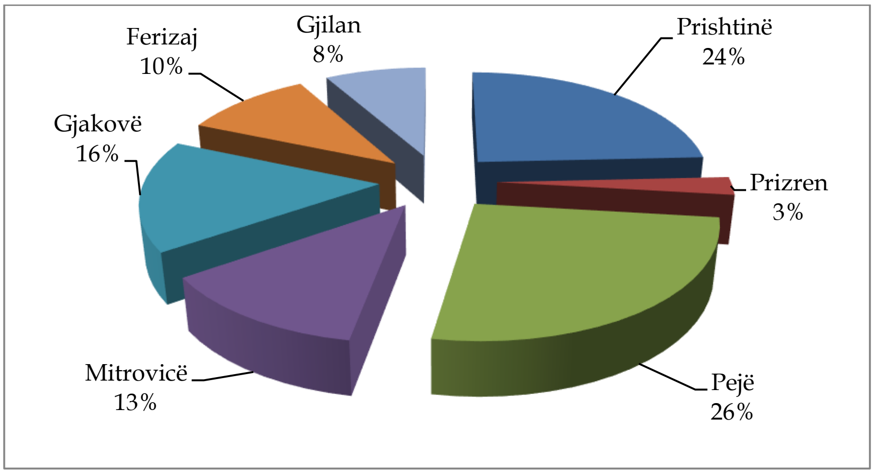
Table 82: Direct payments for maize by region, in 2015

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	2,127	1,916	4,422	663,339
2	Prizren	295	262	470	70,545
3	Peja	1,892	1,750	4,733	709,920
4	Mitrovica	1,181	1,063	2,289	343,341
5	Gjakova	1,320	1,229	2,930	439,568
6	Ferizaj	751	695	1,898	284,657
7	Gjilan	712	659	1,494	224,093
	Total	**8,278**	**7,574**	**18,236**	**2,735,462**

Source: Agricultural Development Agency (ADA)

In terms of regional distribution, 50% of subsidies were distributed in the region of Peja and Prishtina, followed by the region of Gjakova (16%), Mitrovica (13%) and the rest was distributed in regions of Ferizaj, Gjilan and Prizren.

Figure 35: Area subsidized for maize by region, in 2015

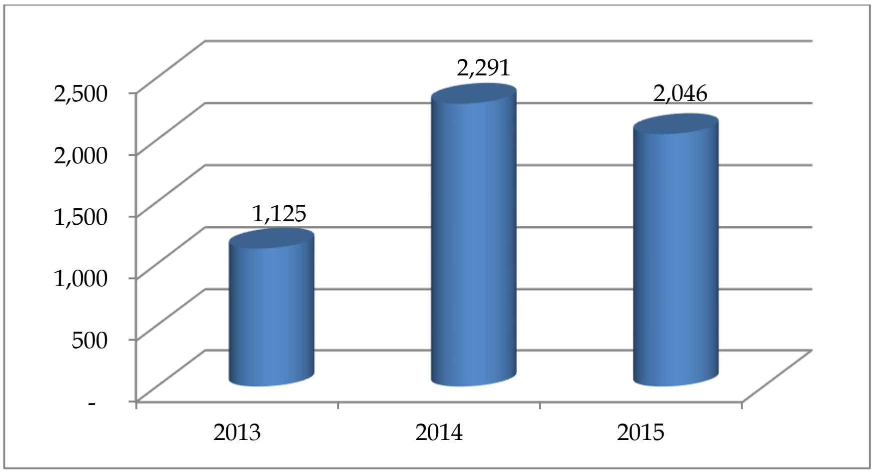


Source: Agricultural Development Agency (ADA)

Vineyards

Direct payments for vineyards decreased by 11% in 2015, not as a result of lower area subsidized or changes in the payment per hectare, but it may be due to increased number of farmers with over 100 ha cultivated with vineyards for whom the subsidies were € 300, unlike those with 0.10 to 100 ha benefiting subsidies in the amount of € 1,000. Another reason could be that farmers who possess a large number of ha with vineyards were rejected for various reasons not directly related to cultivation of grapes, but that they might have been part of the list of farmers sanctioned for a three years period, from applications for other crops.

Figure 36: Direct payments for vineyards 2013-2015, in 1000 €



Source: Agricultural Development Agency (ADA)

Total amount of direct payments for vineyards was € 2,046 thousand in 2015. The average of hectares subsidized per farmer was 0.88 ha, which varied depending on the region, from 0.33 ha in the region of Mitrovica to 1.07 ha in the region of Gjakova. In contrast to 2014 when no farmer was rejected, in 2015 there were a total of 108 farmers rejected mainly as a result of penalties while applying for other crops. The largest number of rejected farmers was in the municipality of Rahovec (64 farmers), Suhareka (21 farmers) and Prizren (10 farmers), followed by other municipalities with a total of 13 farmers rejected.

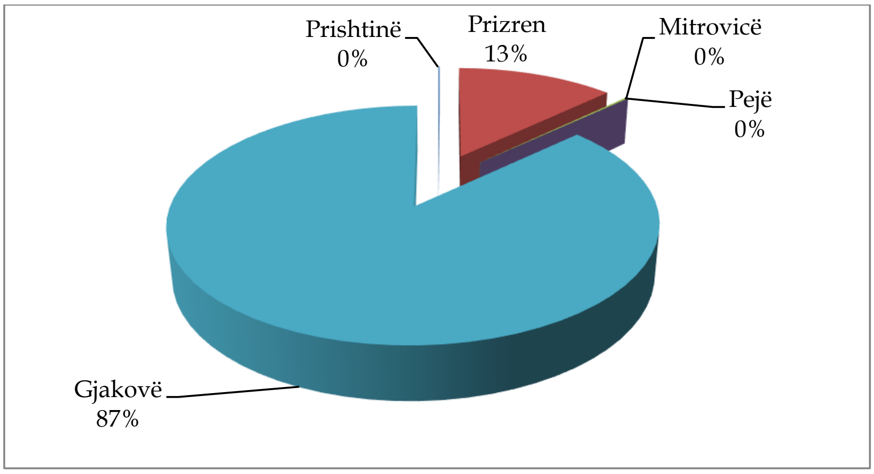
Table 83: Direct payments for vineyards by region, in 2015

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	9	8	2.76	2,760
2	Prizren	832	797	312.42	312,420
3	Peja	6	5	4.97	4,970
4	Mitrovica	1	1	0.33	330
5	Gjakova	2,066	1,995	2,135.25	1,725,687
6	Ferizaj	-	-	-	-
7	Gjilan	-	-	-	-
	Total	**2,914**	**2,806**	**2,456**	**2,046,167**

Source: Agricultural Development Agency (ADA)

The region of Gjakova received the largest support, with a participation of 86.9% followed by Prizren with 12.7% and Prishtina, Peja and Mitrovica wish less than 1%.

Figure 37: Area subsidized for vineyards by region, in 2015

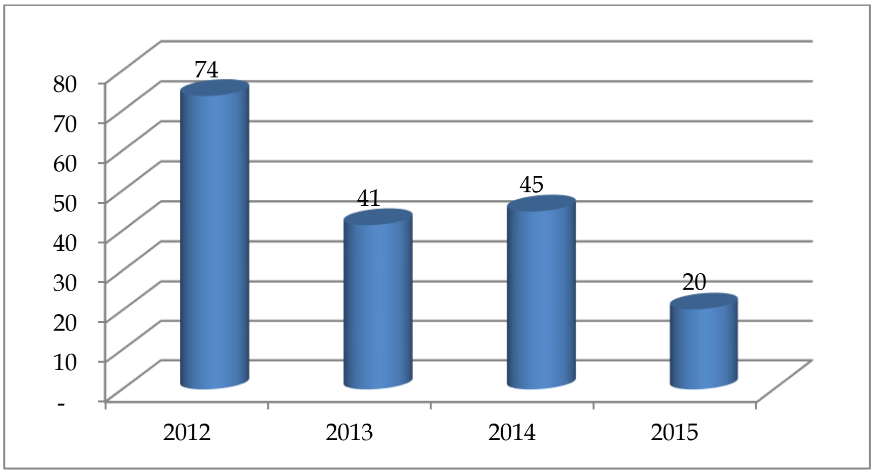


Source: Agricultural Development Agency (ADA)

Sunflower

Area cultivated with sunflower in Kosovo is quite small, thus the demand for subsidizing this crop is low. The largest amount of payments was in 2012 when oil-producing crops started being subsidized for the first time in order to provide raw materials for the processing industry. In 2015, direct payments for sunflower decreased by 55% compared to 2014, despite the fact that the payment per hectare increased to € 150 compared to € 100 in the period 2012-2014.

Figure 38: Direct payments for sunflower 2012-2015, in 1000 €



Source: Agricultural Development Agency (ADA)

In 2015, 4 farmers, possessing an area of 135 ha benefited out of 7 applicant farmers for subsidies for sunflower. Beneficiaries were from the region of Prishtina and Peja. Area subsidized was significantly reduced (70%), from 449 ha in 2014 to only 135 ha in 2015.

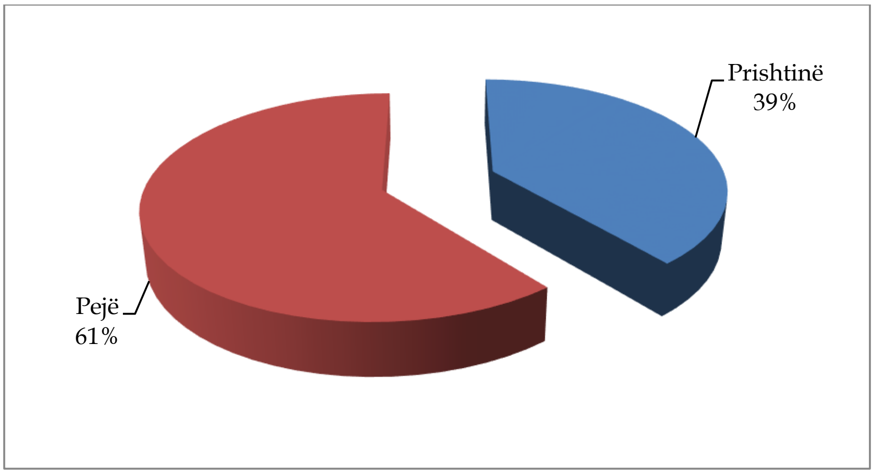
Table 84: Direct payments for sunflower by region, in 2015

No.	Region	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	3	53	7,920
2	Prizren	-	-	-
3	Peja	1	83	12,402
4	Mitrovica	-	-	-
5	Gjakova	-	-	-
6	Ferizaj	-	-	-
7	Gjilan	-	-	-
	Total	**4**	**135**	**20,322**

Source: Agricultural Development Agency (ADA)

Of the total direct payments, 61% were in the region of Peja and 39% in the region of Prishtina. Regional distribution presents much different from what it was in 2014, where the largest support was in the region of Prishtina (59%), followed by Peja (27%) and Mitrovica (14%).

Figure 39: Area subsidized for sunflower by region, in 2015

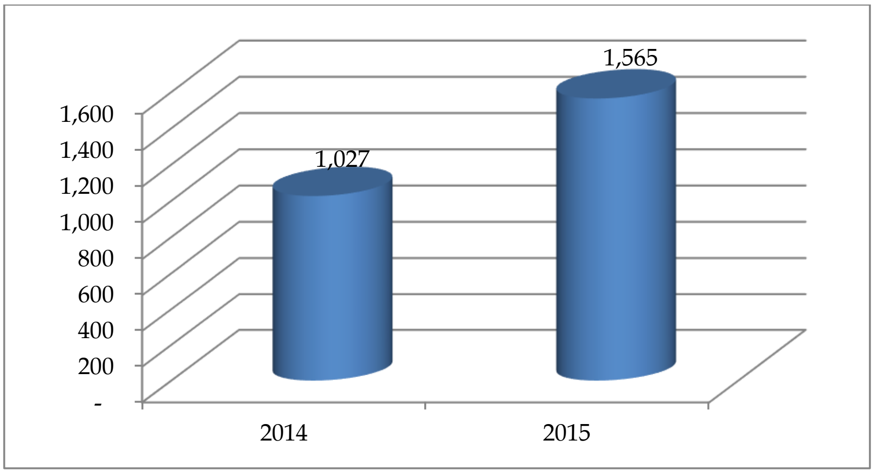


Source: Agricultural Development Agency (ADA)

Open field vegetables

In 2015, being the second year of subsidizing open field vegetables, the area subsidized doubled from 3,442 ha subsidized in 2014 to 5,216 ha in 2015. Payment per hectare remained the same, in the amount of € 300, and 23 vegetable crops were subsidized. Of the area subsidized, the main cultivated crops were peppers, watermelons and potatoes.

Figure 40: Direct payment for open field vegetables 2014-2015, in 1000 €



Source: Agricultural Development Agency (ADA)

Total amount of direct payments for open field vegetables was € 1.56 million in 2015. The average area for which a farmer benefited was 1.22 ha and it varied depending on the region, from 0.68 ha in the region of Prizren to 1.35 ha in the region of Prishtina. Of the total number of applicants, the percentage of rejected farmers was 9.5%, which varied depending on the region. Regions of Prizren, Prishtina and Gjilan were characterized with the highest percentage of rejected farmers, while the lowest number of rejected farmers in relation to the number of applicants was in the region of Peja.

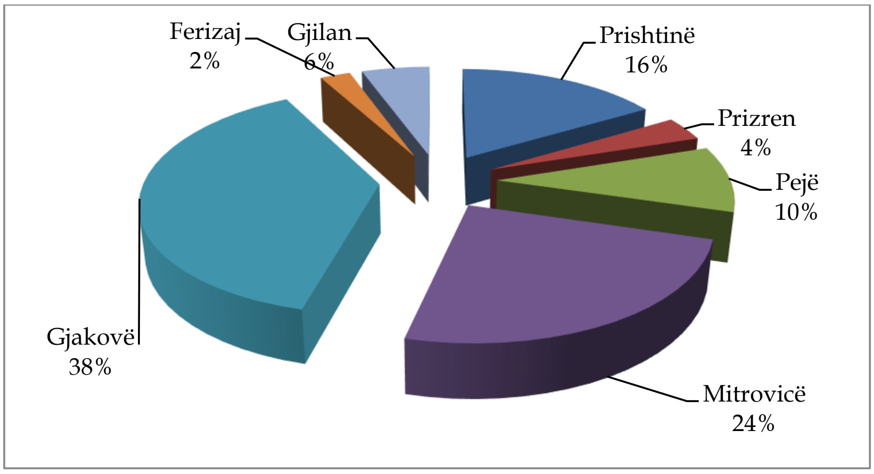
Table 85: Direct payment for open field vegetables by region, in 2015

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	741	634	858	257,529
2	Prizren	338	272	184	55,104
3	Peja	455	431	499	149,553
4	Mitrovica	444	417	1,270	380,961
5	Gjakova	2,346	2,165	1,989	596,730
6	Ferizaj	140	129	128	38,358
7	Gjilan	253	220	288	86,457
	Total	**4,717**	**4,268**	**5,216**	**1,564,692**

Source: Agricultural Development Agency (ADA)

In terms of regional distribution, the largest part of support (78%) was in three regions: Gjakova, Mitrovica and Prishtina, and the rest in other regions, whereas the region of Prizren and Ferizaj were characterized with smaller areas of vegetables. Of the total number of municipalities, 8 municipalities had no applicants, while the municipalities comprising 55% of area subsidized are the municipality of Rahovec and Vushtrri.

Figure 41: Area subsidized for open field vegetables by region, in 2015



Source: Agricultural Development Agency (ADA)

Existing orchards

Existing orchards started being subsidized for the first time in 2015. The subsidy was € 400/ha whereas 1,578 farmers were subsidized out of 1,796 who applied. The average area, for which a farmer benefited, was 1.10 ha and it varied starting from the region of Ferizaj with 0.88 ha/farmer to 1.43 ha in the region of Gjilan. The percentage of rejected farmers was higher in the region of Prishtina and Gjakova, while the lowest was in the region of Gjilan and Ferizaj. The total amount of direct payments for existing orchard was € 692 thousand.

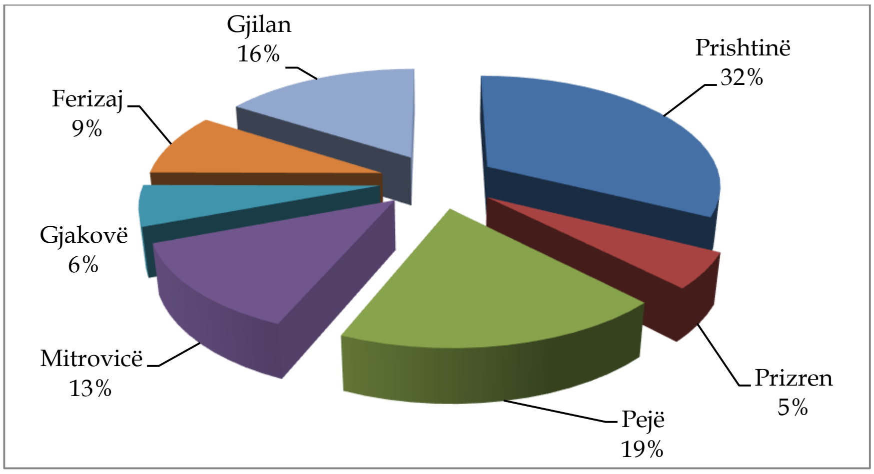
Table 86: Direct payments for existing orchard by region, in 2015

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	562	492	561	224,564
2	Prizren	125	100	90	35,808
3	Peja	304	271	324	129,464
4	Mitrovica	288	248	224	89,472
5	Gjakova	119	96	101	40,516
6	Ferizaj	196	178	156	62,412
7	Gjilan	202	193	275	110,020
	Total	**1,796**	**1,578**	**1,731**	**692,256**

Source: Agricultural Development Agency (ADA)

There were subsidized 13 orchard crops and the most subsidized area was in the region of Prishtina (32%), followed by Peja (19%), Gjilan (16%), Mitrovica (13%) and other regions with 20%.

Figure 42: Subsidized existing orchard area by region, in 2015



Source: Agricultural Development Agency (ADA)

5.2.2 Direct payments for livestock and milk

In 2015 the value of direct payments for the livestock sector reached € 7.8 mil. or 58% higher than in the previous year. Subsidies per unit changed for the dairy cows, sheep, goats and chickens, while the rest remained the same as earlier. Out of the total support, the majority (49%) went for the support of dairy cows, followed by sheep and goats with 25%, the beekeeping sector with 15%, milk 9%, poultry 3% 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 and likewise a small amount went for the support of reported slaughter of cattle, being a new form of support and thus there were not many applicants. In total, the direct payments for agricultural crops have a share of 37% in the total of direct payment in 2015.

Table 87: Direct payments by sector, 2012-2015

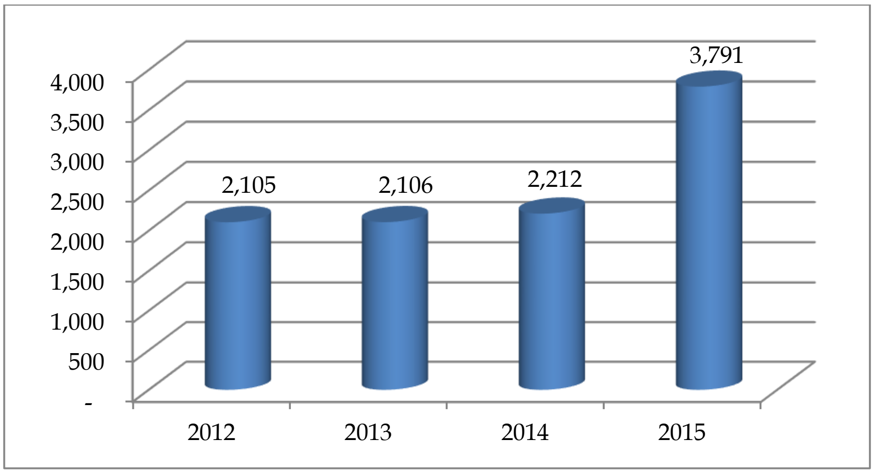
		2012	2013	2014	2015	Difference 2015/2014 in %
Dairy cows	Number of applicants	5,584	5,803	6,052	6,827	13
	Number of beneficiaries	5,231	5,075	5,472	6,451	18
	Number of heads paid for	42,096	42,119	44,235	54,157	22
	Payment per head	50	50	50	70	40
	Total amount paid	2,104,800	2,105,950	2,211,750	3,790,990	71
Sheep and goats	Number of applicants	1,533	1,370	1,442	1,366	-5
	Number of beneficiaries	1,449	1,252	1,295	1,287	-1
	Number of heads paid for	132,745	115,972	121,012	128,091	6
	Payment per head	10	10	10	15	50
	Total amount paid	1,327,450	1,159,720	1,210,120	1,921,365	59
Sows	Number of applicants	-	-	72	124	72
	Number of beneficiaries	-	-	65	106	63
	Number of heads paid for	-	-	311	562	81
	Payment per head	-	-	20	20	0
	Total amount paid	-	-	6,220	11,240	81
Bees	Number of applicants	1,120	1,086	1,504	2,018	34
	Number of beneficiaries	779	985	1,394	1,918	38
	Number of hives paid for	35,861	50,066	77,761	112,958	45
	Payment per hive	10	10	10	10	0
	Total amount paid	358,610	500,660	777,610	1,129,580	45
Chickens	Number of applicants	-	61	64	86	34
	Number of beneficiaries	-	58	59	57	-3
	Number of heads paid for	-	567,996	526,966	466,064	-12
	Payment per head	-	0.50/0.40 /0.30	0.50/0.40 /0.30	0.50/0.40	
	Total amount paid	-	240,305	231,648	210,868	-9
Milk by quality	Number of beneficiaries	-	-	769	1,040	35
	Payment per litter	-	-	0.06/0.04 /0.02	0.06/0.04 /0.02	
	Total amount paid	-	-	491,884	711,644	45
Reported cattle slaughtering	Number of applicants	-	-	-	1	-
	Number of beneficiaries	-	-	-	1	-
	Number of heads paid for	-	-	-	84	-
	Payment per head	-	-	-	30	-
	Total amount paid	-	-	-	2,520	-

Source: Agricultural Development Agency (ADA)

Dairy cows

In 2015, subsidies for dairy cows increased from € 50/head in the past years to € 70/head. Besides the increase of payment per head, the number of dairy cows subsidized increased by 22% in 2015, thus reaching the value of € 3.8 million or 71% higher than in 2014. The number of applicants increased by 13%, while the number of beneficiaries by 18%, resulting in a lower percentage of rejected farmers by 4 percentage points. Field control was carried out up to 50% for farmers possessing 5-15 heads, whereas for those possessing more than 15 heads, the control was 100%. Unlike past years, in 2015 there was no restriction on the maximum number of heads for which a farmer may be subsidized. In the past years this number was 50 heads.

Figure 43: Direct payments for dairy cows 2012-2015, in 1000 €



Source: Agricultural Development Agency (ADA)

The number of rejected farmers was 376 farmers. The lowest percentage of rejected farmers was in the region of Gjilan with 2.9%, while the highest percentage was in the region of Gjakova with 8%. The average number of heads, for which a farmer received subsidies, was 8 heads, the same as in 2014. The difference between the regions was not large, varying from 8 to 9 heads.

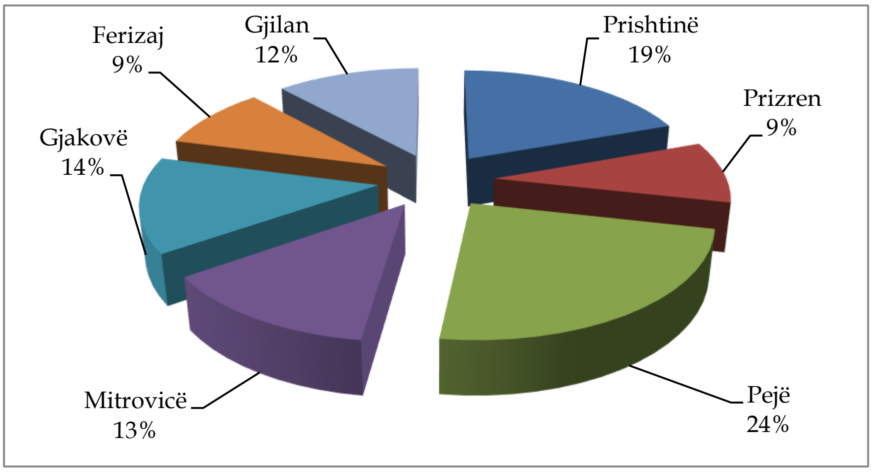
Table 88: Direct payments for dairy cows by region, in 2015

No.	Region	No. of Applicants	No. of beneficiary farmers	No. of heads subsidized	Amount paid in €
1	Prishtina	1,312	1,234	10,542	737,940
2	Prizren	582	556	4,872	341,040
3	Peja	1,574	1,484	12,808	896,560
4	Mitrovica	998	942	7,127	498,890
5	Gjakova	997	917	7,477	523,390
6	Ferizaj	638	613	4,989	349,230
7	Gjilan	726	705	6,342	443,940
	Total	**6,827**	**6,451**	**54,157**	**3,790,990**

Source: Agricultural Development Agency (ADA)

Regarding the subsidy of dairy cows by regions, the region of Peja leads with 24%, followed by Prishtina with 19%, Gjakova with 14%, Mitrovica with 13% and other regions together with 30%. The smallest number of cows subsidized was in the region of Ferizaj and Prizren. Same situation concerning the distribution of subsidies for dairy cows was registered also in 2014.

Figure 44: Number of dairy cows subsidized by region, in 2015

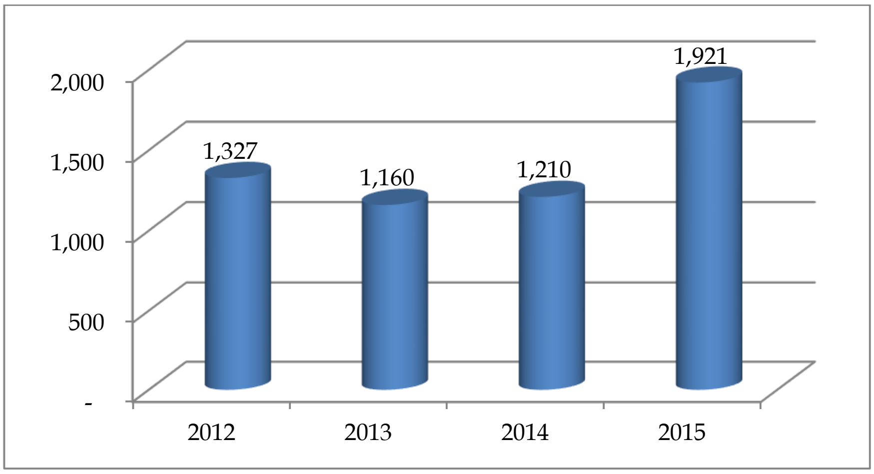


Source: Agricultural Development Agency (ADA)

Sheep and goats

Sheep and goats continued to be subsidized in 2015 as well, a year in which the payment per head increased from € 10 in the past years to € 15/head. The total amount of payments for sheep and goats amounted to € 1.9 million, due to increased subsidy per head and the fact that the number of heads subsidized increased by 6%. The total amount of payments in 2015 was 59% higher compared to 2014. Out of the total of direct payments for sheep and goats, 92% are payments for sheep and 8% for goats. The criterion defining that a farmer may benefit for maximum 500 heads of sheep and goats in active milk production was removed in 2015, whereas the minimum criterion remained as it was, i.e. 30 heads of sheep and 20 heads of goats.

Figure 45: Direct payments for sheep and goats 2012-2015, in 1000 €



Source: Agricultural Development Agency (ADA)

Sheep

The total amount of direct payments for sheep was € 1.8 million. The average number of sheep for which a farmer benefited was 108 hedas and this varied depending on the region, the lowest average being in the region of Peja with 140 heads to 140 heads in the region of Prizren. Out of the total number of applicants, 5% were rejected after the field control. The lowest percentage of rejection was in the region of Prizren and Gjilan, while the highest in the region of Prishtina.

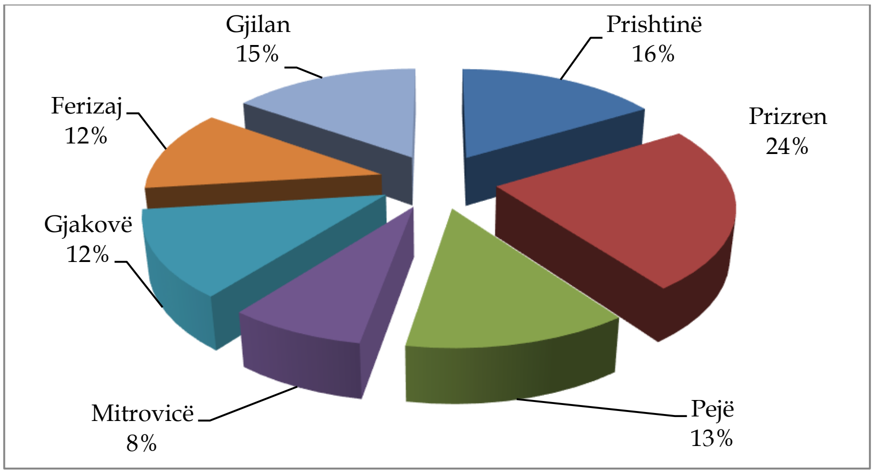
Table 89: Direct payments for sheep by region, in 2015

No.	Region	No. of Applicants	No. of beneficiary farmers	No. of heads subsidized	Amount paid in €
1	Prishtina	231	211	19,386	290,790
2	Prizren	206	199	27,933	418,995
3	Peja	194	187	15,078	226,170
4	Mitrovica	113	109	9,210	138,150
5	Gjakova	124	118	14,788	221,820
6	Ferizaj	121	116	13,986	209,790
7	Gjilan	161	156	17,966	269,490
	Total	**1,150**	**1,096**	**118,347**	**1,775,205**

Source: Agricultural Development Agency (ADA)

In terms of the number of heads subsidized Prizren was the leading region (24%), followed by Prishtina (16%), Gjilan (15%), Peja (13%) and other regions with 32%. The region with the lowest number of sheep subsidized was the region of Mitrovica.

Figure 46: Number of sheep subsidized by region, in 2015



Source: Agricultural Development Agency (ADA)

Goats

The average number of goats for which a farmer benefited was 51 heads, and it varied from 42 heads in the region of Peja to 76 heads in the region of Gjakova. The average was higher in the region of Gjakova, but in terms of number of heads subsidized, Prishtina is the leading region with an average of 46 heads per farmer. The total amount of subsidies for goats was € 0.15 million whereas the percentage of rejected farmers was 12%, the region of Prizren having the largest percentage with 25%, and the region of Mitrovica the lowest with 6%. The percentage of rejected farmers decreased by 7 percentage points compared to 2014, which was 19%.

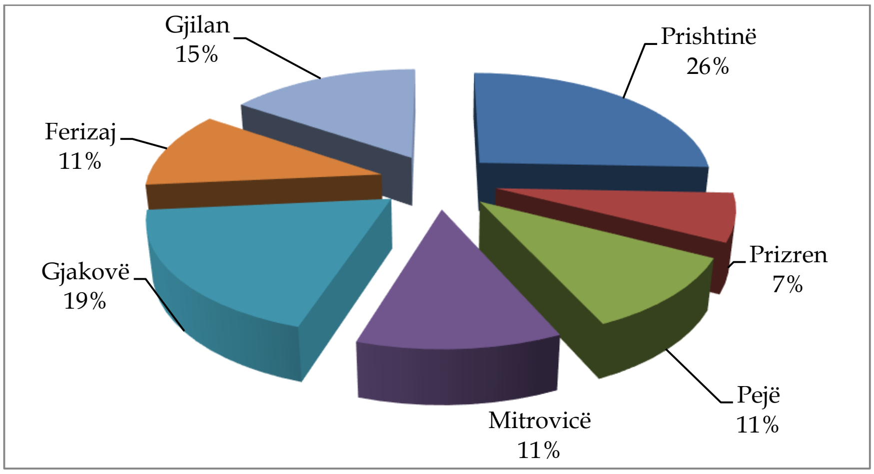
Table 90: Direct payments for goats by region, in 2015

No.	Region	No. of Applicants	No. of beneficiary farmers	No. of heads subsidized	Amount paid in €
1	Prishtina	57	54	2,498	37,470
2	Prizren	20	15	674	10,110
3	Peja	28	25	1,043	15,645
4	Mitrovica	18	17	1,128	16,920
5	Gjakova	28	24	1,818	27,270
6	Ferizaj	27	23	1,082	16,230
7	Gjilan	38	33	1,501	22,515
	Total	**216**	**191**	**9,744**	**146,160**

Source: Agricultural Development Agency (ADA)

Out of the total subsidies for goats, the region of Prishtina, Gjakova and Gjilan received 60 %, the regions of Peja, Ferizaj and Mitrovica 11 % each, whereas the region of Prizren received the lowest percentage (7%).

Figure 47: Number of goats subsidized by region, in 2015

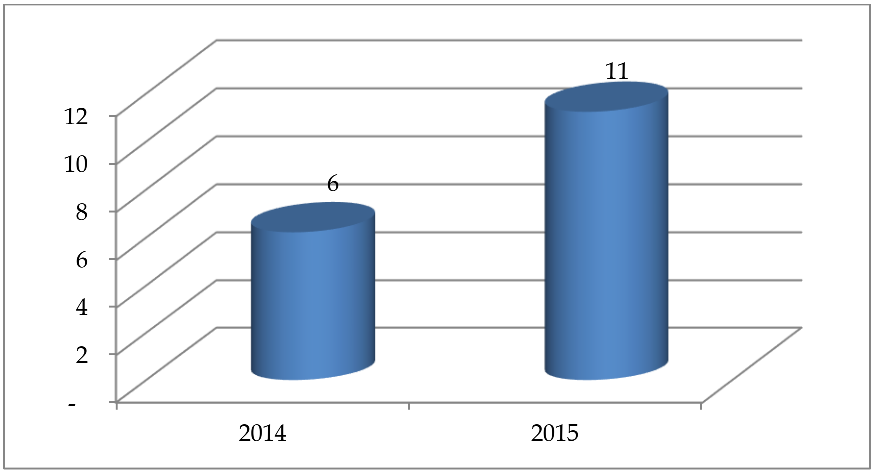


Source: Agricultural Development Agency (ADA)

Sows

The year 2015 is the second year the sows are subsidised. The number of sows subsidized is almost doubled, i.e. from 311 in 2014 to 562 in 2015. The total amount of payments was 11 thousand € or 81% higher than in 2014. Pyment per head has remained the same in amount of 20€/ head and are subsidized all those with 2 or more heads.

Figure 48: Direct payments for sows 2014-2015, in 1000 €



Source: Agricultural Development Agency (ADA)

The number of applicant farmers was 124, of which 106 have benefited. The number of rejected farmers was 18 or 14.5%. The largest number of applicants was from the region of Gjilan where the percentage of rejected farmers was very low while Prishtina, Gjakova and Peja had a higher percentage of rejection by excluding Prizren where 1 out of 2 applicants benefited.

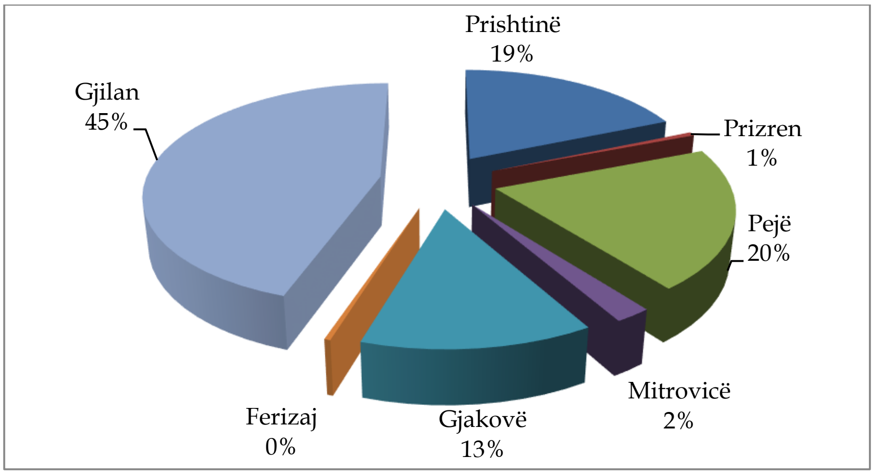
Table 91: Direct payments for sows by region, 2015

No.	Region	No.of Applicants	No.of beneficiary farmers	No.of heads subsidised	Amount paid in €
1	Prishtinë	30	22	105	2,100
2	Prizren	2	1	3	60
3	Pejë	27	24	114	2,280
4	Mitrovicë	2	2	12	240
5	Gjakovë	24	20	74	1,480
6	Ferizaj	1	1	2	40
7	Gjilan	38	36	252	5,040
	Total	**124**	**106**	**562**	**11,240**

Source: Agricultural Development Agency (ADA)

The largest number of sows subsidised was in the region of Gjilan followed by Peja, Prishtina and Gjakova while the lowest number subsidised was in Mitrovica, Prizren and Ferizaj. The average number of sows subsidised was 5 heads, where the highest average was in the region of Gjilan with 7 heads and the lowest in the region of Ferizaj with 2 heads.

Figure 49: Number of sows subsidised by region, 2015

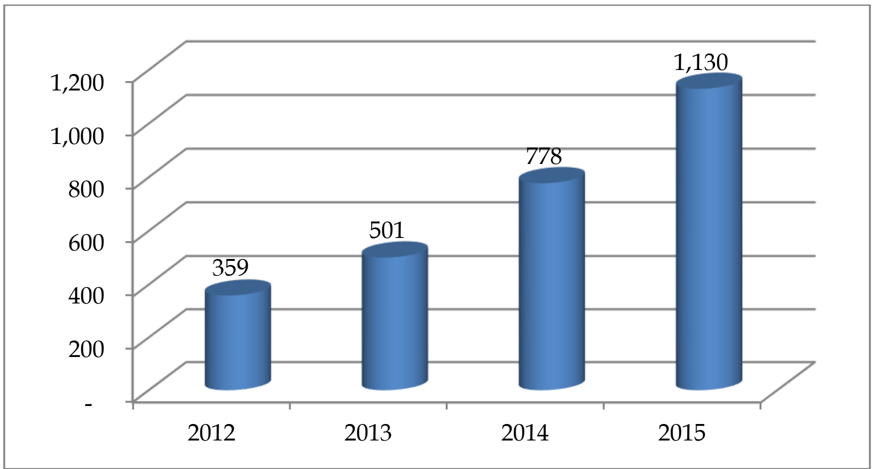


Source: Agricultural Development Agency (ADA)

Beekeeping

In 2015 the number of beehives subsidized reached 112.958, or 45% more than in 2014. The 10 € subsidy per hive continued and were subsidized all who had minimum 30 hives placed in maximum 3 bee farms/apiaries. The previous criterion for the maximum number of hives for which a farmer could benefit, was not a criterion in 2015.

Figure 50: Direct payments for bees 2012-2015, in 1000 €



Source: Agricultural Development Agency (ADA)

The average number of hives for which a farmer benefited was 59, or 5% higher than in 2014. This average varies from region to region, starting with the region of Prishtina with 55 hives per farmer and up to 65 hives per farmer in the region of Prizren. The percentage of rejected farmers was 5% as opposed to 7.5 % in 2014. In 2015, Prishtina had the highest percentage of rejected farmers with 6.9%, and the region of Mitrovica the lowest with 3.6%.

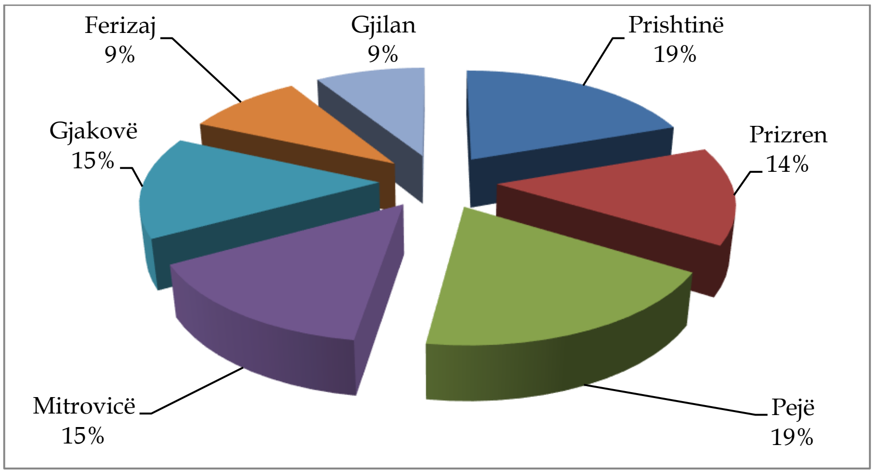
Table 92: **Direct payments for bees by region, 2015**

No.	Region	No.of Applicants	No.of beneficiary farmers	No.of heads subsidised	Amount paid in €
1	Prishtinë	433	403	22,153	221,530
2	Prizren	254	244	15,866	158,660
3	Pejë	394	375	21,149	211,490
4	Mitrovicë	279	269	16,533	165,330
5	Gjakovë	277	263	16,576	165,760
6	Ferizaj	194	186	10,621	106,210
7	Gjilan	187	178	10,060	100,600
	Total	**2,018**	**1,918**	**112,958**	**1,129,580**

Source: Agricultural Development Agency (ADA)

Regarding the number of hives subsidized, the region of Prishtina and Peja are the leading regions with 19%, followed by the region of Mitrovica and Gjakova with 15% and other regions with 32%.

Figure 51: The number of hives subsidized by region, 2015

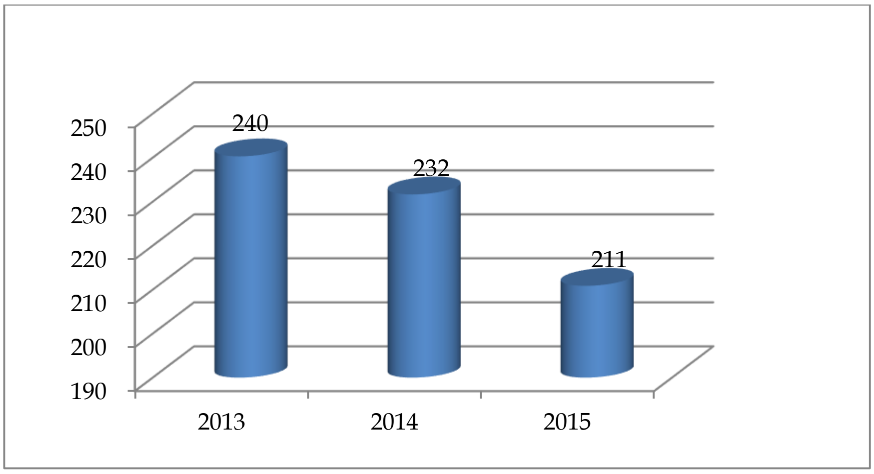


Source: Agricultural Development Agency (ADA)

Poultry

The number of chicken subsidised in 2015 decreased by 12% compared with the previous year. The total amount of subsidies for poultry has decreased continuously since 2013 when subsidies for egg laying hens started for the first time. In 2015, the limits on number of broilers and payments made changed. Unlike other years when farmers with 2,400 to 10,000 heads were subsidized with 0.50€/egg laying hen, in 2015 this was applied for farmers who had 2,000 broilers, while those with over 10,000 were subsidized with 0.40€/ egg laying hen, and not as the case in previous years, i.e. up to 20,000 heads and over 20,000 heads with 0.30€/egg laying hen.

Figure 52: Direct payments for poultry 2013-2015, in 1000 €



Source: Agricultural Development Agency (ADA)

The average number of chicken for which a farmer benefited was 8.177, i.e. 754 chicken lower than in 2014. The number of applicant farmers increased by 34% whereas the number of beneficiary farmers decreased by 3% and this resulted with a higher percentage of rejected farmers, mainly 33.7% of the applicants were rejected compared to only 7.8 % in 2014.

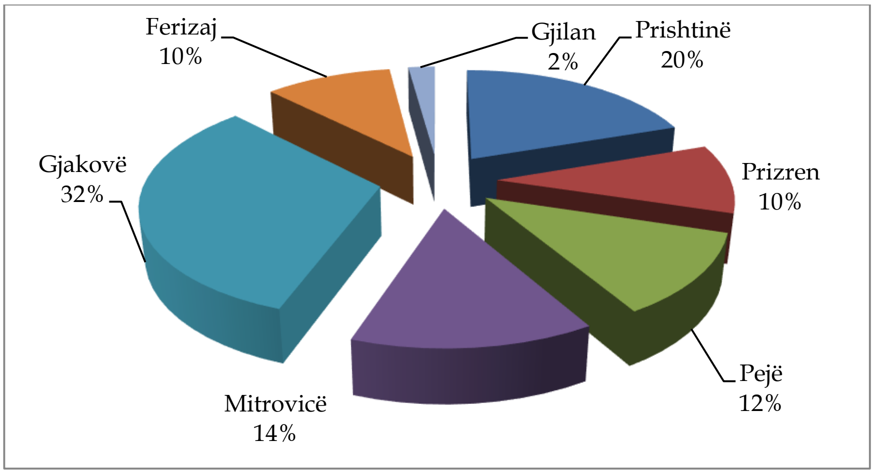
Table 93: Direct payments for poultry by region, 2015

No.	Region	No.of Applicants	No.of beneficiary farmers	No.of heads subsidised	Amount paid in €
1	Prishtinë	19	13	92,005	42,803
2	Prizren	15	8	46,650	21,349
3	Pejë	11	10	54,840	27,420
4	Mitrovicë	6	3	64,311	26,116
5	Gjakovë	17	16	150,328	67,786
6	Ferizaj	8	4	47,930	20,395
7	Gjilan	10	3	10,000	5,000
	Total	**86**	**57**	**466,064**	**210,868**

Source: Agricultural Development Agency (ADA)

In terms of subsidies by regions, Gjakova is the leading region with 32%, which is also the region with the lowest percentage of rejected farmers, with 6%. In terms of the number of subsidized chicken, Gjakova as the leading region is followed by Prishtina with 20%, Mitrovica with 14%, Peja with 12%, Prizren and Ferizaj with 10% and the region with lowest percentage is Gjilan (2%).

Figure 53: Number of poultry subsidised by region, 2015

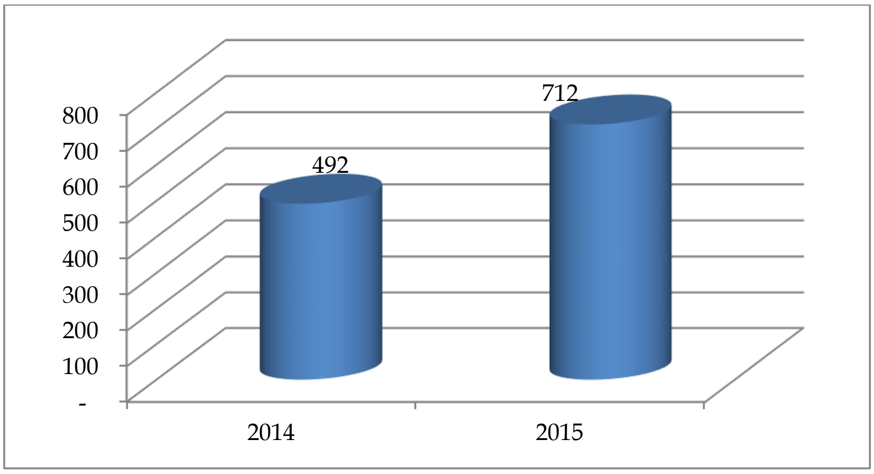


Source: Agricultural Development Agency (ADA)

Milk according to quality

Subsidies for milk according to quality began for the first time in 2014, and in the second year of subsidies, the number of beneficiary farmers increased by 35% and the total amount of payments increased by 45%. Payment per liter has remained the same as in the previous year with 0.06/12:04/0.02€/per liter depending on the quality classes.

Figure 54: Direct payments for milk according to quality 2014-2015, in 1000 €



Source: Agricultural Development Agency (ADA)

There were a total of 1,040 beneficiary farmers, or an average of 260 farmers per quarter. The average amount received by a beneficiary was 684 € per farmer, the lowest being in the region of Gjilan with 459€/per farmer whereas the highest average amount received by a beneficiary was in the region of Peja with 715€/per farmer.

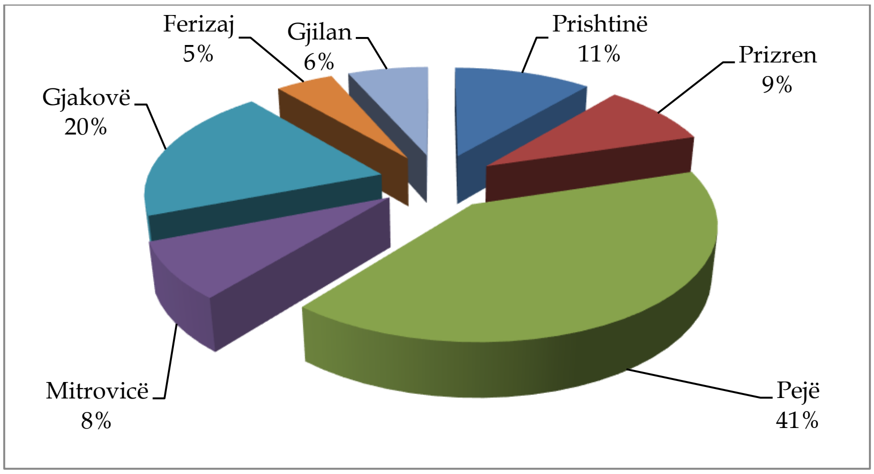
Table 94: Direct payments for milk according to quality by regions, 2015

No.	Region	No.of beneficiary farmers	Amount paid in €
1	Prishtinë	116	82,726
2	Prizren	95	45,039
3	Pejë	422	301,677
4	Mitrovicë	85	53,702
5	Gjakovë	205	171,928
6	Ferizaj	49	25,335
7	Gjilan	68	31,238
	Total	**1,040**	**711,644**

Source: Agricultural Development Agency (ADA)

In terms of support for milk according to quality, Peja is the leading region with 41%, followed by Gjakova with 20%, Prishtina 11% and other regions with 28%.

Figure 55: The number of beneficiary farmers by region, 2015



Source: Agricultural Development Agency (ADA)

<u>Reported cattle slaughter</u>

Subsidy of cattle slaughter began for the first time in 2015. The main purpose was that cattle slaughter be made in slaughterhouses licensed by FVA and this year the beneficiaries were slaughterhouses of categories A, B, C and D while in 2016 category D will not be supported, and this is done in order for slaughterhouses to improve their work and move to higher categories and thus enhance the quality.

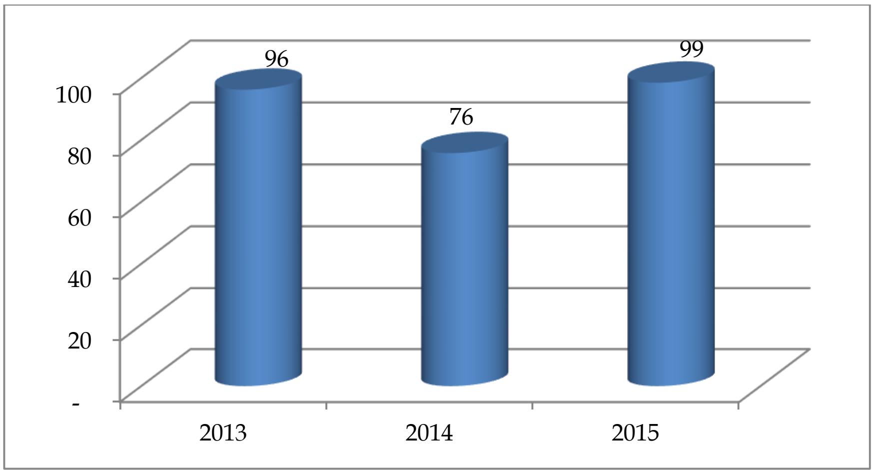
There were almost no applicants and there was only one beneficiary in the third quarter, who received 2.520 € for the reporting of 84 slaughtered heads. The payment was 30€/ head and out of the total amount, the slaughterhouse received 840€ and the farmer received 1.680 €.

5.2.3 Support for agricultural inputs

Support for seedlings

The subsidizing of seedlings continued in 2015. The changes that took place is the removal of the restriction regarding the maximum number of seedlings for which a farmer can benefit and the limits regarding payments for seedlings. All those who had 5.000 to 40.000 seedlings received 0.20€/piece, those with over 40,000 received 0.15€/ piece, while for vine grape seedlings the subsidies were 0.10€/ piece and were subsidized farmers that produced more than 5,000 seedlings. The amount of subsidies in 2015 was 28.7% higher compared to 2014.

Figure 56: Direct payments for seedlings 2013-2015, in 1000 €



Source: Agricultural Development Agency (ADA)

The total amount of direct payments for seedlings was 98.5 thousand €, where the largest number of beneficiaries was from the region of Gjilan whereas the region of Prizren and Ferizaj had only one beneficiary each. Unlike the subsidizing for other crops, there are no rejected farmers in terms of subsidizing for seedlings, i.e. all applicants have benefited. The average number of seedlings for which a farmer has benefited was 28.766 seedlings, where this number was the lowest in the region of Ferizaj (19.980) and the highest in the region of Gjakova (64.579)

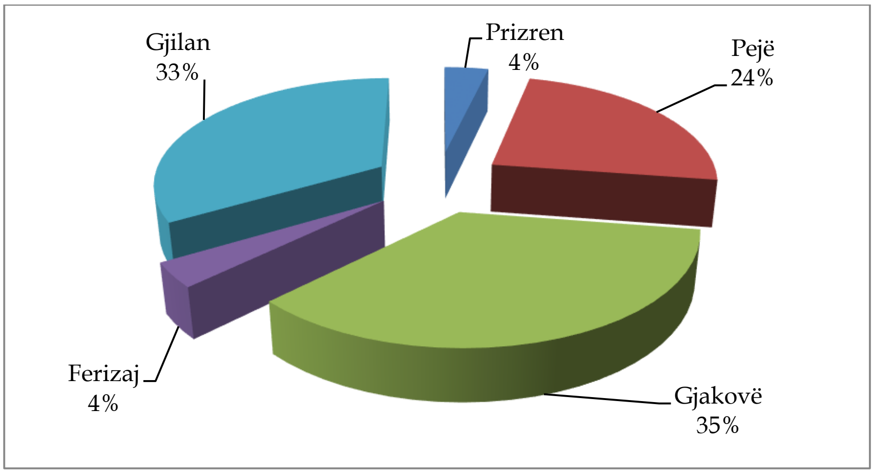
Table 95: Direct payments for seedlings by region, 2015

No.	Region	No.of Applicants	No.of beneficiary farmers	No.of heads subsidised	Amount paid in €
1	Prishtinë	-	-	-	-
2	Prizren	1	1	20,000	4,000
3	Pejë	5	5	129,466	25,893
4	Mitrovicë	-	-	-	-
5	Gjakovë	3	3	193,736	27,959
6	Ferizaj	1	1	19,980	3,996
7	Gjilan	9	9	183,371	36,674
	Total	**19**	**19**	**546,553**	**98,522**

Source: Agricultural Development Agency (ADA)

Despite the fact that the largest number of seedlings subsidized was in the region of Gjakova (35%), Gjilan received the highest amount of funds, ddue to the fact that in the region of Gjakova most of the farmers applied for subsidies for vine grapes seedlings, which are subsidized 0.10€/ piece. The municipality that had the highest number of seedlings subsidized was Kamenica with 156,621 seedlings and 8 beneficiaries, followed by Malisheva with 104.200 seedlings and 1 beneficiary, Klina with 3 beneficiaries and 82.866 seedlings while other municipalities, such as Rahoveci, Gjilani, Suhareka, Ferizaji, Deçani, Gjakova and Istogu had only one beneficiary each with a total of 202.866 seedlings.

Figurure 57: The number of seedlings subsidized by region, 2014



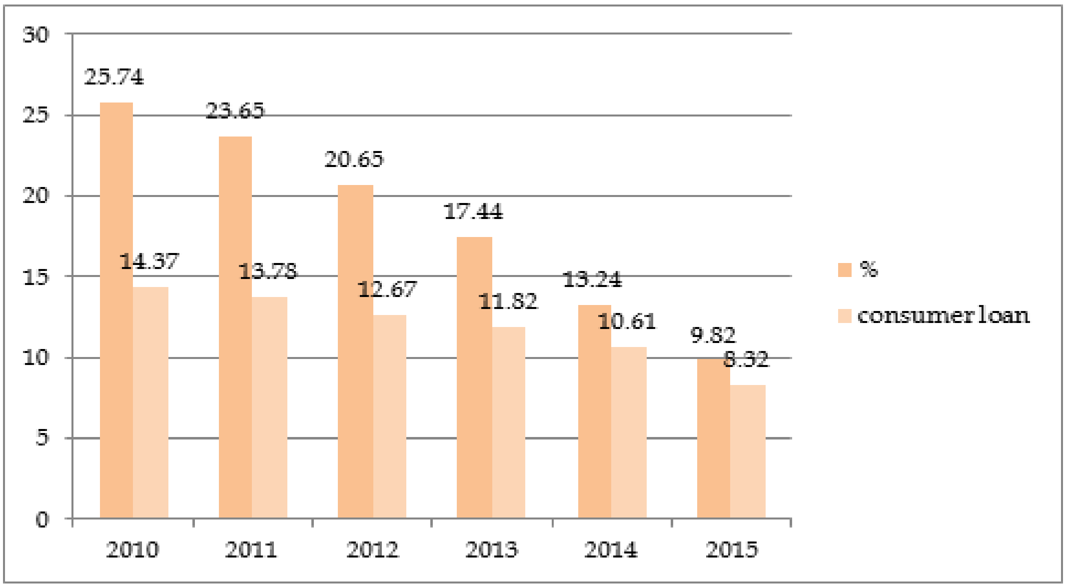
Source: Agricultural Development Agency (ADA)

Agro loans and guarantee fund

Kosovo's economy, especially agriculture despite the difficulties, preferential treatment and its consideration as a priority for economy, still needs a great 'push', including the need for loans. The agricultural sector has needed years of recovery and normalization of Agro-economy, where the overall level of development of agriculture sector is still not at the statisfactory level, despite continued support from the government (grants and subsidies) and from various donors.

Agriculture continues to have low access to bank financing with only 4.5% in 2015, being the least credited sector from financial institutions in Kosovo. Interest on loans for the agricultural sector are high compared with loans for other sectors and countries in the region, although 2015 was characterized by a decrease in the interest rate of 3.4% compared with the previous year, presented in the following table, which will be a positive stimulation for farmers.

Figure 58: Interest rate on agricultural loans



Source: CBK

Lending still has a high cost for farmers because for banks and microfinance institutions (MFIs), agro-credits are recognized as nonperforming loans. This low level of lending highlights the conservative approach of the banking system towards the agricultural sector. Lack of insurance system in agriculture also contributes to farmers' access to loans respectively at affordable loans.

Farmers need 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, set up of collection points, strage refrigirators, 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 amount od disbursed Agri-loans are PCB, RBKO and TEB, followed by Microfinance Institutions: KRK, AFK, etc. The table shows that most loans were disbursed in 2015 and their amount is 20 % more than the amount of loans in 2014. The number of loans granted since the beginning of 2010 and up to 2015 is approximately 116 thousand loans, with a total amount of 380.4 mil. €. Therefore, for those 6 years, an average of 1,600 loans were monthly disbursed, with an average amount of 5.3 mil. €.

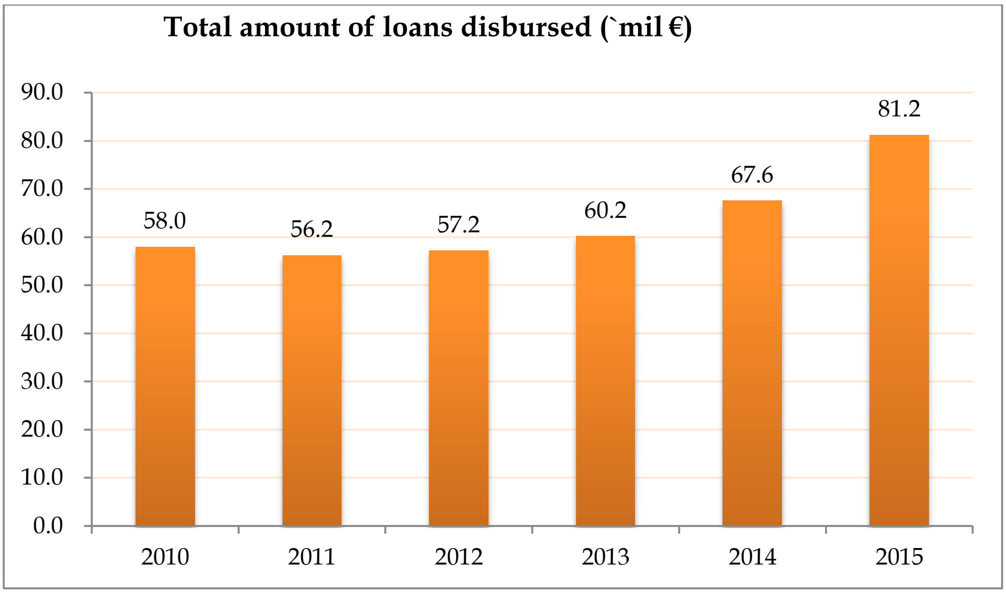
Table 96: Agri-loans 2010-2015

Agri-Loans 2006 - 2013	Disbursed loans	Number of loans disbursed	The amount of loans disbursed */(€)	The total amount of loans disbursed (`mn €)	The duration of the loan (months)	The average interest rate (%)	Agri loans / other loans (%)
2010	4 - 10,772	24,528	37,660 - 28,606,314	58.0	12 - 45	12.0 - 32.6	0.06 - 67.02
2011	3 - 7,198	20,865	8,560 - 27,395,515	56.2	16 - 33	12.0 - 32.8	0.02 - 60.83
2012	7 - 5,645	18,961	11,000 - 27,562,821	57.2	16 - 27	12.0 - 28.1	0.01 - 59.00
2013	3 - 3,608	17,578	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	0.7 - 58.6
2015	4 - 4,270	17,308	31,560 - 25,860,052	81.2	13 - 42	9.4 - 26.6	0.5 - 51.4
Total		115,682		380.4			

Source: Commercial banks and MFIs in Kosovo, * Bank and IMF

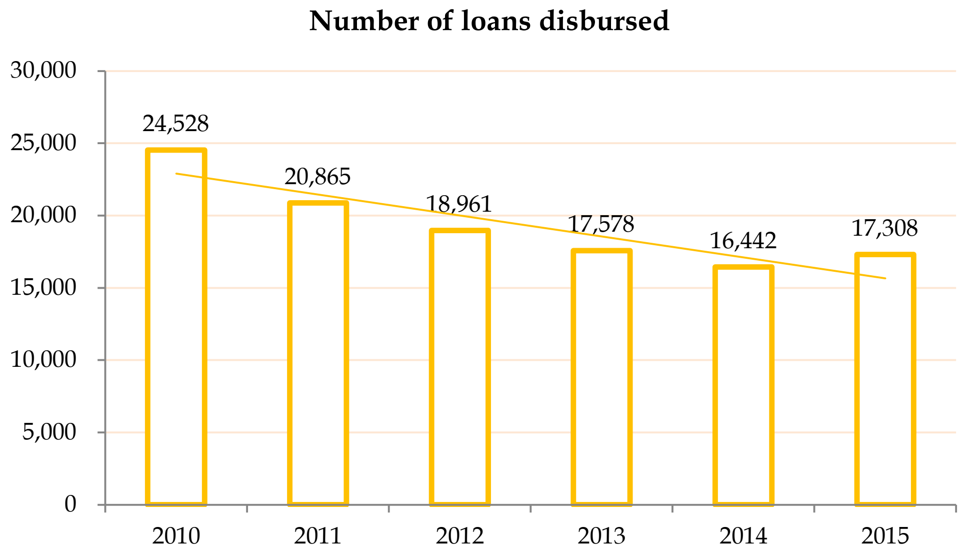
The leaders in the amount of loans disbursed are: PCB, TEB, RBKO, and as for the MFIs: KRK, AFK and KEP. The table and figure clearly show that years 2014 and 2015 can be clearly distinguished in terms of number of awarded loans, while the year 2011 has 30.8% less compared to 2015, in other words the volume of agricultural loan portfolio was doubled in 2015 compared with previous years.

Figure 59: The total amount of loans disbursed (mil. €)



Source: Commercial Banks and MFI in Kosovo

Figure 60: Number of loans disbursed



Source Commercial Banks and MFI in Kosovo

The above figures show that the amount of loans in 2010 was by 16.5% less than the amount in 2014 despite the higher number of loans which was 33% more than in the comparative year.

The repayment period for agricultural loans varies between 12 and 50 months depending on the loan destination. The maximum loan maturity was between 13 and 50 months in 2014, whereas the minimal maturity was between 16 and 27 months in 2012.

In 2006 the interest rates for agricultural loans varied between 8% and 48%, depending on the amount of loan and the repayment period, while in 2014 and 2015, 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. Previous years were 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. Throughout previous years 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 oler the years (in earlier publications presented starting from year 2006):

In 2010, the highest number of loans disbursed were achieved by PCB,KRK and KEP, while the highest amounts of loans were 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 were achieved by PCB, KRK and RBKO, ehile the highest amounts of loans were 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, RBKO, KRK and AFK whereas PCB, RBKO,KRK and AFK were the ones with the highest amounts of loans disbursed. The highest share of Agri-loans compared to other loans was achieved by Perspektiva, Mështekna, KRK and Qelim.

In 2013, the highest number of loans disbursed was achieved by PCB, KRK and AFK, whereas PCB, RBKO,KRK and TEB were the ones with the highest amounts of loans disbursed. The highest share of Agri-loans compared to other loans was achieved by Perspektiva, KRK and KGMAMF.

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

In 2015, the highest number and amounts disbursed was achieved by PCB, TEB and KRK, while the highest share of Agri-loans compared to other loans was achieved by : CRK, Qelim, WVI 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 5.4%, whereas among Microfinance Institutions this percentage varies between 9.4% and 23.8%, except in one Microfinance Institution which had about 85% of bad loans in the last ten years.

Guarantee Fund

The Ministry of Agriculture, Forestry and Rural Development (MAFRD) provides support for investments in agriculture, guaranteeing farmers' loans. Thanks to the cooperation with the European Bank for Reconstruction and Development, it is worth mentioning the initiative of Development Credit Authority - DCA of USAID and 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. $ (23.5 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 repayment period, which differentiates from 36 months without DCA to 48 months with DCA. Having a guarantee fund, banks issue loans with lower interest rates, consequently, they varied from 13.6% without DCA to 9.5% 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 2015, 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 (40,000 € with 55,000 €). 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 4% from the standard interest rate.

Based on the factors mentioned above, it may be concluded that the application of DCA is a positive step which advances and facilitates the lending for the development of agriculture and agri-businesses with the fact that also countries of the region have begun to apply it. The latest data that we have, 4 banks have fully utilized these funds, with 894 loans from the total amount, 86% of the Guarantee Fund has been used.

For 2015 there is a new overview of loan granting, with discount interest by banks but not by microfinance institutions. Thanks to the commitment and cooperation of the CBK, MAFRD, USAID, etc. has been achieved the reduction of bank interest on granting loans and facilitation in their granting to the agricultural sector.

5.3 Insurances in Agricultural Area

Agricultural producers in Kosovo as well as in other countries, face in cattle breeding and farming many natural hazards and other disasters that affect income and welfare. These risks are mainly related to: weather conditions, pests, diseases and many other factors. Benefits deriving from effective insurance in agriculture will have a broad positive impact on other sectors, which are linked in chain order to developments in agriculture. Agricultural insurance enables farmers and agricultural businesses to benefit recovery from natural disasters, because insurance covers partially losses from various disasters, supplier debts, bank loans instalments and provision of inputs for the next season.

Kosovo has good experience in terms of insurances in agriculture, since 30 years ago a special attention was paid to agriculture and cattle breeding insurance, being that agricultural cooperatives were obliged to ensure their production. Overall, 60% of the budget of the insurance companies of the time was dedicated to agriculture insurances. Agrokosova during those years had agricultural runways and planes located in Dobrajë, Klina, Gjakova (Bec) and Skenderaj. Also anti hail rocket system existed (Anti-hail rockets), as a prevention in protection of plant production from hail damage and the same existed until after the war. It is important to note the existence of the 'preventive Fund' which has greatly reduced the risk for the insurer e.g. preventing flooding by deepening channels or the riverbeds of the existing rivers, supplying nets and providing other benefits of a similar nature.

The current status of insurance companies according to information received from the Central Bank of Kosovo and from the insurance companies is not good at all. Out of twelve existing licensed insurance companies, the ones that deal with agriculture insurance are: "Kosova e Re", "Sigma", "Sigal" and "Siguria". These companies are organized within the Insurance Association and among them exists a willingness for staff training for the product 'insurance for agriculture and livestock' as well as for its promotion.

The procedures for authorization of companies are based on the Law on Insurance no. 05 / L-045 Article 7/9, i.e. CBK receives requests for licensing from companies, which are reviewed within 15 days and approved within 90 days. Fees are determined based on voluntary contracts by the insurance companies depending on specific or general conditions of the contract. Companies have been offered technical assistance from the NOA-USAID project, for calculating the premium and loss assessment. In case of dispute, CBK is responsible, on the basis of the insurance policy or the underwriting coverage. Efforts to support and advance this issue wwere also conducted by IFC, EFSE etc.

Based on the development trends of the insurance type in question, insurance companies are being reluctant to start with agricultural insurances.

As described above, agriculture insurance is not currently developed in Kosovo. Sigal is one of the licensed insurance companies that operate in Kosovo. Sigal's Board of Directors has approved introduction of a pilot project for insurance of dairy cows and depending on the results it will determine if it will expand to other agricultural categories. Sigal is in partnership with Raiffeisen Bank and since the bank takes into account insurance for loan granting, this will be an important guarantee in the loan granting decisions. Sigal will issue insurance for the loss and compulsory slaughtering of cows. In order to obtain insurance, the cows must be registered in the Farm Registry and the owner must have a contract with a dairy processor for the sale of its products. The farmer must have 5 or more cows.

Insurance will be linked to financing of loans through Raiffeisen Bank. Sigal sees the major obstacles for the agriculture insurance to be the limited technical expertise in Kosovo and insufficient statistics, which would provide updated data on farms (flows in the farm), and estimates regarding the loss in cases of natural disasters.

Sigal insurance company, as an active company of agricultural insurance in the Kosovo market, has trained staff on how to determine the rates and fees and to assess losses in cases of compensation of damages. Rates and fees for insurance of plant production (depending on the stage of growth) are on average 3% of the revenues for certain cultures, vineyards 3%, for fruit trees 4%, and 5% for nuts and hazelnuts. While livestock fee is determined by the sale value per head in live weight, depending on the category (average 4% of the value). Sigal has close business cooperation with banks, and in this case the bank loan officers will serve as marketing agents in promotion of security for clients requesting loans. Although the potential market for agricultural insurance is small in our country, according to experts in this field, the program can be introduced with the help of international insurance brokers. Biggest part of risk cost (liability) at level of 80% to 90%, can be transferred to the international reinsurance markets like Swiss Re, Partner Re, AON and Bruno Sforni, which have expressed interest in agricultural and livestock insurance in Kosovo.

The leading bank in Kosovo regarding the provision of agricultural loans is ProCredit Bank, which targets only commercial agricultural businesses and has offered loans with a minimum value of 3,000 euros with repayment periods of 7 years for capital purchases such as dairy cows and milking equipment, including the awarding of long-term loans up to 10 years for farmers who want to fund the purchase of agricultural land.

In terms of loans to agriculture Raiffeisen is the number two bank, while TEB Bank is emerging as the new factor in the agricultural market, with the number of loans granted to this sector continuously growing. This was enabled by the TEB new product-Agro-card, a credit card specifically tailored for the financial needs of agriculture. All interviewed banks are of the opinion that agricultural insurance will be a very positive factor that will influence the decision for granting loans to interested farmers. Some officials from the above banks have proposed to link the insurances with MAFRD subsidies and grants, to make them more affordable for the farmer.

Banks want to provide financial services to beneficiaries in agriculture, mostly when farmers use insurance to get protection against losses resulting from natural disasters. Besides farmers, banks are among the main beneficiaries from the implementation of the insurance policies. Insurance companies send insurance payments directly to the bank in order to meet financial obligations. In this case not only the risk of loan repayment is reduced, but insurance lowers the cost of loan service provision because the costs which become associated with liquidation of collateral is thus eliminated. Loans backed by insurance policies, should expect that banks reduce collateral requirements, proportional to the value of insurance coverage.

MAFRD is interested that in addition to the farmers support with subsidies and grants to also support the agricultural insurancee, specifically for compensation of premium in insurance companies for farmers that want to insure plants and livestock production. MAFRD through the program of provision of grants for farmers can allow that one part of grant is used to cover the cost of the agricultural insurance premium, in order to protect the public investment.

In the context of easing the situation for farmers in case of occurance of natural disasters, by the decision of the Secretary General of the Ministry of Agriculture, Forestry and Rural Development[8] was issued a decision to establish the Commission for verification of damage caused by floods, hail and other natural disasters in agriculture. This committee has operated since 2011 and it consists of three members (two members and the President) and has the task,

[8] Pursuant to Article 145 (paragraph 20), of the Constitution of the Republic of Kosovo, taking into account article 38 of Law no. 03 / L-189 on the State Administration of the Republic of Kosovo (Official Gazette no. 82, dt. 21 October 2010), based on Article 17 (paragraph 5 and paragraph 6) of the Regulation no. 02/2011 for fields of Administrative Responsibility of the Office of the Prime Minister and Ministries (22.03.2011), and in accordance with Article 5 (paragraph 5.4 c) of Regulation 2001/19 on the Executive Branch.

in cooperation with officials of the municipal departments for agriculture and officials of the regional offices, to verify the damages caused by floods, hail and natural disasters. The commission prepares written reports and reports to the Permanent Secretary of MAFRD.

So far there was no specific budget line for compensation of damages. According to data obtained from the Department of Central Administration Services, for "natural disaster damage" (without specifying type of damages), in 2013 a total amount of € 17,600.00 was paid to 16 farmers. However, in absence of funds, no payments were disbursed for 2014 and 2015.

The table below shows the data compiled by the Commission for Compensation of Damages in Agriculture within MAFRD (the data declared by the injured parties and confirmed by the Commission) for years 2012 to 2015.

Table 97: Identification of damages in agriculture according to years:

	2012	2013	2014	2015
Hail	5,500	1,258,000	2,165,000	783,000
Wind	120,000	107,000	22,500	100,000
Floods	48,000	78,000	702,000	11,000
Other	1,725,574	471,116	322,249	249,886
Total amount / €	**1,899,074**	**1,914,116**	**3,211,749**	**1,143,886**

Source: MAFRD

In 2012, damages from fire were in the amount of 706 thousand €. In 2013, the amount of damages by hail was 1.26 mil. € and in 2014 this was 2.16 milion € damages from hail and 702 thousand € damages from floods. The year 2015 is characterized with decrease in damages caused by natural disasters in general, with exception of hail which caused damages in the amount of 783 thousand €.

The ones ready for insurance in agriculture are the powerful commercial farmers who want access to agriculture insurance as a risk management tool. In general, they have good production and sales and they possess data for losses during the production process. Their greatest concern is the loss coverage level and the premium cost.

Unlike the first group, small size agricultural farms have low revenues and can not afford any insurance. These farms have also very little information available about their farms and thus it is difficult to determine the level of agricultural production. Therefore, insurance in the farm has a high transaction cost that makes almost impossible economic coping for the insurance.

Agricultural producers and processors in Kosovo, commercial farms dealing with production and agricultural products processing, are mainly privately owned by owners-managers who are educated, well-known to the local community and well linked to the business and donor organizations. These businesses keep records, operating as a professional business and they want to use insurance as a business tool for risk management.

The dairy sector is a unique sector due to the fact that cows are identified and registered. They have a known value in transactions based on market, milk production per cow is monitored and is contracted with milk processors and they have available health protection by receiving regular veterinary visits. These conditions make the dairy sector ideal for insurance companies.

Within the Direct Payments Program for 2016 is prepared the measure 501, which deals with technical assistance and also includes the measure for natural disasters which this year is in the amount of 500,000 Euro. For sustainable strengthening of the farmers support in such cases, MAFRD has prepared a draft measure to support agricultural households in occasions when natural disasters occur, which will support sectors: cereals, vegetables, greenhouses, orchards, nurseries, vineyards, machinery and agricultural households with livestock production: live animals, birds, bees, fish-aquaculture (fish farming and ponds), production and supporting facilities, as well as animal feed.

In this regard, according to the experts suggestions, MAFRD should take a more active role in supporting agricultural insurance, linking subsidies and grant support programs with insurances. This form would enable the preserving of amounts of more detailed information regarding production, agro-meteorological data, diseases and forms of losses in farm. In this respect, a very important source of statistical data that can be used is data from FADN (Farm Accountancy Data Network), which is data provided at the farm level, which enable the calculation of losses for different types of farms, as well as other information needed for agricultural insurance.

According to the results collected in the field and analyses conducted by the agriculture experts, the damage caused by hail and floods during the past four years was approximately 4 milion euros per year. From the information we have available we can conclude that the uncertainty in agricultural activities for Kosovo farmers is at a high level.

5.4 Rural Development Projects - Investment grants

In 2015 MAFRD continued with the grant support scheme, in order to support investment in agricultural households in different sectors as well as achieve higher standards and improve quality of various agricultural crops and achieve the overal objectives of RDP .

By including measures and sub-measures for different agricultural sectors, the RDP is implemented by the division for Approval of Rural Development Project as follows:

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 storage facilities, the meat sector (fattening of calves and broilers), the milk sector (milk cows, sheep and goats), the grape sector and the egg producing chickens sector.

Measure 103 - Investments in physical assets in the processing and trade of agricultural products, this measure involves the milk processing sector, the meat processing sector, the fruits and vegetables processing sector and the wine sector.

Measure 302 - Diversification of farm and rural business development, includes submeasures:

- 302.1 Beekeeping, production/processing and marketing of honey;
- 302.2 Collecting and processing of non-wood forest products and their marketing;
- 302.3 Processing of agricultural products (cultivated) and their marketing;
- 302.4 Development of craftsmanship activities and their marketing;
- 302.5 Development of rural tourism and farm tourism.

Measure –Scheme for irrigation of agricultural lands;

Measure 303 - Implementation of local development strategies - Leader approach includes submeasure

- 303.2 The first activity "Functionalizing of the selected LAG 2015 and RDN";

The budget projected for 2015 for above mentioned measures within the plan for agriculture and rural development is specified in the table below, for each measure and sub-measure.

Table 98: Budget projected for RDP 2015

Measures and sub-measures	Value in €
MEASURE 101: Investment in physical assets in agricultural households	**11,000,000**
101.1 Fruit tree sector	2,000,000
101.1.1 Sector of berry fruits	1,000,000
101.2 Sector of greenhouses and storage for vegetables	2,700,000
101.3 Meat sector (fattening of calves)	1,000,000
101.3.1 Meat sector (fattening of broilers)	600,000
101.4 Milk sector (cows)	1,600,000
101.4.1 Milk sector (sheep and goats)	700,000
101.5 Grapes sector	1,000,000
101.6 Eggs sector	400,000
Measure 103: Investments in physical assets in the processing and marketing of agricultural products	**5,000,000**
103.1 Milk processing sector	1,400,000
103.2 Meat processing sector	1,400,000
103.3 Fruit and vegetable processing sector	1,400,000
103.4 Wine processing sector	800,000
Measure 302: Diversification of farms and business development	**1,500,000**
302.1 Sector of beekeeping and production/processing and marketing of honey	300,000
302.2 Sector of processing of herbs, medicinal plants, forest fruits and collected mushrooms	300,000
302.3 Sector of farm processing and marketing of agricultural products on a small scale (vegetables, fruits, herbs, spices, medicinal plants, mushrooms and milk of sheep, goats)	300,000
302.4 Development of craftsmanship activities and their marketing	300,000
302.5 Development of rural tourism and farm tourism	300,000
Measure: Irrigation of agricultural lands	**2,000,000**
303.2 Implementation of local development strategies - Leader approach "first activity-functionalisation of selected LAGs 2015 and RDN.	**90,480**
Total	**19,590,480**

Source: Agricultural Development Agency (ADA)

After ADA completes controls in the field, the project approval or rejection process continues based on the control report. Following this process, a contract is signed between the beneficiaries and the ADA for the implementation of the investments foreseen, and in case of rejection, a rejection decision is compiled containing the reasons for rejection and than sent to the farmer. This concludes the RDP approval process and the investment implementation process than continues. The number of approved applications that have met the selection criteria based on the budget for the RDP for 2015 was 394 applications in the amount of

19,548,503.65 € including measure 101, measure 103, measure 302, measure 303 with their sub-measures and the measure of irrigation of agricultural land.

Table 99: The number of applications and approved value in € for the RDP 2015

Measures and sub-measures	No. of applications approved	Approved value in €
MEASURE 101: Investments in physical assets in agricultural holdings		
101.1 Fruit tree sector	41	2,328,543.95
101.1.1 Sector of berries	29	1,369,558.28
101.2 Sector greenhouses and warehouses for storage of vegetables	65	3,275,340.85
101.3 Meat sector (fattening of calves)	26	1,408,771.24
101.3.1 Meat sector (fattening of broilers)	15	800,987.43
101.4 The dairy sector (cows)	42	2,038,111.58
101.4.1 Milk sector (sheep and goats)	16	791,575.45
101.5 Grape sector	26	350,681.80
101.6 Eggs sector	5	295,511.85
Measure 103: Investments in physical assets in the processing and marketing of agricultural products		
103.1 Milk processing sector	6	1,005,739.90
103.2 Meat processing sector	9	1,604,928.00
103.3 Fruit and vegetable processing sector	13	2,244,316.10
103.4 wine processing sector	4	386,675.00
Measure: Irrigation of agricultural lands	**6**	**644,648.80**
Measure 302: Diversification of farms and business development		
302.1 Sector of beekeeping and production/processing and marketing of honey	52	441,597.65
302.2 Sector of processing of herbs, medicinal plants, forest fruits and collected mushrooms	7	117,096.20
302.3 Sector of farm processing and marketing of agricultural products on a small scale (vegetables, fruits, herbs, spices, medicinal plants, mushrooms and milk of sheep, goats)	10	180,010.16
302.4 Development of craftsmanship activities and their marketing	3	37,928.80
302.5 Development of rural tourism and farm tourism	7	142,960.61
303 Implementation of local development strategies - Leader approach		
303.2 Functionalisation of selected LAGs 2015 and RDN.	12	83,520.00
Total	**394**	**19,548,503.65**

Source: Agricultural Development Agency (ADA)

Below is presented the comparative table on the number of applications and their value for the years 2012, 2013, 2014 and 2015. This table shows the number of applications for each measure and sub-measure over the years, and their value in Euro.

Table 100: The nuumber of applications and their value for the years 2012-2015

Years		2012		2013		2014		2015
Sub-measures	**No. of appli.**	**Applied value €**	**No. of appli.**	**Applied value €**	**Nr.i apl.**	**Applied value €**	**Nr.i apl.**	**Applied value €**
Greenhouses sector – open field vegetables- warehouse	276	4,271,212	969	18,686,220	275	11,857,967	479	35,983,748
Fruit trees sector (apple, pear, plum, cherry)	328	5,849,077	340	7,439,019	159	6,274,381	160	9,872,955
Vinary sector - grape	138	802,066	58	719,912	35	842,474	50	1,755,181
Sector - berry trees (strawberries, raspberries, blackberries, blueberries)	157	711,727	339	3,158,275	96	2,926,206	372	14,319,799
Egg sector	34	1,041,892	42	2,301,024	18	1,036,950	33	2,844,626
Milk sector (cow, sheep and goats)	226	7,762,296	445	19,998,425	211	9,300,574	276	17,939,989
Meat sector - Broilers calves			86	3,853,403	143	8,218,692	320	26,423,145
Cereals sector					49	3,147,193		
LAGs	12	181,685	39	835,849			12	83,520
Trees sector - Infr.orchard	244	1,914,257	105	855,851				
Pilot measures - less-developed areas			116	3,021,820				
Beekeeping (302.1)			249	3,011,201	101	1,457,313	246	4,419,184
Processing of grasses, berries, mushrooms (302.2)			34	838,235	12	289,577	20	512,471
Processing on the farm (302.3), crafts (302.4) and rural development (302.5)							68	3,114,905
Agricultural mechanism			871	15,969,766				
Irrigation of agricultural lands			101	3,742,695	11	1,599,851	19	2,895,028
Processing and marketing (103)			109	20,503,366	70	15,695,756	87	26,936,648
Total	**1,415**	**22,534,216**	**3,903**	**104,935,067**	**1,180**	**62,646,936**	**2,142**	**147,101,204**

Source: Agricultural Development Agency (ADA)

5.4.1 Restructuring physical potential

Agriculture ranks as one of the most important sectors in Kosovo, therefore its support is being conducted in the best manner, aiming at aligning the needs and raising standards.

The majority of agricultural holdings are small size and therefore the need to increase the level of cooperation between farmers and producers plays a very important role for integration in the market chain.

Given the fact that most products are directly consumed by the family in the farm, this raises the need to focus on supporting investment in physical assets of farms that are commercialy oriented and are able to provide a steady income.

Given the importance of the issues mentioned above, MAFRD has drafted the measure "Investments in physical assets in agricultural households" a measure which includes sectors such as fruit trees, small fruits, greenhouse and storage of vegetables sector, meat sector, milk sector, grape sector and egg laying chicken sector.

The overall objective of this measure is to increase the competitiveness of the agriculture sector.

Among other objectives under the measure 101 "Investments in physical assets in agricultural households" are:

- Increasing agricultural production;
- Generation of new employment;
- Improvement of conditions in the farm, in order to meet the national and EU standards;
- Upgrading farms through the use of new equipment and mechanism
- Decreasing post-harvest losses through farm investments in storage technology, in order to increase productivity and quality of products;
- Decreasing emission of nitrogen oxide and methane through proper treatment of organic fertilizer and non-pollution of surface and ground waters;
- Improving energy efficiency by investing in energy saving techniques and renewable energy production;
- Improved integration of farmers with purchasers of agricultural products

Below are presented 6 sub-measures within measure 101, investments in physical assets in agricultural households, and the number of beneficiaries and the value approved in € for 2015, the total number of applications was 265 while the value approved was 12,659,082.43 €.

Table 101: Number of applications and the value approved for measure 101

Measure 101	Nr. applications approved	The value approved in €
101.1 Fruit trees sector	41	2,328,543.95
101.1.1 Small fruits sector (berries)	29	1,369,558.28
101.2 Sector of greenhouses and storage for vegetables	65	3,275,340.85
101.3 Meat sector (fattening of calves)	26	1,408,771.24
101.3.1 Meat sector (fattening of broilers)	15	800,987.43
101.4 Milk sector (cows)	42	2,038,111.58
101.4.1 Milk sector (sheep and goats)	16	791,575.45
101.5 Grape sector	26	350,681.8
101.6 Eggs sector	5	295,511.85
Total	**265**	**12,659,082.43**

Source: Agricultural Development Agency (ADA)

5.4.2 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 contribute to the apsect of food security as well as safe collection, transport and storage of raw materials.

Given this fact, MAFRD has implemented the measure "Investments in physical assets 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.

Measure 103 will support investment in the food processing industry in the following four sub-sectors: dairy processing, meat processing, processing of fruits and vegetables and wine sector.

General objectives of the measure 103 are:

- Increasing the competitiveness of the agro-food sector by increasing productivity and introducing new technologies and products;
- Supporting enterprises in selected sectors, in order to align with the rules, standards, policies and practices of the EU and the improvements in environmental protection, food safety and product quality, animal welfare and traceability of the food chain and waste management;
- Supporting economic and social development aiming sustainable and inclusive growth through the development of farms;
- Strengthening links with primary production;
- Addressing the challenges of climate change through the use of renewable energy.

Regarding measure 103, the number of applications approved for 2015 was a total of 32, with a dominance of the sector of fruits and vegetables in the amount of € 2,244,316.10 €, whereas the total amount approved was € 5,241,659.00.

Table 101: The number of applications and the approved value for measure 103

Measure 103	Nr. applications approved	The value approved in €
103.1 Milk processing sector	6	1,005,739.90
103.2 Meat processing sector	9	1,604,928.00
103.3 Fruit and vegetable processing sector	13	2,244,316.10
103.4 Wine processing sector	4	386,675.00
Total	**32**	**5,241,659.00**

Source: Agricultural Development Agency (ADA)

5.5 Capacity improvement and development

5.5.1 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 training.

During 2015 were undertaken various activities such as:

The project "Development of rural areas by enhancing advisory services" powered financially by the Ministry of Agriculture, Forestry and Rural Development is implemented by "Consult Engineering". The purpose of this project was meeting the needs of farmers and rural communities with practical advice on agriculture and rural development, increasing farmers' income and living standard of the community in rural areas of Kosovo.

Consultations were conducted in Kosovo municipalities based on topic requested by farmers, which together with the trainers have reported actual knowledge and achievements in the field of agriculture, forestry, veterinary and rural development and land-related fields. The organization and mobilization of municipal councillors for advise 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 advice to groups of farmers in different sectors – by the proposal of the municipal advisorss, 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.

2

7 experts were engaged to provide advice in various sectors of agriculture, most of whom Professors of the University of Prishtina, respectively experts on Livestock, Veterinary, field

crop production, vegetable growing, orchards, vineyards, forestry, apiculture, plant protection, agricultural premises, etc. All experts CV's were sent in advance to the project manager for approval. 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 field crop production 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 environment protection, 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.

5.5.2 Local Action Groups

In 2009 under the project funded by the EU were designed rural development strategies and in this regard 27 Local Action Groups (LAGs) were established registered as NGOs with a possibility to apply for all types of grants. The project started its activities in May 2007, and in October 2009 was able to support the establishment of 30 local action groups and their rural development strategies in 30 Kosovo municipalities. LAG consist of 25 members, with a 50:50 participation of organizations or public and private persons, where in most cases, the leader of the council is the director of the municipal agriculture office. 30% of the council members must be women, to ensure the participation of rural women in the local development process. In addition, the Network for Rural Development of Kosovo (RrZhRK), was established linking 30 LAGs in order to contribute to the economic development of rural areas by ensuring the support of local communities in the implementation of local development strategies. The network serves as a platform for the discussion of ideas, different proposals, providing technical assistance and exchange of experience between LAGs.

During 2015, various activities were undertaken within the LAGs.

In January 2015, was established a Working Group (WG) of the LEADER through a DRDP/AM initiative and approved by the Permanent Secretary. WG is made up of LAGs representatives and their network for rural development, DRDP/AM officials, the ADA's employees, NGOs and private experts. This group has prepared the measure 303 with its sub-measures.

The successful selection of the first group of 12 LAGs who have developed their strategies in conformity with the criteria required, is followed with implementation of the two first sub-measures, envisaged under Measure 303.1 LEADER "Design and implementation of local development strategies - LEADER approach ".

The budget allocated for sub-measures for 2015 is 300,000 euro.

Sub-measures 303.2. "The implementation of local development strategies" with two activities:

- The first activity is the functionalisation of LAGs selected, by supporting their operating costs.
- The second activity is the implementation of the selected LAG's SZHL(local development strategies) where they promote and implement small projects in accordance with SZHL and sub-measures 303.1. "The acquisition of skills and promotion / animation of the territory inhabitants of LAGs for LAGs selected."

The first activity is implemented, currently 12 LAGs operating offices are functionalized which are accredited as well as NRDK (RRZHRK), and office managers were selected who carry out their activities on the basis of terms of reference.

The second activity for the implementation of small projects is under progress. Recently, was published the call for applications for the sub-measure 303.1 "The acquisition of skills and promotion/animation of the LAGs territory inhabitants of LAG selected". 12 LAGs and NRDK applied for this sub-measure and are awaiting approval of the applications.

Table 102: Funds planned for implementation of sub-measures for 2015

Sub-measures	Budget in %	Budget in €
303.2. Sub-measure "Implementation of local development strategies"	60	180,000
First activity	48	87,640
Second activity	52	92,360
303.1. The acquisition of skills and promotion / animation of inhabitants of the LAGs territory for selected LAGs" For municipalities with 10.000 to 50.000 inhabitants up to 5000 €, for municipalities with 50.000 to 90.000 inhabitants up to € 7,000 for municipalities from 90.000 to 150.000 inhabitants up to € 9,000.	40	120,000
Total		**300,000**

Source: Department of Technical and Advisory Services

5.5.3 Structural promotion, efficiency and development

The Advisory Service in addition to the implementation of numerous projects, has paid a special importance to promotion. In this regard, there was a lot of work towards the promotion of advices and services offered through the design and programming of web site for the Department of Technical and Advisory Services.

Support for the advisory service with extension material, 9 captions of brochures were published. The topics were selected by municipal advisers on the basis of applications received by the farmers of the respective municipalities.

Published brochures of this year are:

- How to prepare a Business Plan;
- Preparation of vegetable seedlings, seeds planting and services performed after planting;
- Vineyard cadastre, its role and importance for farmers and wine producing companies;
- Breeding of small ruminants;
- Protection of crops from 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 " Vineyard cadastre, its role and importance for farmers and wine producing companies ," which at the request of the

Department of Viticulture and Viniculture is published in 7,000 copies which has reached and exceeded the annual number of copies of brochures.

Delivering messages to farmers, 10 messages were broadcasted on local televizion stations covering seven regions of Kosovo: Prishtina, Prizren, Peja, Gjilan, Gjakova, Ferizaj and Mitrovica. Messages were prepared in close cooperation with Department of Advisory and Technical Services (DTAS), and after approval, all messages were transformed into audio production and transmitted on local TV stations of the above mentioned regions.

Visits were organized for farmers within Kosovo but also in the countries of the region and the EU countries, with the aim of exchanging information and capacity building. For the third year in a row, continued the advising and training of potential applicants to apply for the grant program through loan obtained from the World Bank.

Within this activity, 10 modules in 8 regions were developed, 34 municipalities were included. During this period, 347 farmers have been trained, of which 68 women, while a number of 167 farmers and agro-processors received individual advice. The purpose of the training was the support of farmers and agro-processors concerned to apply for the 2015 grant program.

Table 103: The number of participants in training and individual advice

Region	Participants in training	Individual advice	Total
Prishtine	57	20	77
Mitrovice	70	12	82
Peje	27	20	47
Prizren	16	7	23
Ferizaj	33	27	60
Gjilan	34	26	60
Gjakove	73	55	128
Gracanice	37	0	37
Total	**347**	**167**	**514**

Source: Department of Advisory and Technical Services

During the period April - June 2015 and September 2015 - January 2016, training were organized to improve the efficiency of extension staff (Extension Methodology) for all public advisers of Municipal Information Centers, Department of Advisory and Technical Services of MAFRD- and private sector advisors in 5 regions in Kosovo. Also, within this project, 5 brochures were developed in Albanian and Serbian language: Diseases and pests of honey bees and their protection, Technology of processing and conservation of vegetables, Pruning of fruits during the period of relative dormancy, small livestock breeding – sheep, and a brochure on agriculture and agricultural equipment.

Activities were also conducted in the municipal advisory information centers of advisory services where advisers received around 40,100 applications from farmers related to subsidies in agriculture, including all sectors.

Tabela 104: Number of applications and services provided by MIC

No. of applications received from MIC	No. of farmers supported with extension material	No. of farmers supported in filling the applications	No. of farmers informed through MIC	No. of farmers supported in project preparation	No. of training days of advisors and leader farmers	No. of farmers supported with technical advice
40,100	**1,992**	**1,350**	**1,714**	**100**	**850**	**1,076**

Source: Department of Advisory and Technical Services

5.6 Policies on market, trade and international policy development

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% customs and 18 % VAT. Still, it has to do with only 28% of all agricultural imports in 2013, since imports from EU and CEFTA countries are excluded according to relevant agreements.
- 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 Stabilisation and Association Agreement with the EU, opening upopportunities for trade with EU countries.

SAA between the EU and Kosovo signed on 25 October 2015 is an international agreement concluded between Kosovo and the EU, the aim of which is the establishment of formal and contractual relations between the two parties with a view to membership in EU. The importance of SAA lies in enabling the following:

- The gradual development of a free trade zone between Kosovo and the EU within 10 years,
- Improving the business environment,
- Increasing the foreign direct investment,
- Increasing of direct investment
- Creation of new jobs,
- Increasing of competition and stimulation of export,
- Access of Kosovo businesses to the EU market.

In order to beter regulate the market for agricultural products market based on EU regulations, MAFRD is in the process of draftin the concept paper on the Organization of the market for agricultural products.

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

- Improving the availability of data and analysis of trade flows for a beter monitoring of market developments.
- Establishing and support of special inter-ministerial committees dealing with aspects of agricultural production and trade.
- Supporting of international competitiveness of agriculture and processing industries through trade related measures such as strengthening brand names, labeling, improvement of sanitary , phytosanitary and veterinary measures.

- Monitoring and providing support in cases of antidumping measures.
- Supporting the improved registration of trade and management capacities (e.g. International Trade Guidelines for Kosovo)

Legislative basis:

- Law No. 04/L-048 on Foreign Trade (Official Gazette of the Republic of Kosovo, no. 28),
- Law No. 04/L-005 on Internal Trade (Official Gazette of the Republic of Kosovo, no. 5),
- Law No. 04/L-047 on Safeguard measures on imports (Official Gazette of the Republic of Kosovo, no. 17),
- Law No. 03/L-097 on Anti-dumping and Countervailing Measures (Official Gazette of the Republic of Kosovo, no. 69),
- Law No. 04/L-26 on Trademarks (Official Gazette of the Republic of Kosovo, no. 10),
- Law No. 05/L-037 on VAT (Official Gazette of the Republic of Kosovo, no. 23),
- Law No. 04-L/163 on goods exempt from customs tax and goods with zero customs tax. (Official Gazette of the Republic of Kosovo, no. 80),

The tax regime in Kosovo

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

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

- 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 agri-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 Annexes

6.1 List of laws and legal acts related to Agriculture, Foresty and Rural Development

6.1.1 The national legislation in force

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

Administrative Instructions issued by the Ministry of Agriculture, Forestry and Rural Development in 2015

Administrative Instruction (MAFRD) No. 01/2015 on Measures and Criteria of Support in Agriculture and Rural Development for 2015, dated 02.03.2015.

2. Administrative Instruction (MAFRD) No. 02/2015 on Direct Payments in Agriculture for 2015, dated 02.03.2015.

3. Administrative Instruction (MAFRD) No. 03/2015 on determining the form, content and manner of issuance of the license for collection, industrial processing of tobacco and its products, dated 08.10.2015

4. Administrative Instruction (MAFRD) - No.04/2015 Criteria for Support of Local Development Strategies - Leader Approach for 2015, dated 13.10.2015.

5. Administrative Instruction (MAFRD) - No.05/2015, dated 27.10.2015, on Amending and Supplementing the Administrative Instruction (MAFRD) No. 15/2014 on placing living animals in quarantine.

6. Administrative Instruction (MAFRD) - No.06/2015 dated 27.10.2015 on Amending and Supplementing the Administrative Instruction No. 12/2012 on Animal Identification and Registration.

7. Administrative Instruction (MAFRD) No. 07/2015 on the form, content and procedures on professional exam and issuance of certificate for agriculture and rural development advisors, dated 06.11.2015.

8. Administrative Instruction (MAFRD) No.08/2015 on the form, content and procedures of issuing license for legal person that provides advisory services on agriculture and rural development, dated 06.11.2015.

9. Administrative Instruction (MAFRD) No.09/2015 on the form, content and procedures for maintaining the register for providers of advisory services on agriculture and rural development, dated 06.11.2015.

10. Administrative Instruction (MAFRD) No.10/2015 on application of work methods from provider of advisory services for agriculture and rural development, dated 06.11.2015.

11. Administrative Instruction (MAFRD) No.11/2015 on the composition, work and authorizations of the Commision for supervision of advisory services for agriculture and rural development, dated 06.11.2015.

12. Administrative Instruction (MAFRD) - No.12/2015 on the form and content of the annual training plan of advisors for agriculture and rural development, dated 06.11.2015.

13. Administrative Instruction (MAFRD) No.13/2015, on the work conditions and procedures of the advisory services of the legal person that provides advisory services on agriculture and rural development, dated 06.11.2015.

6.2 Statistics regarding employment

Table 105: Employment by activities and sex

Kosovo 2014 (aged 15 and above)	Male	Female	Total
Economis acticities (in 000)			
Agriculture, Foresty 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 astate 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 2015

6.3 Statistics on the farm structure by sector

6.4 Statistics on prices

Table 106: Prices in the value chain 2010, €/kg

Products	Local price	Imports price	Differnece (€)	Difference (%)
Wheat	0.19	0.18	-0.01	-5
Corn	0.22	0.13	-0.09	-41
Patatoes	0.29	0.21	-0.08	-28
Cobbages	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
Grapes	0.80	0.56	-0.24	-30
Farm chicken	1.94	1.19	-0.75	-39
Milk	0.29	0.68	0.39	134
Honey	7.42	3.82	-3.6	-49
Eggs	2.13	1.44	-0.69	-32

Source: KAS, developed by DEAAS - MAFRD

Table 107: 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
Patatoes	0.30	0.26	-0.04	-13
Cabbages	0.17	0.29	0.12	71
Peppers	0.58	0.28	-0.3	-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
Grapes	0.93	0.73	-0.2	-22
Farm chicken	2.12	1.46	-0.66	-31
Milk	0.31	0.68	0.37	119
Honey	8.11	4.39	-3.72	-46
Eggs	2.51	2.50	-0.01	0

Source: KAS, developed by DEAAS - MAFRD

Table 108: 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
Patatoes	0.32	0.22	-0.1	-31
Cabbages	0.24	0.07	-0.17	-71
Peppers	0.58	0.36	-0.22	-38
Beans	2.47	1.02	-1.45	-59
Tomatoes	0.71	0.29	-0.42	-59
Apples	0.54	0.71	0.17	31
Grapes	0.93	1.01	0.08	9
Farm chicken	2.12	1.92	-0.2	-9
Milk	0.32	0.65	0.33	103
Honey	8.52	4.81	-3.71	-44
Eggs	2.91	1.53	-1.38	-47

Source: KAS, developed by DEAAS - MAFRD

Table 109: 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	-0.1	-32
Patatoes	0.43	0.24	-0.19	-44
Cabbages	0.17	0.19	0.02	12
Peppers	0.78	0.78	0	0
Beans	2.63	0.87	-1.76	-67
Tomatoes	0.56	0.23	-0.33	-59
Apples	0.53	0.35	-0.18	-34
Grapes	0.85	0.46	-0.39	-46
Farm chicken	2.27	1.16	-1.11	-49
Milk	0.33	0.61	0.28	85
Honey	8.83	4.71	-4.12	-47
Eggs	2.69	2.72	0.03	1

Source: KAS, developed by DEAAS - MAFRD

Table 110: Prices in the value chain 2014, €/kg

Products	Local price	Imports price	Difference (€)	Differnece (%)
Wheat	0.20	0.20	0.00	0
Corn	0.28	0.21	-0.07	-25
Patatoes	0.34	0.30	-0.04	-12
Cabbages	0.19	0.19	0.00	0
Peppers	0.68	0.42	-0.26	-38
Beam	2.92	1.14	-1.8	-61
Tomatoes	0.68	0.31	-0.37	-54
Apples	0.55	0.29	-0.26	-47
Grapes	1.02	0.55	-0.47	-46
Farm chicken	2.33	1.20	-1.13	-48
Milk	0.33	0.62	0.29	88
Honey	9.00	5.02	-3.98	-44
Eggs	2.78	1.22	-1.56	-56

Source:KAS, developed by DEAAS - MAFRD

Table 111: Prices in the value chain 2015, €/kg

Products	Local price	Imports price	Difference (€)	Difference (%)
Wheat	0.19	0.18	-0.01	-5
Corn	0.23	0.17	-0.06	-26
Patatoes	0.33	0.30	-0.03	-9
Cabbages	0.23	0.19	-0.04	-17
Peppers	0.81	0.47	-0.34	-42
Beam	2.68	1.17	-1.51	-56
Tomatoes	0.54	0.36	-0.18	-33
Apples	0.48	0.33	-0.15	-31
Grapes	0.91	0.44	-0.47	-52
Farm chicken	2.06	1.56	-0.5	-24
Milk	0.30	0.60	0.3	100
Honey	9.77	4.99	-4.78	-49
Eggs	2.23	1.42	-0.81	-36

Source: KAS, developed by DEAAS - MAFRD

6.5 Comperative statistics

Table 112: Comparasion of key labour statistics between countries

	Participation rate in the workforce			Employment to population ratio			Unemployment rate		
	2013	**2014**	**2015**	**2013**	**2014**	**2015**	**2013**	**2014**	**2015**
Kosovo	40.5	41.6	37.6	28.4	26.9	25.2	30	35.3	32.9
Albania	59.9	61.5	64.2	50.2	50.5	52.9	16.1	17.9	17.5
FYR of Macedonia	57.2	-	64.9	40.6	-	47.8	29	-	26.3
Serbia	62.2	51.6	51.6	49.2	42	42.5	21	17	17.7
Montenegro	58.9	61.6	62.6	47.4	50.4	51.4	19.6	18.2	17.8
Bosnia and Herzegovina	43.6	43.7	44.1	31.6	31.7	31.9	27.5	27.5	27.7

Source: Web sites of National Statistical Offices