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 2017

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Kosovo Green Report 2017

Ministry of Agriculture, Forestry and Rural Development, Prishtina 2017

Foreword

Agriculture and rural development are one of the most important sectors, contributing to the overall economic development. These sectors bring high opportunities for Kosovo and its citizens to alleviate poverty by creating new jobs and creating a favorable developmental environment for the residents in rural areas.

Through policies and strategic development, we as a Ministry are focused on encouraging agricultural production, stimulating farmers and creating new opportunities for them. In addition, these policies and strategies will also assist in accomplishing a sustainable development and a better use of our natural resources.

This is the 5th edition of the Green Report published by the Ministry of Agriculture Forestry and Rural Development, and it shows the current situation of agriculture in Kosovo. I am very pleased to announce the publishing of this report which highlights the constant progress regarding agriculture and rural development.

However, there are many challenges onward, which are explained in this report, that together with our experts, partners and investors, through a comprehensive strategy we will try to alleviate these challenges and come with positive results.

I appreciate the effort of each official who took part in the process of collecting, updating and analyzing to come up with this valuable document.

We will continue the partnership with those who want to contribute towards a sustainable development of the agricultural sector and make it the most successful sector of Kosovo's economic development.

Nenad Rikalo

Minister

Introduction

The Green Report is an annual publication which represents a comprehensive overview of the agricultural sector. It is important to mention that this report, serves as a guideline of our development strategy and policies for the sector. Besides, the results from this report help us to make annual adjustments concerning agricultural investments.

This is the 5th edition of the Green Report, which is prepared in cooperation between the departments and agencies of the MAFRD, and also other governmental and non-governmental organizations. Moreover, the Steering Committee (SC) plays an important role and ensures that this report is inclusive and impartial, it also helps in sharing responsibilities in creating this report and in the engagements of our departments and agencies.

The report is prepared by the Department of Economic Analysis and Statistics (Skender Bajrami, Belgin Dabiqaj, Shkëlqim Duraku, Delvina Hana, Adelina Maksuti, Edona Mekuli, Shqipe Tërshnjaku and Hakile Xhaferi) coordinated by director Ekrem Gjokaj and supported by Secretary General Kaplan Halimi. Besides, we want to appreciate everybody who supported us, by sharing and providing valuable information for the preparation and finalization of the Green Report 2017.

The Green Report intends to report annually, the significant improvements that have been made in production and production practices, product diversity and other relevant areas. It is important for us to represent positive results regarding the consumption of domestic products and export, with special focus in consolidation of domestic economy, poverty alleviation, social welfare, employment, trade balance and sustainable development.

We will work continuously to bring and update information, with the aim that report will be useful and helpful for the public. Also we encourage all those involved or intend to participate in the agriculture sector.

Ekrem Gjokaj, PhD., Editor

Director of the Department of Economic Analysis and Agricultural Statistics

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List of abbreviations

AAD	Agency for Agriculture Development
ADA	Austrian Development Agency
AFK	Agency for Financing in Kosovo
BFB	Bank for Bussines
BIP	Border Inspection Point
c.w.	Carcass weight
CBK	Central Bank of the Republic of Kosovo
CEFTA	Central European Free Trade Agreement
CIHEAM	Mediterranean Agronomic Institute of Bari
COSiRA	Competitiveness of the private sector in rural areas
DAPM	Department of Agriculture Policies and Markets
DCA	Development Credit Authority
DEAAS	Department of Economic Analyses and Agriculture Statistics
DFT	Department of Food Technology
DMWAE	Directorate for management of wild animals and ecotourism
DRDP	Department of Rural Development Policy
DTAS	Department of Technical Advisory Services
EC	European Commission
EEA	Economic Accounts for Agriculture
EU	European Union
FAO	Food and Agriculture Organization
FAV	Faculty of Agriculture and Veterinary
FINCA	Foundation for International Community Assistance
FVA	Food and Veterinary Agency
FVL	Food and Veterinary Laboratory
GDP	Gross Domestic Product
GHG	Green House Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GVA	Gross Value Added
ha	hectare
HACCP	Hazard Analysis Critical Control Point
HBS	Household Budget Survey
IAC	Informative Advisory Centre
ISO	International Organisation for Standardisation
KAI	Kosovo Agriculture Institute
KAS	Kosovo Agency of Statistics
KEP Trust	Kosovo Enterprise Program

KEPA	Kosovo Environmental Protection Agency
KFA	Kosovo Forestry Agency
KGMAMF	Kosovo Grameen Mission Arcobaleno Microcredit Fund
KRDN	Kosovo Rural Development Network
KRK	Kosovo Rural Credit
LAG	Local Action Groups
LDS	Local Development Strategy
LFS	Labor Force Survey
MA	Managing Authority
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MD	Municipal Departments
MESP	Ministry of Environment and Spatial Planning
MIF	Microfinance institutions
mil.	million
MSS	Molecular Serology Sector
MTI	Ministry of Trade and Industry
NFI	National Forest Inventory
NGO	Non-governmental Organization
NIPH	National Institute of Public Health
NLB	Nova Ljubljanska Banka
NPISH	Non-profit Institutions Serving Households
OECD	Organisation for Economic Cooperation and Development
PCB	Procredit Bank
RDP	Rural Development Plan
S4RE	Skills for Rural Employment
SME	Small and Medium Enterprises
t	ton
TEB	Turk Ekonomi Bankasi
UNFCCC	United Nations Framework Convention on Climate Change
USA	United States of America
USAID	United States Agency for International Development
VAT	Value Added Tax
WTO	World Trade Organization

1 Resources and inputs

1.1 Overall economic environment

According to the data of the Kosovo Agency of Statistics on the Gross Domestic Product, Kosovo's economy marked a real growth of 4.1% in 2016, taking into account the positive contribution of both consumption and investment.

Another important factor that can be noted is the acceleration of the banking sector's lending activity growth, which had a significant impact on financing the growth of the private sector activity. On the other hand, the negative trade balance continues to be the main factor hindering the achievement of a higher rate of economic growth. The economy of Kosovo continued to be characterized by macroeconomic stability during 2016. The inflation rate, as in the Eurozone economy and the economies of the region, remained at a very low level.

The financial system continued to expand its activity, thus offering the country's economy a richer offer of financial products. The financial intermediation activity of the banking sector has continued to grow steadily, thus serving as an important supporter of the sustainable development of the private sector. Year 2016 marked the acceleration of lending both to enterprises and to households. The highest growth rate was recorded in household loans, whose access to banking financing of is growing from year to year. Interest rates on bank loans in Kosovo continued to decrease in 2016, coupled with facilitations in other aspects of access to credit.

Global economic activity has recovered during 2016, albeit with significant differences between regions. Annual GDP growth in the Eurozone in 2016 was 1.8%. During 2016, economic growth in the Eurozone was largely based on domestic demand.

The continuous improvement of conditions in the labour markets and low oil prices have led to an increase in revenues, thus affecting the growth of domestic consumption. Economic growth in the Eurozone was largely supported by central Euro area economies such as Germany (1.9%), France (1.2%), Austria (1.5%), Spain (3.2%) and Italy (0.9%).

The performance of economic activity in the Western Balkans continued to be strengthened. Demand growth in the Eurozone, as the main trading partner for the countries of the Western Balkans, was translated into improving the net export position in several countries in the region. Growth of exports, coupled with the growth of foreign investment and domestic consumption, appear to be an important contributor to the average growth of about 3.0% of GDP in the Western Balkans in 2016.

The table below presents the data in tabular form for Gross Domestic Product by economic activities 2010-2016.

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

	Economic activities	Gross Value Added (GVA)						
		2010	2011	2012	2013	2014	2015	2016
A	Agriculture, hunting, forestry and fishing	598,838	614,262	617,588	638,710	661,820	599,608	635,044
B	Mining and quarrying	136,399	124,087	114,049	118,288	116,411	118,447	126,698
C	Processing industry	489,304	493,945	549,265	584,764	575,830	625,841	665,852
D	Energy and gas supply	108,249	123,450	128,280	144,870	156,739	191,221	211,821
E	Water supply	29,936	34,287	36,620	52,059	47,078	48,344	44,870
F	Construction	283,165	361,886	341,199	352,185	335,153	397,314	395,438
G	Wholesale and retail; repair of vehicles and motorcycles	538,761	535,207	611,578	655,390	688,580	712,234	746,731
H	Transport and storage	171,433	186,582	187,695	233,714	197,360	209,275	220,501
I	Hotels and restaurants	27,477	34,843	39,082	49,795	52,093	60,094	71,861
J	Information and communication	34,547	42,113	54,359	53,279	109,251	108,965	111,556
K	Financial and insurance activities	151,483	173,521	192,621	213,264	221,158	212,086	175,836
L	Real estate activities	417,021	416,862	437,190	475,530	499,116	499,305	483,836
M	Professional, scientific and technical activities	51,586	62,086	72,106	74,587	76,593	90,861	93,868
N	Administrative and support activities	12,114	19,635	22,422	21,577	34,082	33,859	37,189
O	Public administration and protection; mandatory social insurance	434,705	476,976	497,788	495,527	499,169	454,493	465,893
P	Education	122,292	154,861	162,005	164,556	217,134	234,071	242,634
Q	Health and social welfare activities	57,919	67,380	72,006	75,251	97,600	107,790	112,584
R	Art, entertainment and leisure	11,333	15,394	20,262	23,754	22,932	23,653	24,955
S	Other services	10,550	7,484	10,898	8,409	9,353	12,744	12,871
T	Activities of households as employers; Undifferentiated goods and services producing activities of households for own use	5	5	1	-	-	-	-
	GVA at basic prices	**3,687,117**	**3,944,864**	**4,167,016**	**4,435,509**	**4,617,451**	**4,740,205**	**4,880,038**
	Taxes on products	795,524	949,831	973,592	978,075	971,540	1,097,282	1,220,098
	Subsidies on products	-80,677	-80,159	-81,844	-86,967	-21,497	-30,479	-30,023
	Gross Domestic Product	**4,401,964**	**4,814,535**	**5,058,763**	**5,326,617**	**5,567,494**	**5,807,009**	**6,070,113**

Source: KAS, Gross Domestic Product 2010-2016

Based on the statistics presented in the table above, we note that GDP at current prices in 2016 was 6,070 mil. €, while the real growth in 2016 compared to 2015 was 4.1%.

Gross Domestic Product per capita for 2016 was 3,386 €. Generally, real growth for 2016 was present in the following economic activities:

Construction 4.47%, Financial and insurance activities 4.39%; Wholesale and retail; repair of vehicles and motorcycles 4.38%, Transport and storage 4.30%, Energy and gas supply 4.12%, as well as Agriculture, hunting, forestry and fishing with an increase of 3.08% etc.

The following activities recorded a decrease: water supply 7.59%, and mining and quarrying 3.55 %.

The real growth according to the main components of GDP with the expenditure approach for 2016 was as follows:

Real growth according to GDP components, with expenditures approach: final consumption expenditures of NPISH increased by 21.9%, Inventory changes 10.5%, Import of goods (FOB) 8.6%, gross fixed capital formation 7.3%, Final consumption expenditure of Households 6.6% and Exports of services 4.7%.

On the other hand, the following activities were characterized as declining: Final consumption expenditure of the Government 6.3%, Exports of goods 4.5%, and Import of services 4.3%.

The table below shows the data for the Gross Domestic Product with the expenditure approach 2010-2016.

Table 2: Gross Domestic Product at current prices 2010-2016, (in mil €)

	2010	2011	2012	2013	2014	2015	2016
GDP at current prices	4,402	4,815	5,059	5,327	5,568	5,808	6,070
Final consumption expenditure	4,517	4,976	5,320	5,539	5,731	5,859	6,146
Final consumption expenditure of Households	3,768	4,003	4,282	4,446	4,802	4,943	5,268
Final consumption expenditure of the Government	722	802	842	864	910	894	854
Government of Kosovo	496	578	625	659	724	772	730
Donors (salaries)	227	224	217	205	187	122	124
Final consumption expenditures of NPISH	26	31	20	23	19	22	24
Gross capital formation	1,451	1,632	1,465	1,471	1,435	1,601	1,650
Gross fixed capital formation	1,301	1,476	1,317	1,323	1,294	1,499	1,550
Inventory changes	149	157	148	148	141	102	100
Net export	-1,565	-1,793	-1,727	-1,684	-1,599	-1,652	-1,726
Imports of goods and services	2,443	2,737	2,649	2,611	2,852	2,926	3,072
GDP per capita (Euro)	2,480	2,672	2,799	2,935	3,084	3,277	3,386

Source: KAS, Gross Domestic Product 2010-2016

The overall price level in Kosovo, expressed through the consumer price index, has been characterized by an average increase of 0.3% in 2016. Food prices were characterized by 0.1% decrease, as they account for about 33.9% of the Kosovo market basket.

Budget revenues[1] in 2016 reached a net value of 1.60 billion €, which represents an annual increase of 9.6%[2]. Budgetary expenditures[3] reached the value of 1.66 billion €, which represents an annual increase of around 5.7%. Consequently, Kosovo's budget recorded a primary budget deficit of 61.1 million €, compared to the deficit of 111.4 million € in 2015, while as a share of GDP, the primary deficit decreased from 1.9% to 1.0%. The deficit in goods trade was characterized by an annual increase of 7.4% in 2016, as a result of the

[1] Budgetary revenues do not include revenues from borrowings, privatization proceeds, receipts from donor designated grants and receipts from trust deposits.

[2] CBK, Annual Report 2016, June 2017

[3] Budget expenditures do not include debt payments, IFI membership fees and returns from deposit funds.

decrease in exports and increase in imports. Exports of goods amounted to 309.7 million €, which corresponds to an annual decrease of 4.8%. Balance in the services trade amounted to 565.0 million €, an increase of 23.6% compared to the previous year. The total value of exported services recorded an annual increase of 9.1%, reaching 1.038.4 million €. On the other hand, the value of service imports decreased by 4.3% and amounted to 473.4 million €.

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

Description	Current account	Goods and services	Out of which goods	Revenues	Current transfers	Capital and financial account	Out of which capital	Net errors and nondisclosures
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	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	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	92.6	1,149.30	-236	25.8	253.5
2016	-534.6	-1,725.80	-2290.80	80.9	1,177.00	-106.1	14.2	-120.3

Source: CBK, Annual Report, 2016

During 2016, current and capital account deficit amounted to 534.6 million €, compared to the deficit of 471.4 million € in the previous year. This increase of the current and capital account deficit is attributed to the increase of the deficit in the goods account and the decrease recorded in the positive balance of the primary revenues account, while the positive balance of services and the secondary revenues account increased.

Balance in services trade amounted to 565.0 million €, an increase of 23.6%. The total value of exported services recorded an annual increase of 9.1%, reaching 1.038.4 million €, while the value of imported services decreased by 4.3% and amounted to 473.4 million €. Within the exported services, the travel services and transport services were characterized by an annual increase of 12.4 and 6.6% respectively, while the category of computer, information and telecommunication services decreased by 11.6%. Regarding the services import, the transport services decreased by 15.1%, while travel services recorded an increase of 4.2%. The primary income account was characterized by a decrease of 12.6%. The balance of income from employee compensation was reduced by 5.6%, while the balance of income realized by investments was reduced by 1.6%. In 2016, the secondary income balance increased by 3.2%, attributable to the higher level of remittances. Remittances received in Kosovo, which also represent the largest category within the secondary income account, amounted to 691.0 million €, representing an annual increase of 3.8%.

1.1.1 Socio-economic development rate

Agriculture has traditionally played an important role in the Kosovo economy. The contribution of the agricultural sector to GDP and employment is similar to the countries in the region but higher than in the OECD and EU member states. However, over the years, the contribution rate of this sector is declining.

In our country, the food and agriculture sector has the potential to contribute significantly to overall economic development, poverty reduction and food safety, as in 2016 had a share of 10.5% in GDP. The share of agricultural products export value to total export value in 2016 was 15%. The total value of agricultural production including services is estimated to be 736.8% million €, where the plant products had a value of 412.3 million €, with a share of 56%, livestock products 302.4 million € or 41%, and services 22.1 million €, which had a share of 3%. To further advance and improve the situation, agricultural policies are oriented towards increasing sustainable agricultural productivity, including policies that affect the agricultural business environment and the meaner of using natural resources to support structural transformation and innovation in agriculture.

For the implementation of the foreseen activities, the allocated budget to support the agriculture sector has increased from year to year. For 2016, the MAFRD had available a budget of 55 million €. The budget allocation for the first pillar measures for 2016 was 50%, from the total budget for grants and subsidies. For the implementation of these foreseen activities, the Rural Development Program 2016 has been drafted, as an annual support program for farmers and agro-processors in the country. The budget planned for the implementation of this Program was 23 million € and is distributed in five main measures: Measures for investment in physical assets of agricultural holdings; Measure for investment in physical assets in processing and trading of agricultural products; Measure for farm diversification and business development; Measure for Local Action Groups and Measures for Irrigation of Agricultural Land. The amount of funds allocated in this direction has increased the interest of farmers for application, where there has been a considerable increase in the areas of trees, especially with berries.

In the agricultural sector, the drafting of the Direct Payments Program 2016 continued this year as well, as an annual program of support to farmers. This year, marked for the first time the direct payment support also for barley, rye, organic farming, aquaculture, walnut, hazelnut and aronia while and the amount of subsidies for bees has increased. The budget planned for the implementation of this Program was 23 million € and is distributed in these sub-sectors: cereals, livestock and horticulture. The number of beneficiaries of this program for 2016 is over 43,000 farmers.

As a result of the investments made in the agriculture sector during 2016, among other things, the level of agricultural production and agro-processing in the country has increased,

the area of agricultural land has increased, new jobs have been created, the export of agricultural products has significantly increased and, to some extent, there is a replacement of imported products by locally produced agricultural products.

Major efforts have also been made in the preparation of accreditation institutions for IPARD II. In the framework of preparations for the process of accreditation of institutions for IPARD II, procedures for accreditation of the Managing Authority and the Agency for Agriculture Development are being followed. Preventing illegal changes in the use of agricultural land remains an obstacle to the development of the agricultural sector. There is still no information on how much agricultural land is lost annually.

MAFRD has engaged in the implementation of sectorial obligations under the Stabilization and Association Agreement (SAA), updating the National Program for the Implementation of the SAA (Chapters 11, 12, 13 and 27) and reporting on developments in the sector.

In order to compensate the damages from natural disasters in agriculture during 2016, by a decision of the Government, MAFRD has allocated a budget for compensation of damages to all farmers, amounting to 25% of the damage caused.

Another activity during 2016 was the continuation of forms of support for the promotion and marketing of agricultural production both domestically and abroad. Within the country, there was a support to the activities of farmers' associations to promote agricultural production through various activities such as Apple Day, Raspberry Day, Blueberry Day, Tomato Day, Potato Day, "Hardhfest" Grape Festival, etc.

In terms of supporting Kosovo's products promotion in the international level, farmers and agro-processors have been supported for participating in important international fairs such as International Green Week in Berlin, SIAL in Paris, EXPO in Antalya, Agricultural Fair in Virovitica and several other activities.

1.1.2 Labour and employment

The main indicators for the labour force in Kosovo are taken from the results of the Labour Force Survey (LFS) which, in recent years, is organized four times a year. This survey is intended to provide users with key statistics on the labour market in regular time series. This publication contains detailed data on employment and unemployment by age, sex, employment status, economic activity, occupations and other issues related to the labour market.

According to the results of this publication, it results that two-thirds of the population in Kosovo is a working age population. The working age population includes the ages of 15-64 years old.

The employment rate according to LFS for 2016 was 28.0%. Based on the data of this survey, the males recorded the highest employment rate, 43.0%, while females' employment was lower, or 12.7% lower than males' employment.

The most important economic sectors which lead in terms of employment continue to be: trade with 14.8%, production with 13.2%, construction with 11.5% and education with 10.6%, while other sectors have a lower share in employment. Females are employed mainly in education, trade and health sectors, with 51.3%, while males are mainly employed in production, construction and trade sectors, with 44.3%.

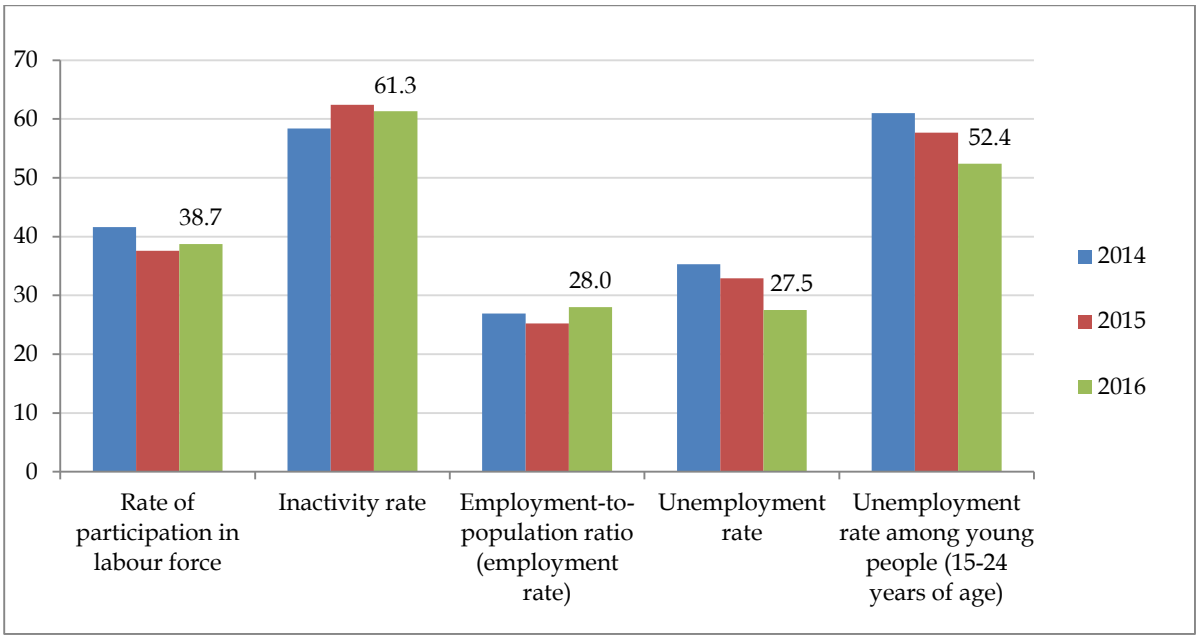
Table 4: Key labour market indicators by variables, year and gender

	2014			2015			2016		
Indicators	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Rate of participation in labour force	61.8	21.4	41.6	56.7	18.1	37.6	58.3	18.6	38.7
Inactivity rate	38.2	78.6	58.4	43.3	81.9	62.4	41.7	81.4	61.3
Employment-to-population ratio (employment rate)	41.3	12.5	26.9	38.7	11.5	25.2	43	12.7	28
Unemployment rate	33.1	41.6	35.3	31.8	36.6	32.9	26.2	31.8	27.5
Unemployment rate among young people (15-24 years of age)	56.2	71.7	61	54.2	67.2	57.7	47.2	65.4	52.4
Percentage of young people NEET among youth population (15-24 years of age)	26.6	34	30.2	28.3	34.9	31.4	26.5	34.2	30.1
Percentage of unstable employment to total employment	26.7	189	24.9	24	18.8	22.8	24.1	18.8	22.9

Source: KAS - Labour Force Survey (LFS) 2016

The rate of participation in the labour force in 2016 was 38.7%, with females' participation being 18.6% and males' participation being 58.3%. Compared to the previous two years, the participation rate has been slightly increased in 2016 compared to 2015 by 2.9 percentage points and decreased by 6.9 percentage points from 2014. The total inactivity rate was 61.3% with female participation at approximately 81.4% while male participation at 41.7%. Unlike 2015, the employment rate increased by 2.8 percentage points in 2016.

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



Source: KAS - Labour Force Survey (LFS) 2016

According to the LFS results for 2016, the unemployment rate reached 27.5%. The most noted unemployment is observed in females with a participation of 31.8%, compared to males with 26.2%. Even during this year, the most noted unemployment rate appears in the 15-24 age groups with 52.4%. Unemployment is higher among young females (65.4%) than among young males (47.2%).

In 2016, approximately 103,843 young people (aged 15 to 24) in Kosovo were not in education, were not employed or in training and accounted for 30.1% of the young population. The participation of NEET[4] females is 34.2% compared to 26.5% NEET male.

It is expected that the working age population will increase rapidly over the next decade as Kosovo is considered to be one of the countries with the youngest population in Europe. Net salaries in our country of most employees ranged between 300 € and 400 € per month. There are no significant gender differences regarding salaries.

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. Land use and changes occurring during our operations have important economic and environmental implications for the production and trade of agricultural products, land and water conservation, air quality and greenhouse gas concentrations.

[4]NEET - Young persons who are Not in Education, Employment, or Training.

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

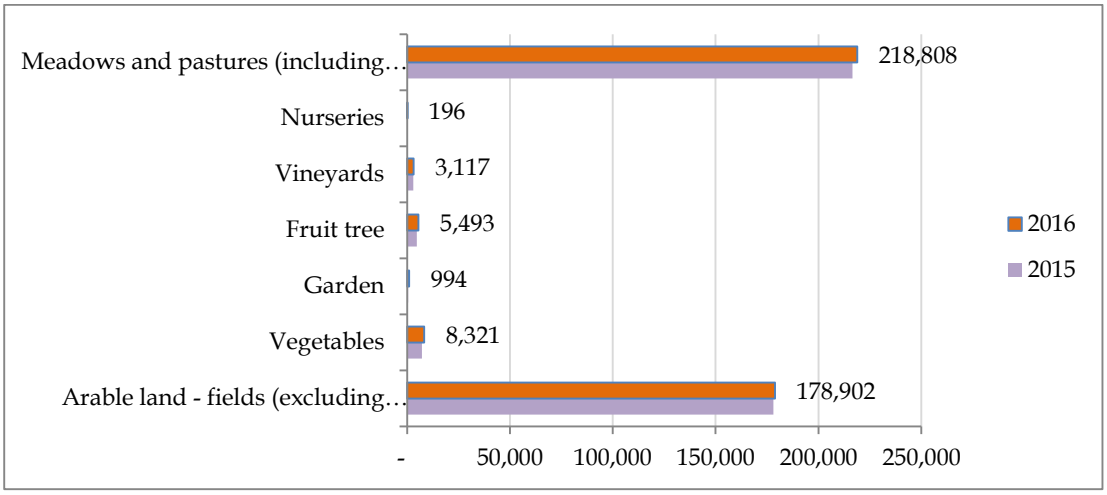
Table 5: Used agricultural land 2016, (ha)

	2015	2016	Difference	Difference in %	Participation in %
Arable land (excluding vegetables)	178,129	178,902	773	0.4	43.0
Vegetables	7,257	8,321	1,064	14.7	2.0
- from which the vegetables in the open field (first crop)	6,859	7,864	1,005	14.7	-
- from which the vegetables in greenhouses (first crop)	398	457	59	14.8	-
Garden	587	994	407	69.3	0.2
Fruit tree	4,727	5,493	766	16.2	1.3
Vineyards	3,068	3,117	49	1.6	0.7
Seedlings	178	196	18	10.4	0.0
Meadows and pastures (including joint land)	216,481	218,808	2,327	1.1	52.6
Total area of utilized agricultural land	**410,427**	**415,831**	**5,404**	**1.3**	**100.0**

Source: Results of the Agricultural Holdings Survey (AHS), 2016; * the cluster of crops is as in AHS of KAS and there may be differences with the second Chapter in this Report because there are differences in the cluster of crops

According to the data of Agricultural Holdings Survey of 2016, the total utilized area of agricultural land is 415.8 thousand ha, of which the majority is meadows and pastures (including joint land) 218.8 thousand ha or 52.6%, while arable land-fields (excluding vegetables) are 178.9 thousand ha or 43%.

Figure 2: Used area of agricultural land, 2016 (ha)



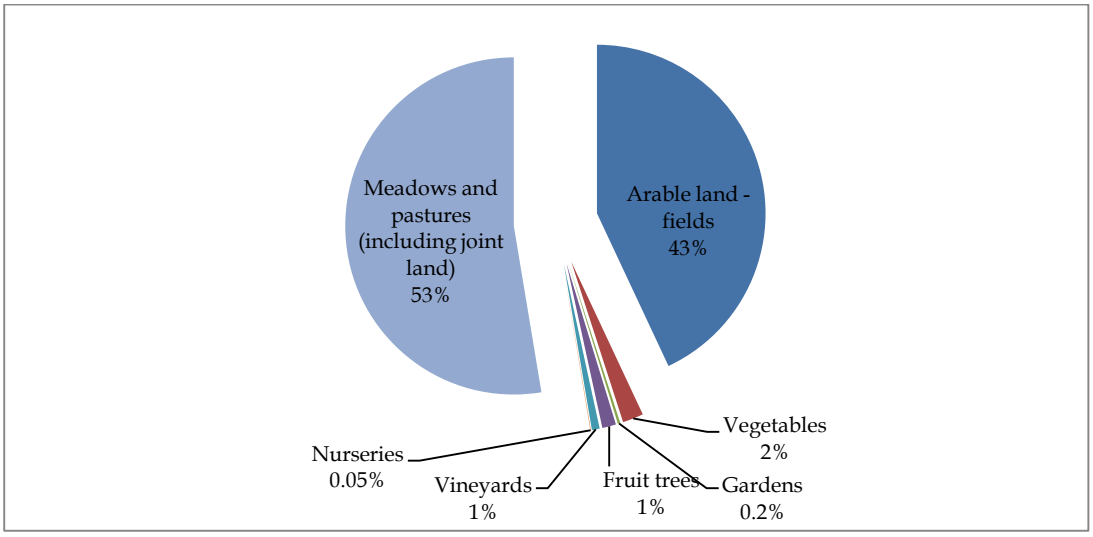
Source: Results of the Agricultural Holdings Survey (AHS), 2016

In 2016, the area of arable land-fields (excluding vegetables) of 178.9 thousand ha has changed compared to the previous year for 773 ha, which represents an increase of 0.4%. Vegetables in open field as the first crop have occupied an area of 8 thousand ha, and there has been an increase of 14.7% compared to the previous year.

In addition to vegetables in the open field, there was an increase of surface area by 59 ha also in the category of vegetables in greenhouses (first crop), with an increase of 14.8%. Of all the categories of land use, the highest increase belongs to the category of gardens, from 587 ha in 2015 to 994 ha in 2016, an increase of 69%. The fruit trees have a surface area of 5.5 thousand ha, which compared to 2015 has increased by 16.2%.

Also, nurseries which in 2015 had a surface area of 178 ha have increased by 10%. Also, the surface area of vineyards has increased by 49 ha or 1.6% compared to 2015.

Figure 3: Used area of agricultural land, 2016 (%)



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

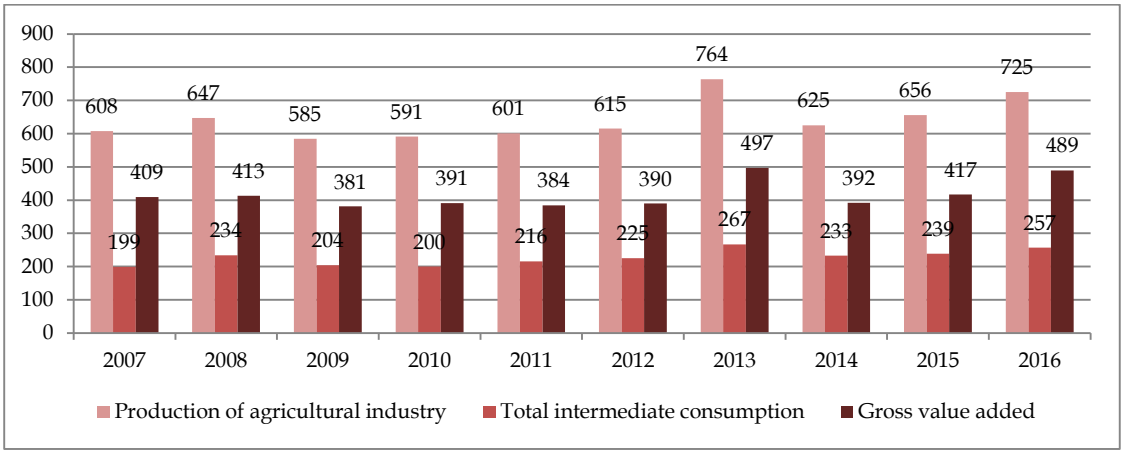
The above figure shows the division of agricultural land by percentage in 2016 according to the manner of use or utilization. As described above, we can notice that the largest participation of 53% had the category of meadows and pastures including joint land. Then we have the arable land-fields with 43%, followed by vegetables 2%, fruit trees 1%, the vineyards also had 1% participation, 0.2% gardens, and nurseries 0.05%.

1.2 Economic accounts and agriculture input prices

Economic Accounts for Agriculture represent a wide range of indicators related to economic activities in the field of agriculture and aim at analysing the agricultural production process and the primary income generated from the same production.

Data on intermediate consumption and production of agriculture industry show an increase in 2016. Compared to 2015, agriculture production increased by 11% in 2016, while intermediate consumption increased by 7%.

Figure 4: Intermediate consumption, production of agricultural industry and gross value added, in mil. €

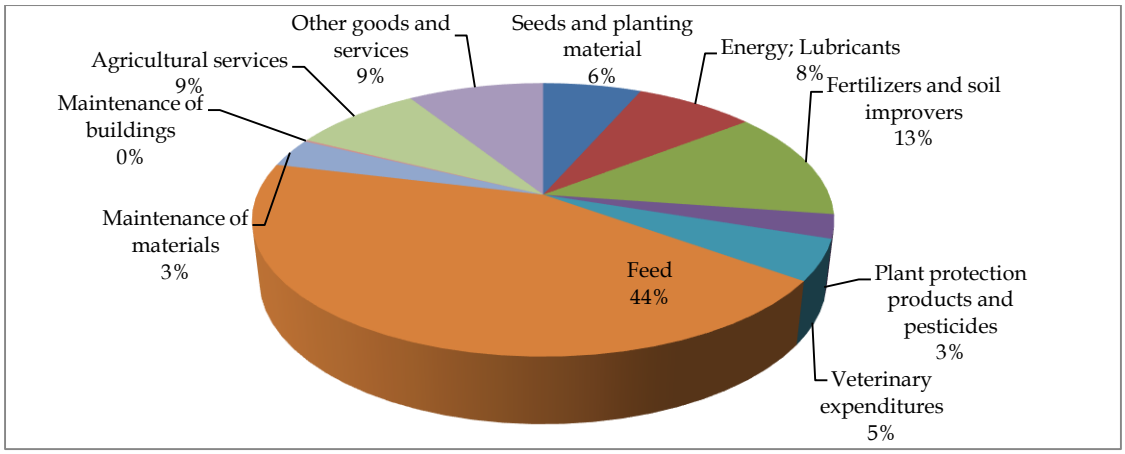


Source: KAS, Economic Accounts for Agriculture, processed by DEAAS – MAFRD

The gross value added, which simultaneously represents the difference between the value of agricultural industry production and the value of intermediate consumption reached 489 million € in 2016, a value which, compared to 2015, has marked an increase of 17%.

During 2016, the gross value added was equal to 67% of the value of production, while in 2015 it was 64%.

Figure 5: Intermediate consumption of agriculture in 2016 (%)



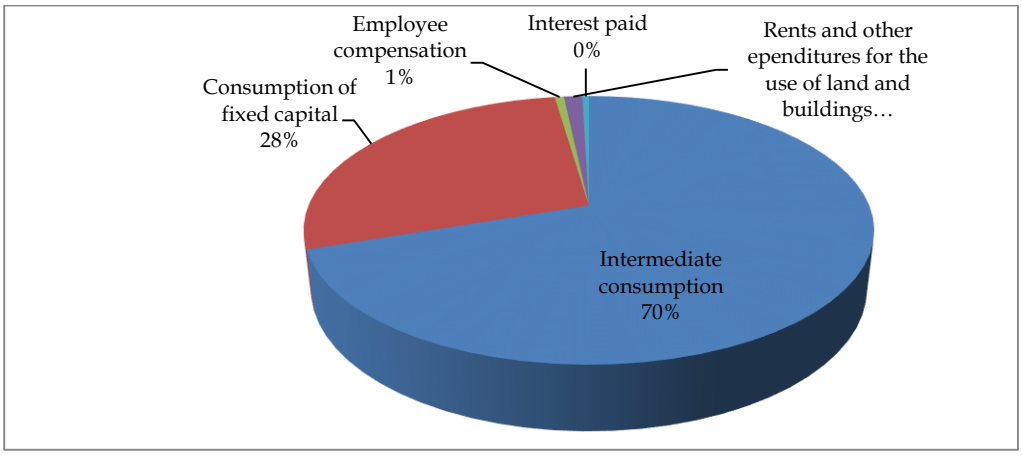
Source: KAS, Economic Accounts for Agriculture 2016, processed by DEAAS – MAFRD

While referring to the above figure which represents the value of the components of intermediate agricultural consumption for 2016, we notice that the category of animal feed which includes feed material the farmer buys from other farmers or the raw material and animal feed the farmer produces on the farm contributes by 44%, representing almost half of

the intermediate consumption. Fertilizers and soil improvers participate with f 13% in intermediate consumption, energy expenditures with 8%, seeds and planting material with 6%, other goods and services as well as agricultural services contribute with 9%, veterinary expenditure with 5%, and maintenance of materials as well as plant the protection products and pesticides contribute with 3%.

The figure below shows the different expenditures on the farm during the year. Among the most important categories for 2016 is the intermediate consumption, which contributes with 70%, followed by consumption of fixed capital with 28%, while other categories such as employee compensation and rents with other expenditures for the use of land and buildings are characterized by a very low participation of 1%.

Figure 6: Inputs in agriculture according to category, 2016



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

Prices of agricultural inputs

Annual price index of the agricultural inputs 2010 - 2016 includes data on price index in Kosovo for the period January - December 2010 - 2016. 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 (Input 1) and goods and services contributing to agricultural investment (Input 2).

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 expenditures, animal feed, maintenance of materials, maintenance of buildings, and other goods and services.

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

The table below presents the annual price index of agricultural inputs. In 2016, the prices of the category Seeds and Planting Material, which in 2015 increased, have decreased by 12% compared to 2015. The category of energy and lubricants also decreased by 7%, fertilizers and soil improvers by 3%, veterinary expenditures by 2%, maintenance of buildings by 2%, and plant protection products decreased by 0.4%. On the other hand, animal feed prices have increased by 10%. Also, the tractor category at input 2 has marked a significant increase of 12%, while the other categories did not experience that much changes in prices compared to the previous year.

For Input 1, the annual input index in 2016 has decreased by 2.4% compared to the same period of 2015. The Input 2 index has increased by 5.2% between 2016 and 2015.

Table 6: Annual price index of agricultural input 2010-2016, (2010=100)

Description	2010	2011	2012	2013	2014	2015	2016	Difference 2016/2015 in %
GOODS AND SERVICES CURRENTLY CONSUMED IN AGRICULTURE (INPUT 1)	**100.0**	**112.9**	**119.7**	**122.4**	**120.8**	**118.4**	**115.6**	**-2.4**
SEEDS AND PLANTING MATERIAL	100.0	112.7	109.4	107.1	115.3	158.6	139.9	-11.8
ENERGY; LUBRICANT	100.0	114.7	123.4	118.9	115.7	102.2	95.4	-6.6
Electric energy	100.0	101.0	114.5	124.5	133.1	139.0	137.3	-1.2
Fuel	100.0	117.1	125.5	119.1	114.2	97.8	90.5	-7.4
Lubricant	100.0	117.1	125.5	119.1	114.2	97.8	94.9	-2.9
FERTILIZERS AND SOIL IMPROVERS	100.0	126.0	142.4	146.1	139.2	131.2	127.6	-2.8
Simple fertilizers	100.0	130.7	152.2	155.7	148.1	135.9	127.9	-5.9
Compound fertilizers	100.0	130.7	152.2	155.7	148.1	135.9	127.3	-6.3
PLANT PROTECTION PRODUCTS AND PETICIDES	100.0	98.5	99.6	129.7	159.4	113.6	113.1	-0.4
VETERINARY EXPENSES	100.0	107.0	106.8	109.3	104.6	102.6	100.2	-2.3
ANIMAL FEED	100.0	122.3	137.5	143.4	130.8	114.4	126.1	10.2
Simple raw food	100.0	123.7	140.5	146.0	131.4	117.2	130.3	11.2
Compound raw food	100.0	137.0	144.4	144.2	135.5	117.0	88.1	-24.7
MAINTENANCE OF MATERIALS	100.0	100.0	100.4	100.7	100.4	99.0	99.2	0.2
MAINTENANCE OF BUILDINGS	100.0	100.7	101.6	100.3	100.4	99.7	98.0	-1.7
OTHER GOODS AND SERVICES	100.0	101.5	103.9	108.5	110.3	112.6	113.5	0.8
GOODS AND SERVICES CONTRIBUTING TO AGRICULTURAL INVESTMENT (INPUT 2)	**100.0**	**101.3**	**101.5**	**103.0**	**104.6**	**110.1**	**115.8**	**5.2**
TRACTOR	100.0	101.3	101.3	104.1	107.1	118.5	132.2	11.6
OTHER	100.0	101.3	101.7	102.0	102.6	103.2	102.2	-0.9
OVERALL INPUT (INPUT 1 + INPUT 2)	**100.0**	**108.1**	**112.2**	**114.4**	**114.1**	**115.0**	**115.7**	**0.6**

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

1.3 Farm structure

In 2016, Kosovo had 185,705 ha of arable land[5]. Land used by farms in our country in the year in question accounted for about 45% of the total utilized area of agricultural land.

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

I. Farms with very small size of less than 0.5 ha to less than 1ha constitute 10.9% of farms and had a surface of 20.279 ha.
II. Farms with a size of 1 to less than 5 had a share of 52.9%, which means that over half of the farms belong to this category and represent about 98,260 ha.
III. Farms with size ranging from 5 to less than 10 and 10 to less than 20 had a representation of 24.6% involving a surface area of 45,756 ha, and
IV. Farms with a size of 20 up to 30 and more participated with 11.5%, covering the area of 21,409 ha.

The following table shows the size of agricultural holdings in 2016 according to the surface of arable land, share/participation (%), and the number of agricultural holdings and their share (%).

Table 7: Size of holdings by surface of arable land, 2016

Farm size	Surface (ha)	Participation (%)	No. of Agricultural holdings	Participation (%)
0 and less than0,5	5,676	3.06%	33,312	30.62%
0,5 to less than 1	14,602	7.86%	22,340	20.53%
1 to less than 2	33,383	17.98%	25,086	23.06%
2 to less than 5	64,876	34.94%	21,792	20.03%
5 to less than 10	29,498	15.88%	4,531	4.16%
10 to less than 20	16,258	8.75%	1,253	1.15%
20 to less than 30	5,300	2.85%	226	0.21%
30 and more	16,109	8.67%	263	0.24%
Total[6]	**185,705**	**100%**	**108,803**	**100%**

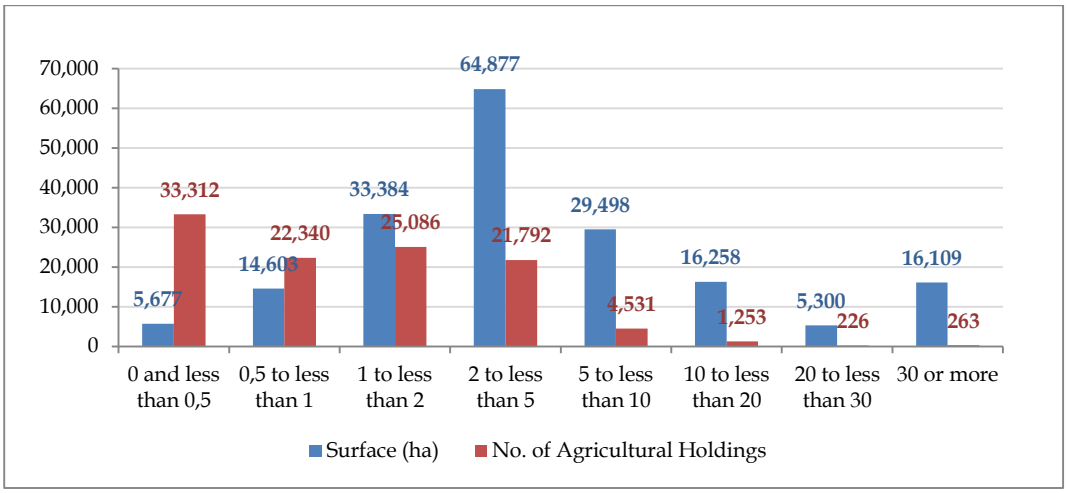
Source: Agricultural Holdings Survey, 2016

According to the ranking presented in the table above, it results that about 63.8% of all farms in Kosovo had less than 5 ha of utilized agricultural area and together these small farms account for 118.540 ha of utilized agricultural land. On the other hand, only 15.8% of farms with size 5 to less than 10 ha owned utilized land area of 29,498 ha. When talking about the largest farms ranging from 10 to 20 or 30 and more ha, they had only 37,667 ha of agricultural land with a share of 20.3%.

[5] In the entire text within the farm structure, surface area in the four municipalities in the northern part is not included and thus differs from the surface presented in subchapter - Land Use

[6] The AHs of the northern municipalities are not included

Figure 7: Number of agricultural holdings by surface of arable land, 2016



Source: Agricultural Holdings Survey, 2016

Regarding the number of agricultural holdings, about 33,312 of them or 30.6% of total agricultural holdings have farms with a size of 0 and less than 0.5 ha of arable land. The next largest group is represented by 25,086 agricultural holdings, accounting for 23.1%, and having farms with size 1 to less than 2 ha.

As the third group with the highest share of agricultural holdings, respectively 20.5% or 22,340 of them possess farms with size from 0.5 to less than 1.

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

- Approximately 94.2% of agricultural holdings or 102.530 in 2016 belong to farm size categories of less than 0.5 to less than 5 ha.

-When it comes to farms with a larger size of the surface of arable land we conclude that ranging from farms with size 5 to less than 10 ha have only 4.16%, comprising 4,531 agricultural holdings.

- Only 1.60%, implying that 1,742 agricultural holdings had farms in size from 10 up to 30 and more ha.

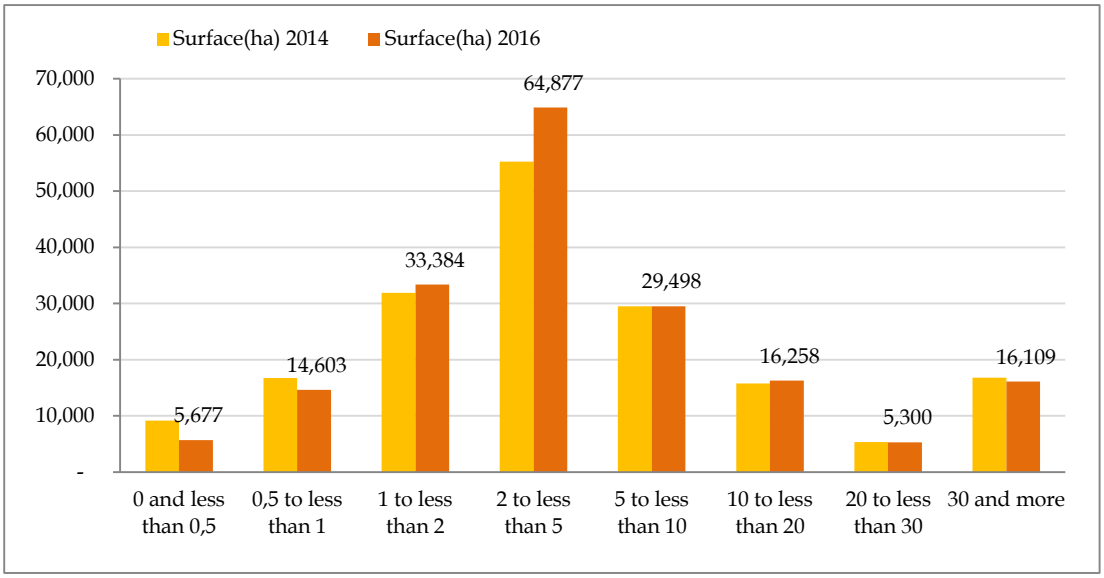
Table 8: Farm size by surface of arable land, 2014/2016

Farm size	Surface ha)		Change (2014-2016)	Change 2014/2016 (%)
	2014	2016		
0 and less than 0.5	9,142	5,677	-3,465.2	-37.9
0.5 to less than 1	16,703	14,603	-2,100.5	-12.6
1 to less than 2	31,905	33,384	1,479.0	4.6
2 to less than 5	55,257	64,877	9,619.8	17.4
5 to less than 10	29,518	29,498	-19.9	-0.1
10 to less than 20	15,755	16,258	503.0	3.2
20 to less than 30	5,303	5,300	-3.0	-0.1
30 and more	16,798	16,109	-689.0	-4.1
Total	**180,381**	**185,705**	**5,324.2**	**3.0**

Source: Agricultural Holdings Survey, 2016

If we compare the size of the farms by categories for 2014 and 2016, it is noticed that there are changes for 9,619 ha, in the category of farms with a size of 2 to less than 5 ha, which in percentage has increased by 17.4%. Another increase is also in the category of farms with size 1 to less than 2, by 4.6%. In the category of farms with size ranging from 10 to less than 20 ha, it represents an increase in 2016, unlike 2014, by 3.2%. Decrease on the surface is presented in the category of farms less than 0.5 ha compared to 2014 by 37.9%. Also decrease by 12.6%, there was also in the category of farms 0.5 to less than 1 ha.

Figure 8: Farm size by surface of arable land, 2014/2016



Source: Agricultural Holdings Survey, 2016

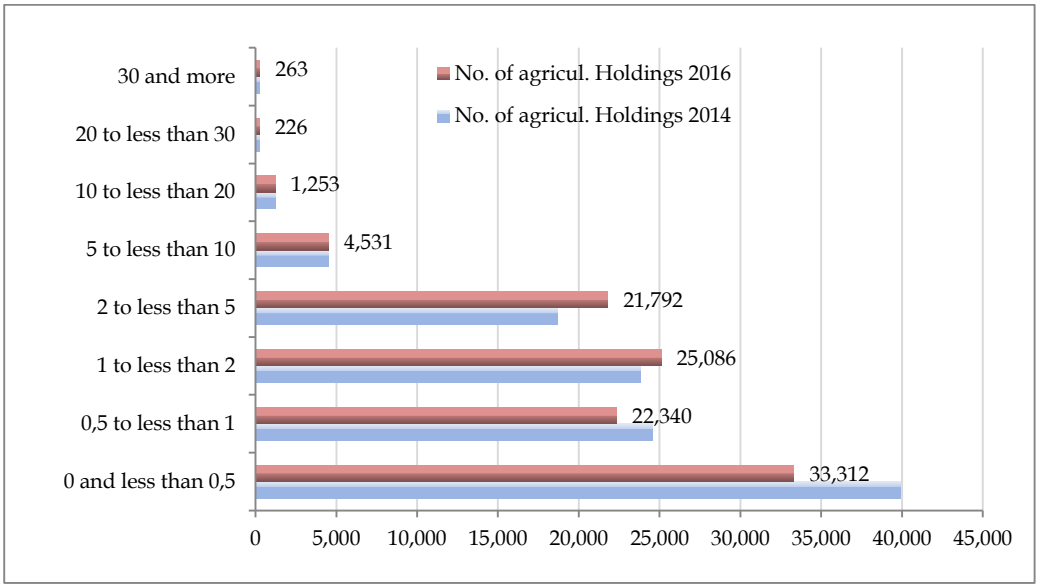
From the results of the Agricultural Holdings Survey 2016, we see that the total area of arable land in 2016 increased for 3.0% from 180,381 ha, which was in 2014.

The changes and movements that have occurred in the number of agricultural holdings in 2016 compared to 2014 are presented in the figure below.

The major changes have occurred in the category of farms, the size of which ranges from 2 to less than 5 ha, which marked an increase of 16.4% compared to 2014.

A decrease of households in 2016, for 16% appears in the category of farms with the size of less than 0.5 ha.

Figure 9: Number of holdings according to the size of arable land 2014/2016



Source: Agricultural Household Survey, 2016

1.4 Agricultural businesses - Agro-industry

The food industry plays an important role in the sustainable economic development of our country and it is a major source of employment and the income generation. The most important branches of the food industry in Kosovo are the following: bread, dairy, beverages, meat and other branches of this industry. The food industry sector in Kosovo has marked substantial changes over the past decade.

Following the numerous damages from 1999 war, the food industry gradually began to recover in a market-oriented economy. The domestic and foreign competitiveness necessarily influenced the perfection of production quality, which effected the advancement of technology in certain food businesses.

Such a technological advancement enabled the achievement of high standards in the production quality. Despite the achievements so far, the competitive position of Kosovar food products in the domestic and foreign markets has not yet improved sufficiently. Based on KAS data, it can be seen that starting from 2012 to 2014, the average participation of agricultural activities registered in the business register against other activities was 7.6%.

Starting from 2015, we have a growth of 9.6%, followed by increased share of 10.4% in the 2016.

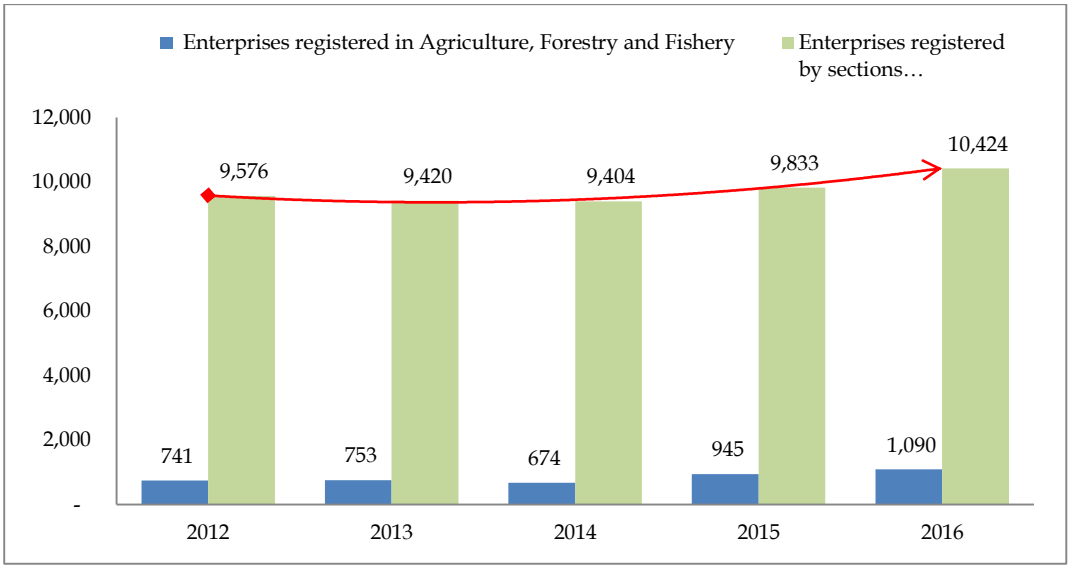
Table 9: Number of enterprises registered by economic activities

Years	Enterprises registered in Agriculture, Forestry and Fishery	Enterprises registered by sections of other economic activities	Participation (%)
2012	741	9,576	7.7
2013	753	9,420	7.9
2014	674	9,404	7.1
2015	945	9,833	9.6
2016	1,090	1,0424	10.4

Source: KAS, processed by DEAAS -MAFRD

With regard to the increase of the number of agricultural activities, the most rapid growth was in 2015, with 945 agricultural activities or 40.2% more than in 2014, continuing with growth in 2016 to 1,090 activities, or 15.3% more than in 2015.

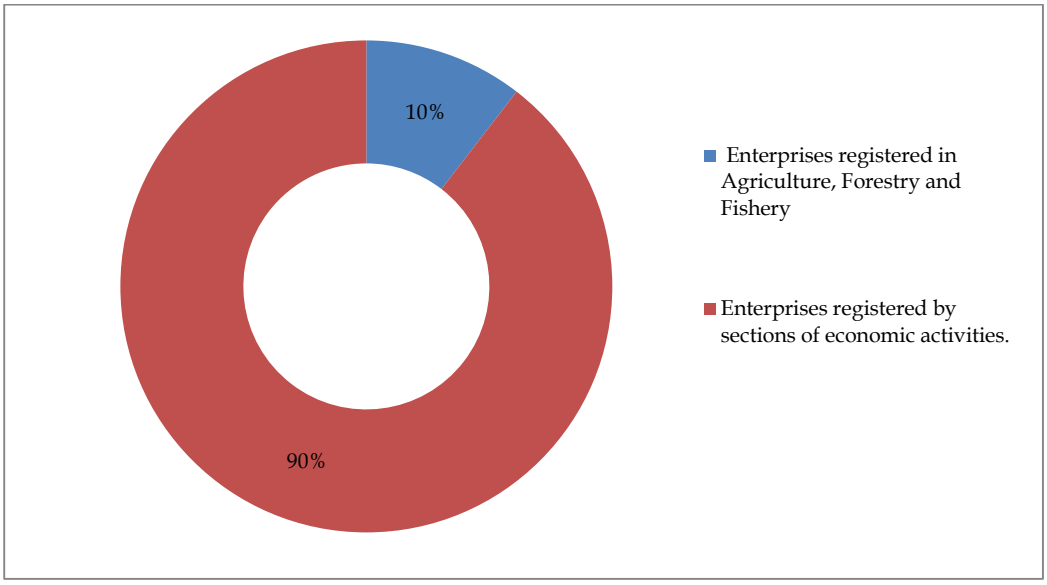
Figure 10: Number of enterprises registered by economic activities



Source: KAS, processed by DEAAS -MAFRD

In 2016, there were 1,090 enterprises registered in the economic activities sections of agriculture, forestry and fisheries, while total enterprises registered by sections and activities were 10,424. Activities recorded by Agriculture participate with 10% of the total of other general economic activities registered this year.

Figure 11: Participation of enterprises registered in Agriculture, Forestry, and Fishery activities (%), against other economic activities, in 2016



Source: KAS, processed by DEAAS -MAFRD

The table below presents the data on monetary turnover in the registered agribusiness enterprises for 2011-2016: annual turnover, number of employees, as well as the number of active businesses.

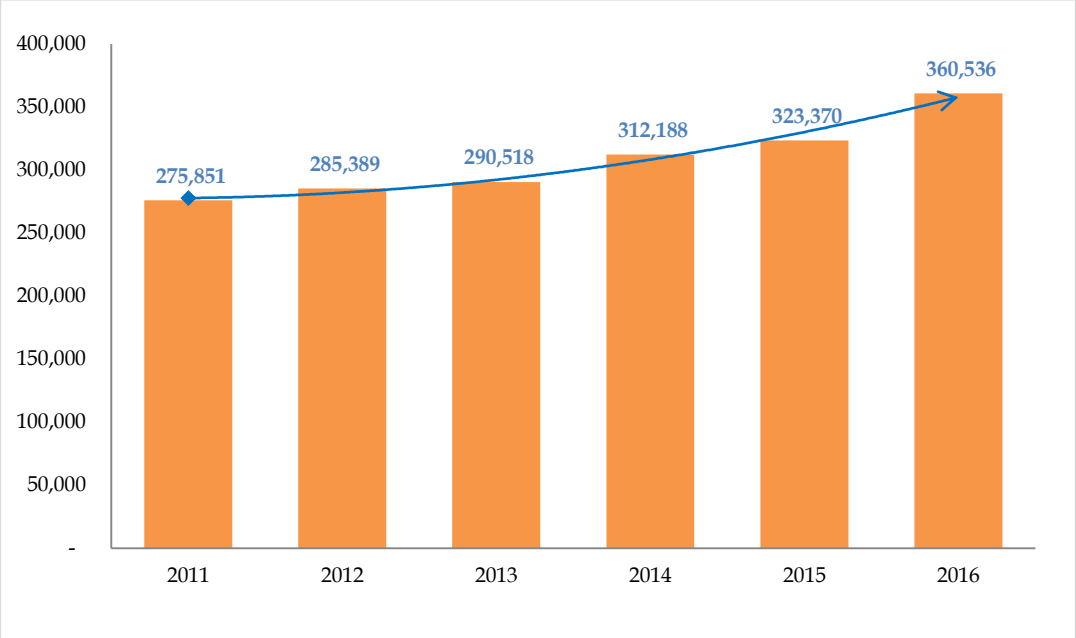
Table 10: Registered agribusiness enterprises, 2011-2016

Year	Turnover (000,€)	Number of employees	Number of active businesses
2011	275,851	6,046	1,742
2012	285,389	6,778	1,819
2013	290,518	7,130	1,896
2014	312,188	8,004	2,055
2015	323,370	8,790	2,130
2016	360,536	10,024	2,314
Total	**1,847,852**	**46,772**	**11,956**

Source: KAS, processed by DEAAS -MAFRD

Based on the data provided by the Kosovo Agency of Statistics, agribusinesses have marked an increase from year to year. In 2011, 2012 and 2013, the overall turnover for these years was 283 mil. €, continuing with a slight increase of 10% in 2014, compared to the average of three years. The increase continued in 2015, as well as in 2016, with an increase of 11.5%, unlike 2015.

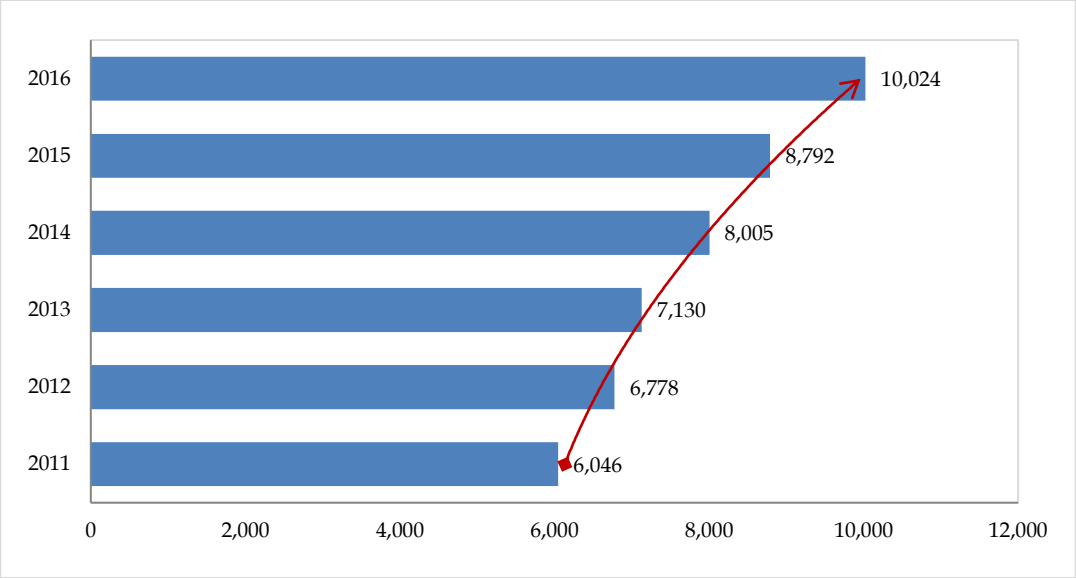
Figure 12: Monetary turnover of enterprises registered in Agriculture, Forestry and Fishery activities, 2011-2016



Source: KAS, processed by DEAAS -MAFRD

Similarly, the number of employees has increased since 2011, when this number was about 6,046. If the number of employees in 2011 is compared to that of 2016, it appears that there has been an increase of 66%.

Figure 13: Number of employees in agribusinesses 2011-2016

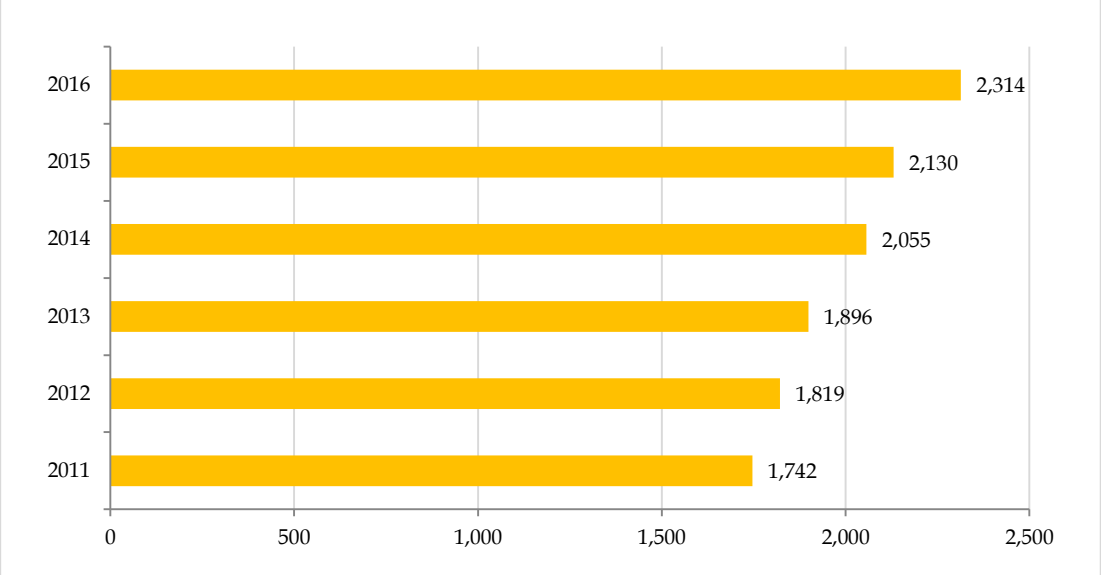


Source: KAS, processed by DEAAS -MAFRD

As per the active businesses, there has also been a gradual increase in those dealing with agricultural activities or those that use agricultural and forestry products as raw materials. The average number of these active businesses for 2011-2013 was 1,822, while the average for

2014, 2015 and 2016 was 2,167, which means that in the last three years there has been an average increase of active businesses for 19%.

Figure 14: Number of active businesses 2011-2016



Source: KAS, processed by DEAAS -MAFRD

The largest turnover with regard to the agro-food industry in 2016 was in the processing of food products amounting to 186 mil. €. From the other branches of agro-industry that were presented in the table, the production of beverages marked a turnover of 84 mil. €, followed by plant and animal products, hunting and related services, having a turnover of 35 mil. €. The industry of wood and wood products had an approximate annual turnover of 32 mil. €. A low turnover was marked in the production of paper and paper products with 17 mil. €, forestry and wood cutting with 2 mil. €. A much lower turnover worth mentioning was in the following activities: fishery and aquaculture 401 thousand €, tobacco production 87 thousand €, and the production of leather and its products 42 thousand €.

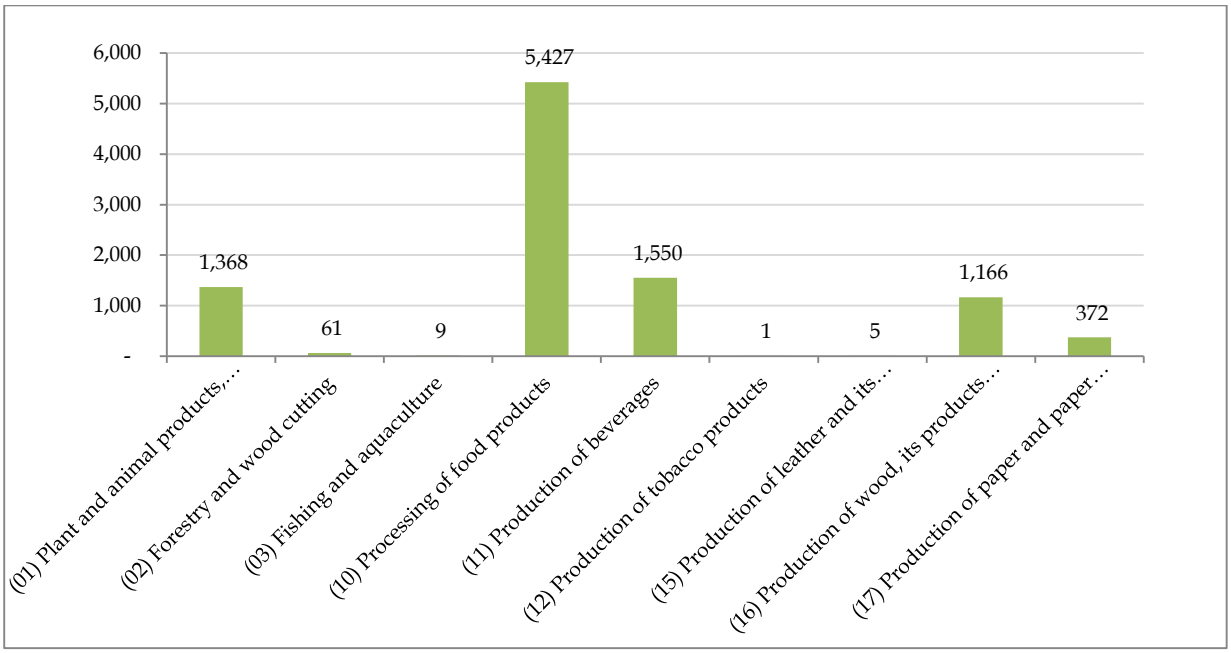
Table 11: Participation of enterprises registered in Agriculture, Forestry and Fishery activities, 2016

Activities	Turnover (000,€)	No. of employees	No. of active businesses
(01) Plant and animal products, hunting and related services	35,926	1,368	547
(02) Forestry and wood cutting	2,641	61	40
(03) Fishing and aquaculture	401	9	3
(10) Processing of food products	186,089	5,427	1,153
(11) Production of beverages	84,971	1,550	66
(12) Production of tobacco products	87	1	2
(15) Production of leather and its products	42	5	4
(16) Production of wood, its products and cork, excluding furniture; production of articles from straw, plaiting materials	32,802	1,166	431
(17) Production of paper and paper products	17,576	372	66
Total	**360,536**	**9,959**	**2,312**

Source: KAS, processed by DEAAS -MAFRD

The largest number of employees, with approximately 5,427 employees, belongs to the food processing category. The smallest number of employees compared to the above-mentioned industry was in the beverage industry with 1,550 employees, the plant and animal production industry, hunting and related services with 1,360 employees, as well as the production of wood and its products with about 1,166 employees.

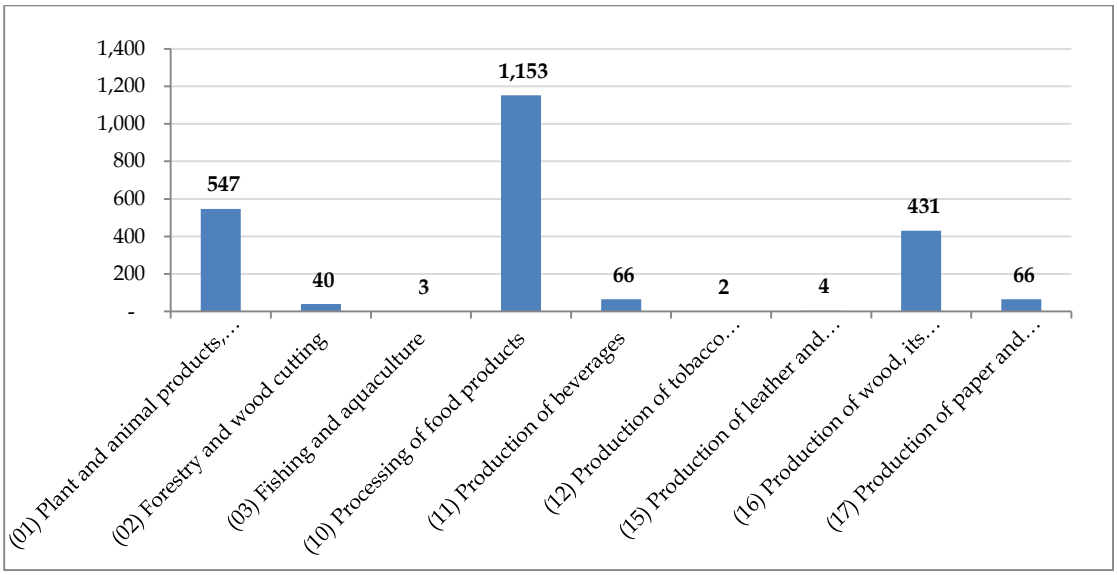
Figure 15: Number of employees in 2016



Source: KAS, processed by DEAAS -MAFRD

The largest number of businesses was in food processing, where 1,153 businesses were registered, followed by 547 businesses registered in the activity (01) as plant and animal production, hunting and related services and 431 businesses in the activity (16), including businesses that deal with wood production and its products. The smallest number of businesses was in the activities (11) and (17) out of 66 active businesses.

Figure 16: Number of active businesses in 2016



Source: KAS, processed by DEAAS -MAFRD

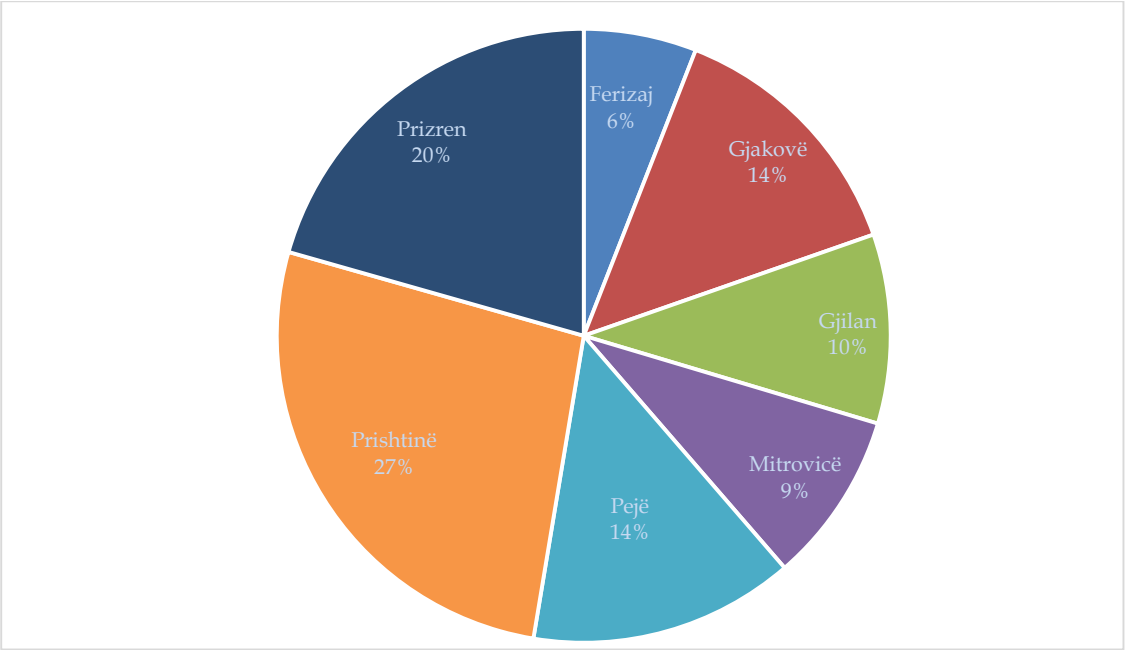
Turnover by region

The overall annual turnover in 2016, from the enterprises registered in Agriculture, Forestry and Fishery activities, described above by categories amounted to 360 mil. €.

The following figures present the turnover of businesses and participation of enterprises registered in Agriculture, Forestry and Fishery activities in 2016, the number of employees and the number of active businesses by regions of Kosovo.

The Prishtina region had the largest participation with 27%, followed by the Prizren region with 20%, the 5 other regions are ranked with the lowest amount, including Peja and Gjakova region with a participation of 14%, Gjilan region with 10%, Mitrovica 9%, and Ferizaj with only 6%.

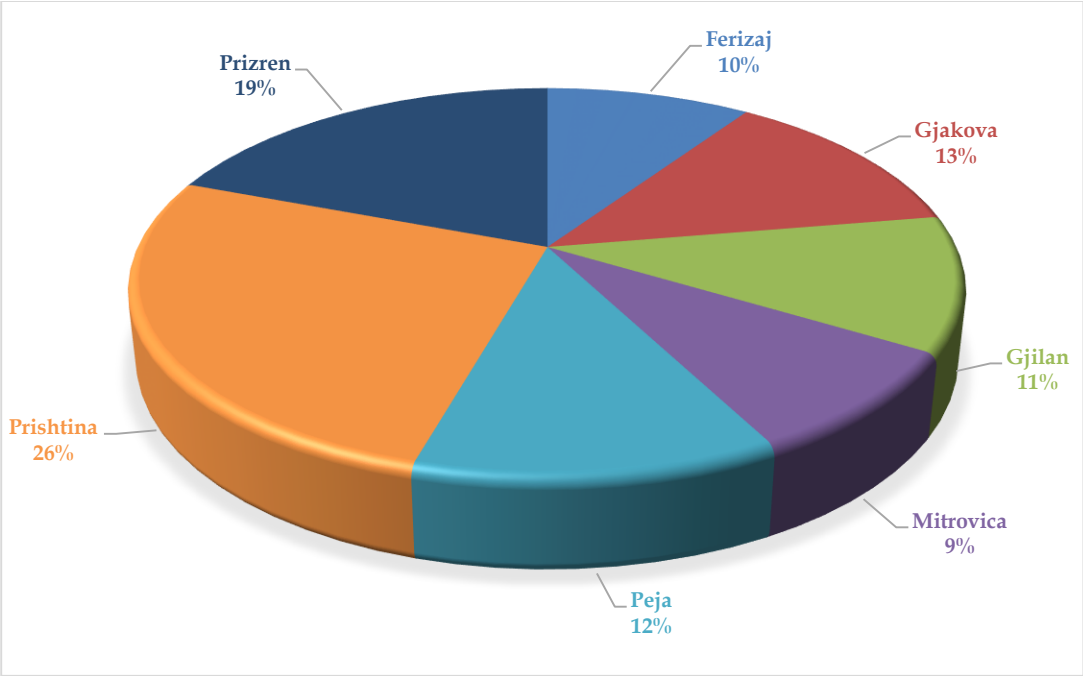
Figure 17: Participation of business turnover by region, 2016(%)



Source: KAS, processed by DEAAS -MAFRD

The overall number of employees in enterprises registered in Agriculture, Forestry and Fisheries was the highest in the Prishtina region with a share of about 26%, followed by Prizren region 19%, Gjakova region 13%, Peja region 12%, Gjilan region 11% and the lowest participation in the number of employees in this sector appears in Ferizaj region with 10% representation and Mitrovica with 9%.

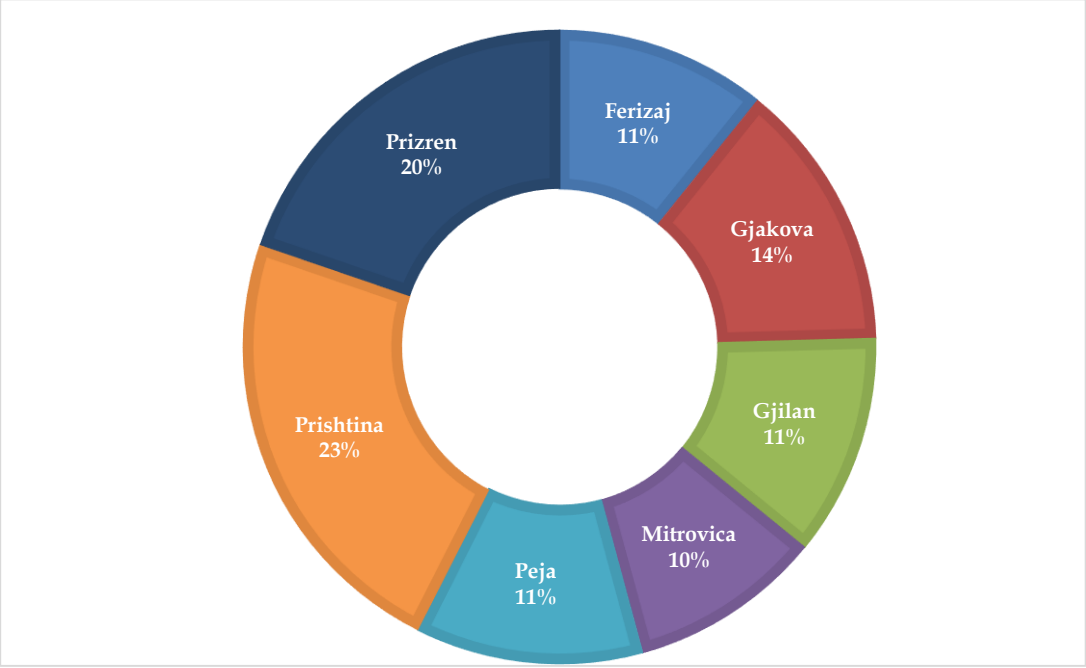
Figure 18: Number of employees by region, 2016 (%)



Source: KAS, processed by DEAAS -MAFRD

Prishtina region leads with the number of activities registered within the year, with a participation of 23%, followed by Prizren region with 20%, Gjakova with 14%, while the three other regions: Gjilan, Peja, and Ferizaj, are of the same percentage of 11%. The lowest participation in the total number of registered agricultural business activities marked Mitrovica region with only 10%.

Figure 19: Number of activities registered by regions, 2016 (%)



Source: KAS, processed by DEAAS -MAFRD

2 Agricultural production and its use

2.1 GDP in the agriculture and forestry sector

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

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

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

This is the eighth publication of Economic Accounts for Agriculture prepared by Kosovo Agency of Statistics (KAS), the publication includes data for the year 2016.

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

As per the data of economic accounts for agricultural calculated according to the codes that are presented in the table below, it can noted that the value of plant products for 2016 was 412.3 mil. €, the value of the livestock products amounted to 302.4 mil. €, total intermediate consumption was estimated to be 256.9%, while the agricultural services were estimated to be 22 .1 mil. €.

In addition to the Code 12, comprising farming products, which had a decline by 6.2% and code 23, including compensation of employees, which also declined by 14%, all other categories marked an increase in 2016.

According to the data from the abovementioned sources, the plant products including the category of cereals, forage plants, vegetable and garden products, potatoes and fruits have marked an increase of 17.5% in 2016 compared to 2015. This increase in the value of plant products can be explained by the increase in the production of vegetables and forage plants.

Similarly, among the livestock products including milk, honey and crude wool, there has also been an increase in the value of the products by 8.4% in 2016, unlike 2015. The growth can be explained by the increase in the value of livestock products.

Therefore, based on these accounts, it can be noticed that the total plant and livestock products have increased to 13.5% in 2016, if compared to 2015.

Concerning plant products, the vegetables and garden products are the most important category and constitute approximately 29.6% of total plant production in 2016 followed by cereals by 25.2%. While forage crops, which include plants that are produced and consumed in the same agricultural holding, account for 21.2% of total plant production.

Fruits comprise about 15.5%, potatoes 7.4%, industrial plants 0.1% and other products 1%.

While, when it comes to livestock products for 2016, milk is the most important product that contributed with 119.8 out of the total of 148.7 million €, the product in question marked a decrease of 9.7% in 2016, unlike 2015.

Meanwhile, the subcategory of animals mainly includes the sale of meat from cattle, pigs, sheep, goats, poultry and other categories.

Out of these categories, the sale of beef is the most important, followed by poultry, mutton and chevon, and pork.

When it comes to increasing the value of the plant products according to plant production in 2016, the following products had a higher increase in value:

Industrial plants 76.5%, potatoes 32.6%, forage plants 22%, cereal category 15.9%, fruits 15.4%, vegetable and garden products 14.2%, as well as other plant products (seeds) which saw an increase of 4.9%.

Whereas, livestock marked an increase in the code 11 of the table, with 27.8% and livestock products marked a total increase of 8.4%.

There has also been an increase in agricultural services with 19.5%, in the gross added value at base prices 20.4%, entrepreneurial revenues, as well as other categories presented in the table.

Table 12: Economic Accounts for Agriculture at current prices, in mil. €

Code	Economic Accounts for Agriculture	2010	2011	2012	2013	2014	2015	2016	Difference	Difference (%)
1	Cereals (including seeds)	93.5	107	107.1	102.1	92.1	89.5	103.7	14.2	15.9
2	Industrial plants	0.05	0.05	0.14	0.12	0.26	0.17	0.3	0.13	76.5
3	Forage plants	51.2	56	67.8	95.2	67.3	71.7	87.5	15.8	22.0
4	Vegetables and garden products	123.3	119.6	104.1	154.4	82.9	107	122.2	15.2	14.2
5	Potatoes	26.6	20.2	12	19.6	23	23	30.5	7.5	32.6
6	Fruits	26	23.2	32.9	51.9	54.6	55.2	63.7	8.5	15.4
9	Other plant products (seeds)	3.4	3.7	3.5	4.2	4.5	4.1	4.3	0.2	4.9
10	Total plants products	324	329.7	327.6	427.6	324.7	350.7	412.3	61.6	17.6
11	Livestock	97.6	96	92.3	117.3	85.9	120.3	153.7	33.4	27.8
12	Livestock products	148.8	155.8	174.2	181.1	173	158.6	148.7	-9.9	-6.2
13	Total livestock products	246.4	251.9	266.6	298.4	258.9	278.9	302.4	23.5	8.4
14	Total plant and livestock products	570.3	581.6	594.1	726	583.7	629.7	714.6	84.9	13.5
15	Agricultural services	14.8	14.7	14.5	20.4	20.2	18.5	22.1	3.6	19.5
16	Total agricultural products	585.2	596.2	608.6	746.3	603.9	648.2	736.7	88.5	13.7
19	Total intermediate consumption	200.1	216.4	224.5	250	233.2	239.3	256.9	17.6	7.4
20	Gross added value at base price	390.6	384.3	390.3	305.8	377.3	416.8	489.3	72.5	17.4
21	Fixed capital consumption	77.9	81	84.5	93.7	90.6	95.5	102.6	7.1	7.4
22	Net added value at base price	312.7	303.3	305.8	403.6	286.8	321.3	386.7	65.4	20.4
23	Compensation of employees	3.5	3.9	4.2	4.6	4.6	2.7	2.3	-0.4	-14.8
25	Other subsidies on production	0.06	0.1	0	1.02	0.6	0.6	1	0.4	66.7
26	Factor revenues	312.8	303.4	305.8	404.6	287.4	322	387.6	65.6	20.4
27	Operational surplus/mixed revenues	309.3	299.5	301.6	400.1	282.7	319.3	385.4	66.1	20.7
28	Rents and other costs for the use of real estate	2.2	2.3	2.3	3.3	3.1	4.5	4.6	0.1	2.2
29	Paid interest	1	0.9	0.8	0.6	0.4	1.4	1.6	0.2	14.3
31	Entrepreneurial revenues	306.1	296.3	298.4	396.2	279.2	313.2	379.1	65.9	21.0

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

2.2 Cereals

The surface area cultivated with cereals in 2016 accounts for 72% of the arable land. Crops holding the highest percentage of cereal planted area are wheat with 66% and maize by 31%, while the rest is planted with oat, barley, rye and other cereals. In 2016, in addition to wheat whose planted area marked a decrease of 1%, other crops marked an increase in planted area. The largest increase was marked by oats 20%, followed by barley and rye by 5% each, while the maize planted area remained almost the same.

The increase in the planted area but also the increase in yields in all cereals resulted in the increase of total cereal production to 27%. Maize had a yield increase of 1.3 tonnes/ha and this affected the total maize output by 42%. The oat output increased by 59% as a result of the 32% increase in yield, and also the 20% increase in planted area. In addition to the aforementioned crops, oat production increased by 23%, while wheat and barley by 20%.

Table 13: Area, production and yield of cereals, 2010-2016

Crop	2010	2011	2012	2013	2014	2015	2016	Difference 2016/(13-15) in %	Difference 2016/2015 in %
Area				**ha**				**%**	
Cereal	*119,871*	*121,095*	*137,215*	*141,912*	*131,949*	*134,886*	*134,571*	*-1*	*0*
Wheat	78,420	79,928	102,918	101,846	90,728	89,942	89,122	*-5*	*-1*
Maize	35,424	35,209	31,181	36,122	35,038	41,492	41,524	*11*	*0*
Barley	1,177	844	568	1,363	1,487	1,141	1,196	*-10*	*5*
Rye	571	607	253	235	588	396	415	*2*	*5*
Oat	4,279	4,508	2,294	2,346	3,940	1,790	2,156	*-20*	*20*
Other cereals	-	-	-	-	168	125	157	*7*	*26*
Production				**t**				**%**	
Cereal	*430,524*	*435,034*	*438,792*	*540,136*	*463,581*	*443,584*	*562,899*	*17*	*27*
Wheat	294,540	300,203	345,027	391,727	331,296	304,443	365,651	*7*	*20*
Maize	120,461	119,693	86,304	136,633	116,209	131,486	186,592	*46*	*42*
Barley	3,642	2,608	1,808	4,415	4,716	3,061	3,669	*-10*	*20*
Rye	1,371	1,457	740	571	1,521	809	991	*3*	*23*
Oat	10,510	11,072	4,913	6,790	9,840	3,415	5,428	*-19*	*59*
Other cereals	-	-	-	-	-	371	568	53	53
Yield				**t/ha**				**%**	
Wheat	*3.76*	*3.76*	*3.35*	*3.85*	*3.65*	*3.38*	*4.10*	*13*	*21*
Maize	*3.40*	*3.40*	*2.77*	*3.78*	*3.32*	*3.17*	*4.49*	*31*	*42*
Barley	*3.09*	*3.09*	*3.18*	*3.24*	*3.17*	*2.68*	*3.07*	*1*	*14*
Rye	*2.40*	*2.40*	*2.92*	*2.43*	*2.59*	*2.04*	*2.39*	*2*	*17*
Oat	*2.46*	*2.46*	*2.14*	*2.89*	*2.50*	*1.91*	*2.52*	*3*	*32*
Other cereals	-	-	-	-	-	*2.96*	*3.62*	*22*	*22*

Source: KAS – Agricultural Holdings Survey ('12,'13,'15,'16); KAS- Expert's assessments within EAA '10-'11; Agricultural census ('14)

In 2016, from the total area planted with cereals, 65.5% is planted with wheat. With an area of 88,122 ha, the wheat production is 365,651 tons, and with this production, Kosovo manages to cover about 80% of consumption needs, while the rest is covered by import.

Production value was 62.2 mil. €, which is 7.6% higher than in 2015, because production is higher as a result of the increase in yields although the price is lower for 0.02 €. The trade balance continues to be negative, the amount of imported wheat including wheat products is 50% lower in 2016 compared to 2015.

Table 14: Supply balance for wheat, 2010-2016

	Unit	2010	2011	2012	2013	2014	2015	2016
Area with Cereals	ha	119,871	121,095	137,215	141,912	131,949	134,886	134,571
Area with wheat	ha	78,420	79,928	102,918	101,846	90,728	89,942	88,122
Share of wheat	%	65.4	66.0	75.0	71.8	68.8	66.7	65.5
Yield	t/ha	3.76	3.76	3.35	3.85	3.65	3.38	4.15
Production	t	294,540	300,203	345,027	391,727	331,296	304,443	365,651
Import of wheat and wheat equivalents	t	199,570	210,782	178,313	171,387	178,782	204,015	104,012
Supply	t	494,110	510,985	523,340	563,114	510,078	508,458	469,663
Export of wheat and wheat equivalents	t	37,257	40,213	37,365	38,158	33,132	27,765	5,885
Domestic use	t	456,853	470,772	485,974	524,956	476,946	480,693	463,778
Self-sufficiency rate	%	64.5	63.8	71.0	74.6	69.5	63.3	78.8
Wheat seed	t	23,526	23,978	30,875	30,554	27,218	26,983	26,437
Losses	t	8,836	9,006	10,351	11,752	9,939	9,133	10,970
Feed	t	47,392	48,303	55,515	63,029	53,306	48,985	58,833
Industrial use	t	9,687	10,130	8,864	8,756	9,044	10,417	10,737
Processing	t	202,737	207,148	229,689	262,006	223,688	208,086	174,267
Human consumption	t	164,675	172,207	150,681	148,859	153,751	177,089	182,535
Producer prices (on farm)	€/kg	0.19	0.25	0.26	0.22	0.20	0.19	0.17
Production value	mil. EUR	56.0	75.1	89.7	86.2	66.3	57.8	62.2
Wheat trade balance	mil. EUR	-75.5	-74.7	-72.2	-68.8	-73.8	-81.9	-24.4

Source: KAS – Agricultural Holdings Survey ('12'13,'15,'16); ASK- Expert's assessments within EAA '10-'11; Agricultural Census ('14); ASK, KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

Maize is the second most cultivated crop in the grain group. In 2016, 30.9% of the total area planted with cereals was planted with maize. In 2016 the maize surface area was almost the same as in 2015, while the production was 42% higher as a result of increased yield. With this amount of production, Kosovo can cover 87% of the domestic needs, most of which is used as animal feed. In order to meet the general needs, Kosovo also imports maize and the trade balance remains negative, in the amount of 4.1 mil. €.

Table 15: Supply balance for maize, 2010-2016

	Unit	2010	2011	2012	2013	2014	2015	2016
Area with Cereals	ha	119,871	121,095	137,215	141,912	131,949	134,886	134,571
Area with maize	ha	35,424	35,209	31,181	36,122	35,038	41,492	41,524
Share of maize	%	29.6	29.1	22.7	25.5	26.6	30.8	30.9
Yield	t/ha	3.40	3.40	2.77	3.78	3.32	3.17	4.49
Production	t	120,461	119,693	86,304	136,633	116,209	131,486	186,592
Import of maize and its equivalents	t	36,666	32,063	28,081	38,471	45,921	56,760	27,027
Supply	t	157,127	151,756	114,385	175,104	162,130	188,246	213,619
Export of maize and its equivalents	t	91	78	54	61	312	221	94
Domestic use	t	157,036	151,678	114,331	175,043	161,818	188,025	213,525
Self-adequacy rate	%	76.7	78.9	75.5	78.1	71.8	69.9	87.4
Maize seed	t	708	704	624	722	701	830	830
Losses	t	3,614	3,591	2,589	4,099	3,486	3,945	5,598
Feed	t	92,911	92,319	66,473	105,449	89,618	101,369	144,131
Industrial use	t	2,758	2,522	2,066	2,975	3,177	3,841	2,445
Processing	t	10,161	9,661	7,456	11,222	10,834	12,750	10,654
Human consumption	t	46,884	42,881	35,123	50,575	54,003	65,291	49,867
Producer prices (on farm)	€/kg	0.22	0.29	0.30	0.31	0.28	0.23	0.24
Production value	mil. EUR	26.5	34.7	25.9	42.4	32.5	30.2	44.8
Maize trade balance	mil. EUR	-8.1	-8.9	-8.6	-9.9	-10.4	-11.3	-4.1

Source: KAS – Agricultural Holdings Survey ('12'13,'15,'16); KAS- Expert's assessments within EAA '10-'11; Agricultural Census ('14); ASK, KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

2.3 Vegetables

During 2016 in Kosovo, the area planted with vegetables consisted of 17,395 ha, compared to 2015 there has been an increase in planted area for 19%.

Among the vegetable crops, which in 2016 have marked an increase compared to 2015 are: cauliflower 160%, maize pumpkin (sugar pumpkin) 114%, pumpkin 85%, carrot 73%, lettuce 62%, melon 56%, other legumes 55%, watermelon 44%, parsley 38%, cabbage 36%, garlic 22%, potato and beans with 13% each, tomato 10% and pepper 9%. The following table shows vegetable planted areas over the years, as well as the percentage differences over the years.

Table 16: Vegetable area, 2010 – 2016

Crops	2010	2011	2012	2013	2014	2015	2016	Difference 2016/(13-15) in %	Difference 2016/2015 in %
Area				ha				%	
Vegetable	*16,356*	*16,196*	*14,557*	*16,356*	*15,854*	*14,656*	*17,395*	*11*	*19*
Potatoes	3,760	3,746	3,198	2,777	3,695	3,353	3,795	*16*	*13*
Tomatoes	935	967	1,271	950	558	791	866	*13*	*10*
Aubergine	6	5	2	*8*	-	5	4	*-32*	*-11*
Peppers	2,914	2,993	3,153	3,686	2,553	3,090	3,363	*8*	*9*
Pumpkin	956	880	671	1,005	1,354	551	1,017	*5*	*85*
Maize pumpkin	94	94	106	96	232	229	490	*164*	*114*
Mushrooms	1	2	2	-	1				
Cucumbers	343	359	255	340	193	317	259	*-9*	*-18*
Watermelon	1,141	1,240	847	827	781	781	1,127	*42*	*44*
Melon	175	171	271	455	167	193	301	*11*	*56*
Cabbage	836	842	568	851	556	594	807	*21*	*36*
Cauliflower	7	4	13	*29*	-	32	83	*172*	*160*
Spinach	71	75	40	55	139	204	181	*36*	*-11*
Green Salad	48	51	29	*75*	-	59	96	*42*	*62*
Beet	40	43	2	5	58	19	11	*-58*	*-41*
Radish	3	3	1	*2*	-	2	1	*-36*	*-31*
Parsley	11	11	9	*20*	-	9	13	*-12*	*38*
Leek	113	121	93	143	44	78	70	*-21*	*-10*
Onion	1,043	1,074	881	1,060	1,041	1,079	1,228	*16*	*14*
Garlic	150	152	141	193	85	114	140	*7*	*22*
Beans	3,609	3,260	2,954	3,648	3,959	2,945	3,317	*-6*	*13*
Peas	32	34	7	52	241	134	96	*-32*	*-28*
Other legumes	15	13	16	30	59	19	30	*-17*	*55*
Carrots	53	56	27	49	76	57	99	*63*	*73*
Other vegetable	-	-	-	-	64	-			

Source: ASK - Agricultural Holdings Survey ('12, '13'15'16); ASK – ASK – expert assessments within EAA '10-'11; Agriculture Census ('14);

Regarding the vegetable production in 2016, compared to the average of the three recent years, it has marked an increase for 43%, by categories an increase was marked with the production of the majority of vegetable crops, worth mentioning the crops such as maize pumpkin 8,859 tons and carrot 638 tons. An increase in total production was also marked in other crops such as watermelon, melon, spinach with 74%, whereas a lower increase was marked with peppers with 15%. In 2016, it is worth noting that as a result of expanding the area with cauliflower, the production marked an increase with 1,353 tons, whereas decrease was recorded in production of cucumbers from 40%, referring also the reduction of the cucumbers area.

Table 17: Vegetable output, 2010 - 2016

Crops	2010	2011	2012	2013	2014	2015	2016	Difference 2016/(13-15) in %	Difference 2016/2015 in %
Output				t				%	
Vegetables	*338,989*	*345,565*	*163,146*	*235,326*	*221,330*	*246,096*	*335,467*	*43*	*36*
Potatoes	87,354	87,036	33,407	50,847	64,027	70,678	98,583	*59*	*39*
Tomatoes	60,318	62,358	13,693	17,291	17,386	24,333	27,215	*38*	*12*
Aubergine	134	98	17	*170*	-	165	123	*-26*	*-25*
Peppers	93,924	96,322	50,744	72,928	57,921	55,469	68,849	*11*	*24*
Pumpkin	7,617	7,119	9,099	10,224	14,363	6,141	14,894	*45*	*143*
Maize pumpkin	1,861	1,846	2,065	1,963	4,604	4,811	13,670	*260*	*184*
Mushrooms	16	19	19	-	7	-	-	-	-
Cucumbers	12,902	13,502	5,239	8,975	5,428	17,365	10,428	*-2*	*-40*
Watermelon	25,743	27,975	17,080	17,641	16,669	17,404	29,997	*74*	*72*
Melon	2,138	2,090	2,455	4,824	1,778	2,966	5,558	*74*	*87*
Cabbage	22,988	23,154	13,975	21,924	14,426	16,694	25,957	*47*	*55*
Cauliflower	131	75	169	1,793	-	218	1,571	*56*	*622*
Spinach	859	898	262	408	1,199	1,892	2,031	*74*	*7*
Salad	608	635	200	*736*	-	884	1,392	*72*	*57*
Beet	389	422	27	59	678	240*	276	*-15*	*15*
Radish	23	21	6	8	-	12	12	*15*	*-5*
Parsley	67	71	50	112	-	103	186	*73*	*80*
Leek	1,559	1,675	1,293	2,206	640	1,942	1,831	*15*	*-6*
Onion	13,257	13,655	8,601	15,308	12,812	13,795	19,814	*42*	*44*
Garlic	867	878	557	1,046	431	705	1,063	*46*	*51*
Beans	5,575	5,033	3,723	5,892	5,831	9,018	10,267	*49*	*14*
Peas	96	103	34	313	1,117	392	250	*-59*	*-36*
Other legumes	75	66	111	177	353	124	119	*-45*	*-4*
Carrots	488	514	320	481	779	743	1,381	*107*	*86*
Other vegetable	-	-	-	-	881	-	-	-	-

Source: ASK - Agricultural Holdings Survey ('12, '13'15'16); ASK – expert assessments within EAA '10-'11; Agriculture Census ('14);

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

The total vegetable planted area in 2016 was 17,395 ha, out of which 5% is planted with tomatoes.

The total domestic production was 27,215 tons, which covers 62.6% of domestic consumption needs and the rest is covered by imports. Tomatoes export marks 414 tons, while imports around 16,687 tons.

Of the total domestic use 43,488 tons, about 42,399 tons are used for general consumption, while 1,089 tons are accounted for as loss.

The value of tomato output is estimated to be 13.1 mil. €, which is 36% higher compared to 2015, this as a result of increased amount of production, as well as, the price which increased to 0.09 €. The trade balance continues to be negative at 5.5 mil. €.

Table 18: Supply balance for tomatoes, 2010-2016

Balance sheet items	Unit	2010	2011	2012	2013	2014	2015	2016
Vegetable area	ha	16,356	16,196	14,557	16,356	15,854	14,656	17,395
Tomato area	ha	935	967	1,233	950	558	791	866
Share	%	5.7	6.0	8.5	5.8	3.5	5.4	5.0
Yield	t/ha	63.63	63.40	20.28	18.20	31.15	30.77	31.42
Output	t	59,490	61,312	25,006	17,291	17,386	24,333	27,215
Import of tomato	t	13,583	14,536	12,636	13,756	16,814	15,110	16,687
Supply	t	73,073	75,848	37,643	31,047	34,199	39,444	43,902
Export of tomato	t	649	412	115	32	64	63	414
Domestic use	t	72,424	75,436	37,527	31,016	34,135	39,381	43,488
Self-adequacy rate	%	82.1	81.3	66.6	55.7	50.9	61.8	62.6
Loss	t	2,380	2,452	1,000	692	695	973	1,089
Processing	t	571	589	240	166	167	234	261
Final own consumption	t	10,851	11,183	4,561	3,154	3,171	4,438	4,964
Total human consumption	t	70,045	72,984	36,527	30,324	33,440	38,408	42,399
Total domestic use	t	72,424	75,436	37,527	31,016	34,135	39,381	43,488
Producer prices (on farm)	€/kg	0.62	0.50	0.71	0.56	0.55	0.41	0.50
Value of production	mn EUR	35.4	29.4	17.0	9.3	9.2	9.6	13.1
Tomato trade balance	mn EUR	-5.1	-4.7	-3.0	-3.3	-5.2	-5.4	-5.5

Source: KAS – Agricultural Holdings Survey ('12, '13'15'16'); KAS – KAS- expert assessments within EAA'10-'11; Agriculture Census ('14) KAS, Foreign Trade Statistics; calculations by DEAAS–MAFRD

Pepper share is 19%, in the total vegetables planted area. Production pertaining to pepper crops compared to 2015, has increased by 24%, covering about 87% of consumption needs.

Out of the total domestic production 79,470 tons, 76,716 tons are used for general consumption and 2,754 tons are accounted as a loss, while 661 tons are destined to processing.

The value of pepper production for 2016 was € 39.7m, which is 6% higher than that of 2015.

Pepper price for 2016 has decreased by € 0.10. Trade balance continues to be negative, in 2016 the quantity of imported pepper was 11,734 tons while exported was 1,113 tons.

Table 19: Supply balance for pepper, 2010-2016

Balance sheet items	Unit	2010	2011	2012	2013	2014	2015	2016
Vegetable areas	ha	16,356	16,196	14,557	16,356	15,854	14,656	17,395
Pepper areas	ha	2,914	2,993	3,153	3,686	2,553	3,090	3,363
Share	%	17.8	18.5	21.7	22.5	16.1	21.1	19.3
Yield	t/ha	32.23	32.18	16.09	19.79	22.69	17.95	20.47
Output	t	93,924	96,322	50,744	72,928	57,921	55,469	68,849
Import of pepper	t	7,448	7,932	7,721	9,150	10,489	9,246	11,734
Supply	t	101,372	104,254	58,465	82,078	68,409	64,715	80,582
Export of pepper	t	2,493	2,045	2,053	1,187	994	602	1,113
Domestic use	t	98,878	102,209	56,412	80,891	67,416	64,114	79,470
Self-adequacy rate	%	95.0	94.2	90.0	90.2	85.9	86.5	86.6
Loss	t	3,757	3,853	2,030	2,917	2,317	2,219	2,754
Processing	t	902	925	487	700	556	533	661
Final own consumption	t	17,132	17,569	9,256	13,302	10,565	10,118	12,558
Total human consumption	t	95,121	98,356	54,382	77,974	65,099	61,895	76,716
Total domestic use	t	98,878	102,209	56,412	80,891	67,416	64,114	79,470
Producer prices (at farm gate)	€/kg	0.59	0.58	0.58	0.78	0.65	0.70	0.60
Value of production	mil EUR	53.2	53.6	28.3	54.6	36.1	37.3	39.7
Pepper Trade Balance	mil EUR	-4.1	-3.2	-2.9	-3.0	-4.1	-4.0	-4.2

Source: KAS- Agricultural Holdings Survey('12, '12'15,'16);KAS–expert assessments within EAA'10-'11; Agriculture Census('14)KAS, Foreign Trade Statistics; calculations by DEAAS–MAFRD

The potato planted area is 3,795 ha, from the total vegetables planted area with 17,395 ha, compared to 2015 the potato planted area has increased by 13%.

Potato yield is estimated to be 98,583 tons, and by this yield quantity it covers 100% of domestic needs, while domestic consumption is estimated to be 88,822 tons, of which 83,893 tons are used for general consumption, while 4,929 tons are accounted for as losses, for processing are 4,683 tons and final consumption 28,096 tones.

The trade balance continues to be negative in the amount of € 0.2 million, while the value of production is € 32.8 million, with price of € 0.35 compared with 2015 increased by € 0.02. Potato imports amounted to 4,868 tons while export was 14,629 tons, compared to 2016, it marked an increase up 19 %.

Table 20: Supply balance for potatoes, 2010-2016

Balance sheet items	Unit	2010	2011	2012	2013	2014	2015	2016
Vegetable areas	ha	16,356	16,196	14,557	16,356	15,854	14,656	17,395
Potato areas	ha	3,760	3,746	3,198	2,777	3,695	3,353	3,795
Share	%	23.0	23.1	22.0	17.0	23.3	22.9	21.8
Yield	t/ha	23.23	23.23	10.45	18.31	17.33	21.08	25.97
Output	t	87,354	87,036	33,407	50,847	64,027	70,678	98,583
Potato import	t	2,778	1,380	1,595	2,708	4,503	4,822	4,868
Supply	t	90,132	88,416	35,002	53,555	68,530	75,500	103,451
Potato export	t	3,095	3,971	5,450	9,690	12,673	12,294	14,629
Domestic use	t	87,037	84,445	29,553	43,865	55,858	63,206	88,822
Self-adequacy rate	%	100.4	103.1	113.0	115.9	114.6	111.8	111.0
Loss	t	4,368	4,352	1,670	2,542	3,201	3,534	4,929
Processing	t	4,149	4,134	1,587	2,415	3,041	3,357	4,683
Final own consumption	t	24,896	24,805	9,521	14,491	18,248	20,143	28,096
Total human consumption	t	82,669	80,093	27,882	41,323	52,656	59,673	83,893
Total domestic use	t	87,037	84,445	29,553	43,865	55,858	63,206	88,822
Producer prices(at farm gate)	€/kg	0.29	0.30	0.32	0.43	0.31	0.33	0.35
Value of production	mil EUR	24.1	24.8	10.2	20.8	18.9	22.2	32.8
Potato Trade Balance	mil EUR	-0.2	0.1	0.3	0.7	-0.2	-0.4	-0.2

Source: KAS - Agricultural Holdings Survey ('09, '12'13', 15'16); KAS–expert assessments within EAA '10 -'11; Agriculture Census('14);KAS, Foreign Trade Statistics; calculations by DEAAS–MAFRD

2.4 Fruits and Vineyards

In 2016, 8,785 ha of fruit trees were planted in Kosovo, representing 2% of the utilized area of agricultural land. Compared to 2016, the fruit trees area increased by 10%, and compared to the average of the last three years, the increase is estimated to be at 13%.

From the total planted fruit trees, crops such as apples, wine grapes and plums account for 68% of the surface area. In 2016, crops whose surface has grown compared to the average of the last three years are raspberries, walnuts by 77%, hazelnuts by 57%, medlar by 53%, cherry by 32%, sour cherry by 17%, blackberries by 16%, pears by 10% , blueberries by 5%, apple by 4% and table grapes 1%.

Crops that have marked a decrease on the fruit tree area compared to the average of the last three years are: quince 52%, apricot 47%, peach 38% and wine grapes 1%.

Table 21: Area with fruits, 2010 - 2016

Crops	2010	2011	2012	2013	2014	2015	2016	Difference 2016/(13-15) in %	Difference 2016/2015 in %
Area				ha				%	
Fruits	*6,578*	*6,733*	*7,082*	*8,342*	*6,921*	*7,998*	*8,785*	*13*	*10*
Apples	1,661	1,790	1,725	2,024	1,973	1,972	2,076	*4*	*5*
Pears	352	354	326	561	210	367	416	*10*	*13*
Quinces	39	38	52	111	26	58	31	*-52*	*-46*
Medlar	22	22	16	35	21	-	43	*53*	-
Plums	1,063	1,063	1,404	1,843	699	1,518	1,518	*12*	*0*
Apricot	16	13	22	47	23	12	15	*-47*	*20*
Peach	41	42	39	84	28	12	26	*-38*	*112*
Cherry	50	50	50	88	51	27	73	*32*	*170*
Sour cherry	58	58	107	106	125	147	148	*17*	*0*
Walnuts	63	75	57	91	48	177	186	*77*	*5*
Hazelnuts	13	15	2	22	88	65	91	*57*	*40*
Strawberries	49	45	52	148	201	203	175	*-5*	*-14*
Raspberries	1	0	0	23	141	324	797	*390*	*146*
Blackberries	10	10	10	-	15	19	20	*16*	*3*
Wine grapes	2,504	2,510	2,517	2,408	2,420	2,321	2,348	*-1*	*1*
Table grapes	636	648	702	751	781	747	769	*1*	*3*
Chestnuts	-	-	-	-	24	-	-	-	-
Blueberries	-	-	-	-	14	14	15	*5*	*5*
Other fruits	-	-	-	-	32	14	39	*70*	*182*

Source: KAS – Agricultural Holdings Survey ('12, '13'15,'16); KAS – expert assessments within EAA'10-'11; Agriculture Census('14)MAFRD Department of Viticulture and Viniculture

The total fruit output for 2016 has increased in relation to the average of the last three years by 22%.

According to the categories of crops with increased output compared to the average of the last three years are: raspberry 687%, cherry 83%, apple 69%, medlar 60%, walnuts and strawberries 36%, pears 35%, blackberries 21 % and table grapes 8%, this increase it can be attributed to increased fruit planted areas.

The categories that marked a decrease in output compared to the average of the last three years are: hazelnuts 70%, apricot 40%, quince 34%, blueberries 31% and wine grapes 7%.

Table 22: Fruit crops output, 2010 - 2016

Crops	2010	2011	2012	2013	2014	2015	2016	Difference 2016/(13-15) in %	Difference 2016/2015 in %
Output				t				%	
Fruits	52,419	41,429	59,633	76,702	45,873	70,096	78,502	*22*	*12*
Apples	12,545	13,523	8,120	16,786	13,519	18,352	27,485	*69*	*50*
Pears	2,495	2,510	1,562	4,259	1,363	3,189	3,966	*35*	*24*
Quinces	275	265	506	977	224	294	329	*-34*	*12*
Medlar	90	92	66	138	87	-	181	*60*	-
Plum	6,957	6,957	17,514	24,433	7,525	17,543	12,722	*-23*	*-27*
Apricot	89	71	83	239	110	75	85	*-40*	*13*
Peach	177	180	173	441	130	61	211	*0*	*245*
Cherry	257	256	167	354	211	99	405	*83*	*309*
Sour cherry	255	255	1,175	381	793	810	696	*5*	*-14*
Walnuts	314	371	234	483	229	323	470	*36*	*46*
Hazelnuts	18	21	2	31	111	13	16	*-70*	*20*
Strawberries	294	270	275	465	965	1,498	1,328	*36*	*-11*
Raspberries	2	1	1	105	529	1,748	6,250	*687*	*258*
Blackberries	73	73	73	-	107	284	237	*21*	*-17*
Wine grape	22,536	12,048	22,656	20,473	15,101	18,426	16,800	*-7*	*-9*
Table grape	6,042	4,536	7,026	7,137	4,869	6,996	6,866	*8*	*-2*
Chestnut	-	-	-	-	-	-			
Blueberries	-	-	-	-	-	276	189	*-31*	*-31*
Other fruits	-	-	-	-	-	109	268	*146*	*146*

Source: KAS – Agricultural Holdings Survey('12, '13'15,'16);KAS–expert assessments within EAA '10-'11; Agriculture Census ('14) MAFRD Department of Viticulture and Viniculture

The apple planted area accounts for 24% of the total planted area with 8,785 ha fruit trees, compared to 2015, it has increased by 5%.

The apple output is estimated at 27,485 tons, which covers 69% of the domestic needs. The amount imported in 2016 was 12,384 tons, compared with 2015 it has decreased by 15%, while the exported amount was 119 tons compared to 2015 that was 17 tons.

Domestic use of apple crop was 39,750 tons, 37,001 tons are destined for general consumption, while 2,749 tons are lost, while 2,474 tons are accounted for processing.

Output value for 2016 was € 9.9 mil., this value has increased compared to 2015, which was 7.3 mil. €, trade balance continues to be negative for 2016 in the amount of €4.0 mil.

Table 23: Supply balance for apples, 2010-2016

Balance sheet items	Unit	2010	2011	2012	2013	2014	2015	2016
Fruit area	ha	6,578	6,733	7,071	8,342	6,921	7,998	8,785
Apple areas	ha	1,661	1,790	1,725	2,024	1,973	1,972	2,076
Share	%	25.3	26.6	24.4	24.3	28.5	24.7	23.6
Yield	t/ha	7.55	7.55	4.71	8.29	6.85	9.30	13.24
Output	t	12,545	13,523	8,120	16,786	13,519	18,352	27,485
Imports of apple	t	12,222	11,085	12,590	13,143	15,808	14,909	12,384
Supply	t	24,767	24,608	20,710	29,929	29,326	33,261	39,869
Exports of apple	t	7	3	45	15	7	17	119
Domestic use	t	24,760	24,605	20,665	29,914	29,319	33,243	39,750
Self-adequacy rate	%	50.7	55.0	39.3	56.1	46.1	55.2	69.1
Losses	t	1,255	1,352	812	1,679	1,352	1,835	2,749
Processing	t	1,129	1,217	731	1,511	1,217	1,652	2,474
Final own consumption	t	6,774	7,302	4,385	9,064	7,300	9,910	14,842
Total human consumption	t	23,505	23,253	19,853	28,235	27,968	31,408	37,001
Total domestic use	t	24,760	24,605	20,665	29,914	29,319	33,243	39,750
Producer prices (at farm gate)	€/kg	0.49	0.49	0.54	0.53	0.49	0.44	0.40
The value of production	mil EUR	5.5	6.0	3.9	8.0	6.0	7.3	9.9
The trade balance of apples	mil EUR	-3.4	-3.3	-4.1	-4.4	-4.6	-4.9	-4.0

Source: KAS - Agricultural Holdings Survey ('12, '13'15, '16); KAS – expert assessments within EAA '10 -'11; Agriculture Census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS – MAFRD

Plum crop accounts for 13% of the area planted with 8,785 ha.

Total domestic output was 12,722 tons, covering 97 percent of domestic consumption needs, while the rest is covered by imports.

In Kosovo, the largest number of plums is used for human consumption of 12,249 tons, for processing 2,396 tons and loss of 891 tons. Plum output value was 5.6 mil. €, which is 21% lower than in 2015.

The trade balance continues to be negative, in 2016, the amount of imported plums increased to 79% compared to 2015, while the quantity of plum exported was 8 tons, compared to 2015 is significantly reduced.

Table 24: Supply balance for plum, 2010-2016

Balance sheet items	Unit	2010	2011	2012	2013	2014	2015	2016
Fruit area	ha	6,578	6,733	7,071	8,342	6,921	7,998	8,785
Plum area	ha	1,063	1,063	1,404	1,843	699	1,518	1,518
Share	%	16.2	15.8	19.9	22.1	10.1	19.0	17.3
Yield	t/ha	6.54	6.54	12.47	13.26	10.76	11.56	8.38
Output	t	6,957	6,957	17,514	24,433	7,525	17,543	12,722
Import of plums	t	313	245	339	311	474	237	425
Supply	t	7,270	7,202	17,853	24,744	7,998	17,780	13,147
Export of plums	t	0	0	2	8	0	81	8
Domestic use	t	7,270	7,202	17,852	24,736	7,998	17,700	13,139
Self-sufficiency rate	%	95.7	96.6	98.1	98.8	94.1	99.1	96.8
Losses	t	487	487	1,226	1,710	527	1,228	891
Processing	t	1,294	1,294	3,258	4,545	1,400	3,263	2,366
Final own consumption	t	4,206	4,206	10,587	14,770	4,549	10,605	7,690
Total human consumption	t	6,783	6,715	16,626	23,026	7,472	16,472	12,249
Total domestic use	t	7,270	7,202	17,852	24,736	7,998	17,700	13,139
Producer prices (at farm gate)	€/kg	0.29	0.35	0.40	0.34	0.78	0.43	0.47
The value of production	mil EUR	1.9	2.3	6.5	7.7	5.5	7.0	5.6
The trade balance of plums	mil EUR	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.2

Source: KAS - Agricultural Holdings Survey ('12, '13'15'16); KAS – expert assessments within EAA '10 -'11; Agriculture Census ('14); ASK, Foreign Trade Statistics; calculations by DEAAS – MAFRD

Of the total area planted with fruits 8,785 ha, strawberry planted area is 175 ha, which in relation to 2015 has marked a reduction in planted area by 14%.

Strawberry output was 1,328 tons, and covers 84% of domestic consumption needs and the rest is covered by import.

For human consumption, 1,485 tons were used, out of the total domestic use being 1,578 tons, 247 tons for processing and 93 tons are accounted as losses.

The value of strawberry output was 0.7 mil. €, which is 11% lower than in 2016, as a result of the decline in production volume and if we refer to the price we see there was no difference with 2015, the price continued to be 0.58 €.

The strawberry trade balance continues to be negative even in 2016, during 2016 the imported strawberry quantity was 297 tones, 98% higher than in 2015, while the export volume was 48 tons.

Table 25: Supply balance for strawberry, 2010-2016

Balance sheet items	Unit	2010	2011	2012	2013	2014	2015	2016
Fruit area	ha	6,578	6,733	7,071	8,342	6,921	7,998	8,785
Strawberry areas	ha	49	45	52	148	201	203	175
Share	%	0.7	0.7	0.7	1.8	2.9	2.5	2.0
Yield	t/ha	6.00	6.00	5.29	3.14	4.81	7.38	7.58
Output	t	294	270	275	465	965	1,498	1,328
Import of strawberry	t	167	164	169	163	4	150	297
Supply	t	461	434	444	628	968	1,648	1,626
Export of strawberry	t	2	11	36	0	2	3	48
Domestic use	t	459	422	408	628	967	1,645	1,578
Self-sufficiency rate	%	64.0	63.9	67.4	74.1	99.8	91.0	84.2
Losses	t	21	19	19	33	68	105	93
Processing	t	55	50	51	86	179	279	247
Final own consumption	t	178	163	166	281	583	905	803
Total human consumption	t	438	403	389	595	899	1,540	1,485
Total domestic use	t	459	422	408	628	967	1,645	1,578
Producer prices (at farm gate)	€/kg	0.80	1.23	1.03	0.91	1.05	0.58	0.58
The value of production	mil EUR	0.2	0.3	0.3	0.4	0.9	0.8	0.7
The trade balance of strawberry	mil EUR	-0.2	-0.1	-0.1	-0.2	0.0	-0.2	-0.2

Source: KAS - Agricultural Household Survey ('12, '13'15'16); KAS – KAS – expert assessments within EAA '10 - '11; Agriculture Census ('14); ASK, Foreign Trade Statistics; calculations by DEAAS – MAFRD

Vineyards

The total area of vineyards in 2016 was 3,117 ha, compared with 2015 it has increased by 2%.

Table grape output is estimated to be 6,866 tons, covering 73% of consumption needs, while the rest is covered by import of about 2,642 tons, while the exported quantity is estimated at 112 tons.

The table grape output value was 5.8 mil. €, which is 9.4% lower than in 2015, as a result of the reduction of the output quantity and also the price. Trade balance continues to be negative in 2016, with 1.2 mil. €.

Table 26: The supply balance for table grapes, 2010-2016

Balance sheet items	Unit	2010	2011	2012	2013	2014	2015	2016
Vineyards area	ha	3,140	3,158	3,220	3,159	3,201	3,068	3,117
Area with table grapes	ha	636	648	703	751	781	747	769
Share	%	20.3	20.5	21.8	23.8	24.4	24	25
Yield	t/ha	9.50	7.00	9.99	9.50	6.23	9	9
Production	t	6,042	4,536	7,026	7,137	4,869	6,996	6,866
Import of table grape	t	2,251	2,011	1,764	2,762	2,920	2,025	2,624
Supply of table grape	t	8,293	6,547	8,790	9,899	7,789	9,021	9,490
Exports of table grape	t	212	8	454	40	96	28	112
Domestic use	t	8,081	6,539	8,336	9,859	7,693	8,993	9,379
The self-sufficiency rate	%	74.8	69.4	84.3	72.4	63.3	78	73
Use of table grape	t	8,081	6,539	8,336	9,859	7,693	8,993	9,379
The price of the producers (at farm gate)	€/kg	0.80	0.93	0.93	0.81	1.02	0.91	0.84
Production value	mil.€	4.8	4.2	6.5	5.8	5.0	6.4	5.8
Trade balance	mil.€	-1.2	-1.5	-0.8	-1.2	-1.6	-0.9	-1.2

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

In 2016, table grapes planted area in Kosovo was 769 ha. In the table below are presented table grapes planted varieties. Of these varieties, most of the area was cultivated with the Muscat d'Hambourg variety with a total area of 255 ha, followed by the Italian Muscat variety with 176 ha, Afuz Ali with 121 ha and Cardinal with 87 ha. Other varieties are cultivated on a smaller surface and consist of 130 ha of total cultivated area with table grapes.

Table 27: Varieties of table grapes 2016

Table variety		
No	**Varieties**	**Area in ha**
1	Muscat d'Hambourg	255.2
2	Muscat Italian	175.63
3	Afuz Ali	120.81
4	Cardinal	86.59
5	Moldavk	17.4
6	Ribier	9.85
7	Demir Kapi	9.68
8	Antigona	8.08
9	Experimental table grapes.	7.98
10	Victoria	49.44
11	Black Magic	7.38
12	Queen	1.94
13	Groqanka	0.79
14	Red Globe	4.91
15	July Muscat	0.88
16	Crimson Seedless	1.95
17	Michele Palieri	8.01
18	Seedless grape	2.44
	Total	**768.96**

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

In Kosovo there are more than 40 varieties of grapes cultivated for different purposes. In 2016, the cultivated area with wine grapes was 2,348 ha, out of which 1,556 was red grapes and 792 ha with white varieties. From the cultivated area with red grapes the Vranac variety with 441 ha cultivated, followed by the Prokupe variety with 376 ha, Game variety with 261 ha, Black Burgundy with 164 ha, and other types that make up the cultivated area with red varieties with a total of 314 ha.

From the cultivated area with white grape varieties, the majority is cultivated with the Smederevka variety or 344 ha, followed by Italian Rizling or 225 ha, Shardone variety with 86 ha, and Rizling Rhine variety with 52 ha, while the rest or 73 ha are planted with other varieties such as Zhuplanka, Rrakacitel, Semion, White Burgundy, Zhillavka, Melnik and the white of Kladova.

Table 28: Varieties of wine grapes 2016

Red varieties			White varieties	
No	**Varieties**	**Surface in ha**	**Varieties**	**Surface in ha**
1	Vranac	441.18	Smederevka	343.65
2	Prokup	376.34	R. Italian	225.43
3	Game	261.45	Shardone	97.61
4	Black Burgundy	164.25	R. Rhaine	52.39
5	Zhametë	108.79	Zhuplanka	22.23
6	Kabernet Sauvignon	57.71	Rrakacitel	11.67
7	Color Game	22.81	Semion	8.9
8	Frankovke	30.6	White Burgundy	12.47
9	Merlot	34.82	Zhillavka	3.17
10	Cabernet Frank	23.03	White of kladovo	3.18
11	Syrah	3.98	Melnik	11.49
12	Pllovdin	18.61		
13	Red Shaslla	0.52		
14	Petit Verdo	1.49		
15	Carmonere	3.98		
16	Other	4.97		
17	E hershmja e Opuzenit	1.22		
18	Black square	0.26		
	Total	**1,556.01**		**792.19**

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

Wines

The year 2016 marked a decline in wine production in Kosovo. One of the reasons was the climatic conditions where the hail caused a lot of damage to the vineyards. Compared to 2015, in 2016 there was a 10% decrease in total wine production. If we compare the production of red and white wine, there is not much difference in decrease where red wine has marked 9% decrease while white wine had 11%. MAFRD has continuously supported the sector through grants and subsidies in order to increase the new areas planted with table grapes, as well as improve quality, production technology and diversity, thus affecting the stimulation of exports to foreign markets.

Table 29: Production of wine 2011-2016

Production	Unit	2011	2012	2013	2014	2015	2016	Difference 2016/('13-'15 in %	Difference 2016/2015 in %
Red wine	1000 l	1,118	2,518	3,659	3,271	6,034	5,506	27	-9
White wine	1000 l	403	2,769	4,023	1,482	4,044	3,613	14	-11
Total wine	1000 l	1,521	5,287	7,682	4,753	10,078	9,119	22	-10

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

In the table below are presented 19 companies that deal with grape processing. Of the companies listed in this table, in 2016, we note that the company "Stone Castle Vineyards &

Winery" produces mostly wine output in the amount of 43,752 hl, followed by Sunny Hills Company with 20,058 hl of wine produced, company "Haxhijaha" with 9,956 hl, "Stone Castle" company with 9,896 hl, and other companies with an amount of 7,525 hl. Of the total amount of wine produced by the 19 companies presented in the table in 2016, the amount of white wine produced was 36,131 hl, while the red wine and rose wine 55,056 hl.

Table 30: Wine production as per companies in 2016

No		White wine/hl	Red wine/hl	Rose wine/hl	Total wine/hl	Grapes for distillation/hl
1	"Stone Castle Vineyards&Winery" L.L.C	16,704.73	26,547.13	500.00	43,751.86	8,815.29
2	"Stone Castle" L.L.C	6,653.54	3,192.28	49.79	9,895.61	0.00
3	NTP "Haxhijaha"	4,008.02	5,906.45	42.00	9,956.47	38.85
4	NPT " Sunny Hills"	6,193.66	13,864.32	0.00	20,057.98	0.00
5	"Biopak Shpk"	1,316.53	1,033.24	0.00	2,349.77	335.68
6	Shpk"Rahoveci"	59.72	121.47	0.00	181.19	6.71
7	NPT"Rahvera - AB"	55.00	177.69	0.00	232.69	25.80
8	NTP "Daka"	31.00	148.55	0.00	179.55	8.55
9	NPT"Bahha"	35.05	268.69	0.00	303.74	7.29
10	NTP "Agro-alf"	36.86	263.29	0.00	300.15	9.75
11	NTP "Sefa"	20.73	279.82	0.00	300.55	67.19
12	Shpk "Dea"	0.00	17.00	0.00	17.00	2.46
13	"Kosova Wine" L.L.C	625.54	1,982.89	0.00	2,608.43	24.53
14	N.P.SH. "Albatros"	40.00	46.00	0.00	86.00	15.00
15	N.P.T " Astra - Vera"	30.82	21.00	0.00	51.82	2.06
16	NPT " Tradita"	0.00	90.00	0.00	90.00	0.00
17	Dardania Wine L.L.C	20.00	130.00	0.00	150.00	0.00
18	NTP "Muja"	300.00	227.77	0.00	527.77	0.00
19	"Gëzim Vuqiterna B.I."	0.00	146.34	0.00	146.34	5.67
	Total	**36,131.20**	**54,463.93**	**591.79**	**91,186.92**	**9,364.83**

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

Physicochemical analysis of wine for 2013 - 2016, in the laboratory of Enology in the Department of Viticulture and Winery

During 2016, 344 physicochemical analyses were conducted in the enology laboratory, 82 were samples for the internal market, 162 samples for export and 100 samples for import, while in the following years 2015 a total of 315 analyses were conducted, in 2014 387 have been completed and in 2013 294 physicochemical analyses were carried out.

Table 31: Physical and chemical analysis of wine for 2013 - 2016

Year	2013	2014	2015	2016
Samples of the domestic market	64	74	60	82
Export Samples	230	208	150	162
Import Samples	0	105	105	100
Total	**294**	**387**	**315**	**344**

Source: Department of Viticulture and Winery

2.5 Forage crops and green harvested cereals

The area and production of forage crops and green harvested cereals marked an increase, except for the grass whose surface area decreased by 13% and output by 29%. The increase in production was greater in comparison to the increase in planted areas as a result of the increase in yield. Green maize production grew more than twice since 2015, because the increase of 30% in planted area was accompanied by an increase in yield of 65%. An increase of over 50% in production also marked the clover, which largely came as a result of increase in planted area with 45%, whereas the yield increased by 5%.

Table 32: Area, production and yield of forage crops and green harvested cereals, 2010-2016

Crops	2010	2011	2012	2013	2014	2015	2016	Difference 2016/(13-15) in %	Difference 2016/2015 in %
Area				**ha**				**%**	
Forage crops and green harvested cereals	99,043	98,833	94,444	110,314	26,554	97,183	97,936	-	-
Maize (green)	1,062	1,032	2,511	4,294	2,414	2,256	2,943	*-2*	*30*
Hay (meadow)	74,952	76,386	72,048	81,924	-	68,711	69,021	*-8*	*0*
Grass	2,733	1,645	3,677	5,036	6,689	9,809	8,575	*19*	*-13*
Lucerne	14,678	14,707	13,330	15,495	15,011	15,109	15,190	*0*	*1*
Trefoil	2,582	2,577	1,328	1,502	2,085	526	765	*-44*	*45*
Other green forage crops	3,035	2,486	1,550	2,063	355	772	1,440	*35*	*86*
Output				**t**				**%**	
Forage and green harvested cereals	398,556	396,049	259,522	393,087	151,095	317,888	390,707	-	-
Maize (green)	15,944	15,493	28,006	82,050	36,434	31,633	68,219	*36*	*116*
Hay (meadow)	208,058	212,037	166,519	217,155	-	194,768	225,813	*10*	*16*
Grass	9,269	5,578	8,980	14,836	19,575	31,028	21,936	*1*	*-29*
Lucerne	145,054	145,054	46,828	60,869	86,583	53,368	63,522	*-5*	*19*
Trefoil	8,009	7,994	3,908	5,889	6,924	1,784	2,715	*-44*	*52*
Other green forage crops	12,223	9,893	5,281	12,288	1,579	5,308	8,502	*33*	*60*
Yield				**t/ha**				**%**	
Maize (green)	15.01	15.01	11.15	19.11	15.09	14.02	23.18	*44*	*65*
Hay (meadow)	2.78	2.78	2.31	2.65	-	2.83	3.27	*19*	*15*
Grass	3.39	3.39	2.44	2.95	2.93	3.16	2.56	*-15*	*-19*
Lucerne	9.88	9.86	3.51	3.93	5.77	3.53	4.18	*-5*	*18*
Trefoil	3.10	3.10	2.94	3.92	3.32	3.39	3.55	*0*	*5*
Other green forage	4.03	3.98	3.41	5.96	4.45	6.87	5.90	*3*	*-14*

Source: KAS – Agriculture Holdings Survey ('12'13,'15, 16); KAS- the experts assessments within EAA '10-'11; Agriculture Registration ('14);

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

2.6 Industrial Crops

Industrial crops are cultivated on a small area in Kosovo, a total of 389 ha have been planted, with a total output of 1,028 tons. The area in 2016 has increased for 43 ha or 12% compared to 2015.

Table 33: Planted area and output of Industrial Crops, 2015-2016

	2015	2016
Area in ha	346	389
Outputs in tons	757	1,028

Source: KAS – Agriculture Holdings Survey 2015, 2016

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 underlying factors include the fact that "seedlings" are now judged much more holistically through a set of parameters, such as quality, purity of variety and origin. This is the difference coming to prominence, which is gradually transforming into a belief for all those involved in producing 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.

Law no. 2004/13 on planting material regulates matters relating to the production, trade, import, export, control and registration of the producers, importers and traders of 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.

According to the statistical data prepared by DAPT in table form is presented the production of fruit trees from 2006 to 2016.

Table 34: Production of fruit seedlings with generative and vegetative rootstock 2006-2016

Years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vegetative rootstock	30,000	44,745	57,477	60,034	107,834	200,110	339,371	646,024	469,636	564,785	477,303
Generative rootstock	80,254	95,123	97,758	124,866	187,961	200,211	176,665	196,828	182,919	86,920	134,995
Total	**110,254**	**139,868**	**155,235**	**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 Agricultural Land Irrigation

Irrigation as a very important process for agricultural land in Kosovo, is organized in different forms.

The irrigation forms that our farmers use are, formal irrigation organized through irrigation companies, and there is the informal irrigation form, unorganized irrigation and individual irrigation which is made from different water sources such as rivers, wells, etc.

Kosovo has a good sustainability with aquatic reserves, where the estimated capability per capita is about 1,600 m3, despite the fact that the distribution continues to be uneven.

Referring to the data collected by the municipal directorates for agriculture, it was estimated that in 2016, about 21,775.81 ha were irrigated in two forms of irrigation: formal irrigation and informal irrigation.

It is estimated that from the formal irrigation through the enterprises, a total of 15,573.41 ha of agricultural land were irrigated, while from the rivers 4,018.8 ha and from the wells 2,183.8 ha, agricultural land. All of these data are expressed in the following table by municipalities, irrigation source, irrigated crops and irrigated areas expressed in ha.

From the data reported by the municipal directorates, some of the municipalities have reported that they have no irrigated areas such as Dragash, Skënderaj, Malisheva, etc. Most

of the crops that are irrigated are maize, fruits and vegetables, not excluding other sectors mentioned in the table.

Table 35: Irrigation of agriculture land by municipalities 2016

Municipality	Irrigation Source	Irrigated crops	Irrigated area/ ha
Deçan	Drini i Bardhë	Maize, Fruit, Vegetable	122
Gjakova	Radoniqi, rivers, wells	Vegetables, Maize, Watermelon	2,147
Gllogovc	Ibër-Lepenci	Vegetables, Maize, Lucerne	290
Gjilan	Wells	Vegetable, greenhouse, open field	337
Istog	Drini i Bardhe	Maize, fruit, vegetable	624
Kaçanik	Rivers	Maize, beans, vegetables	510
Klina	Drini i Bardhë	Maize, vegetables, fruits	1,525
F.Kosova	L.Drenica, wells	Maize, lucerne, vegetables	210
Kamenica			39
Mitrovica	Ibër-Lepenc	Vegetables, maize	720
Lipjan	Wells		106
Novobrdo			25
Obiliq	Ibër-Lepenc	Maize, fruits, vegetable	495
Rahovec	Radoniqi	Vegetable, maize, watermelon	3,353
Peja	Drini i bardhë	Maize, fruits, vegetable	2,570
Podujeva	Llap River, Wells	Vegetable, maize ,fruits	658
Prishtina	Ibër-Lepenc	Potatoes, maize	231
Prizren	Radoniqi, Dukagjini	Maize, vegetable, forage	2,631
Shtime	River, wells	Vegetable, fruits, lucerne	100
Shterpca	Lepec river,	Maize, vegetable, fruits	1,450
Suhareka	River, wells	Vegetable, fruits, lucerne, field crop production	615
Ferizaj	River, wells	Fruits, vegetable, maize	313
Vitia	Wells	Watermelon, potatoes	261
Vushtrri	Ibër-Lepenc	Potatoes, cabbage, maize	1,000
Mamusha	Wells, river	Vegetables, Maize	405
Junik	Drini i Bardhë	Lucerne, Maize, Potatoes	231
Kllokot	Wells		381
Graçanica	River, wells	Maize	350
Partesh	Wells	Vegetable, maize, lucerne	66

Source: Department of Agriculture Policy and Markets

2.9 Bovine animals

Bovine animals are the most important category in the farming sector, they account for 51% of the total livestock. Regarding the structure of the bovine animal stock, 52% have dairy cows, followed by the category of calves under 1 year with 32% and other categories all together with 16%. Viewed in terms of age groups, the category of bovine animals aged 2 years and over constitutes 59%, followed by the category of bovine animals aged less than one year 32% and bovine animals aged 1 to less than 2 years with 9%. In the category of

bovine animals under the age of 1 dominate males with 54%, while females have 46% share. Unlike this category, the category 1 to less than 2 years is dominated by females by 54% while males have a share of 46%.

In 2016, the bovine stock increased by 3% compared to the previous year, and compared to the average of three previous years, it decreased by 6%. The number of dairy cows increased by 1% compared to the previous year, compared to the average of three previous years, there was a decrease in the number of dairy cows for 9%.

Table 36: Bovine animals stock and structure, 2010-2016

Number of animals	2010	2011	2012	2013	2014	2015	2016	Difference 2016/(13-15) in %	Difference 2016/2015 in %
Bovine stock	356,496	361,688	329,213	321,113	261,689	258,504	*264,971*	*-6*	*3*
Male calves under 1 year*	74,438	76,283	66,575	65,298	47,357	45,235	45,443	*-14*	*0*
Female calves under 1 year*	56,673	58,078	50,687	49,715	36,055	36,108	38,124	*-6*	*6*
Male calves 1-2 years*	12,870	13,375	12,333	10,756	14,351	9,007	11,756	*3*	*31*
Female calves 1-2 years*	9,798	10,182	9,389	8,188	10,925	13,737	13,967	*28*	*2*
Bulls over 2 years*	3,247	3,223	2,538	2,831	2,872	2,639	7,044	*153*	*167*
Heifer*	4,486	4,392	4,351	5,768	13,920	12,138	11,344	*7*	*-7*
Dairy cows	194,984	196,155	183,340	178,557	134,393	135,801	136,783	*-9*	*1*
Other cows	-	-	-	-	1,816	3,839	510	*-82*	*-87*

Source: KAS – Agricultural Holdings Survey ('12'13,'15,'16); KAS- Expert assessments within EAA '10-'11; Agriculture census ('14); * Estimates of DEAAS ('09-'13);

The total number of bovine animals in 2016 was 264,971, which compared to 2015, it marked a 3% increase. In terms of slaughtering, 116,849 cattle have been slaughtered in 2016, i.e. more than in 2015 by 1.4%. The value of total production was 40.9 million €, while the import was 29.4 million €. At this production outputs, the rate of self-adequacy was 61.9%, with per-capita consumption at 18.2 kg.

Table 37: Supply balance for beef, 2010-2016

	Unit	2010	2011	2012	2013	2014	2015	2016
Bovine stock	heads	356,496	361,688	329,213	321,113	261,689	258,504	264,971
Dairy cows	heads	194,984	196,155	183,340	178,557	134,393	135,801	136,783
Total slaughters	heads	165,371	172,433	162,292	156,062	128,372	115,195	116,849
Total domestic production c.w	mil. kg c.w.	27.8	29.6	27.9	26.7	22.8	19.7	20.0
Total imports	mil. kg c.w.	12.5	10.1	9.2	11.5	10.4	13.0	12.3
Supply in c.w.	mil. kg c.w.	40.2	39.6	37.1	38.3	33.2	32.7	32.3
Total exports	mil. kg c.w.	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Consumption	mil. kg c.w.	40.1	39.6	37.1	38.3	33.2	32.7	32.3
Value of production in c.w.	mil. EUR	55.0	63.5	60.0	58.6	50.5	41.4	40.9
Total imports	mil. EUR	25.5	25.0	24.0	27.8	23.8	33.5	29.4
Trade balance	mil. EUR	-25.1	-24.9	-23.9	-27.7	-23.8	-33.5	-29.3
Self-adequacy rate	%	69.3	74.7	75.3	69.8	68.7	60.4	61.9
Per-capita consumption	kg c.w.	18.4	22.7	20.4	21.0	18.4	18.4	18.2

Source: KAS – Agricultural Holdings Survey ('12'13,'15.'16); KAS- Expert assessments within EAA '10-'11; Agriculture census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS – MAFRD;

Dairy cows represent 52% of the total number of bovine animals in 2016. Of the total supply, 80% was domestic production, and the rest is covered by imports. The total milk production in 2016 was 285 thousand tons, which is higher than in 2015, because the number of dairy cows increased. The trade balance remained negative at 26.8 mil. €. Per-capita consumption was 198 kg annually, which means that a person consumed 0.5 kg per day, including milk and products of the first phase processing.

Table 38: Supply balance for cow milk and its products, 2010-2016

	Unit	2010	2011	2012	2013	2014	2015	2016
Dairy cow	heads	194,984	196,155	183,340	178,557	134,393	135,801	136,783
Milk production	t	390,065	393,389	368,605	369,702	278,933	282,534	285,261
Import	t (p.e.)	71,252	75,960	72,371	66,582	67,863	67,491	69,284
Supply	t (p.e.)	461,318	469,349	440,976	436,284	346,796	350,025	354,545
Export	t (p.e.)	604	360	110	422	378	800	745
Domestic use	t (p.e.)	460,714	468,989	440,867	435,862	346,418	349,224	353,800
Self-sufficiency rate	%	84.7	83.9	83.6	84.8	80.5	80.9	80.6
Loss	t (p.e.)	7,801	7,868	7,372	7,394	5,579	5,651	5,705
Consumption for calves feed on farms	t (p.e.)	57,340	57,828	54,185	54,346	41,003	41,532	41,933
Processing	t (p.e.)	34,951	35,684	33,578	33,046	26,690	26,868	27,247
Human consumption	t (p.e.)	360,622	367,609	345,731	341,075	273,146	275,173	278,914
Producer prices (on farm)	€/kg	0.29	0.31	0.32	0.33	0.33	0.30	0.30
Value of production	mil EUR	94.2	101.6	98.3	101.6	76.7	70.6	71..3
Trade balance	mil EUR	-22.6	-24.5	-25.4	-23.4	-25.5	-25.5	-26.8

Source: KAS – Agricultural Holdings Survey ('12'13,'15,'16); KAS- Expert assessments within EAA '10-'11; Agriculture census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS – MAFRD

2.10 Sheep and goat

Sheep and goat consist of 40% of the total number of animals. The number of sheep and goat in 2016 was 212,040 heads or 5% lower than in 2015, whereas compared to the average of 2013-2015 there was a decrease in their number by 3%. According to the categories, the number of sheep in 2016 decreased by 5%, while the number of goats by 9%. There was an increase in the number of goats by 2% when compared 2016 to the average of the last three years, while the number of sheep decreased by 3%.

From the sheep category in 2016, sheep for breeding are 77%, while the rest is lambs, rams etc. Out of the total of breeding sheep, 87% are ewes that delivered while 13% bred for the first time. Regarding goats, out of the total number of 27,775 heads, around 88% are breeding goats while the rest are: kid goats, billy goats etc. Out of the total breeding goats, 81% are she-goats that delivered, while 19% bred goats for the first time.

Differences up to 10% are considered normal because farmers depending on financial conditions are obliged to sell their heads because during the winter season they consume more than they produce and it is costly for farmers, so they sell them for different destination. However in some specific years farmers keep ewe and doe sheep, so in this way the total number of heads in fund can increase 5 to 10%. In year 2016 there were also cases with Brucellosis disease.

Table 39: Number of sheep and goats, 2010-2016

Number of animals	2010	2011	2012	2013	2014	2015	2016	Difference 2016/(13-15) in %	Difference 2016/2015 in %
Sheep and goat	229,157	231,209	247,901	216,577	212,014	224,096	212,040	-3	-5
Sheep	204,988	206,528	221,438	193,458	183,584	193,703	184,265	-3	-5
Breeding sheep/ewe	163,490	163,490	175,293	153,144	146,924	148,956	141,995	-5	-5
Other heads (lambs, rams, etc)	41,498	43,038	46,145	40,314	36,660	44,747	42,270	4	-6
Goats	24,169	24,681	26,463	23,119	28,430	30,393	27,775	2	-9
Breeding goats					23,575	26,310	24,315	-3	-8
Other heads (kid goats, billy goats, etc)					4,855	4,083	3,460	-23	-15

Source: KAS – Agricultural Holdings Survey ('12,'13,'15,'16); KAS- Expert assessments within EAA '10-'11; Agriculture census ('14)

The production of sheep and goats as agricultural activity that is mainly developed in remote rural areas is meat-oriented production activity, while the milk consumption is lower and is mainly used for the production of cheese. In 2016, the production of sheep and goat meat is estimated to be about 2,146 tons in slaughtered weight, import compared to domestic production is very low and Kosovo is able to meet the domestic consumption needs by about 99%. Production value in 2016 is 5.2 mil. € while the trade balance value is -0.1 mil. €. Per-capita consumption is estimated to be about 1.2 kg/year.

Table 40: Supply balance for sheep and goat meat, 2010-2015

	Unit	2010	2011	2012	2013	2014	2015	2016
Sheep stock	heads	204,988	206,528	221,438	193,459	183,584	193,703	184,265
Goat stock	heads	24,169	24,681	26,463	23,119	28,430	30,393	27,775
Slaughters	heads	212,431	217,228	223,448	193,870	184,467	195,284	185,069
Output (t.c.w)	t	2,410	2,455	2,559	2,226	2,142	2,267	2,146
Net imports (t.c.w)	t	63	27	630	48	36	26	19
Domestic use (t.c.w)	t	2,473	2,482	3,189	2,274	2,178	2,293	2,165
Value of output	mil. EUR	5.3	5.7	6.2	5.6	5.4	5.6	5.2
Trade balance	mil. EUR	-0.1	-0.1	-0.7	-0.2	-0.1	-0.1	-0.1
Self-sufficiency rate	%	97	99	80	98	98	99	99
Per-capita consumption (t.c.w)	kg	1.1	1.4	1.8	1.2	1.2	1.3	1.2

Source: KAS – Agricultural Holdings Survey ('12'13,'15,'16); KAS- Expert assessments within EAA '10-'11; Agriculture census ('14); KAS, 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 less developed. The number of pigs in 2016 was 42,309, which compared to the previous year, it was 4% lower, while compared to the average of three previous years was almost the same. Regarding the pig structure in 2016, 36% were piglets with weight under 20 kg, 13% pigs with weight from 20-50 kg, 20% breeding pigs, 27% sow and 4% breeding boars.

Of the total number of breeding pigs, most of them, respectively 40% of them have the weight from 110 kg and more, 32% weight from 51-79 kg and the rest from 28% weight 80-109 kg. Regarding pig sow, 57% are sows that delivered, 21% bred sows for the first time, 18% un-bred and 4% other sows.

Number of horses, donkeys and mules in 2016 decreased by 9% compared to 2015, whereas compared to the average of three previous years, it decreased by 17%.

Table 41: Number of pigs and other farm animals, 2010-2016

Number of animals	2010	2011	2012	2013	2014	2015	2016	Difference 2016/(13-15) in %	Difference 2016/2015 in %
Pigs	50,580	50,580	55,775	49,198	34,188	44,149	42,309	*0*	*-4*
Horses, donkeys and mules	4,429	4,429	2,139	2,929	2,980	2,577	2,353	*-17*	*-9*

Source: KAS – Agricultural Household Survey ('12,'13,'15,'16); KAS- Expert assessments within EAA '10-'11; Agriculture census ('14)

2.12 Poultry

In 2016, the total number of poultry in Kosovo increased by 6% compared to the previous year, while compared to the average of three previous years, it increased by 9%. Of the number of poultry, 94% are chicken, while the rest from 6% are turkeys, ducks, geese, and other poultry. In regards to the chicken structure, 79% are laying hens, 8% broilers and 13%

others (chicks, rooster and other chicken). In Kosovo, the number of laying hens in agricultural household with more than 2,000 heads of laying hens is 732,400, and there are 79 households own more than 2,000 heads of laying hens , while the rest of the 1.3 mil. Laying hens are in family/household farms. Of the total number of broilers, there are 7 agricultural households with over 5,000 broilers and number of broilers in these farms is 90,500, while 105,778 broilers are in smaller farms.

In 2016, the eggs production in commercial farms was estimated to be around 220 million eggs, while within the households are produced another 131 million eggs, thus resulting with a total of 351 million eggs. In 2016, around 6.8 million eggs have been imported amounting to 413.8 thousand €. Albania is the country from where 78% of eggs have been imported in 2016 followed by Bulgaria, Macedonia, Greece, whereas from Austria, Germany and Italy, there was a very small amount of import. On the other hand, export took place only towards Albania. Average consumption per capita is estimated at 201 eggs/year, therefore Kosovo meets 98% of its egg consumption needs.

In 2016, the production of chicken meat was estimated at 2,439 tons, in view of the fact that the poultry sector is focused primarily towards production of eggs for consumption and chicks while the production of chicks meat is at the stage of consolidation. In 2016, the import of chicken meat is estimated at around 35,918 tons, of which 70% was imported from the United States of America and Brazil, 5% from United Kingdom, 4% from Poland and Germany, with the remaining 17% distributed among other countries. The average per-capita consumption in Kosovo is estimated at around 21.5 kg/year. With the current production, Kosovo can only cover 6.4% of the consumption needs.

Table 42: Number of poultry and eggs 2010-2016, in 1000 heads

Number of poultry (1000)	2010	2011	2012	2013	2014	2015	2016	Difference 2016/(13-15) in %	Difference 2016/2015 in %
Poultry	2,347	2,347	2,318	2,244	2,692	2,576	2,740	9	6
Chicken	2,220	2,220	2,250	2,108	2,584	2,492	2,586	8	4
Broilers					194	304	196		-35
Laying hens					1,704	1,874	2,043		9
Chicks, roosters and other chicken					687	314	347		10
Turkeys					45	63	108		73
Other poultry (Ducks, Geese etc.)	127	127	68	136	62	22	46	-38	113
Eggs*	231,608	224,582	218,282	176,078	357,138	361,197	350,827	18	-3

Source: KAS – Agricultural Holdings Survey ('12,'13,'15,'16); KAS- Expert assessments within EAA'10-'11; Agriculture census ('14); *Estimates: DAPM ('09-'11), SHPUK ('12-'13), DEAAS ('14-'16)

2.13 Beekeeping

The continuous support provided to the beekeeping sector has led to the steady growth of the number of beehives. Support through direct payments was first provided to this sector in

2012, and continued every year since then with the increase of the number of subsidized hives as well as of the total number of hives. In 2016, the number of hives increased by 33% compared to the average of the previous three years, while compared to the previous year the increase was 3%.

Table 43: Number of beehives, 2010-2016

Number of hives	2010	2011	2012	2013	2014	2015	2016	Difference 2016/(13-15) in %	Difference 2016/2015 in %
Beehives	46,958	44,634	46,483	93,533	116,172	157,005	162,355	33	3

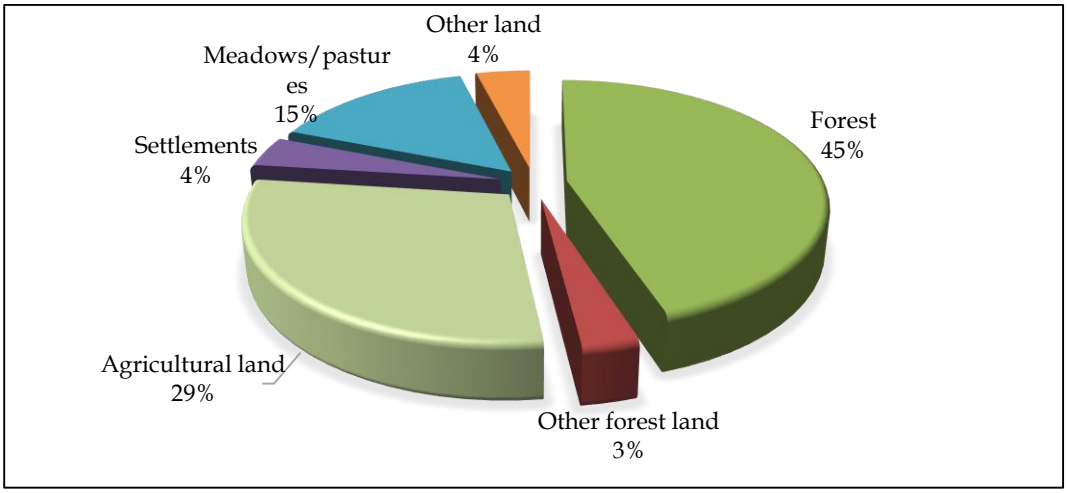
Source: KSA – Agricultural Household Survey ('12,'13'15,'16); KSA- Expert assessments within EAA '10 -'11; Agriculture census ('14)

Honey production in 2016 was much lower than in 2015 as a result of atmospheric conditions. In 2016, 200 tons of honey were imported; compared to 2015, the imported quantity was 13% higher while no honey was exported. Given the domestic production and the imported quantity imported, 768 tons of honey was consumed in Kosovo in 2016, i.e., 0.4 kg of honey per capita. Coverage of consumption needs from domestic production was 74%.

3 Forestry

Kosovo is characterized by a sustainable forest area of about 481,000 ha (45% of total area). The land use distribution was calculated on the basis of the classification of 3,453 Kosovo property areas. The figure below illustrates the distribution of surfaces, where it is seen that the largest share belongs to forests, followed by agricultural land, meadows/pastures, and others.

Figure 20: Land use classes in Kosovo (% of total land area)



Source: NFI

Kosovo forests are dominated by broad-leaf forests covering 93% of forest areas (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 44: 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 2016, in implementation of the Strategy for Forestry Sector Development 2010-2020, the Forestry Agency was engaged in developing management plans for forest management in an area of 23,076 ha for 6 managing units, as shown in the table below.

Table 45: Management Plans 2016

Managing unit	Area/ha
Meçegllav, Dubak	2,952
Qerreti	4,356
Maja	2,553
Rahovec, Shkozë, Koznik, Zatriq	7,693
Uji i Bardhë II	1,912
Karadak	3,610
Total	**23,076**

Source: KFA

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

Table 46: Forests exploitation plan in state property 2016 in m³

Technical wood	8,386
Fire wood	64,318
Net wood mass	72,704
Waste	6,732
Gross wood mass	79,436

Source: KFA

Table 47: Implementation of forest exploitation in state property 2016 in m³

Technical wood	3,096
Fire wood	25,307
Net wood mass	28,403
Waste	560
Total	28,963

Source: KFA

The wood volume in state forests planned for exploitation in 2016 was 79,436 m³, whereas the quantity used was only 28,963 m³ (36% of the plan). In 2015, the plan was to use 92,488 m³ but the quantity used was only 29,673 m³ (32% of the plan). This plan foresees 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 48: Implementation of state forests exploitation 2016 by CD

Coordinating directorate	Technical coniferous wood	Technical deciduous wood	Fire wood	Waste	Total m³	Implementation %
Prishtina	0	0	1,057	7	1,064	16
Peja	490	152	3,984	0	4,625	49
Mitrovica	0	0	430	43	473	3
Prizren	132	258	4,688	331	5,408	62
Gjilan	252	264	8,337	0	8,853	55
Ferizaj	328	1,212	5,332	0	6,872	33
DMKE	8	0	1,481	179	1,668	125
Total	**1,210**	**1,886**	**25,307**	**560**	**28,963**	**36**

Source: KFA

Implementation of state forests exploitation in 2016 by Coordinating Directorates has been 28,963 m³ in total. Of these, 1,210 m³ consisted of technical coniferous woods, 1,886 m³ technical deciduous wood, 25,307 m³ fire wood and 560 m³ waste.

The forest exploitation plan in private property in 2016 included forest cultivation and exploitation activities as well as technical and professional works as shown in the table below.

Table 49: Forest exploitation plan in private property 2016 in m³

A. Forest cultivation and exploitation	
1. Establishment of new forests – forestation	84 ha
2. Forest renewal – melioration	17 ha
3. Forest cultivation	4,104 ha
4. Forest exploitation	5,020 ha
B. Technical-professional works	
1. Anticipated-submitted requests (decision)	4,304 pcs
2. Cutting plans in private forests	153,803 m³
3. Fire wood	149,490 m³
4. Technical wood	4,313 m³

Source: KFA

Cultivation and exploitation of forests includes the establishment of new forests - forestation of 84 ha, forest renewal –melioration 17 ha, 4,104 ha forests cultivation and 5,020 ha forests exploitation, while technical and professional works include the requirements anticipated-submitted (decisions), cutting plans in private forests, fire wood and technical wood.

Table 50: Implementation of forests exploitation in private property 2016

	Unit	Total
Requests reviewed	pcs	2,773 pcs
Marking of trees	m³	179,280 m³
Marking for transport	m³	151,030 m³
Monitored wood mass	m³	129,913 m³
The number of notes delivered	pcs	24,547 pcs
Professional control-observation	case	373 cases
Trees outside the forest	ha	5,791 ha
Forestation in private property	ha	9.65 ha

Source: KFA

During 2016, total 2,773 requests were reviewed for private forests. A volume of 179,280 m³ of wood was marked and an additional volume of 151,030 m³ was marked for transport. The wood mass that was monitored during this period included a volume of 129,913 m³. Total 24,547 notes were delivered, while professional control-observation was exercised in 373 cases. The cultivation of forests in private properties resulted in 9.65 ha, while the use of trees outside forests, such as wood mass near the rivers, streams, shrubs, and other small areas was 5,791 ha.

Activities for the protection of forests from illegal logging are outlined below.

Table 51: Raised charges or summons for January-December 2016

Forest damage	Pcs	m³	Total (€)
Misdemeanour summons	4,449	8,204	957,778
Criminal summons	1,464	7,301	929,128
Total summons	**5,913**	**15,505**	**1,886,906**

Source: KFA

In 2016, Municipal Forestry Authorities filed 1,464 criminal summons and initiated 4,449 misdemeanour proceedings, the damage value of which is calculated at a volume of 15,505 m³ of wood and monetary value of 1,886,906 €. Out of the total number of summons, 4,449 were for misdemeanour, estimated at a volume of 8,204 m³ and monetary value of 957,778 €, while 1,464 were criminal summons, estimated at a volume of 7,301 m³ and monetary value of 929,128 €.

Illegal activities in forest areas remain a phenomenon in relation to which respective institutions take preventive measures. The table below illustrates the protection of forests and the confiscation of wood mass from illegal woodcutters.

Table 52: The submission of the wood confiscated from illegal woodcutters

Forests protection, wood mass confiscation in m³	2016
Transferred wood mass (2015-2016)	1,715
Confiscated wood mass	2,341
Quantity sold	1,966
Quantity provided under the Memorandum	118
Current status of stocks	1,972

Source: KFA

This year the transferred wood mass was 1,715 m³. In this period, the wood quantity of 117 m³ was provided under the memorandum. Further, 2,341 m³ of wood was confiscated by municipal authorities, a quantity of 1,966 m³ was sold and the current state of stocks is 1,972 m³.

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

Table 53: Submission of cases of forest fires and forest areas included in 2016

Forest fires 2016				
Municipality	Number of cases	Area (ha)		Total (ha)
		Public	Private	
Prishtina	36	77	62	140
Mitrovica	11	216	49	265
Peja	0	0	0	0
Prizren	28	80	38	118
Ferizaj	9	37	0	36
Gjilan	4	25	0	25
Total	**88**	**435**	**149**	**584**

Source: KFA

In 2016, there were forest fires in the Kosovo municipalities, and the area affected by fires was around 584 ha. The fires were superficial with no major damage to the wood mass. The Municipality of Prishtina had the highest number of forest fires, which affected an area of 140 ha, of which 77 ha public forests and 62 ha private forests. In the Municipality of Prizren there were 28 cases affecting a total of 118 ha, of which 80 ha public forests and 38 private forests. Even though in the Municipality of Mitrovica there were only 11 cases of forest fires, the affected area was the greatest in comparison to all the other municipalities, where a total of 265 ha were affected, of which 216 ha public forests and 49 private forests. The number of cases of lower was in the municipalities of Ferizaj and Gjilan, whereas there were no cases in the Municipality of Peja.

During 2016, the Forestry Agency was also in charge of the maintenance of some afforestation.

Table 54: Maintenance of afforestation 2016

Coordinating Directorate	Municipality	Location	Area (ha)
Prishtina	Prishtina	Kukaj, Viti e Marecit	18
	Podujeve	Brezovan, Sylevicë, Lluqevc	28
	Obiliq	Sibovc	6
Gjilan	Novoberde	Mendellak	14
	Kamenice	Shevarinkë	17
Ferizaj	Ferizaj	Izhancë - Viç	40
Prizren	Prizren	Kob i vjetër	50
Total			**173**

Source: KFA

Maintenance of afforestation was conducted in the municipality of Prishtina 18 ha, municipality of Podujeva 28 ha, municipality of Obiliq 6 ha, municipality of Novoberde 14 ha, municipality of Kamenica 17 ha, municipality of Ferizaj 40 ha, and municipality of Prizren 50 ha. The specific locations in which the afforestation maintenance was carried out are listed in the table above.

Food and Agriculture Organization of the United Nations (FAO), with the financial support of the Government of Finland and in close cooperation with the Ministry of Agriculture, Forestry and Rural Development of Kosovo continued to implement the GCP/KOS/005/FIN project in 2016, which aims to support the implementation of Policy and Strategy Paper on Forestry Sector Development in Kosovo. This document has been approved by the Kosovo Government in 2010.

During 2016, as part of the project "Support to implementation of the forest policy and strategy in Kosovo" a number of activities have been conducted that include three components of the project as follows:

The Annual Progress Report on the Forest Sector 2014-2015 has been drafted.

A meeting with all stakeholders on the Joint Annual Review for the Forestry Sector has been prepared and organized.

A second Debating Forum was prepared and organized under the umbrella of the Ministry of Agriculture, Forestry and Rural Development on 27 April 2016. The Second Debating Forum has served in bringing new ideas and recommendations for forest sector funding.

The Project has assisted the mid-term Review of Forest Policies and Strategy 2010 – 2020. The FPS review has concluded that policies and strategies are fully in line with the National Development Plan and most of the other sector strategies. Some of the strategic capacity-building goals have proven to be over-ambitious and are not coordinated with education and finance strategies. In this sense, it would be appropriate to review the policies and strategies for Forestry Sector Development 2010-2020. An overall assessment is that the policies are

quite clear and provide guidance for implementation. Lack of desired outcomes is more closely related to the lack of financial resources and joint investment projects among the relevant agencies for the implementation of the Strategy on Forestry Sector Development 2010-2020. Findings concluded that eventual changes can be addressed through the completion and drafting of the Action Plan for the second five-year period of implementation of the Strategy on Forest Sector Development 2010-2020.

The National Program for Forestation and Reforestation 2016-2025 has been finalized.

The drafting of the Forest Health Protection Programme 2016 - 2015 has been finalized.

Bioindicative points for monitoring of forest health have been established.

The drafting of the Development Program for the Nursery in Peja 2016 - 2021 has been finalized,

The complete tender documentation for the Integration of the GIS Module and other functionalities in the Kosovo Forestry Information System has been finalized and approved.

An agreement has been signed between FAO and MAFRD on the organization of public forestry works in northern Kosovo municipalities, afforestation and cleaning of 170 ha of forest land.

The training of foremen (supervisors) on implementation of Public Works in Forestry in the northern municipalities of Kosovo was organized. Two trainers were engaged for this training, one International Forestry Infrastructure Expert and one Specialist for Forest Mechanization.

The project team has created a basis for establishing a coordinating mechanism, a functional platform that gathers all relevant stakeholders in the forestry field, to enable the integration of forest management in the northern municipalities of Kosovo.

A study tour was organized in Croatia for the staff of the Ministry of Agriculture, Forestry and Rural Development and the Agency, the Forestry Institute for the creation of test surfaces "ICP Forest", the maintenance of bodies and seeds and the management of forest crops.

4 Consumption, trade and market prices

4.1 Consumer trends

Data from the Household Budget Survey provides key information on important indicators relating to living conditions and basic demographic, economic and social characteristics of Kosovo households in 2016.

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

Table 55: Overall consumption in Kosovo 2009-2016

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
2016	2,321	7,539	1,460

Source: Survey results of Household Budget 2016

From the results deriving from this publication of the Household Budget Survey (HBS) for 2016, the overall consumption in Kosovo in 2016 was € 2,321 million, for households it was € 7,539 and it was € 1,460 per capita. Overall consumption in 2016 compared to 2015 marked a slight decrease of 5.7%, while consumption per capita shows an increase of 2%. The bulk of the household budget in 2016 was spent on food (42%) and housing (29%), followed by clothing (5%), while transport, alcohol and tobacco and furniture account for 4%, whereas other consumption groups account for 12%.

Meanwhile, compared to 2015, in 2016 the share of self-produced food in general consumption marked a slight decrease of 1 percentage point.

Table 56: Distribution of consumption in Kosovo according to consumer groups, 2009 – 2016 in (%)

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

Source: Household Budget Survey results 2016

Food consumption in Kosovo in 2016, according to HBS results, is very similar to all previous years, with some minor differences. It is usually dominated by meat with 21%, whereas milk, cheese, and eggs have the same percentage as in 2015, which accounts for 18% in the distribution of food consumption. Bread and cereals accounted for 17%, as in the previous year, contributing to more than half of the food consumption (in value). The next in line are vegetables with 12% and non-alcoholic beverages with 9%, which in 2016 mark a decrease of 1 percentage point compared to 2015. The other categories presented in the table account for 23% of the rest of the food consumption.

Table 57: Distribution of food consumption in Kosovo, 2009– 2016 (%)

Consumption	2009	2010	2011	2012	2013	2014	2015	2016
Bread and cereals	19	19	21	19	19	18	17	17
Meat	18	18	19	20	19	20	20	21
Fish	1	1	1	1	2	1	1	1
Milk, cheese, eggs	20	19	18	16	16	17	18	18
Oils and fats	4	4	5	4	4	3	3	3
Fruit	7	7	6	7	7	8	8	8
Vegetables	12	12	11	11	12	12	12	12
Sugar and sweets	5	6	6	7	6	6	6	6
Other food products	5	5	5	5	5	5	5	5
Non-alcoholic beverage	9	9	8	10	10	10	10	9
Total Food	100	100	100	100	100	100	100	100

Source: Household Budget Survey results 2016

As regards the main sources of income in 2016, we may note that the main and most important source were salaries from regular employment of public sector which account for 25%. The second most important source are net incomes from businesses accounting for 26%

of total incomes, with a 4% increase in private sector incomes compared to 2015, where this percentage was 22%.

Other important sources are pensions and businesses of households with 11% each. In 2016, remittances from abroad, that are very valuable to households as well as to the country's economy, have decreased by 1 percentage point compared to 2015. Similarly to the previous year, around 5% of incomes were from agriculture.

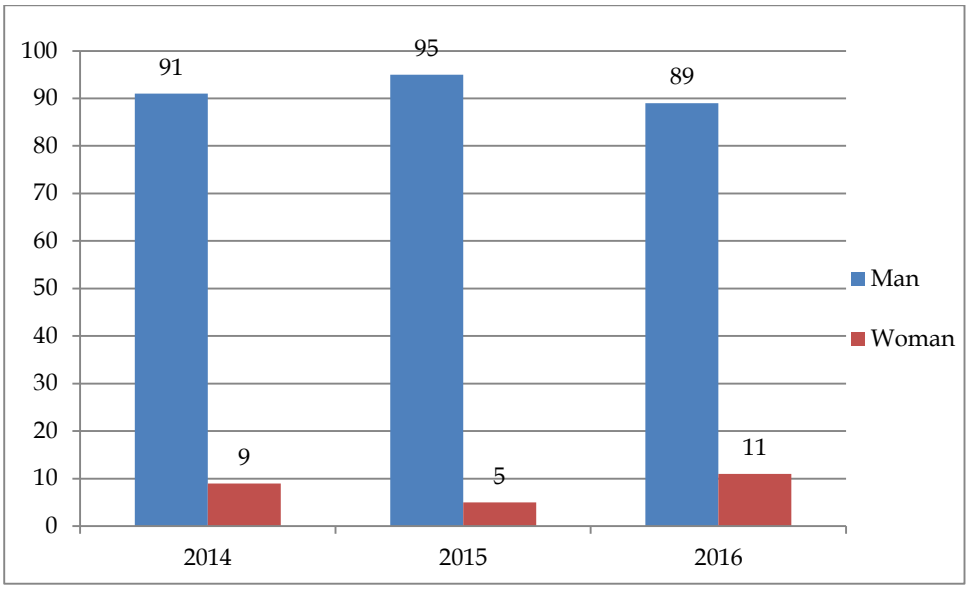
Table 58: The main source of income for households in Kosovo in %

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

Source: Household Budget Survey results 2016

Regarding ownership by gender structure and the mortgaged one, also in 2016, despite the fact that there has been a rise in ownership in favour of women by 6 percentage points, there still continues to dominate the tradition that man is the owner of the house (apartment). If expressed in percentage, 89% of men were property owners and only 11% of properties were owned by women.

Figure 21: Property in 2014 -2016, by gender, in %



Source: Household Budget Survey Results 2016

Regarding the mortgaged houses or apartments in the years presented in the table, the largest number was recorded in 2014 (3%), while this percentage decreased by 2 percentage points in 2015, and in 2016, 2% of the houses or apartments were mortgaged.

Table 59: Houses/Apartments mortgaged in 2014-2016, in %

Houses/Apartments mortgaged	2014	2015	2016
Not mortgaged	97	99	98
Mortgaged	3	1	2

Source: Household Budget Survey Results 2016

4.2 Trade

International trade data are an important indicator 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.

Trade exchange 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.

Given this fact, below is presented the overall trade exchange of Kosovo in 2016, 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).

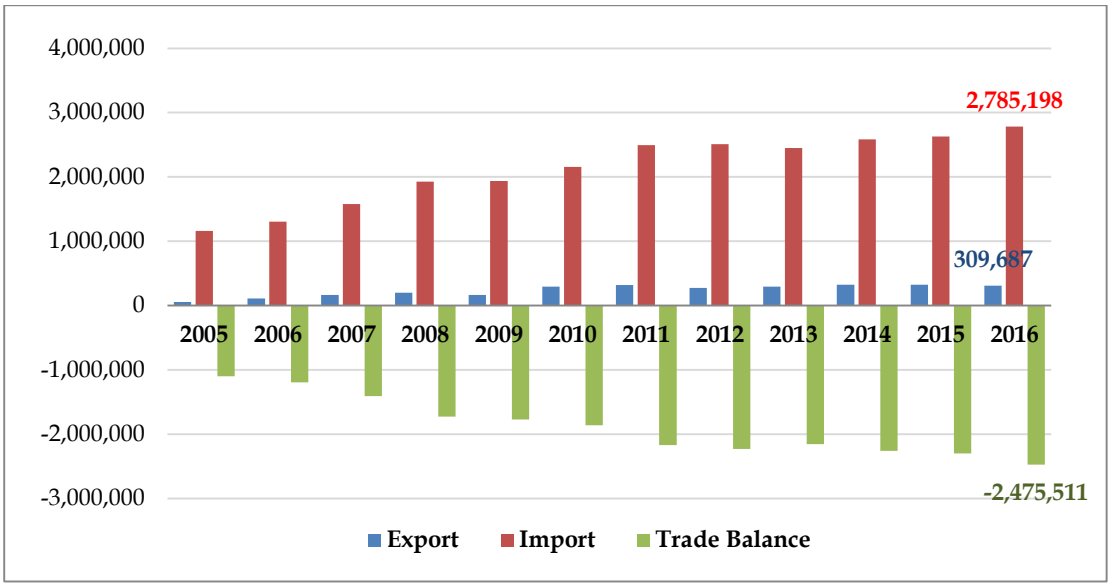
Table 60: Total Export/Import, in 1000 €

Period	Export	Import	Trade Balance	Coverage of imports by the exports (%)
	1	2	3=1-2	4=1/2
2001	10,559	684,500	-673,941	1.5
2002	27,599	854,758	-827,159	3.2
2003	35,621	973,265	-937,644	3.7
2004	56,567	1,063,347	-1,006,780	5.3
2005	56,283	1,157,492	-1,101,209	4.9
2006	110,774	1,305,879	-1,195,105	8.5
2007	165,112	1,576,186	-1,411,074	10.5
2008	198,463	1,928,236	-1,729,773	10.3
2009	165,328	1,935,541	-1,770,213	8.5
2010	295,957	2,157,725	-1,861,768	13.7
2011	319,165	2,492,348	-2,173,183	12.8
2012	276,100	2,507,609	-2,231,509	11.0
2013	293,919	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
2016	309,687	2,785,198	-2,475,511	11.1

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 the export was over 56 mil € in 2005, in 2015 it reached over 325 mil €, namely an export increase of 480%. When comparing the last two years the increase was very small, i.e. a 0.21% increase in 2015, unlike 2014 when the increase was 10% compared with 2013. The export growth trend has not continued in 2016, on the contrary, in this year export has declined by 4.8% compared to 2015.

Figure 22: Total 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 1.9% higher than the figure in 2014, continuing the trend as previous years with deep negative balance of trade exchange between Kosovo and other countries. The data show that this increase in imports continued to grow by 6.0% in 2016, when compared to a year earlier, leading to an increase in the negative balance of 7.5%.

Table 61: Participation of Export-Import of agricultural products, in € 1000

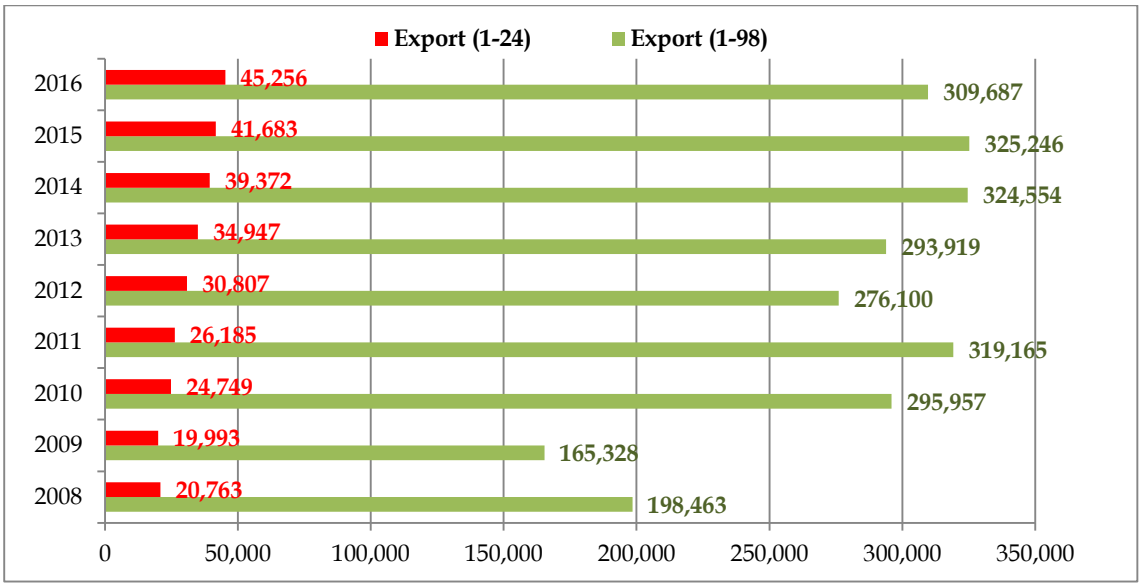
Years	Export (1-98)	Export (1-24)	(%)	Import (1-98)	Import (1-24)	(%)
	1	2	3=2/1	4	5	6=5/4
2008	198,463	20,763	10.5	1,928,236	473,666	24.6
2009	165,328	19,993	12.1	1,935,541	434,810	22.5
2010	295,957	24,749	8.4	2,157,725	482,649	22.4
2011	319,165	26,185	8.2	2,492,348	561,428	22.5
2012	276,100	30,807	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
2016	309,687	45,256	15.0	2,785,198	658,767	23.6

Source: KAS, developed by DEAAS -MAFRD

During 2008-2016, the lowest share of export (1-24) in total exports (1-98) was in 2011 with coverage of 8.2%, while the highest coverage was achieved in 2016 (15.0%). In the trade exchange of agricultural products, it is noted that there is an on-going trend of export growth

for the years 2008-2016. The largest increase in export value of agricultural products was in 2016 (€ 45.2 million), which is an increase of exports by 8.7% more than in 2015.

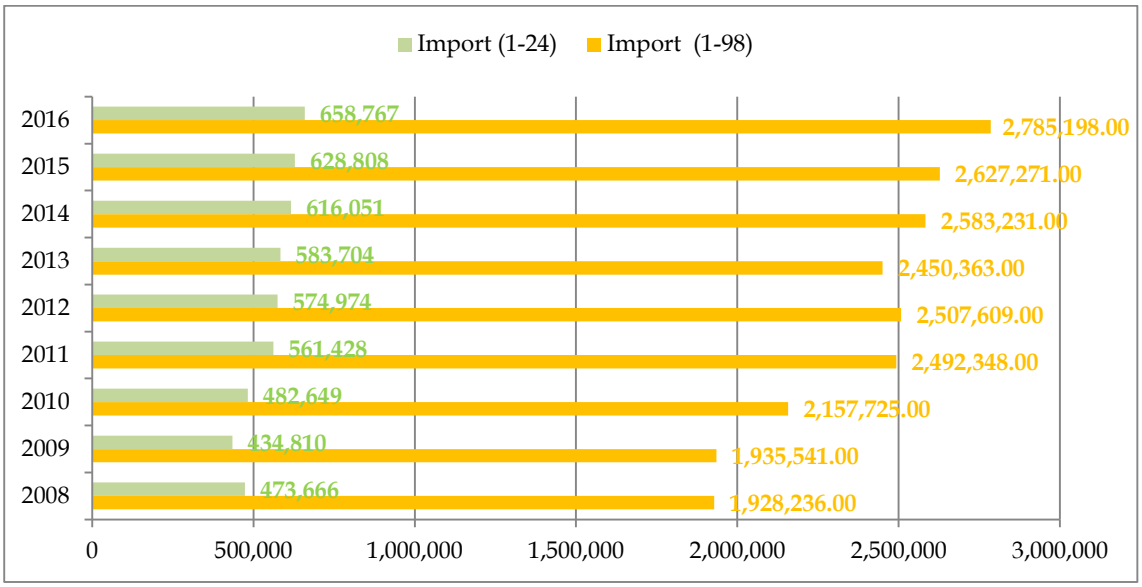
Figure 23: The share of exports of agricultural products in total exports, in 1000 €



Source: KAS, developed by DEAAS -MAFRD

The import value marked a rapid pace of growth over the years and has grown steadily. While we have had a general import increase, or the largest import value for chapters (01-98) by 6.0% in 2016, this year also recorded the highest point of the import value of agricultural products for chapters (01-24), reaching the value (€ 658million), which is an increase of 4.7% more than in 2015.

Figure 24: The share of imports of agricultural products in total imports, in 1000 €



Source: KAS, developed by DEAAS-MAFRD

The share of import of agricultural products in total imports has been very similar. Unlike other years, the highest import share (1-24) in total imports (1-98) was in 2008 (24.6%), while the lowest was in 2010 (22.4%). In 2016 this share was 23.6%.

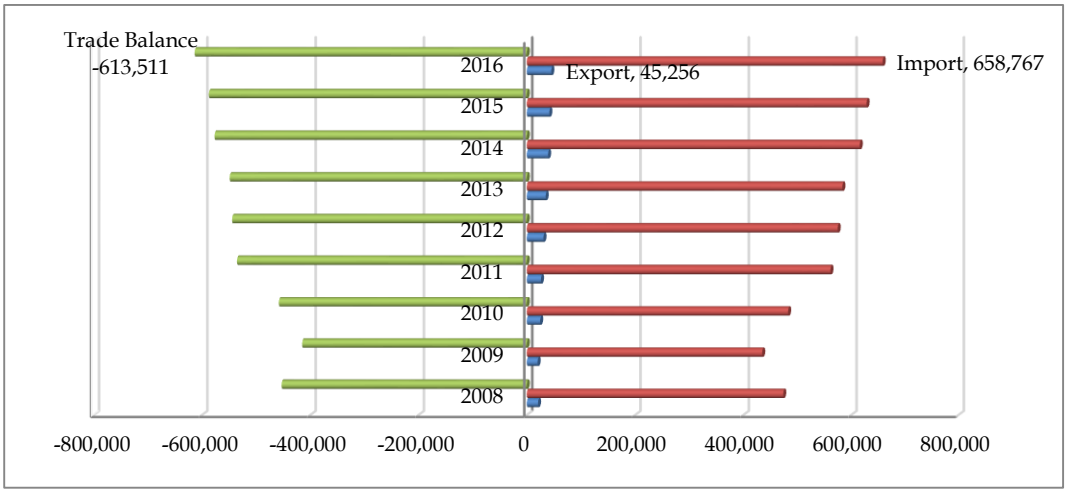
Table 62: Export-import of agricultural products (1-24), in 1000€

Year	Export	Import	Trade Balance	Export/Import (%)
	1	2	3=1-2	4=1/2
2008	20,763	473,666	-452,903	4.4
2009	19,993	434,810	-414,817	4.6
2010	24,749	482,649	-457,900	5.1
2011	26,185	561,428	-535,243	4.7
2012	30,807	574,974	-544,167	5.4
2013	34,947	583,704	-548,757	6.0
2014	39,372	616,051	-576,679	6.4
2015	41,683	628,808	-587,125	6.6
2016	45,256	658,767	-613,511	6.8

Source: KAS, developed by DEAAS-MAFRD

In recent years, the value of imports of agricultural products has increased continuously, but parallel to this, exports have also increased year by year. As exports have increased, this has resulted in a higher coverage of imports by exports. The trade balance value for agricultural products in the period 2008-2015 has continued to be negative, with an average of 514 mil. €. In 2016 the trade balance was negative in the amount of 613.5 mil. €, which means that the negative value of the trade balance of imports is further deepened by 19.1%, more than the average for 2008-2015.

Figure 25: 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 2016 reached the highest value so far (45.2 mil. €), which compared to 2015 is an increase of 8.6%, while imports accounted for 658 mil. €, marking an increase of 4.7%. Consequently, based on the preliminary data, it results

that in 2016 there is a trade deficit in the amount of 613 million €. Export covers the import with only 6.8%. The main trade partners with whom Kosovo has achieved the highest value of exports and imports are countries in the region, members of the free trade agreement, CEFTA.

4.2.1 Trade with CEFTA countries

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

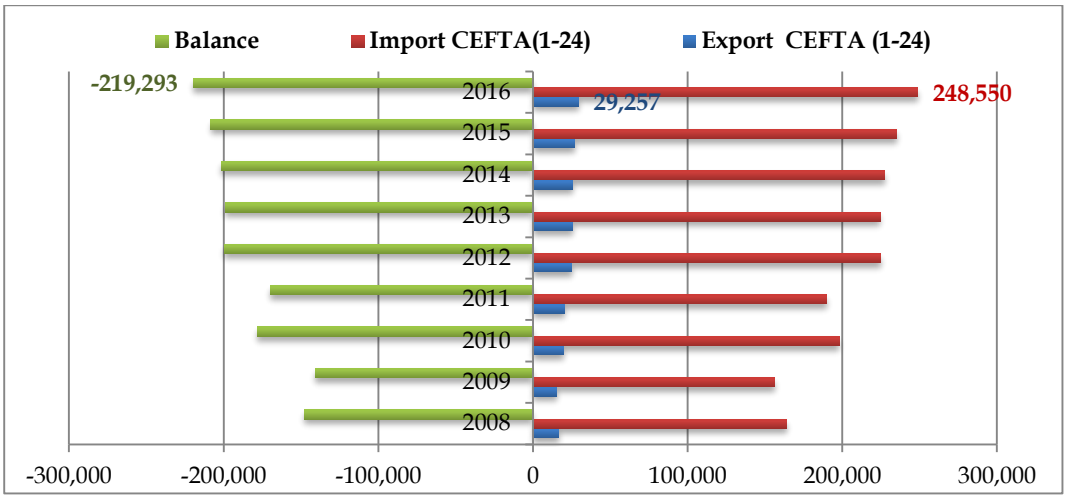
Table 63: Export-import of agricultural products with CEFTA countries, in 1000€

Year	Export (1-24)	Export CEFTA (1-24)	(%)	Import (1-24)	Import CEFTA (1-24)	(%)
	1	2	3=2/1	4	5	6=5/4
2008	20,763	16,518	79.6	473,666	164,219	34.7
2009	19,993	15,304	76.5	434,810	156,329	36.0
2010	24,749	19,610	79.2	482,649	197,791	41.0
2011	26,185	20,080	76.7	561,428	189,530	33.8
2012	30,807	24,960	81.0	574,974	224,633	39.1
2013	34,947	25,385	72.6	583,704	224,465	38.5
2014	39,372	25,604	65.0	616,051	227,096	36.9
2015	41,683	26,939	64.6	628,808	235,180	37.4
2016	45,256	29,257	64	658,767	248,550	37.7

Source: KAS, developed by DEAAS-MAFRD

Exports of agricultural products between these countries have steadily increased since the beginning of its implementation in 2008 and until now. The export of agricultural products with CEFTA members in 2008 amounted to over 16 million €, increasing continuously until 2015, reaching a value of 26.9 million €, or an increase of 5.2% compared to 2014. Although exports to these countries have been followed by many barriers in 2016, however, figures show that there has been an increase in exports by 8.6%, more than in 2015.

Figure 26: Trade exchange with CEFTA countries, in 1000 €

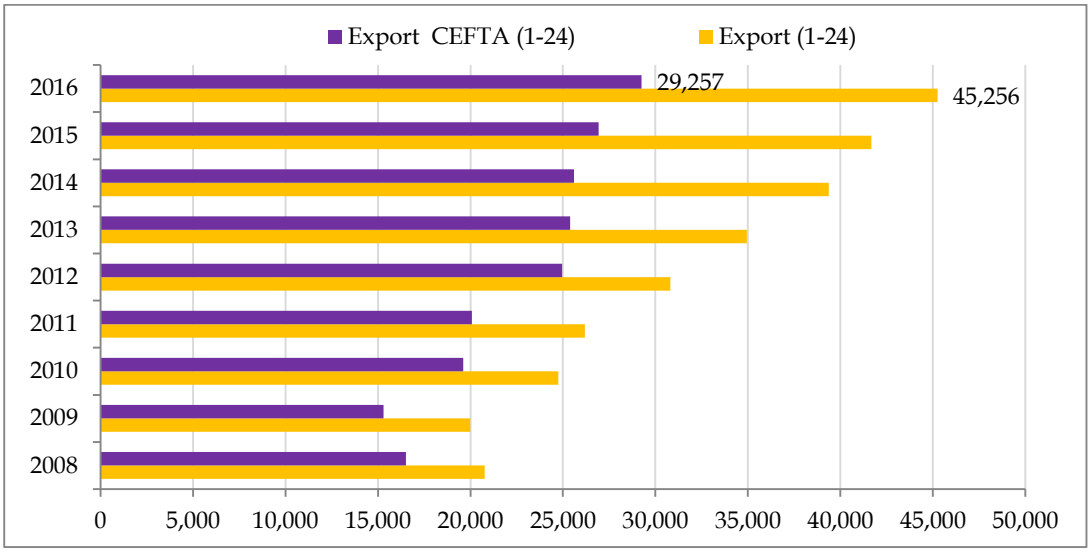


Source: KAS, developed by DEAAS-MAFRD

Compared to the export value of 2009 as a lower value (15.3 mil. €), in 2015 there was an increase of 76%. Exports to CEFTA countries have also increased in 2016, compared to the previous year there was an increase in export value by 8%. Expressed in percentage, 64% of export value or 29 mil. € has been oriented to CEFTA countries.

Import of agricultural products from CEFTA countries has changed constantly from year to year. The lowest value of imports was in 2009 (156 million euros), while the highest in 2016, with a share in total imports of agricultural products (chapters 1-24) of 37.7%, or in the amount of 248.5 mil. €. Unlike 2015, in 2016, imports from CEFTA countries increased by 5.7%.

Figure 27: Export of agricultural products to CEFTA countries, in 1000 €



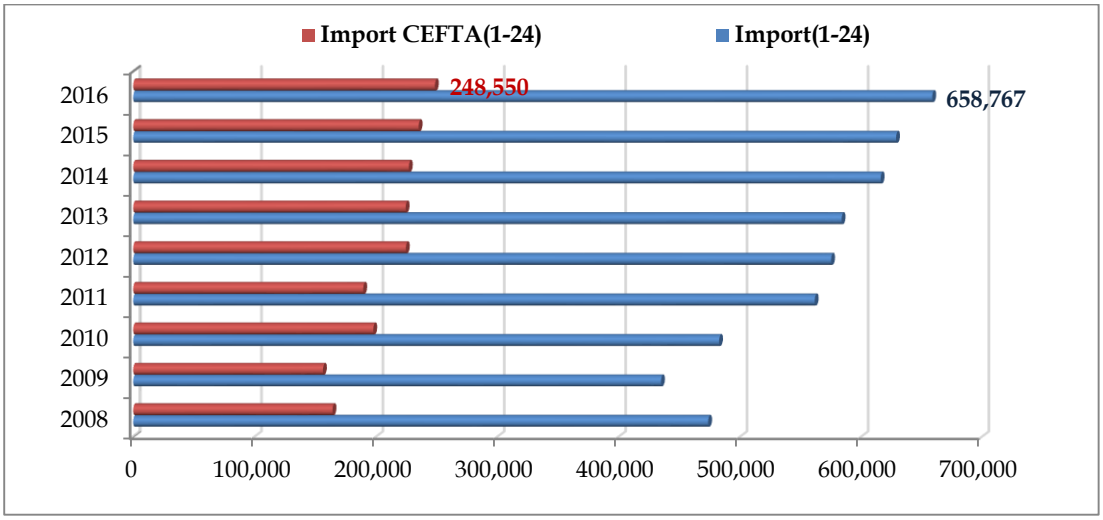
Source: KAS, developed by DEAAS-MAFRD

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 and 2016 (65%), which means 65% of products for chapters (1-24) were exported to these countries.

In 2016, in terms of agricultural products to CEFTA member countries in 2016, the highest exports were to Albania at about 16.8 mil. €, followed by exports to Macedonia at over 5 mil. € and Serbia at 4.6 mil. €. This was similar to the previous year, with only some minor changes marked, apart from Albania where the export was 2.8 mil. € more than previous year and Macedonia where import marked a decrease of 1mil. €.

Figure 28: Imports of agricultural products from CEFTA countries, in 1000 €



Source: KAS, developed by DEAAS-MAFRD

Regarding the percentage share of imports of products from CEFTA countries in total imports (1-24), the largest share was in 2010 (41%), while the lowest share was in 2011 (34%). In 2012, this share increased to 39%, followed by a slight decline, but mainly there was a trend of growth at approximately the same percentage, so in 2016 it was 38%.

Even though the export value to these countries during 2016 was quite small compared to other years, we can say that there has been a significant increase. If we compare the export of 2016 with that of 2015, we note that the export value to Albania has increased by 21%, B. Herzegovina 24.1%, Serbia 3.2%, and Montenegro by 6.1%, while we have a significant decrease of export to Macedonia by 16.5%.

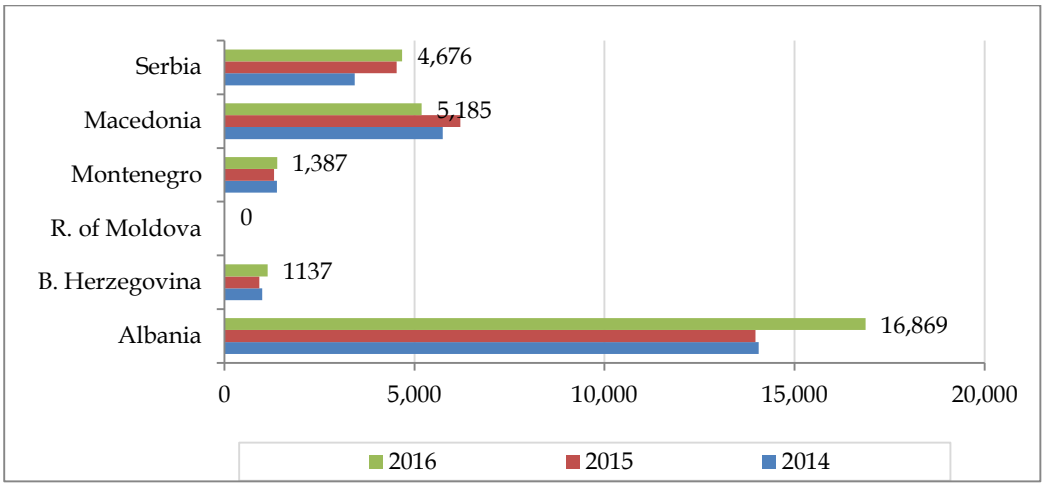
Table 64: Exports of agricultural products to CEFTA countries, in 1000 €

CEFTA Countries	2014	2015	2016	Difference (2016-2015)	Difference 2016/2015 (%)	Participation (%) 2016
Albania	14,059	13,973	16,869	2,896	20.7	57.7
B. Herzegovina	996	916	1137	221	24.1	3.9
R. of Moldova	0	0	0	0	0.0	0.0
Montenegro	1,379	1,307	1,387	80	6.1	4.7
Macedonia	5,742	6,211	5,185	-1,026	-16.5	17.7
Serbia	3,428	4,532	4,676	144	3.2	16.0
Total	**25,604**	**26,939**	**29,257**	**2,318**	**8.6**	**100.0**

Source: KAS, developed by DEAAS -MAFRD

The value of agricultural products exported from Kosovo to CEFTA countries is still low, but in 2016 there is recorded an increase of 12.4% compared to 2015. The highest exports for this year was to Albania with 57%, Macedonia 18%, Serbia 16% and Montenegro 5%. The most exported products to these countries are: Dairy products from chapter-04, which include milk and milk products; Edible vegetables, relevant roots and tubers of chapter-07; Fruits and edible nuts; Milling Industry Products - Chapter 11; Beverages, alcohols and vinegars, chapter-22; Residues and returns from the food industry, milling industry products - chapter 23.

Figure 29: Exports of agricultural products to CEFTA countries, in 1000 €



Source: KAS, developed by DEAAS -MAFRD

In 2016, imports with all CEFTA countries have marked an increase. Although the value of imports from Moldova was low, a decrease of 3% is noted compared to 2014, while compared to 2015 there is a significant growth (30.5%)

The value of imports from Serbia in 2014 and 2015 was almost the same (€ 153mil.), while in 2016 it has increased by 6.1%, compared to 2015.

Import of agricultural products from B. Herzegovina has increased in the last three years, namely in 2016 it had a value of 22 mil. €, which means that during this year there was an increase of 6%.

Table 65: Import of agricultural products from CEFTA countries, in 1000 €

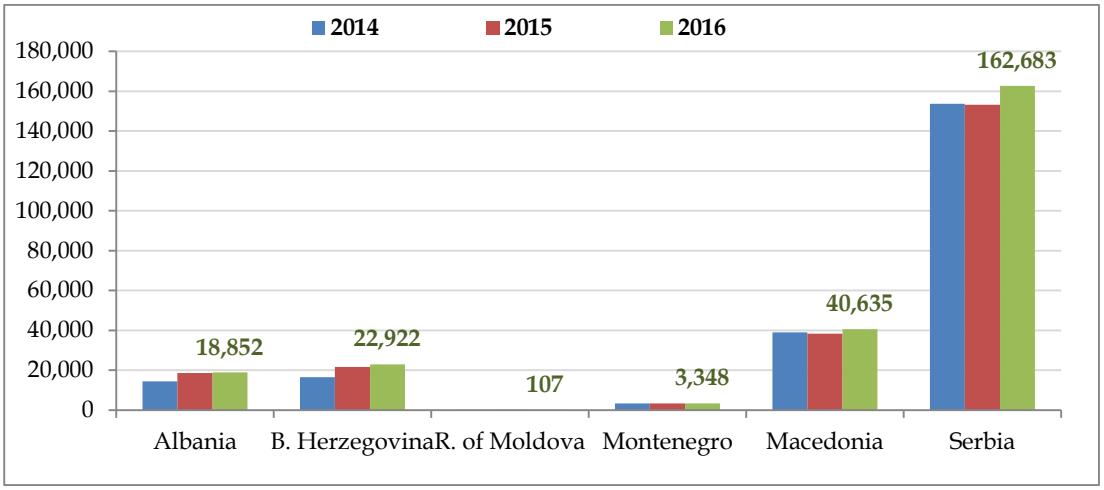
CEFTA countries	2014	2015	2016	Difference (2016-2015)	Difference 2016/2015 (%)	Participation (%) 2016
Albania	14,400	18,533	18,852	319	1.7	7.6
B. Herzegovina	16,481	21,636	22,922	1,286	5.9	9.2
R. of Moldova	111	82	107	25	30.5	0.0
Montenegro	3,304	3,292	3,348	56	1.7	1.3
Macedonia	39,076	38,420	40,635	2,215	5.8	16.3
Serbia	153,723	153,214	162,683	9,469	6.2	65.5
Total	**227,096**	**235,177**	**248,550**	**13,373**	**5.7**	**100.0**

Source: KAS, developed by DEAAS -MAFRD

Import from Macedonia has been uniform and without any significant increase, starting from 2014 (€ 39mil.), marking a slight decrease of 1.7% in 2015, followed again by an increase of 5.8% in 2016, different from 2015.

While imports from Albania remain the same for 2015 and 2016 (18 million Euros), with a slight increase of 1.7%.

Figure 30: Import of agricultural products from CEFTA countries, in 1000 €



Source: KAS, developed by DEAAS -MAFRD

Regarding imports from Montenegro for 2014, 2015 and 2016, it remains almost the same with a slight change of 1.7% in 2016.

Overall, the value of imports from CEFTA countries increased by 5.7% compared to 2015.

Table 66: Participation of CEFTA countries in Export/Import (%) in 2016, in 1000 €

Country	Export	Import	Export Share (%)	Import Share (%)
Albania	16,869	18,852	57.6	7.6
B. Herzegovina	1,137	22,922	3.8	9.3
Rep. of Moldova	0	107	0	0.0
Montenegro	1,387	3,348	4.7	1.4
Macedonia	5,185	40,635	17.7	16.5
Serbia	4,676	162,683	15.9	66.0
Total	**29,254**	**248,550**	**100**	**100.0**

Source: KAS, developed by DEAAS -MAFRD

Import from CEFTA for 2016 was again led by Serbia with a share of 65.4% of total imports, followed by Macedonia 16%, B. Herzegovina 9%, Albania 7.6%, and Montenegro 1.3%. The main imports from these countries were: Cows for slaughter; Edible fruits and nuts, citrus fruits and other products; cereals; Waters, including mineral waters and sparkling waters, containing added sugar or other sweetening or flavouring substances; White Sugar; Butter and other waste for technical or industrial use; Sweet biscuits and other types; Alcoholic beverages and vinegar; Animal feed residues and returns from the food industry and other products.

4.2.2 Trade with EU countries

Trade exchange of agricultural products has also existed with EU countries. Although exports were of a lower value than imports, it is worth noting that the export value to EU countries in 2016 was over 11.9 mil. €, which is 3.4% higher compared to the previous year.

Import value from EU countries has also increased since 2008, continuing to grow in 2016, amounting to 262 million. €.

The trade balance continued to be negative, continuing to deepen by 5.0% compared to 2015. The coverage of import with exports to these countries was also small, with only 4.6%.

Table 67: 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
2016	11,961	262,440	-250,479	4.5

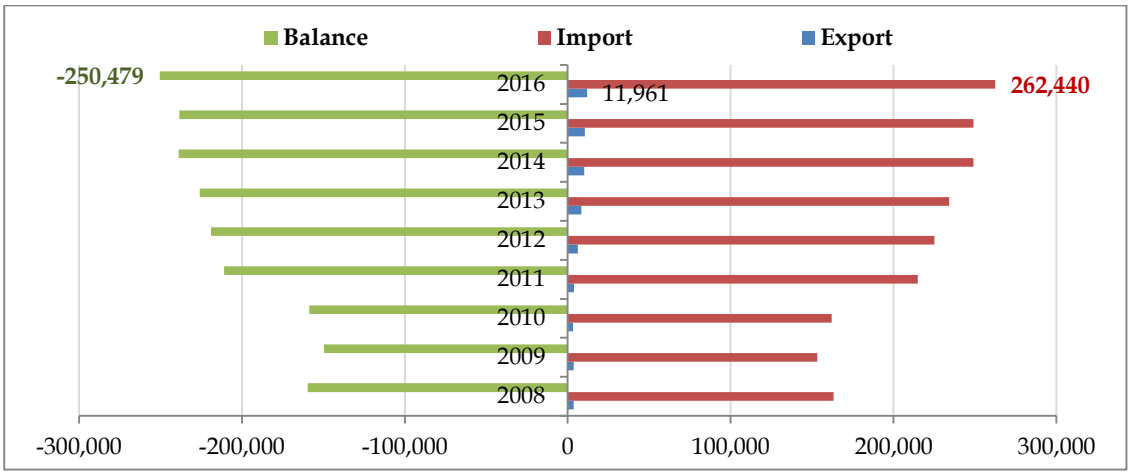
Source: KAS, developed by DEAAS -MAFRD

In 2016, of the total exports value of agricultural products, exports to EU countries amounted to 11.9mil. €. In the period 2014-2016, the average export value of agricultural products was 10.8 mil. €.

If expressed in percentage it results that the coverage of imports by exports in 2016 in the trade exchange with EU countries was 4.6%.

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 reached in 2016 at 262 mil. €, namely there was an increase in imports of 5.4% compared to 2015.Import of agricultural products from the EU amounts to 39.6% of the total import value.

Figure 31: Export-Import of agricultural products to EU countries, in 1000 €



Source: KAS, developed by DEAAS -MAFRD

Of the total export of agricultural products to EU countries in the value of 11.9 mil. €, in 2016, the largest part of exports or 80.5% belongs to : countries grouped as "other EU countries"

with a share of 31.5%, Germany 26%, followed by Bulgaria by 8%, Romania 7.4 %, Austria by 7.2%, as well as other countries with less export value with a share of 19.5% in exports.

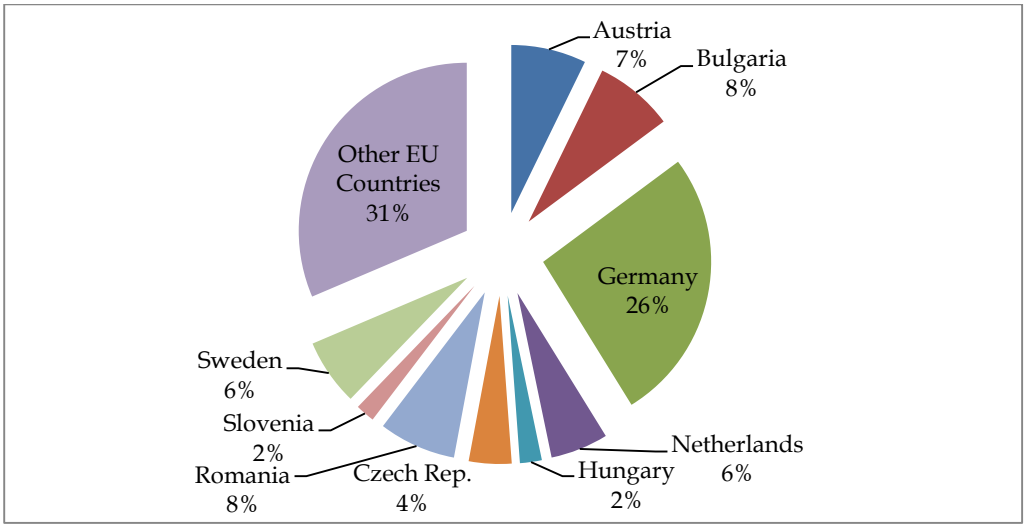
Table 68: Exports of agricultural products to EU countries, in 1000 €

Countries	2015	2016	Difference	Difference (%)	Participation (%) 2016
Austria	1366	865	-501	-36.7	7.2
Bulgaria	734	913	179	24.4	7.6
Germany	2,852	3,156	304	10.7	26.4
Netherlands	389	665	276	71.0	5.6
Hungary	197	252	55	27.9	2.1
Czech Rep.	294	492	198	67.3	4.1
Romania	743	889	146	19.7	7.4
Slovenia	198	221	23	11.6	1.8
Sweden	553	766	213	38.5	6.4
Other EU Countries	3,203	3,762	559	17.5	31.5
Total EU 28	**10,529**	**11,961**			**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. The countries grouped as "Other EU countries" had the largest share of export by 31%.

Figure 32: Distribution of export within the EU countries in 2016



Source: KAS, developed by DEAAS -MAFRD

Import of agricultural products in 2016 for chapters 1-24 from EU countries has increased by 5.2% compared to the previous year. In addition to the increase in total import value (1-24), in 2016, there were also considerable changes as regards the countries from which imports

came from, compared to 2015, with some countries marking an increase and others marking a decrease.

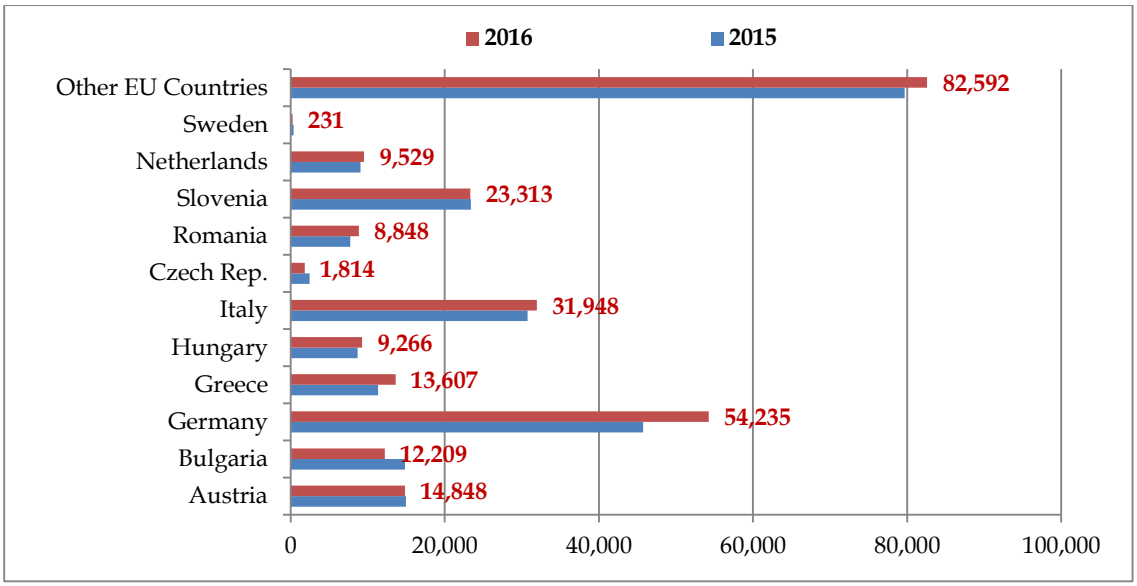
Table 69: Imports of agricultural products from EU countries, in 1000 €

Countries	2015	2016	Difference	Difference in %	Participation in %(2016)
Austria	14,953	14,848	-105	-1	5.6
Bulgaria	14,819	12,209	-2,610	-18	4.6
Germany	45,714	54,235	8,521	19	20.6
Greece	11,349	13,607	2,258	20	5.1
Hungary	8,679	9,266	587	7	3.5
Italy	30,759	31,948	1,189	4	12.1
Czech Rep.	2,431	1,814	-617	-25	0.6
Romania	7,738	8,848	1,110	14	3.3
Slovenia	23,403	23,313	-90	0	8.8
Netherlands	9,051	9,529	478	5	3.6
Sweden	363	231	-132	-36	0.09
Other EU Countries	79,670	82592	2,922	4	31.4
Total EU 28	**248,935**	**262,440**	**13,505**	**5**	**100.00**

Source: KAS, developed by DEAAS -MAFRD

There was a decrease marked in imports from Sweden 36%, Czech Rep. 25%, and Bulgaria 18%. While the biggest increase in import value was from these countries: Greece 20%, Germany 19%, and Romania 14%. The increase of import value compared to 2015 was also marked from some countries that are presented in the table, but at a smaller percentage.

Figure 33: Import of agricultural products from EU countries in 2016, 2015, in 1000 €

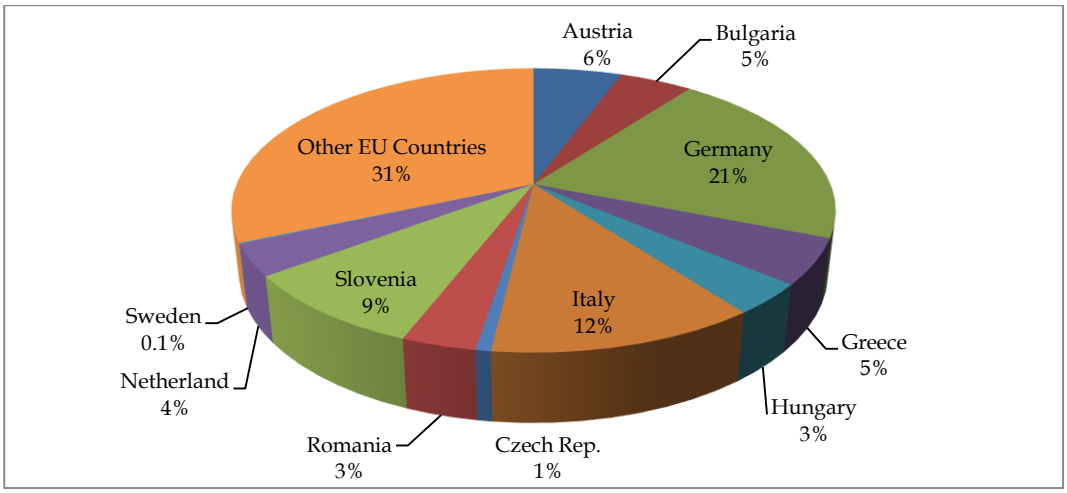


Source: KAS, developed by DEAAS -MAFRD

Countries with the highest share in total imports (chapters 01-24) from EU countries were those grouped as "other EU countries" (31%), Germany (21%), Italy (12%), Slovenia (9%),

Bulgaria (5%), Austria (6%), Greece (5%), Holland (4%) and Hungary and Romania had a similar share (3%) and Czech Rep. (1%).

Figure 34: Distribution of import within EU countries in 2016 (%)



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.

4.2.3 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 and some other agricultural products.

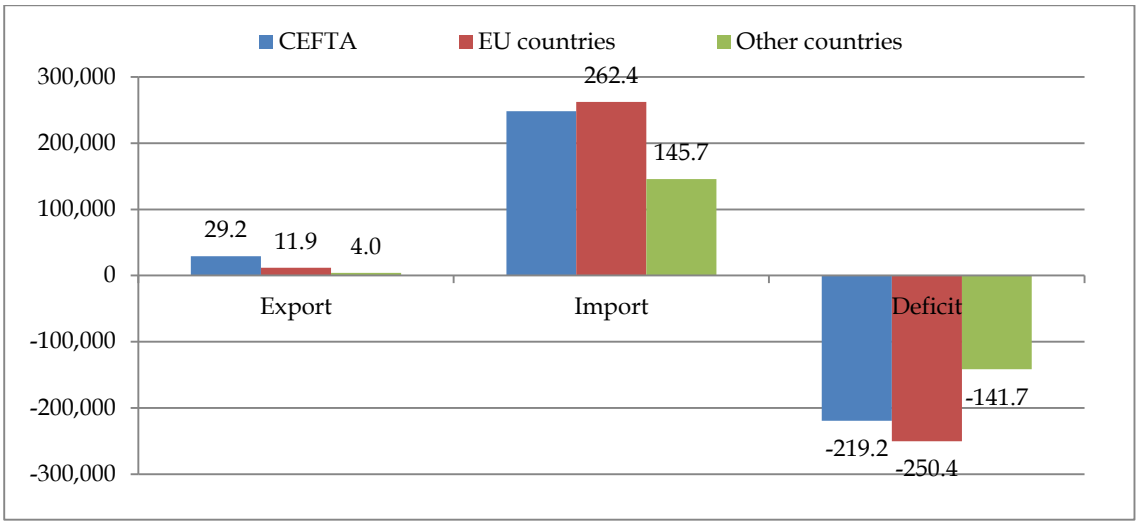
Table 70: Kosovo trade exchange in 2016

Countries	Export	Import	Deficit	Exports participation (%)	Imports participation (%)	Imports coverage by the exports
CEFTA	29,257	248,550	-219,293	65	38	12
EU countries	11,961	262,440	-250,479	26	40	5
Other countries	4,038	145,777	-141,739	9	22	3
Total	**45,256**	**658,767**	**-613,511**	**100**	**100**	**7**

Source: KAS, developed by DEAAS -MAFRD

In 2016 there was an increase of total exports as well as total imports of agricultural products. Export to CEFTA countries reached a value of about 29 mil. €, and imports a value of over 248 mil. € resulting in a negative trade balance of 219 mil. €.

Figure 35: Kosovo trade Exchange in 2016

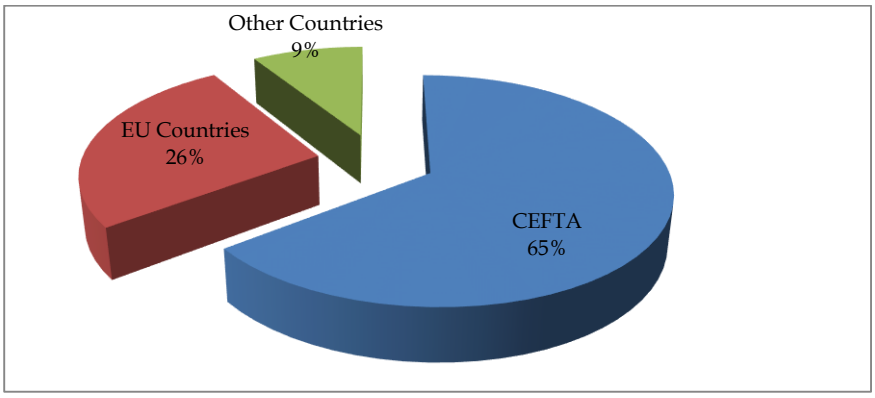


Source: KAS, developed by DEAAS -MAFRD

Kosovo has accumulated over 11.9 mil. € from exports to EU countries, whereas it has spent over 262.4 million in imports. €, with a negative trade balance of 250.4 mil. €. Exports to other countries amounted to over 4 million. €, while imports reached a value of over 145 mil. €, which marks a deficit of 141.7 mil. €.

Regarding the rate of participation of groups of countries mentioned above, it is worth mentioning that 65% of exports were to CEFTA countries, 26% to EU countries, and 9% to other countries.

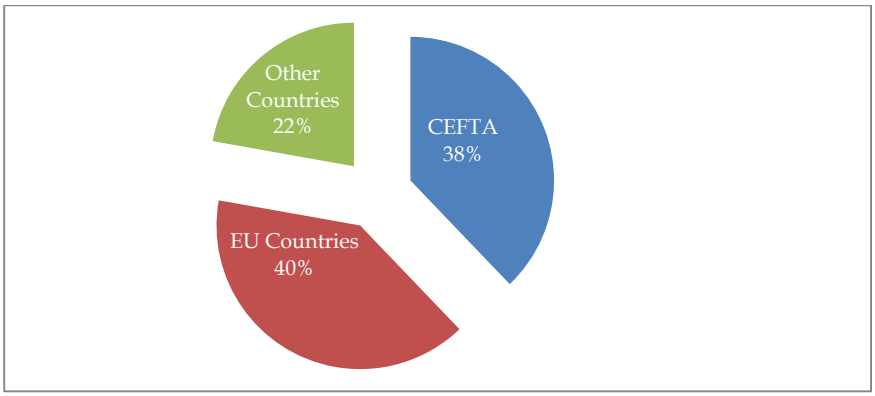
Figure 36: Export of agricultural products (1-24) in 2016 (%)



Source: KAS, developed by DEAAS -MAFRD

In terms of imports, the bulk is imported from EU countries (40%), followed by CEFTA countries (38%) and other countries 22%, namely a similar proportion of the share of import value with that of 2015.

Figure 37: Import of agricultural products (1-24) in 2016 (%)

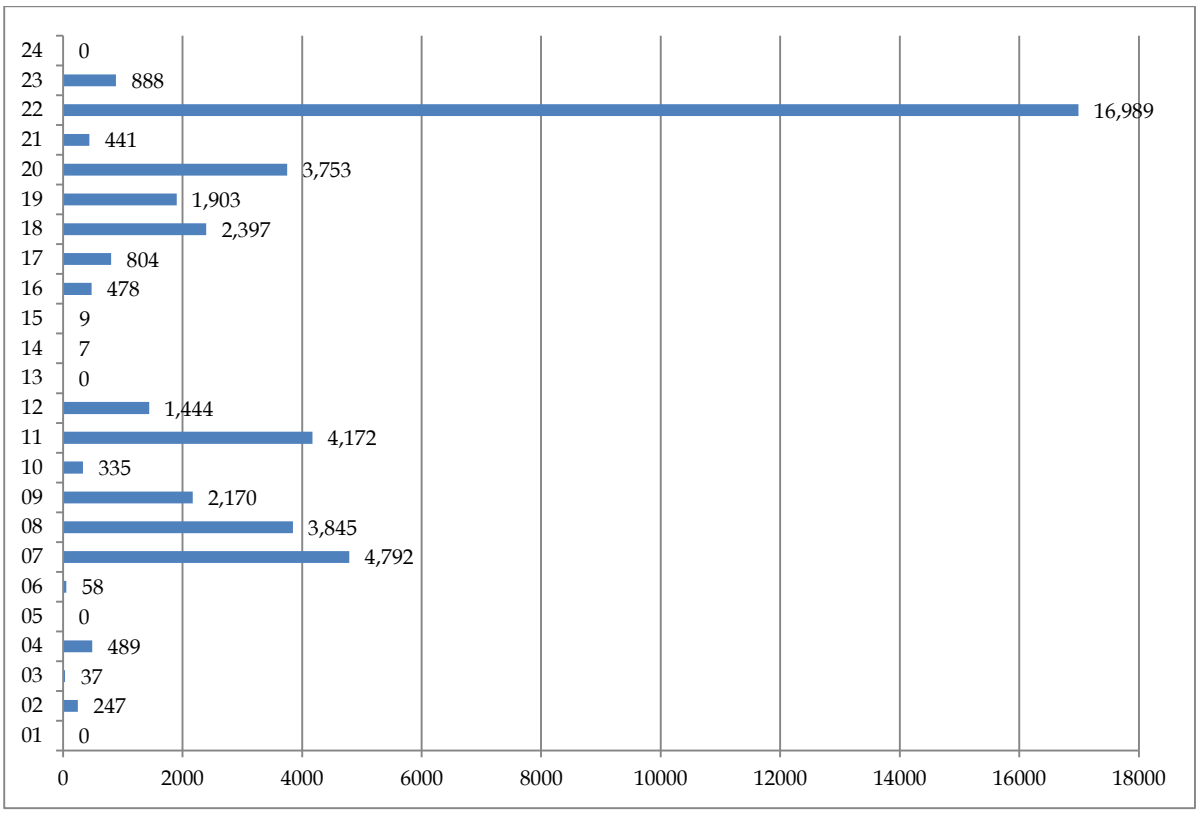


Source: KAS, developed by DEAAS -MAFRD

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

Compared to the import value, the export value is rather low. Within the export of agricultural products, for 2016, same as in 2015, the most exported products were drinks, cold drinks, alcoholic beverages (alcohols), and vinegars from chapter 22, at about 17 mil. €, with a share of 38% in total export.

Figure 38: Export of agricultural products for 2016, in 1000 €



Source: KAS, developed by DEAAS -MAFRD

A lower value of exports was marked with vegetables and certain roots and tubers from Chapter 07, at 5 mil. €, with a share of 11% in the export of agricultural products. While 9% of

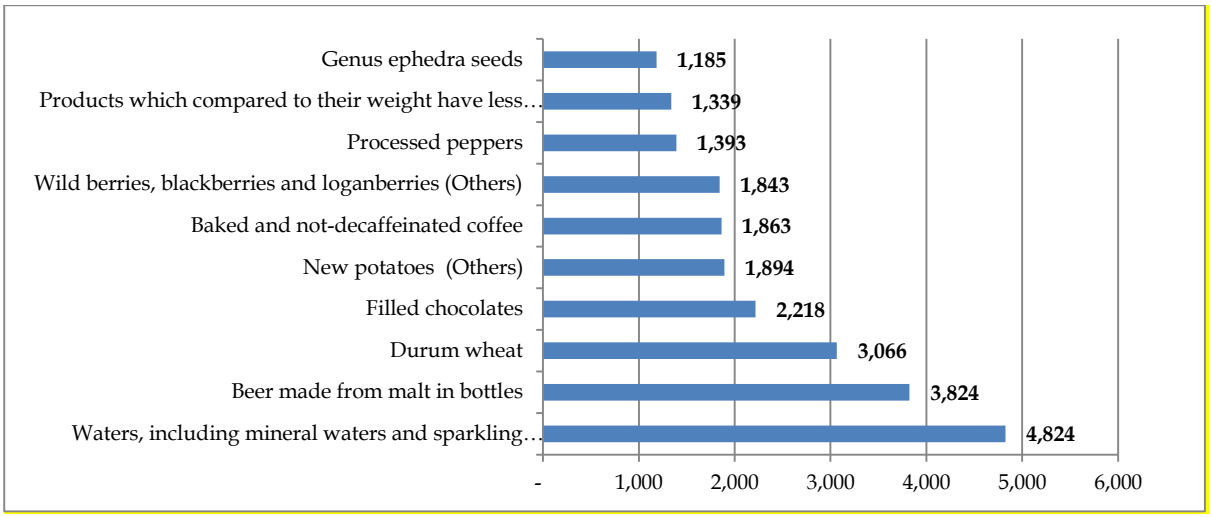
exports belong to chapter 11 which includes mixed industrial products, starch. These products from the three chapters described above constitute 58% of the export, the rest of the value that is less in amount or 42%, belongs to the other chapters.

Table 71: Export of agricultural products 2010-2016, in 1000 €

Chapters	2010	2011	2012	2013	2014	2015	2016
01 Livestock	387	104	65	0	0	0	0
02 Meat and edible meat offal	44	14	5	23	109	175	247
03 Fish, oysters and other aqu. vertebrates	20	29	120	0	0	32	37
04 Dairy products, eggs, honey	477	289	149	133	200	459	489
05 Products of animal origin	0	0	0	0	0	0	0
06 Trees, plants, flowers	70	8	12	94	22	42	58
07 Vegetables and certain roots and tubers	3,686	2,642	2,946	2,642	4,927	3,201	4,792
08 Fruits and nuts	656	1,677	1,609	2,122	2,588	2,931	3,845
09 Coffee, tea, spices	968	573	717	1,371	2,729	3,180	2,170
10 Cereals	154	120	79	32	420	724	335
11 Mixes industrial products	6,180	7,256	8,316	8,448	6,518	4,182	4,172
12 Cooking oil, misc. grains, seeds, fruits, medicinal plants, straw, fodder	502	489	681	691	1,347	1,279	1,444
13 Adhesive materials, resins and other extracts	0	0	0	8	0	0	0
14 Fruits planting material, fruit products	0	0	0	0	0	0	7
15 Fats and oils	100	45	59	46	19	41	9
16 Preparations of meat, fish, oysters and other water vertebrates	3	0	6	102	301	500	478
17 Sugar and confectionary	168	141	137	171	159	699	804
18 Cocoa and cocoa preparations	1,808	295	1,392	1,803	2,661	2,821	2,397
19 Preparations of cereals, flour, starch	388	705	704	1,021	1,497	2,104	1,903
20 Prepared vegetables, fruits and nuts	3075	2854	2484	1599	1,752	2,253	3,753
21 Miscellaneous edible preparations	261	139	164	167	317	336	441
22 Beverages, cool beverages, alcoholic beverages (alcohol), vinegar	5,313	8,106	10,195	13,300	12,512	15,992	16,989
23 Animal fodder	419	698	899	1,086	1,296	732	888
24 Tobacco and substitutes	70	0	69	88	0	0	0
Total 1-24	**24,749**	**26,185**	**30,807**	**34,947**	**39,372**	**41,683**	**45,257**

Source: KAS, developed by DEAAS-MAFRD

Figure 39: The most exported products for 2016 (1000€)



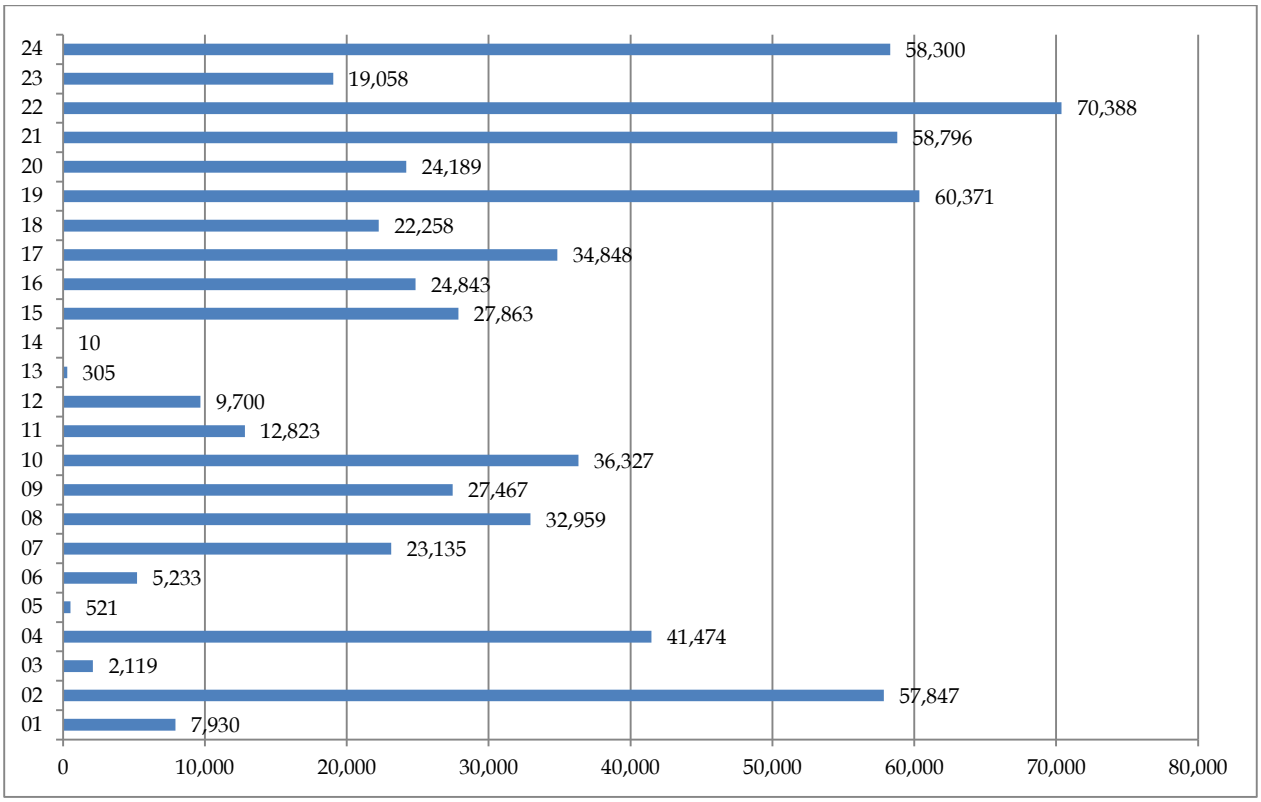
Source: KAS, developed by DEAAS-MAFRD

The highest value of export came from waters, including mineral waters and sparkling waters with a value of 4.8 million. €, which in the export of agricultural products in chapters 01-24 has a share of 10.6%. Other products that follow are: Bottled malt beer in the value of 3.8 mil. € with a share of 8.4%; Durum wheat 3.8 mil €, with a share of 6.7% in export; Filled chocolates in the amount of 2.2 mil € or 4.9% share. Other products listed according to the value of exported products are: New potatoes 1.8 mil € or 4.9% share in export, followed by berries: Raspberries, blackberries and other small fruits of this group that had exports in the amount of € 1.8 million with 4% participation in export, and processed peppers worth 1.3 mil € and an export share of 3%.

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

The total value of imports of agricultural products in 2016 amounted to about 658 mil. €, while the most imported products that are divided into certain chapters are described as follows: From chapter 02 Meat and edible meat offal had a value of 57mil. €, beverages (alcoholic and non-alcoholic) or 11% of import. Next in line comes import from chapter 04 - Dairy products, eggs, and honey with an import value of 41 mil. €, with a 6% share in import, chapter 21- Miscellaneous edible preparations were imported with a total value of 58 mil. € or 9% of the total import.

Figure 40: Import of agricultural products for 2016, in 1000€



Source: KAS, developed by DEAAS-MAFRD

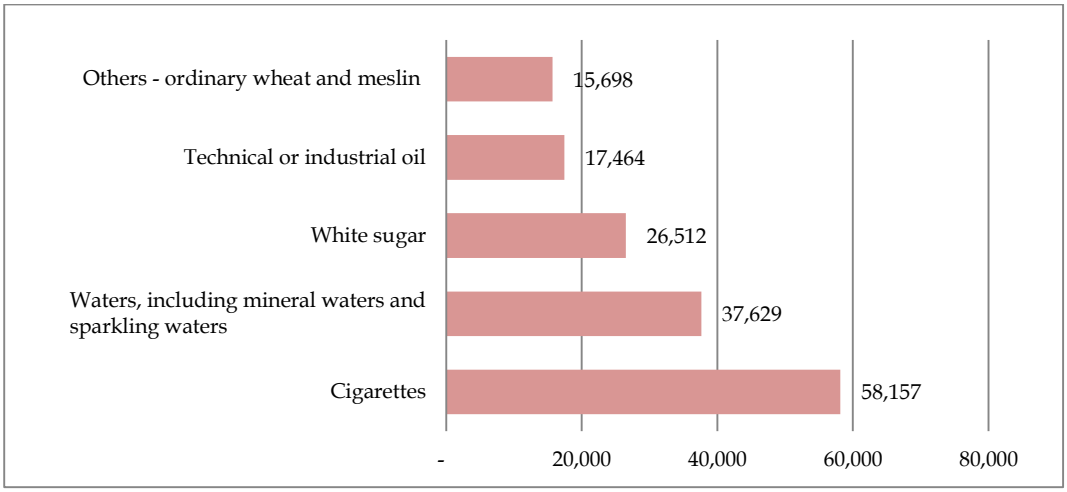
The highest import value is noted in chapter 22 - Drinks, cold beverages, alcoholic beverages (alcohol), vinegar with a value of 70 mil. €, accounting for 11% of imports, followed by chapter 24 - Tobacco and substitutes whose value reached 58 mil. €, with a share of 9%.

Table 72: Import of agricultural products 2010-2016, in 1000 €

Chapters	2010	2011	2012	2013	2014	2015	2016
01 Livestock	8,042	6,010	8,444	9,315	12,216	9,524	7,930
02 Meat and edible meat offal	45,017	52,802	52,262	57,446	62,040	61,758	57,847
03 Fish, oysters and other aqu. vertebrates	1,552	1,796	1,913	2,452	1,959	2,292	2,119
04 Dairy products, eggs, honey	32,575	36,938	37,792	35,682	38,309	37,750	41,474
05 Products of animal origin	722	906	890	873	815	647	521
06 Trees, plants, flowers	2,191	2,260	2,596	2,827	2,691	4,493	5,233
07 Vegetables and certain roots and tubers	17,961	18,664	16,424	16,800	21,796	22,973	23,135
08 Fruits and nuts	22,184	23,389	22,169	24,340	29,038	30,251	32,959
09 Coffee, tea, spices	16,388	21,270	28,015	27,409	26,479	27,904	27,467
10 Cereals	30,327	46,946	38,794	30,024	31,218	29,338	36,327
11 Mixes industrial products	13,661	13,294	18,358	14,790	14,647	15,048	12,823
12 Cooking oil, misc. grains, seeds, fruits, medicinal plants, straw, fodder	5,844	10,933	10,052	8,015	6,924	8,300	9,700
13 Adhesive materials, resins and other extracts	54	95	92	141	260	225	305
14 Fruits planting material, fruit products	12	26	3	3	5	9	10
15 Fats and oils	19,296	22,023	26,184	25,670	24,912	25,615	27,863
16 Preparations of meat, fish, oysters and other water vertebrates	16,938	20,192	20,675	23,046	24,471	25,298	24,843
17 Sugar and confectionary	32,031	36,854	35,077	30,042	31,566	31,948	34,848
18 Cocoa and cocoa preparations	16,709	18,538	17,449	19,601	20,679	21,266	22,258
19 Preparations of cereals, flour, starch	37,260	43,563	44,933	50,800	53,452	55,777	60,371
20 Prepared vegetables, fruits and nuts	15,483	19,337	17,935	20,693	20,764	23,104	24,189
21 Miscellaneous edible preparations	33,514	37,874	41,044	46,697	49,532	56,021	58,796
22 Beverages, cool beverages, alcoholic beverages (alcohol), vinegar	55,409	57,900	57,688	59,555	65,779	63,374	70,388
23 Animal fodder	12,578	12,749	16,644	17,366	18,469	21,512	19,058
24 Tobacco and substitutes	46,899	57,067	59,539	60,117	58,027	54,381	58,300
Total 1-24	**482,649**	**561,428**	**574,974**	**583,704**	**616,051**	**628,808**	**658,767**

Source: KAS, developed by DEAAS-MAFRD

Figure 41: Most imported products in 2016 (000 €)



One of the products from chapters 01-24 with the highest value of imports are cigarettes, worth 58.1 mil. €, with 8.8% share in import. Followed by Waters, including mineral waters

and sparkling waters at 37.6 mil. € and a share of 5.7%; White sugar (€ 26.5m); oils and technical oils 17.4 mil. € as well as other products presented in the figure.

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 2010-2016.

Table 73: The average annual prices of several agricultural products 2010-2016 (€/kg)

Products	2010	2011	2012	2013	2014	2015	2016	Difference 2016/2015 (%)
Wheat	0.19	0.25	0.26	0.22	0.20	0.19	0.17	-11
Maize	0.22	0.29	0.30	0.31	0.28	0.23	0.24	4
Potatoes	0.29	0.30	0.32	0.43	0.34	0.33	0.32	-3
Cabbages	0.18	0.17	0.24	0.17	0.19	0.23	0.21	-9
Peppers	0.59	0.58	0.58	0.78	0.68	0.81	0.67	-17
Beans	1.80	1.95	2.47	2.63	2.92	2.68	2.46	-8
Tomatoes	0.56	0.41	0.67	0.55	0.68	0.54	0.60	11
Apples	0.49	0.49	0.54	0.53	0.55	0.48	0.49	2
Grapes	0.80	0.93	0.93	0.85	1.02	0.91	0.84	-8
Farm chickens	1.94	2.12	2.12	2.29	2.33	2.06	2.04	-1
Milk	0.29	0.31	0.32	0.33	0.33	0.30	0.30	0
Honey	7.42	8.11	8.52	8.83	9.00	9.77	9.87	1
Eggs*	2.13	2.51	2.88	2.69	2.78	2.23	2.40	8

Source: KAS (Output price index and prices in agriculture, 2010 – 2016), developed by DEAAS – MAFRD; *unit 30 pieces

Based on the data from the table above, prices in 2016 compared to 2015, had significant fluctuations. Peppers suffered the most noticeable drop in the price, followed by wheat and cabbages. From the products listed in the table tomatoes had the biggest increase in price by 11%, followed by eggs 8% and corn 4%, whereas the prices of other products from the table suffered no major changes compared to 2015.

Table 74: Import unit values of several agricultural products 2010-2016 (€/kg)

Products	2010	2011	2012	2013	2014	2015	2016	Difference 2016/2015 (%)	Import unit values/production prices
Wheat	0.18	0.26	0.33	0.20	0.20	0.18	0.16	-11	0.94
Maize	0.13	0.20	0.35	0.21	0.21	0.16	0.18	13	0.75
Potatoes	0.21	0.26	0.22	0.24	0.30	0.30	0.32	7	1.00
Cabbages	0.16	0.29	0.07	0.19	0.19	0.19	0.23	21	1.10
Peppers	1.46	0.28	0.36	0.78	0.42	0.47	0.39	-17	0.58
Beans	0.74	0.87	1.02	0.87	1.14	1.17	0.91	-22	0.37
Tomatoes	0.38	0.32	0.29	0.23	0.31	0.36	0.34	-6	0.57
Apples	0.21	0.28	0.71	0.35	0.29	0.33	0.32	-3	0.65
Grapes	0.56	0.74	1.01	0.46	0.55	0.44	0.52	18	0.62
Farm chickens	1.19	1.46	1.92	1.16	1.20	1.56	0.96	-38	0.47
Milk	0.68	0.68	0.65	0.61	0.62	0.60	0.58	-3	1.93
Honey	3.82	4.39	4.81	4.71	5.02	4.99	5.47	10	0.55
Eggs*	1.44	2.50	1.53	2.72	1.22	1.42	1.36	1	0.60

Source: Kosovo Customs, developed by DEAAS-MAFRD; *unit 30 pieces

The table above presents several prices or the so-called unit values of imports of agricultural products. The most significant increase in the price is recorded by cabbages with an increase of 21% followed by grapes with 18% and corn with 13%. On the other hand, some products have marked quite a significant decrease in their price, such as farm chickens 38%, beans 22% and peppers 17%. This year also, the imported agricultural products were available at much lower price than the price of domestic products in Kosovo; this may be due to differences in quality, delivery term, and policies of exporting states and companies.

Table 75: Annual average wholesale prices (€/kg)

Products	2010	2011	2012	2013	2014	2015	2016	Difference 2016/2015 (%)
Wheat	0.20	0.29	0.37	0.29	0.26	0.28	0.27	-4
Maize	0.19	0.27	0.34	0.40	0.41	0.48	0.39	-19
Potatoes	0.23	0.36	0.29	0.36	0.25	0.27	0.32	19
Cabbages	0.16	0.25	0.28	0.28	0.32	0.25	0.19	-24
Peppers	0.97	1.08	1.14	0.86	0.55	1.08	1.12	4
Beans	1.46	1.70	1.93	2.04	2.64	2.59	2.45	-5
Tomatoes	0.73	0.70	0.82	0.68	0.51	0.43	0.64	49
Apples	0.48	0.70	0.51	0.52	0.43	0.49	0.47	-4
Grapes	1.50	2.04	2.04	1.47	2.04	1.74	1.64	-6
Farm chickens	1.17	1.68	1.51	1.60	2.15	1.77	1.39	-21
Milk	0.66	0.79	0.77	0.79	0.80	0.79	0.78	-1
Honey	5.71	7.44	7.09	8.27	8.12	8.22	8.80	7
Eggs*	1.76	2.22	2.38	2.26	2.60	2.18	2.55	17

Source: Market Information System, developed by DAESB – MAFRD; *unit 30 pieces

According to the above table which represents the wholesale prices of several agricultural products, the most significant increase in the price is recorded by tomatoes with 49%, followed by potatoes with 19% and eggs with 17%. Products which have marked a decrease in their price are cabbages whose price is 24% lower than in 2015, followed by farm chickens with a decrease in price by 21% and corn with 19%. Other products on the list did not have any major changes. Wholesale prices are usually higher than production prices, but for products with high share of imports at low prices, this rule may not apply.

Table 76: The average annual prices of retail (€/kg)

Products	2010	2011	2012	2013	2014	2015	2016	Difference 2016/2015 (%)
Wheat	0.24	0.33	0.43	0.33	0.30	0.31	0.30	-4
Maize	0.24	0.30	0.40	0.44	0.49	0.52	0.44	-15
Potatoes	0.31	0.45	0.37	0.46	0.43	0.32	0.38	17
Cabbages	0.25	0.38	0.36	0.35	0.38	0.29	0.24	-17
Peppers	1.22	1.29	1.41	0.99	0.70	1.23	1.30	6
Beans	1.80	1.99	2.28	2.27	2.89	2.80	2.64	-6
Tomatoes	0.95	0.87	1.00	0.79	0.65	0.51	0.76	49
Apples	0.65	0.87	0.66	0.60	0.62	0.57	0.57	1
Grapes	1.81	2.23	2.45	1.65	2.45	1.91	1.79	-6
Farm chickens	2.25	1.98	1.87	1.94	2.43	2.01	1.72	-14
Milk	0.81	0.86	0.87	0.88	0.87	0.84	0.82	-2
Honey	7.2	8.49	8.3	9.22	9.1	9.27	9.73	5
Eggs*	2.08	2.59	2.76	2.48	2.84	2.32	2.94	27

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

The table above represents the retail prices where the most noticeable changes in price are recorded by corn, potatoes, cabbages, tomatoes, farm chickens, and eggs. Cabbages and corn marked a decrease in their price by 17% respectively 15%, but also farm chickens suffered a decrease by 14%. On the other hand, tomatoes marked a bigger increase with 49%, while eggs 27% and potatoes 17% marked an average increase. 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 77: Price comparison of several products in Kosovo to several EU countries, 2016 (€/kg)

Country	Wheat	Corn	Potatoes	Cabbages	Apples	Honey	Eggs*
Bulgaria	0.14	0.14	0.19	0.18	0.23	2.55	5.21
Czech Republic	0.14	0.14	0.19	0.19	0.36	4.18	6.18
Greece	0.19	0.22	0.49	0.36	0.56	5.84	18.38
Hungary	0.13	0.13	0.23	0.24	0.26	2.57	5.35
Austria	0.10	0.12	0.15	0.25	0.35	12.00	13.96
Romania	0.14	0.16	0.31	0.31	0.59	3.37	6.90
Kosovo	0.17	0.24	0.32	0.21	0.49	9.87	8.00

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 share of imports. If we analyse the price of wheat, we can see that compared to other countries (except Greece with 0.19€/kg), Kosovo has a relatively higher price than Bulgaria, Czech Republic and Hungary. According to data in the table, Austria (0.10 €) has the lowest price of wheat. Compared to other countries, Kosovo has the highest price for maize, while Hungary and Austria have the lowest price with 0.12€/ kg. The price of potatoes in Kosovo is not satisfactory, if compared to Austria which has the lowest price, the price of potatoes in Kosovo is 108% higher and compared to Greece, it is 35% lower. The price of cabbage in Kosovo is highly competitive with EU countries, higher than in Bulgaria and Czech Republic for 19% respectively 12%, whereas 42% lower than in Greece. Based on the data in the table, it is noticed that the price of apples in Kosovo is quite high compared to other countries such as Bulgaria, Hungary, Austria and Czech Republic, namely only Greece and Romania have higher prices by 20%. In 2016 same as in 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 a significantly lower price. The price of eggs in Kosovo is higher than in most countries in the list, except for Greece and Austria, where the price is 130% and 75% 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, improvement of quality, increase of competitiveness and generally a promotion and greater support for local products is needed.

4.4 Food safety and quality

4.4.1 Food safety

Responsible institutions and legal framework

The main purpose of EU policies on food safety is to protect the interest and health of consumers by guaranteeing a proper functioning of common policies for consumer protection and this must be an integral part of the social and economic policies in Kosovo.

According to Article 1 of the Law on Consumer Protection (Official Gazette of the Republic of Kosovo No. 32 dated 20.11.2012), the basic rights of consumers need to be regulated and protected during the purchase of goods, services and other forms in the free market whereas the seller, producer or supplier must undertake all responsibilities to act in the service of consumers.

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

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

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

The FVA is the main authority to ensure food safety in the Republic of Kosovo. With the adoption of the Law on Food (section 36), the FVA is linked directly to the Office of the Prime Minister. Based on section 38 of the current law, the Agency is responsible to verify and inspect food and food ingredients at all levels of the food chain.

FVA is also responsible to fight and prevent transmittable disease among animals, to regulate the veterinary medical practice, to inspect products of animal origin, to inspect imports, exports and the transitional passage of live animals and products of animal origin, and to regulate duties and obligations of the public, central and local government institutions and officials appointed to work in the mentioned institutions.

The Agency if composed of five Directorates:

1. Directorate of Public Health,

2. Directorate of Animal Health and Wellbeing,

3. Directorate of Inspectorate (veterinary, phyto-sanitary and sanitary) consisting of six (6) regional offices,

4. Directorate of Laboratory, and

5. Directorate of Administration.

The Kosovo National Institute of Public Health (KNIPH) is an educational and scientific multi-disciplinary institution responsible for the development of health strategies in the field of epidemiology, education and health promotion, disease prevention, laboratory diagnosis and health information.

The scope of KNIPH is regulated by Law No. 02/L-78 on Public Health. Within the University of Pristina, the Faculty of Agriculture and Veterinary (FAV), the Faculty of Geoscience and Technology (The Food Technology Department, FGT) and the Faculty of Natural Sciences (Departments of Chemistry and Biology) provide precious expertise regarding food safety.

Food business operators

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

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

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

Food Standards

The processing industry is being continuously supported by MAFRD, the European Commission and other donors through various grants. More specifically through Measure 103. - Investments in physical assets in the processing and marketing of agricultural products. The implementation of this measure targeted: Enhancing the competitiveness of the agro-food sector through increased productivity and the introduction of new technologies and products; Approximation with EU standards and improvements in

environmental protection, food safety and product quality, animal welfare and waste management as well as strengthening connections with primary production.

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

4.4.2 Analysis of food safety and animal health

Analysis in the laboratories of KAI and FVA

Based on the report of laboratory services of the Kosovo Agricultural Institute, during 2016 a total of 5,832 analysis of different types were carried out such as food products and agricultural inputs quality and security analytical control examination, alcoholic and non-alcoholic beverages quality and security analytical control examination, seed quality control testing, phytopathologic analysis and food microbiology, and physical and chemical analysis of soil samples and irrigation water. The following table provides an overview of the 2015 and 2016 analysis.

Table 78: Types of analysis performed in KAI laboratories for the years 2015/2016

Types of analysis carried out	2015	2016
Analysis of analytical testing of quality control and safety of food products and agricultural inputs	2,752	2,678
Analysis of analytical testing of quality control and safety of alcoholic and non-alcoholic beverages	928	940
Seed quality control testing analysis	281	318
Phytopathological and food microbiology analysis	953	947
Physical and chemical analysis of soil and irrigation water samples	822	949
Total	**5,736**	**5,832**

Source: Kosovo Agriculture Institute – KAI

During 2016, the Food and Veterinary Laboratory, has carried out the activities foreseen by the legislation in force. The activities of FVL sectors during 2016 and their comparison to 2015 will be presented below.

A total of 20,554 samples were received in the sample receiving sector as follows:

- 19,521 samples were received for the sector of milk analysis,

- 559 for the sector of food chemistry and

- 474 for the microbiology sector,

While the samples received in the receiving sector at the animal health Laboratory are as follows:

- 17,533 samples were received for the serology sector,

- 59 samples were received for the pathology sector,

- 59 samples were received for the bacteriology sector.

Table 79: Sampling in sectors for the years 2015/2016

Sectors	2015	2016
Sector of Milk Analysis	19,253	19,521
Sector of Food Chemistry and Veterinary Residues	735	559
Sector of Food Microbiology	422	474
Total	**20,410**	**20,554**

Source: KFVA

A total of 200 analyses of bone samples of foxes in markers of the rabies vaccines, bone samples of wolves in markers of the rabies vaccines, serum samples in response to immunology in rabies with the ELISA test, anatomopathological examination of chicken and chick corpses etc. were carried out in the sector of Pathology during 2016. Whereas 600 samples were examined in 2015. The reason for the larger number of samples examined in 2015 is that the animal health project brought samples which were out of the official control plan.

Table 80: Sample examination analyses for 2016

Type	Number
Examining the bone samples of foxes in markers of the rabies vaccines	63
Examining the bone samples of wolves in markers of the rabies vaccines	9
Examining the bone samples of beech marten in markers of the rabies vaccines	2
Examining the bone samples of otters in markers of the rabies vaccines	1
Examining fox serum samples in response to immunology in rabies with the ELISA test	59
Examining wolf serum samples in response to immunology in rabies with the ELISA test	8
Anatomopathological examination of chicken corpses	23
Anatomopathological examination of chick corpses	30
Examining goat corpses	4
Examining rabies affected dog brain with IFA test	1
Total	**200**

Source: KFVA

During 2016, a total of 434 analyses were carried out in the bacteriology sector compared to 229 in 2015. These analyses included: isolation, antibiogram, microscopic examination, identification, rapid immunochromatographic test, parasitic diseases etc. It is worth noting that these analyses were performed on the following types of animals/poultry: bovine, chickens, bees and goats (baby goats), in which various samples have been taken. More details can be found in the table below.

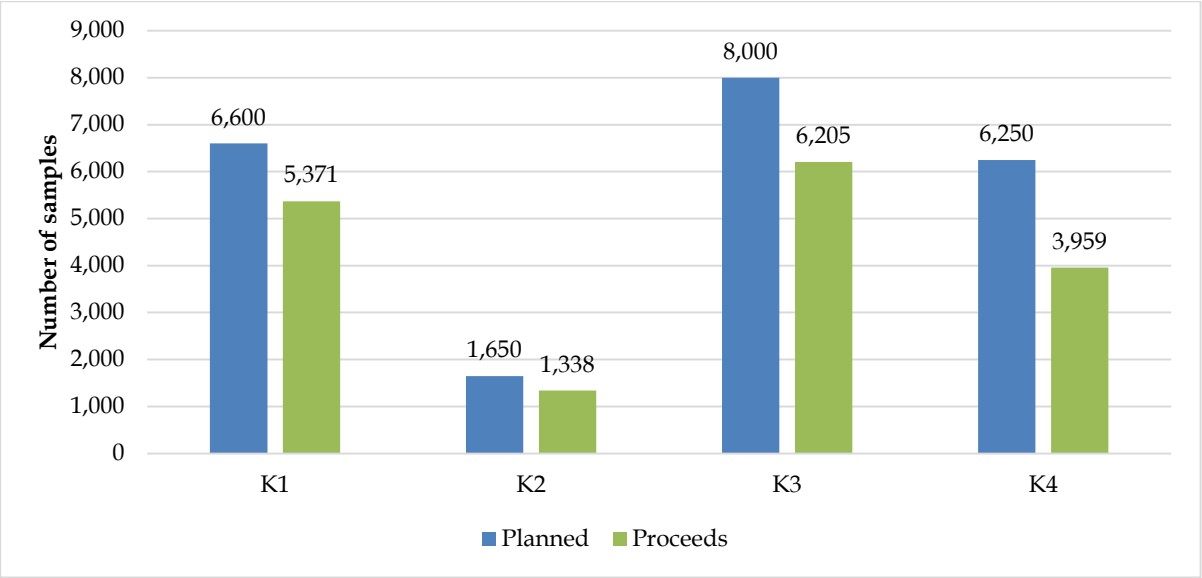
Table 81: Analyses carried out for the bacteriology sector for the year 2016

Animal type	Sample type	Examination type	Parasite, bacteria identification	No. of tests carried out
Cattle	Ear- blood	Isolation	Anthrax	32
Cattle	Milk	Isolation	Staph.aureus E.coli	26
Cattle	Milk	Antibiogram	Staph.aureus E.coli	26
Bees	Bees, framework with larvae	Microscopic examination, isolation, identification, rapid immunochromatographic test	European bee Pest	222
Bees	Bees, framework with larvae	Microscopic examination, isolation, identification, rapid immunochromatographic test	European bee Pest	9
Bees	Bees	Parasitic diseases	Nosemosis	16
Bees	Bees, larvae	Parasitic diseases	Varosis	16
Chicken	Liver, spleen, bowel	Isolation	Salmonella	41
Chicken	Bowel	Microscopic examination	Coccidiosis	3
Chicken	Feathers	Microscopic examination	Dermanyssus	2
Chicken	Cloacal swab	Immunologic rapid immunochromatographic	New Castle	20
Chicken	Cloacal swab	Immunologic rapid immunochromatographic	Avian Influenza	20
Goat (baby goats)	Bowel, liver, spleen	Isolation	Salmonella	1
Total				**434**

Source: KFVA

17,476 samples were brought to the molecular serology sector from 01.01.2016 until 31.12.2016 and 28,291 tests were carried out. Some of the samples were analysed for more than one parameter. In addition to diagnostic work, training, proficiency tests and interlaboratory tests were carried out as well as quality control at work in accordance with SMC.

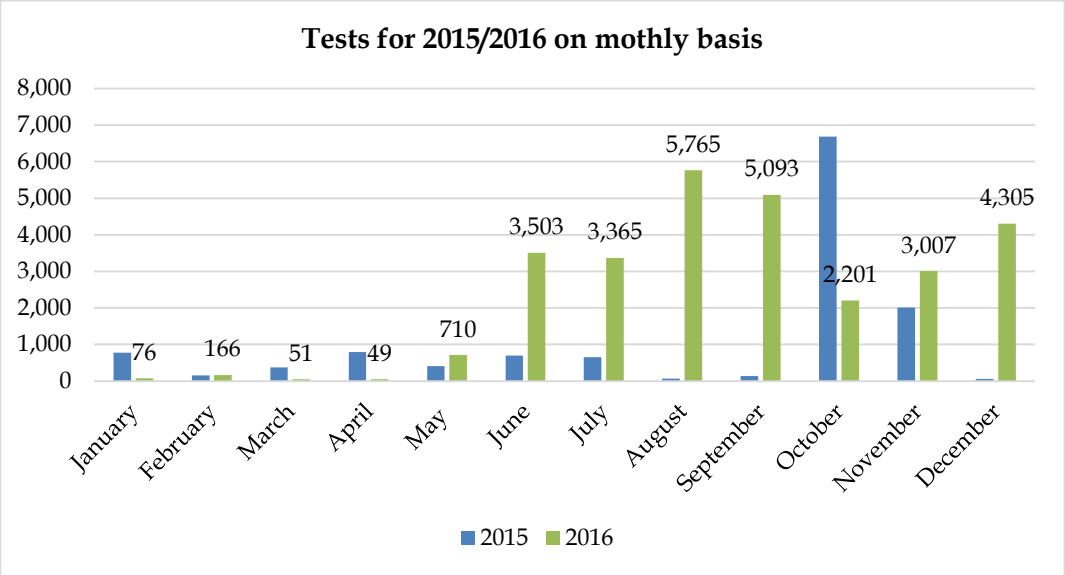
Figure 42: Active Surveillance Plan for 2016



Source: KFVA

Comparison of samples between 2015 and 2016- in 2015 a total of 12,797 samples were received, while in 2016, 36.6% more samples were received compared to 2015. The following figure shows the tests for the years 2015 and 2016 on a monthly basis.

Figure 43: Tests for the years 2015/2016, on a monthly basis



Source: KFVA

The Sector of Food Microbiology during 2016- in this sector, a total of 2,531 tests have been carried out with the following samples: 1,468 samples in salmonellosis, 467 in listeria monocytogenes, 432 in E. coli, 93 in enterobacteriaceae, 11 in the total of aerobic microorganisms, 55 in coagulase-positive staphylococci and 5 samples in coliform.

Table 82: Samples received for the years 2015/2016

Year/Nutrition Matrix	Meat and meat products	Milk and milk products	Eggs and egg products	Other	Total
2015	230	162	27	5	424
2016	293	141	35	5	474

Source: KFVA

Sector of food chemistry and veterinary residue- in this sector, a total of 524 samples were obtained for PFK meat, PFK milk, private, fresh eggs, aflatoxin B1, aflatoxin M1, PN chloramphenicoli - UHT milk and PNMM samples that are tested.

Table 83: Samples tested for the years 2015/2016

Tested samples	2015	2016
PFK - Meat	87	-
PFK - Milk	52	15
Private	-	2
Freshness of eggs	-	14
Aflatoxin B1	203	301
Aflatoxin M1	39	56
PN - Chloramphenicol – UHT milk	0	0
PNMM - samples that are tested	305	131
Private	9	5
Total	**695**	**524**

Source: KFVA

The Sector of Milk Analysis- in this sector, 19,523 milk samples were tested, which were taken by farmers for testing milk quality, these samples were tested with three devices - bactoscan, milkoscan and fosomatic and a total of 49,348 tests were carries out.

Table 84: Milk analysis according to equipment for the years 2015/2016

Year	Bactoscan	Milkoscan	Fossomatic	Total
2015	19,243	18,172	18,051	55,466
2016	17,946	14,701	16,701	49,348
Total	**37189**	**32873**	**34752**	**104814**

Source: KFVA

The FVA Food and Veterinary Laboratory monitors and diagnoses animal diseases, carries analyses of food of animal origin, carries out monitoring of food quality and safety, veterinary residue and contaminants in food and animal food.

During this year, 16,221 samples were brought to FVL laboratories, respectively in the animal health laboratory. In the food safety laboratory, 970 samples were taken, while 17,176

samples were taken in the milk laboratory. All samples were analyzed according to standard operating procedures.

Even during 2016, the FVA has continued with the evaluation of agro-food companies such as the industry of milk, meat, slaughterhouses and cooling chambers.

After the monitoring, study and analysis of the situation by the FVA, permits for business operators with food of animal origin were approved:

1. Dairies 1;
2. Cattle slaughterhouses 8;
3. Meat processing factories 7; and
4. Cooling Chambers 7.

The registration of FBOs of non-animal origin was also approved:

1. Factories for Processing and Collection of Fruits and Vegetables 21;
2. Spice processing plant 6;
3. Wine and spirit factories 5;
4. Bread and baked goods bakeries 1;
5. Factories for the processing of carbonated and energy drinks 2;
6. Factories for sweets and confectionery production 6;
7. Factory for production of ketchup and mayonnaise 1.

Activities in the field of animal health protection

During 2016, there was an outbreak of Lumpy Skin Disease; this disease was present in all countries of the region (Albania, Macedonia, Serbia, Bosnia and Herzegovina, Greece, Bulgaria, Turkey, etc.). The European Commission has donated 25,000 doses of vaccine, while 235,000 vaccine doses were provided from the budget. The mass vaccination started on September 15th and ended on October 6th, where 241,000 cows were vaccinated throughout the territory of the Republic of Kosovo.

- In programs of vaccination against various diseases, 370,331 animals were vaccinated in total (241,000 animals were vaccinated against LSD, 95,100 animals were vaccinated against brucellosis, 27,497 vaccinated against murrain and 6,734 animals vaccinated against anthrax).

- Even this year, The FVA has taken the action to eliminate ticks as a source of hemorrhagic fever disease in 70 villages of the municipalities of Malisheva, Suhareka, Rahovec, Klina where 55, 276 cattle were sprayed.

- Supervision/Authorization of import of live animals (223 import permits), animal food, genetic material and veterinary medicinal products (VMP) and authorization marketing - 50 import permits.

- Identification and registration of live animals (cattle) throughout the territory of Kosovo, including new identifications (162,560), movements (28,473).

Veterinary inspections

The Food and Veterinary Agency, namely the FVA Inspectorate, with the aim of implementing the applicable laws and secondary legislation, has carried out the following activities:

a) There have been 7,008 inspections of business operators in order to achieve compliance with the rules defined in the legislation by the internal inspectorate.
b) There were 47,889 cases inspected by the border inspectorate (veterinary and phytosanitary inspectorate)
c) 162 applications were issued for violations committed by business operators filed with relevant courts
d) 375 export veterinary certificates and 2,266 phytosanitary certificates have been issued for export of various products to other countries.
e) 5,353 samples of different laboratory analysis products and 978 swabs from working surfaces, equipment and devices were taken at food producers.
f) The Inspectorate of the Agency has made decisions for destruction of food and non-food products, harmful to human consumption and dangerous for public health, animal and plant health, and the following have been destroyed:
g) 213,489 kg of food items, animal products of animal origin
h) 355,547 kg of food products of plant origin
i) 94,064 liters of liquids have been destroyed

As a result of various diseases, 279 cattle, 48 sheep, 8,000 chickens and 232 beehives were destroyed.

4.4.3 Veterinary and market functioning legislation

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

The placing of food, animal food and livestock products on the market is regulated by the Veterinary Law which regulates the circulation of live animals, products of animal origin, veterinary inspection for import/export and transit transport of live animals. The law also defines the rights and duties of central government, municipalities and natural persons working in this area. In addition to the Law on Veterinary, this area is also regulated by the Law on Food and Regulations on Hygienic Package.

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, to ensure safety during preparation, production, cleaning of food, packaging, preservation and transportation of animal feed.

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

4.5 Greenhouse gas emission in Kosovo

4.5.1 Emissions from agriculture

With the development of science and technology, people are more and more influencing in the climate and the earth temperature, by burning fuels, reducing the number of tropical forests and increasing the number of livestock on farms. Estimates confirm that innovation, including progress on renewable energy and energy efficiency, is the main driver of recent emissions reductions known as "Greenhouse Gases" when it is known that the "greenhouse effect" is one of the main causes of global warming. According to the United States Environmental Protection Agency (EPA), the most important greenhouse gases are: water vapour, carbon dioxide, methane and nitrogen dioxide.

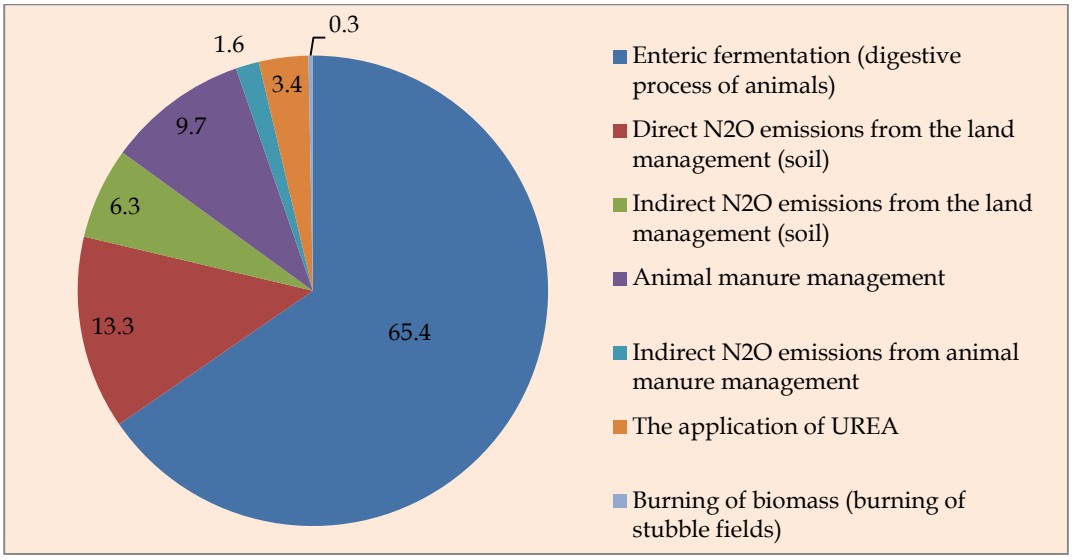
Regarding the climate change, projections and environmental impacts, this remains a major challenge for our country due to limited information and interruptions in time series, where opportunities for specific studies are limited.

Agriculture is one of the sectors that are most affected by climate change. The Agriculture Sector has a share of 7% in total greenhouse gas emissions in Kosovo or about 700 Gg (Giga grams) CO2 equivalent, i.e. 700 thousand tons of CO2 equivalent. Greenhouse gas emissions for this sector are calculated according to IPCC 2006 methodology, applying relevant emission factors by 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. From this sub sector comes about 550 Gg CO2 equivalent per year. Second sub sector 3C deals with emissions from soil fertilization and burning of biomass.

The most important categories of this sub sector are indirect emissions of nitrogen oxide related to waste management and fertilization of crops. Altogether, this sub-sector emits about 150 Gg CO2 eq per year.

Figure 44: The main sources of greenhouse gasemissionsin the agricultural sector (%)



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

When it comes to the climatic changes that may have significant impact in agriculture, the following can be listed as more pronounced: reduced production and loss of cereal harvest, increased demand for crop irrigation, increased mortality in livestock and reduced productivity; increased exposure to pests and new diseases, reduction of annual precipitation, reduction of water resources, reduction of groundwater levels, lack of potable water; water for irrigation and industry; reduction of the amount of water in rivers during summer; the emergence of new diseases in agricultural crops as well as the increase in water temperature which affects the reduction of water quality.

Whereas, as regards the forestry, the most severe impacts from climate change are expressed in: increasing number of forest fires, increasing number of diseases in plants, soil degradation and soil erosion, reduction of forest areas due to drought impact; changing of geographic altitude for growing certain types of trees, increasing insects and pathogens. Lignite mines and mineral deposits, insufficient wastewater treatment and lack of environmental awareness of the population contribute to serious air and water pollution and the continuous degradation of the environment.

According to projections made on Climate Change, predictions are that the Western Balkans will experience a regional warming higher than the average in the world, especially in mountainous areas, there will be a reduction in annual general precipitation, with noticeable reduction during the summer months[7]. There is also expected an increase in winter precipitation, especially in the mountains, resulting in frequent flooding in the spring season.

[7]UNEP. 2015 Outlook on Climate Change Adaptation in the Western Balkan Mountains

Forecasts suggest that in the future, Kosovo will be affected by climate change. The climatic and hydrological processes should be continuously monitored as well as analyzed and documented accurately. In Kosovo, responsible for the preparation and monitoring of hydrological and meteorological data is the Hydrometeorological Institute of Kosovo. Based on parameter forecasts such as high temperatures, reduced precipitation and population growth, the four-five Kosovo catchment basins may have a significant decrease in water by 2050[8].

Renewable water resources per person in our country are 16% below the region's average[9], in addition, precipitation and water storage capacities are also less than half the average of the region. Accumulating lakes-reservoirs are a source of water for large cities, but in rural areas only 61% of houses are connected to public supply pipeline, complemented with wells or springs.

Continuous hydrological and meteorological monitoring provides crucial information on planning, construction and operation of water resource management structures, river infrastructure projecting, or decision-making that has a positive ecological impact.

Climate monitoring and observations allow the identification of significant climatic changes and enable the drafting of a work plan for crisis management from climate change and adaptation to them.

Some climatic stations in Kosovo have a long tradition. In the past, climatic data from Prishtina, Mitrovica, Peja, Ferizaj and Prizren have been published regularly on meteorological yearbook since 1949. Some of the stations have been in continuous operation since the early 1920s and are recorded in the synoptic network of the World Meteorological Organization".

Temperature changes, climatic impacts on water resources will have a direct impact on the agriculture sector. Sector growth is constrained by the irrigation deficiency, where the irrigated area at least once during the reference period was 32,237 ha. Other sector constraints include land fragmentation, outdated technology, and the limited market.

Since Kosovo is still not recognized by the United Nations, it is not a signatory of international conventions such as the UNFCCC. In 2015, Kosovo signed the Stabilization and Association Agreement with the European Union and is working on harmonizing legislation with EU legislation as part of the EU approximation process, including disaster and environmental risk reduction.

Regarding climate change, EU policies are in line with the requirements of the Framework Convention on Climate Change (UNFCCC), hence by adopting and harmonizing EU legislation, Kosovo indirectly complies with the requirements arising from this Convention.

[8] Climate change risk profile Kosovo-Sector impacts and vulnerabilities
[9]Climate change risk profile Kosovo-Sector impacts and vulnerabilities- water resources

The Ministry of Environment and Spatial Planning (MESP) is the responsible authority for the environment and climate policy. The Kosovo Environmental Protection Agency (KEPA) is a governmental institution that is engaged in maintaining the quality of air, water, soil and biodiversity through integrated environmental monitoring, efficient environmental information system and ongoing reporting on the state of the environment, and to promote the use of renewable energy sources and the sustainable use of natural resources.

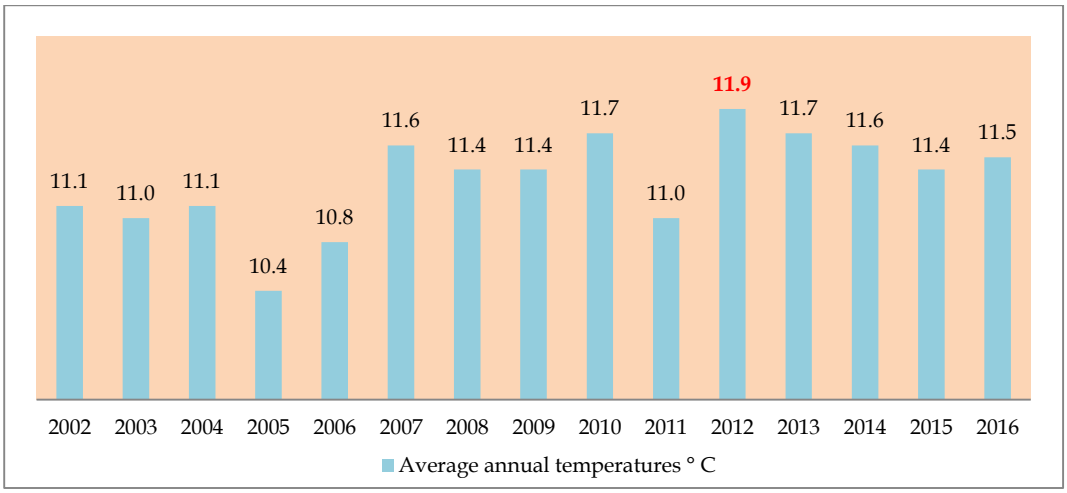
The territory of the Republic of Kosovo is characterized by different altitudes. The lowest point of Kosovo is located in the valley of the Drini i Bardhë River, bordering with Albania and reaches 270 m above sea level, and highest point is in the west of Kosovo, in Gjeravica - 2,656 m. In the hydrographical terms, Kosovo is divided into river basins: Drini i Bardhë, Ibri, Morava e Binçës and Lepenci. Kosovo rivers flow into three accumulating seas: Black Sea, Adriatic Sea and Aegean Sea. The climate of the Republic of Kosovo is mostly continental, resulting in warm summers and cold winters, with Mediterranean and continental influences (the average temperature within the country varies from + 30 ° C in summer to -10 ° C in winter). However, due to different configurations and reliefs in some parts of the country there are changes in temperature and precipitation distribution.

All forms of atmospheric precipitation emerge in our country. The most important are rainfall precipitation in the valleys and snowfall in the high mountainous areas (Bjeshkët e Nemuna and Sharr), wherein the eastern part of Kosovo, the year average is over 600 mm, while in the western part over 700 mm.

Snowfall is a common occurrence in the cold part of the year. In the lower parts of Kosovo there are on average 26 days of snowfall, while in the mountainous areas over 100 days. The first station for the measurement of precipitation in the territory of Kosovo started with observations in 1925. Kosovo's Hydrometeorological Institute records precipitation through observation stations placed in several locations in Kosovo.

Below are the data on average air temperatures, precipitation (mm), and average number of rainy days in Prishtina, according to years 2002-2016.

Figure 45: Annual average temperatures in Prishtina, 2002-2016

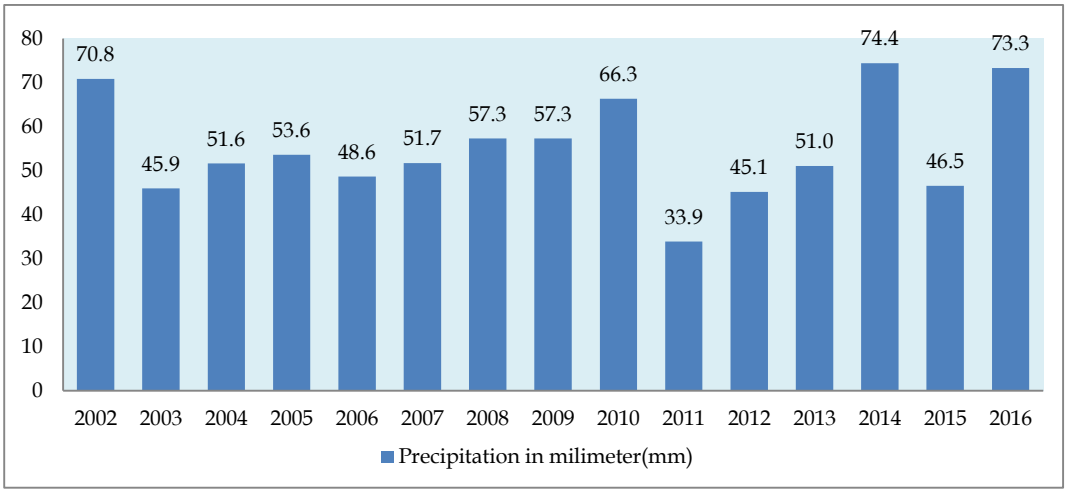


Source: Hydrometeorological Institute of Kosovo

The highest annual average temperatures in Pristina were recorded in 2012 (11.9 degrees Celsius), then in 2010 and 2013, with annual average temperatures reaching 11.7 degrees Celsius and 2007 and 2014 at 11.6 degrees Celsius.

While the lowest annual average temperatures are reported in 2005 when the annual average temperature reached 10.4 degrees Celsius, followed by 2006 with an annual average temperature of 10.8 degrees Celsius and 2011 also having a low average annual temperature of 11.0 degrees Celsius.

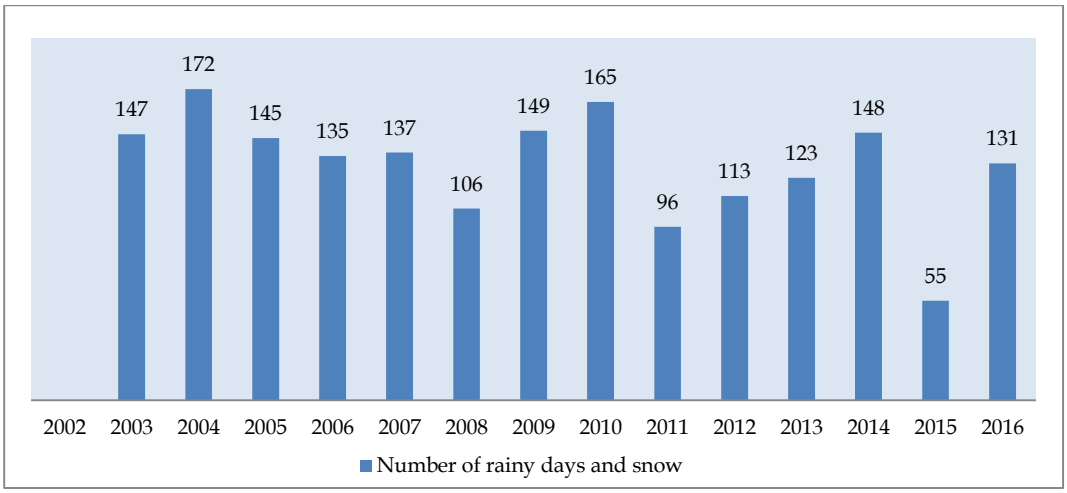
Figure 46: Precipitation in Prishtina (mm), 2002-2016



Source: Hydrometeorological Institute of Kosovo

The year with the most rainfall was the year 2014, with 74.4 mm of rainfall. The years with roughamounts of rainfall to 2014, were the year 2016 with 73.3 mm and the year 2002 with 70.8 mm of rain. While the years with the least rainfall are the year 2011 with only 33.9 mm of rainfall and 2012 with 45.1 mm. Similar to this year was the year 2003 with 45.9 mm and the year 2015 with 46.5 mm of rainfall.

Figure 47: The average number of rain and snow days in Prishtina10, 2002-2016



Source: Hydrometeorological Institute of Kosovo

The year with the average number of days with the most rain and snow was the year 2004, with 172 days of rain and snow recorded. Similar amount of average number of rain and snow days was recorded in 2010 with 165 days of precipitation. Regarding the years with lowest average rain and snow days, the year 2011 had only 96 days of precipitation and 2008 an average number of 106 days.

[10] Data presented for 2015 on the number of rain and snow days for the period June to December

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

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

Support to the agricultural sector continued in 2016, this sector was supported through direct payments and rural development measures. Support through direct payments was made for agricultural crops, livestock heads as well as inputs, while through grants were supported investments in the primary sector but also in the processing industry and tourism development in rural areas.

In the direct payments program in 2016, the planned support was 23 mil. € and the following were supported:

1. Wheat - The minimum eligible area planted with wheat was 2 ha / farmer and the farmer received 150 € / ha. The budget planned for subsidizing the planting of wheat was € 6.5 million.
2. Wheat Seed - The minimum eligible area planted with seed for wheat production was 5 ha / farmer and the farmer benefited 250 € / ha. Grain variety seed had to be part of the List of Permitted Seeds. Same as in the previous year, the budget planned for grain seed subsidy was € 0.1m.
3. Barley - minimum eligible area planted with barley was 1 ha/farmer and the farmer received 100 € / ha. The planned budget for subsidizing barley planting was € 0.3m.
4. Rye - The minimum eligible area planted with rye was 1 ha/farmer and the farmer received100 € / ha. The planned budget for subsidizing the rye planting was € 0.1m.
5. Corn - The minimum eligible area planted with corn was 1 ha/farmer and the farmer received 150 € / ha. The planned budget for subsidizing corn planting was € 2.7 million.
6. Sunflower - The minimum eligible area planted with sunflower was 1 ha/farmer and the farmer received 150 € / ha. The planned budget for subsidizing sunflower planting was € 0.05 million.
7. Open field vegetables - The minimum acceptable area planted with open-field vegetables was 0.50 ha/farmer and the farmer received 300 € / ha. Cultivated crops in the open field had to be part of the list of cultures that are supported by direct payments program. The planned budget for subsidizing planting open field vegetables was €1.5 million.
8. Existing Vineyards - The minimum eligible area planted with vineyards was 0.10 ha/farmer, for cultivated area of 0.10 ha up to 100 ha, subsidizing support per farmer was 1,000 € / ha, while when the farmer had more than 100 ha of planted with

vineyards, subsidizing was 400 € / ha. The budget planned for subsidizing the existing vineyards was € 2.1 million.

9. Direct payments for existing orchards - The minimum eligible area planted with fruit trees was 0.50 ha/farmer, while for small fruits was 0.20 hectares/farmer and the farmer received 400 € / ha. The fruit cultures had to be on the list of cultures that are supported by direct payments program and to meet the minimum number of plants criteria- planted trees in 1 ha. The planned budget for subsidizing the planting of existing orchards was € 1 million.
10. Seedlings of fruit trees and grape vines on vegetative rootstock - The minimum area that the farmer had to own or rented was 0.50 ha/farmer. Beneficiaries were farmers who planted at least 5,000 seedlings in 2016, and payment varied depending on the number of seedlings planted. Farmers who produced 5,000-40,000 fruit tree seedlings were supported with 0.20 € / seedling, over 40,000 seedlings of fruit trees were subsidized with 0.15 € / seedlings and farmers producing at least 5,000 grape vines were subsidized with 0.10 € / seedlings. The planned budget for subsidizing planting seedlings material was € 0.1 million.
11. Organic Agriculture - The minimum eligible area planted with agricultural crops for organic production was 0.10 ha/farmer and the farmers possessing a certificate proving that they are certified for organic production received 200 € / ha. The planned budget for subsidizing organic production was € 0.1 million.
12. Dairy cows and buffalos - The farmer had to breed at least 5 cows, dairy buffalos, or both, and the farmer benefited € 70 / head. The planned budget for subsidies for dairy cows and buffalos was € 3.6 million.
13. Sheep - The farmer had to breed at least 30 head of sheep in active milk production and received € 15 / head. The planned budget for sheep subsidy was € 1.7 million.
14. Goats - The farmer had to breed at least 20 goats in active milk production and received € 15 / head. The planned budget for subsidizing goats was € 0.15 million.
15. Beekeeping - The farmer had to breed at least 30 beehives. Farmers who had 30-50 beehives had to have them placed in 3 bee farms /apiaries maximum, those with 50 to 200 beehives in 5 bee farm/apiaries maximum and farmers with more than 200 beehives in 7 bee farm/apiaries maximum. The payment for beehive was € 15, and if the farmers were certified for organic honey production, the payment was 20 € / beehive. The planned budget for subsidizing the beekeeping sector was € 1.5 million.
16. 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). The support varied depending on the milk quality category, so the farmer received from 0.06 € / liter for extra class milk, 0.04 € / liter for first class milk and 0.02 € / liter for second class milk. The planned budget for milk subsidies was € 1 million.

17. Egg laying hens - The farmer had to breed at least 2,000 chickens in all phases of active egg production. The farmer received from 0.50 € / egg laying hens when he had 2,000 to 10,000 egg laying hens and 0.40 € /egg laying hen when he had over 10,000 chickens. The planned budget for subsidizing egg laying hens was € 0.21 million.
18. Quail - The farmer had to breed at least 100 egg laying quails at all phases of active egg production and the farmer received 1 € / egg laying quail. The planned budget for subsidies of egg laying quail was € 0.02 million.
19. Sows in reproduction- The farmer had to breed at least 2 sows for active reproduction in all phases of reproduction and the farmer received 20 € / head. The planned budget for subsidizing the sows in reproduction was € 0.02 million.
20. Reported cattle slaughter – beneficiaries were farmers who breed cattle identified 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. Planned budget for reported cattle slaughter was € 0.15 million.
21. Aquaculture - The farmer had to sell at least 2,500 kg of fish within 6 months in the Republic of Kosovo. The permissible species were trout and carp and the farmer received 0.20 € / kg. The planned budget for subsidizing aquaculture was € 0.1 million.

In 2016, total support through direct payments was € 26.1 million. Compared to the previous year, the support through direct payments increased by 22%.

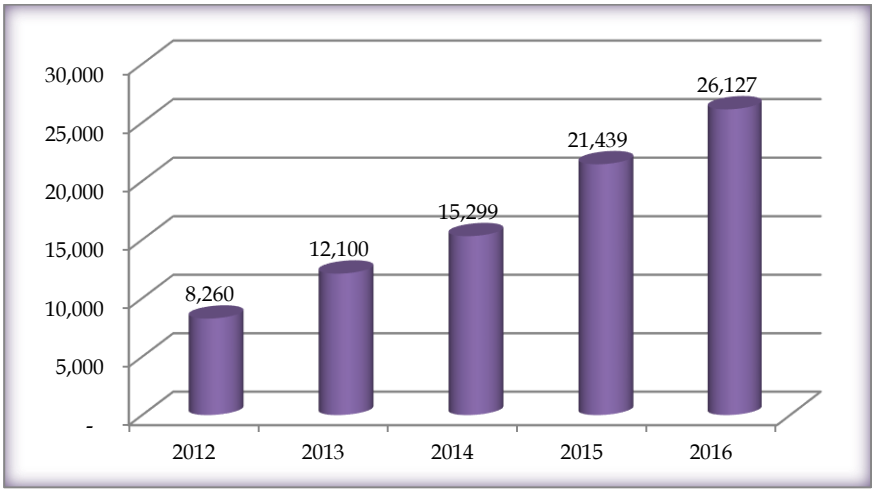
Table 85: Direct payments 2012-2016

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

Source: Agency for Agricultural Development (AAD)

During 2012-2016, subsidies have steadily increased, as a result of the support of new sectors, but also of growth in previously supported sectors. In 2016, in addition to direct payments for sunflower and seedlings which marked a decline, all other categories increased compared to 2015. Highest growth was recorded in the subsidies for wheat seed, reported slaughter of cattle and for bees. In comparison to 2015, in 2016 started the support for farmers engaged in the cultivation of barley, rye, egg laying quail, organic production and aquaculture. In 2016 subsidies amounted to € 26.1 million, of which about 60% were for wheat, dairy cows and corn.

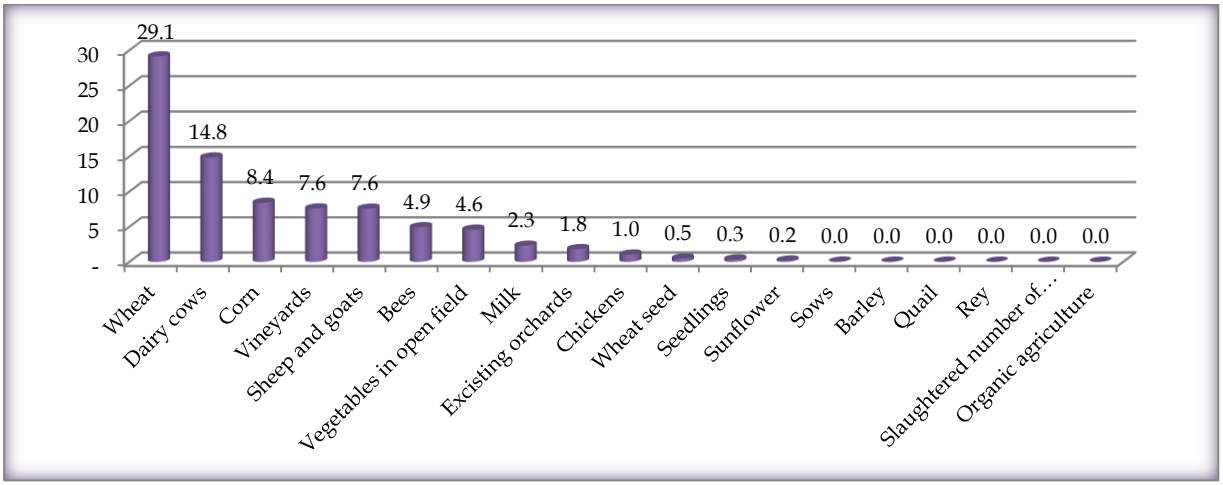
Figure 48: Direct payments 2012-2016, in 1000 €



Source: Agency for Agricultural Development (AAD)

In 2012-2016, the total amount of direct payments was 83.2 mil. €, andthe biggest amount was allocated for wheat, dairy cows, corn, vineyards and sheep. These sectors have been supported since the beginning of application of direct payments and therefore the total amount is greater in comparison to the other sectors listed in the following table, whose subsidizing started only later.

Figure 49: Direct payments by sectors 2012-2016, in € million.



Source: Agency for Agricultural Development (AAD)

The planed budget for implementing the rural development program for2016 was € 23 million. Part of the rural development plan for2016 were the following measures:

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

5.2 Direct payments/subsidies

In 2016, MAFRD continued subsidizing farmers through direct payments for agricultural crops, livestock heads as well as inputs. In addition to the crops subsidized earlier, this year we also started subsidies for barley, oats and organic production, while in the livestock sector besides the sectors that were previously part of the support program, subsidies for quail have started within the poultry sector.

5.2.1 Direct payments for agricultural crops

In 2016, the total amount of direct payments for agricultural crops was € 15.9 million or 17% higher than in 2015. Highest partaking in the total direct payments for agricultural crops had wheat, corn, vineyards and vegetables in the open field, while the cultures that were supported for the first time in 2016 participate with less than 1% of total direct payments for agricultural crops. The total number of applicants for direct payments for agricultural crops was 31,303, out of which 30,452 benefited resulting in a percentage of rejection of about 3%. In this year, there were a smaller number of applicants for corn and sunflower while for other crops the number of applicants increased. The number of beneficiaries is reduced only in the case of sunflower. Direct payments per hectare remained the same except for vineyards where farmers with over 100 ha benefited 300 € / ha in 2015 while in 2016 they benefited 400 € / ha. In 2016, the share of direct payments for agricultural crops in total direct payments is 61%.

Table 86: Direct payments by sector, 2012-2016

		2012	2013	2014	2015	2016	Difference 2016/2015 in %
Wheat	Number of applicants	9,604	11,758	11,871	11,032	11,864	8
	Number of beneficiaries	8,841	10,686	10,579	10,298	11,602	13
	Number of ha paid	37,951	46,594	44,442	42,780	50,180	17
	Payment per ha	100	125	125	150	150	0
	The total amount paid	3,795,094	5,824,268	5,555,218	6,417,047	7,526,999	17
Wheat seed	Number of applicants	10	27	16	17	25	47
	Number of beneficiaries	10	27	16	11	25	127
	Number of ha paid	250	850	511	344	803	133
	The total amount paid	25,020	63,720	107,391	86,063	196,678	129
Corn	Number of applicants	2,346	3,858	6,134	8,278	7,985	-4
	Number of beneficiaries	2,209	3,626	5,413	7,574	7,763	2
	Number of ha paid	5,755	9,430	12,687	18,236	19,140	5
	Payment per ha	100	100	100	150	150	0
	The total amount paid	575,459	943,028	1,268,719	2,735,462	2,870,969	5
Barley	Number of applicants	-	-	-	-	151	
	Number of beneficiaries	-	-	-	-	133	
	Number of ha paid	-	-	-	-	251	
	Payment per ha	-	-	-	-	100	
	The total amount paid	-	-	-	-	25,118	
Rye	Number of applicants	-	-	-	-	77	
	Number of beneficiaries	-	-	-	-	61	
	Number of ha paid	-	-	-	-	200	
	Payment per ha	-	-	-	-	100	
	The total amount paid	-	-	-	-	19,977	
Vineyard	Number of applicants	-	2,579	2,995	2,914	2,980	2
	Number of beneficiaries	-	2,556	2,995	2,806	2,881	3
	Number of ha paid	-	2,791	2,435	2,456	2,473	1
	Payment per ha	-	500/200	1000/300	1000/300	1000/400	
	The total amount paid	-	1,124,516	2,290,783	2,046,167	2,117,978	4
Sunflower	Number of applicants	32	31	15	7	2	-71
	Number of beneficiaries	29	29	13	4	2	-50
	Number of ha paid	737	414	449	135	9	-94
	Payment per ha	100	100	100	150	150	0
	The total amount paid	73,711	41,439	44,853	20,322	1,316	-94
Open field vegetables	Number of applicants	-	-	1,870	4,717	5,304	12
	Number of beneficiaries	-	-	1,548	4,268	5,188	22
	Number of ha paid	-	-	3,422	5,216	6,605	27
	Payment per ha	-	-	300	300	300	0
	The total amount paid	-	-	1,026,735	1,564,692	1,981,617	27
Existing orchards	Number of applicants	-	-	-	1,796	2,908	62
	Number of beneficiaries	-	-	-	1,578	2,794	77
	Number of ha paid	-	-	-	1,731	2,780	61
	Payment per ha	-	-	-	400	400	0
	The total amount paid	-	-	-	692,256	1,112,032	61
Organic agriculture	Number of applicants	-	-	-	-	7	
	Number of beneficiaries	-	-	-	-	3	
	Number of ha paid	-	-	-	-	73	
	Payment per ha	-	-	-	-	200	
	The total amount paid	-	-	-	-	14,626	

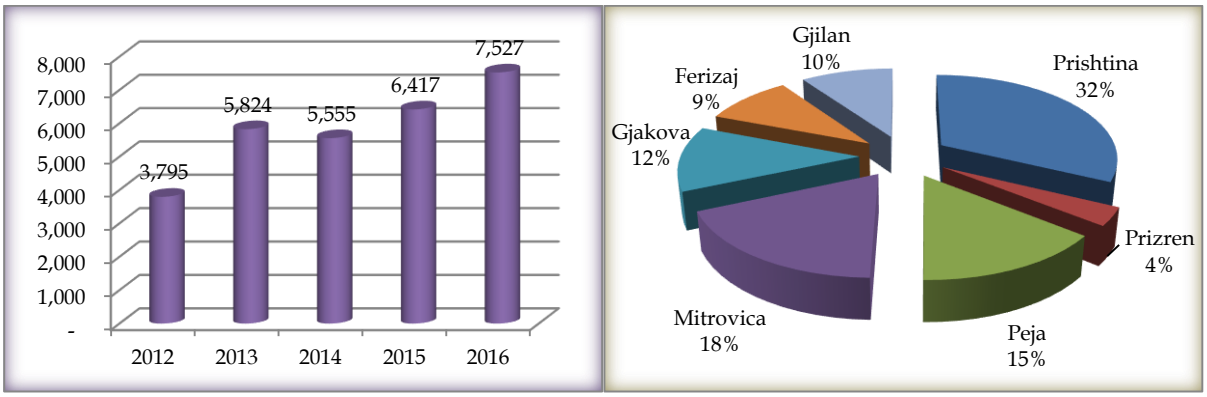
Source: Agency for Agricultural Development (AAD)

Wheat

In 2016 the amount of direct payments for wheat was € 7.5 million or 17% higher in comparison to the previous year. This increase is due to the fact that the number of subsidized hectares has increased by 7,400 ha. The number of farmers who applied has increased by 8% while those who have benefited by 13% resulting in a lower percentage of rejected farmers. The number of rejected farmers was 262 or 2.2% of applicants, which in 2015 this percentage was 6.7%. The average hectare for which a farmer benefited was 4.3 ha.

Regarding the subsidized area for wheat, the region of Prishtina leads (32%), followed by Mitrovica (18%), Peja (15%), Gjakova (12%) and other regions with 23%.

Figure 50: Direct payment for wheat 2012-2016, in € 1000 (left); The subsidized area for wheat by region, in 2016 (right)



Source: Agency for Agricultural Development (AAD)

The total number of farmers applying for direct payments for wheat was 11,864, of which 97.8% benefited. The highest percentage of rejected farmers was in the region of Prizren with 4.5%, while the lowest in the region of Mitrovica with only 0.8%. The highest average area for which a farmer benefited was in the region of Ferizaj (5 ha) while the lowest was in the region of Prizren (3.9 ha)

Table 87: Direct payments for wheat by region in 2016

No.	Region	No. of Applicant	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	3,797	3,702	16,116	2,417,451
2	Prizren	464	443	1,740	260,937
3	Peja	1,616	1,576	7,379	1,106,786
4	Mitrovica	2,222	2,204	9,128	1,369,238
5	Gjakova	1,483	1,446	6,192	928,754
6	Ferizaj	964	948	4,726	708,842
7	Gjilan	1,318	1,283	4,900	734,993
	Total	**11,864**	**11,602**	**50,180**	**7,526,999**

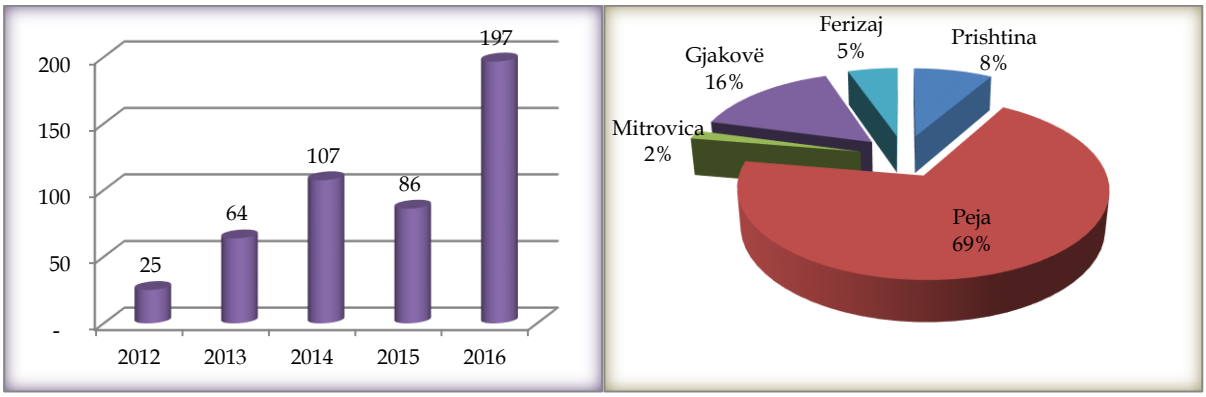
Source: Agency for Agricultural Development (AAD))

Wheat seed

In 2016, the total amount of direct payments for wheat seed was € 197 thousand, this amount has increased more than double the number in 2015. The amount of payment was 250 € / ha and beneficiaries were all farmers who after two controls by phytosanitary inspectors, have been qualified to meet the criteria set out in the call for applications. There have been no farmers who have been rejected, all those who have applied have benefited.

Regarding the allocation by regions, 69% of the subsidized area is in the Peja region, 16% in that of Gjakova and the rest in Prishtina, Ferizaj and Mitrovica. There were no applicants in the regions of Prizren and Gjilan.

Figure 51: Direct payment for wheat seed 2012-2016, in € 1000 (left); The subsidized area for wheat seed by region, in 2016 (right)



Source: Agency for Agricultural Development (AAD)

In total, 803 ha of wheat were subsidized, the average surface area for which a farmer benefited from grants was 32 ha, with the highest in the region of Peja with 34.8 ha subsidized, while the lowest average area for a beneficiary was in the region of Mitrovica with only 6.5 ha. In the region of Ferizaj, respectively in Shtime, 1 farmer had benefited for 42.5 ha.

Table 88: Direct payments for wheat seeds by region, in 2016

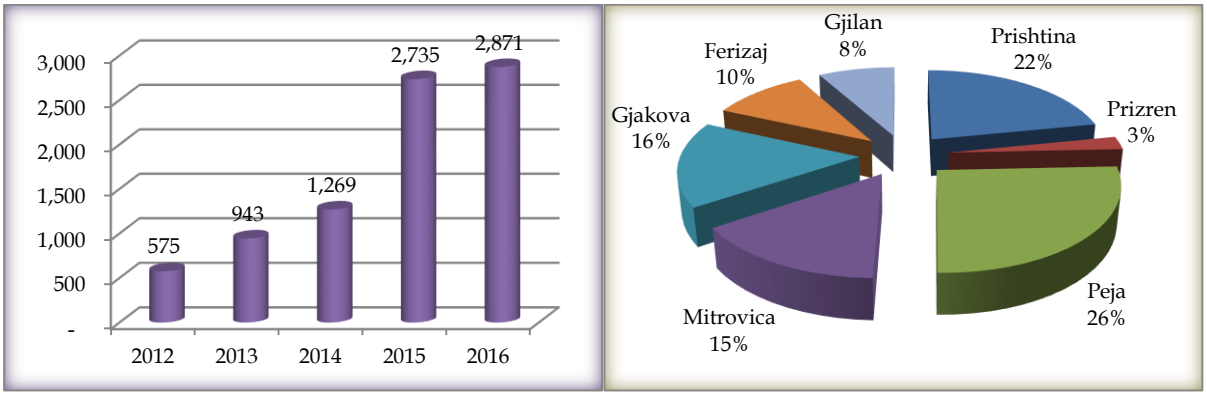
No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in€
1	Prishtina	2	2	67	16,798
2	Prizren	-	-	-	-
3	Peja	16	16	556	137,338
4	Mitrovica	2	2	13	3,146
5	Gjakova	4	4	124	30,025
6	Ferizaj	1	1	42	9,372
7	Gjilan	-	-	-	-
	Total	**25**	**25**	**803**	**196,678**

Source: Agency for Agricultural Development (AAD)

Corn

The subsidized area with corn in 2016 has increased by 5% and this has resulted in the same increase in the total amount of subsidies for corn which amounted to € 2.9 million. The payment amount continued to be 150 € / ha as in 2015. The number of applicant farmers has decreased by 4%, while the number of beneficiaries has increased by 2%. The percentage of rejected farmers is 2.8% or 5.7 percentage points lower than in 2015. The average area for which a farmer benefited was 2.5 ha.

Figure 52: Direct payment for corn 2012-2016, in € 1000 (left); The subsidized area for corn by region, in 2016 (right)



Source: Agency for Agricultural Development (AAD)

The number of hectares planted with corn, which were subsidized in 2016 was 19,140 ha, with an average of 2.5 ha/farmer, and this varied from 2 ha in the region of Prizren to 2.8 in the region of Peja. Of the total number of applying farmers, 97.2% benefited, and this percentage was almost the same in all regions with very little difference, 1.5 percentage points in the region of Prizren where the percentage of beneficiary farmers was 98.7%.

Table 89: Direct payments for corn by region, in 2016

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	1,835	1,782	4,184	627,531
2	Prizren	236	233	473	70,884
3	Peja	1,842	1,777	4,986	747,860
4	Mitrovica	1,278	1,255	2,908	436,259
5	Gjakova	1,330	1,294	3,093	463,976
6	Ferizaj	728	710	1,947	292,070
7	Gjilan	736	712	1,549	232,391
	Total	**7,985**	**7,763**	**19,140**	**2,870,969**

Source: Agency for Agricultural Development (AAD)

Barely

The barley began to be subsidized for the first time in 2016 with 100 € / ha. 151 farmers have applied in total, of which 133 have benefited. The total amount of direct payments for barley was € 25 thousand. The percentage of rejected farmers was 11.9%, with differences from region to region where most farmers were rejected in the region of Prizren (59% of applicants), and the least in the region of Peja. The average surface area for which a farmer benefited was 1.9 ha, the highest was in Mitrovica and Ferizaj with 2 ha each and the lowest in Prizren with 1.2 ha/farmer.

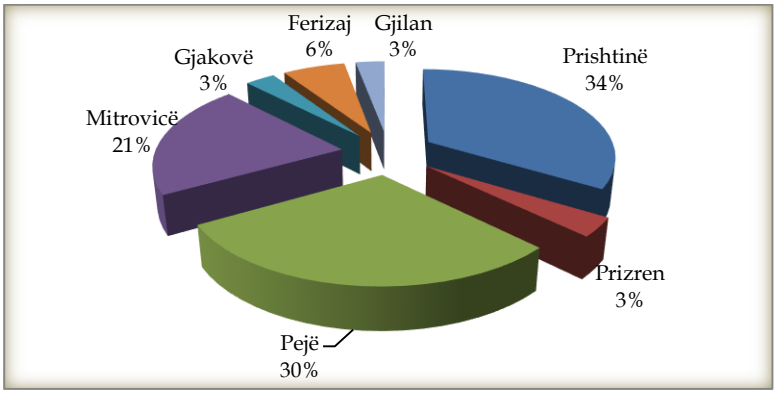
Table 90: Direct payments for barely by region, in 2016

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	47	44	85	8,463
2	Prizren	17	7	9	866
3	Peja	42	40	75	7,459
4	Mitrovica	28	26	52	5,226
5	Gjakova	5	5	8	766
6	Ferizaj	9	8	16	1,598
7	Gjilan	3	3	7	740
	Total	**151**	**133**	**251**	**25,118**

Source: Agency for Agricultural Development (AAD)

From 251 ha cultivated with barley for which farmers benefited from subsidies, 34% of them are in the region of Prishtina, 30% in the region of Peja, 21% in the region of Mitrovica and 15% in the other four regions. Since barley subsidy has begun for the first time this year, field control is carried out at 100%. The amount paid in total was low in relation to the planned budget for direct payments for barley, as there were fewer applicants and in some municipalities, there was no interest in barley cultivation.

Figure 53: The subsidized area with barley by region, in 2016



Source: Agency for Agricultural Development (AAD)

Rye

In 2016, the total amount of direct payments for rye was about 20 thousand €. This culture began to be subsidized for the first time this year and field control was conducted at 100%. Each applicant farmer who fulfilled the criteria set out in the call for applications was subsidized with 100 €/ha. In total, 77 farmers have applied from 19 municipalities of Kosovo, while 61 have benefited. Since it is the first year of subsidies, the percentage of rejected farmers was high, respectively 20.8%, the highest percentage being in the Prizren region (56%) and the lowest in the Peja region (7%).The average for beneficiary farmers was 3.3 ha, the highest average was in the Peja region (4.7 ha) and the lowest in the Prizren region (1.4 ha).

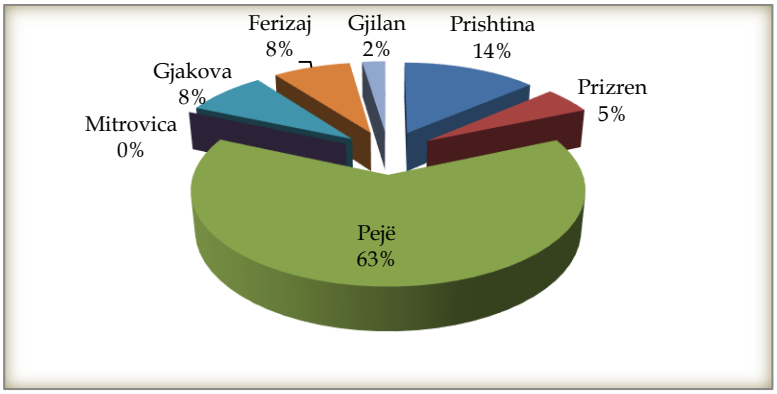
Table 91: Direct payment for rye by region, in 2016

No.	Region	No. of Applicants	No. of benefiting farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	11	8	27	2,728
2	Prizren	16	7	10	982
3	Peja	29	27	126	12,580
4	Mitrovica	-	-	-	-
5	Gjakova	6	6	16	1,637
6	Ferizaj	11	10	16	1,579
7	Gjilan	4	3	5	471
	Total	**77**	**61**	**200**	**19,977**

Source: Agency for Agricultural Development (AAD)

Out of the 200 ha subsidized in total, 126 ha have been in the Peja region, followed by Prishtina, Gjakova, Ferizaj, Prizren and Gjilan, while there were no applicants from the Mitrovica region.

Figure 54: The subsidized area with rye by region, in 2016



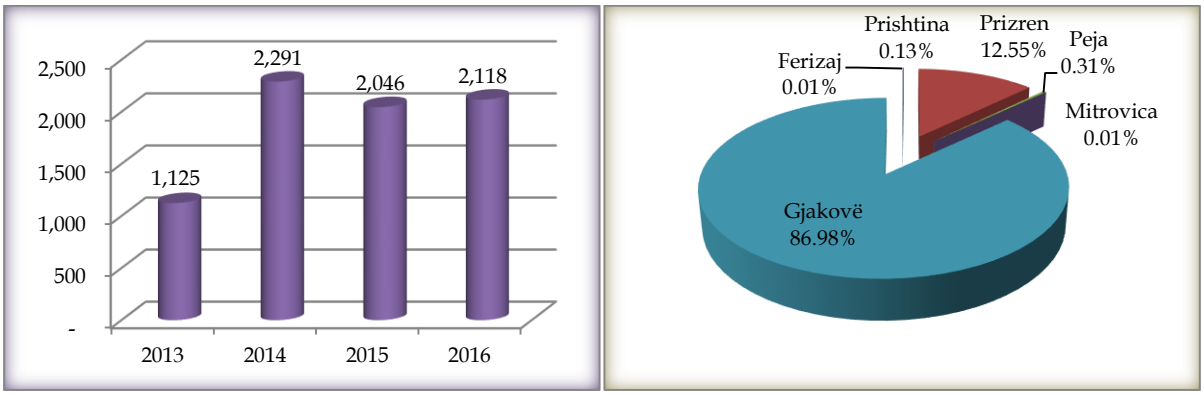
Source: Agency for Agricultural Development (AAD)

Vineyards

In 2016, the total amount of direct payments for vineyards increased by 4%, as a result of the fact that the number of subsidized ha increased by 1%, but the amount of subsidy per hectare for farmers with over 100 ha increased from 300 €/ha in 2015 to 400 €/ha.The number of applicants has increased by 2% and the number of beneficiaries by 3%. The percentage of rejected farmers was 3.3%, which was 0.4 percentage points lower than in the previous year. A total of 2,473 ha were subsidized, totalling 2.1 million €.

Of the total area subsidized with vineyards, 99.5% is in the Gjakova and Prizren regions while only 0.5% in other regions.

Figure 55: Direct payments for vineyards 2013-2016, in 1000 € (left); Subsidized area with vineyards by region, in 2016 (right)



Source: Agency for Agricultural Development (AAD)

The percentage of rejected farmers was 3.3% in total, while the largest percentage was in the Prishtina and Ferizaj regions but did not affect the overall situation because there was a small number of applicants and beneficiaries in these two regions. The average area for which a farmer benefited was 0.9 ha, while the highest was in the Gjakova region of 1.1 ha, and this is due to the fact that the production of grapes is concentrated in this region.

Table 92: Direct payment for vineyards by region in 2016

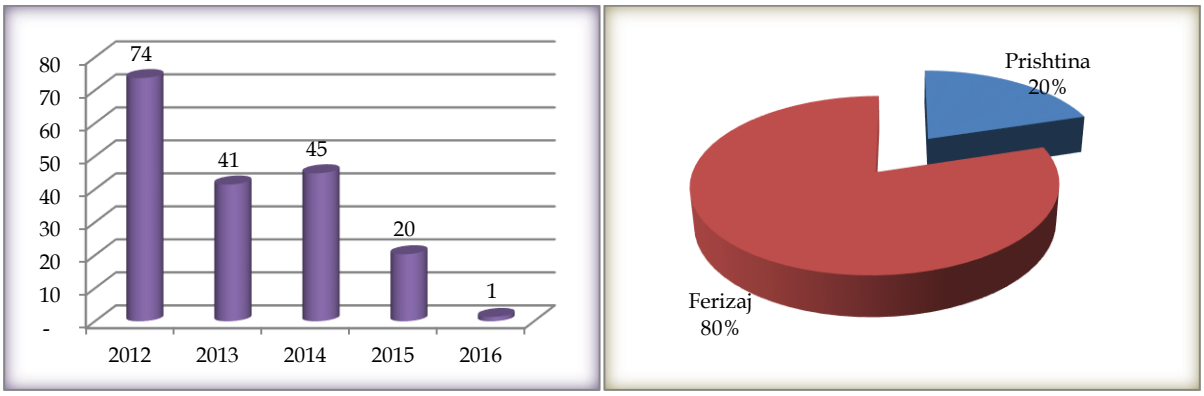
No.	Region	No. of Applicants	No. of benefiting farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	12	9	3	3,160
2	Prizren	882	842	310	309,740
3	Peja	9	8	8	7,760
4	Mitrovica	1	1	0	330
5	Gjakova	2,074	2,020	2,151	1,796,738
6	Ferizaj	2	1	0	250
7	Gjilan	-	-	-	-
	Total	**2,980**	**2,881**	**2,473**	**2,117,978**

Source: Agency for Agricultural Development (AAD)

Sunflower

The sunflower cultivated area is decreasing year by year, so the amount of direct payments has decreased also. In 2016 only 9 ha were subsidized in the amount of 1,316 €. Compared to the previous year, the number of subsidized hectares has decreased by 94%. There was only 1 applicant from the Ferizaj region that benefited for 7 ha and 1 applicant from the Prishtina region that benefited for 2 ha.

Figure 56: Direct payments for sunflower 2012-2016, in 1000 € (left); Subsidized area with sunflower by region, in 2016 (right)



Source: Agency for Agricultural Development (AAD)

Table 93: Direct payments for sunflower by region, in 2016

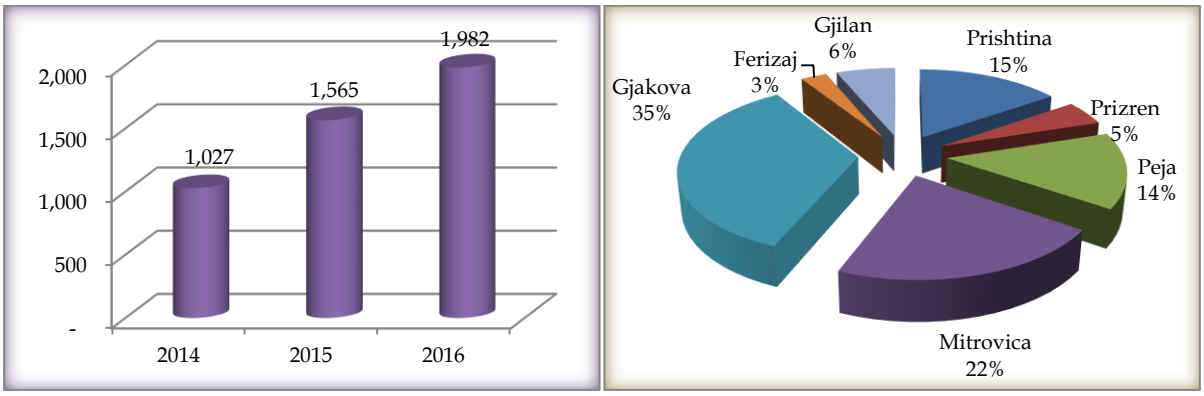
No.	Region	No. of Applicants	No. of benefiting farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	1	1	2	266
2	Prizren	-	-	-	-
3	Peja	-	-	-	-
4	Mitrovica	-	-	-	-
5	Gjakova	-	-	-	-
6	Ferizaj	1	1	7	1,050
7	Gjilan	-	-	-	-
	Total	**2**	**2**	**9**	**1,316**

Source: Agency for Agricultural Development (AAD)

Open field vegetables

As of 2014, when vegetables began to be subsidized for the first time, the applicants and the number of hectares supported increased continuously. In 2016, the total amount of direct payments for vegetables in the open field was about 2 million €, or 27% higher than in 2015. The number of applicants increased by 12% and that of beneficiaries by 22%, resulting in a decrease in the percentage of rejected farmers by 7.3 percentage points (from 9.5% in 2015 to 2.2% in 2016). Regarding the regional distribution, most of the subsidized area was in the regions of Gjakova, Mitrovica, Peja, and Prishtina, while the other three regions participated together with 14%.

Figure 57: Direct payment for open field vegetables 2014-2016, in 1000 € (left); Subsidized area with vegetables in open field by region, in 2016 (right)



Source: Agency for Agricultural Development (AAD)

The number of rejected farmers was highest in the Gjakova region and the lowest in the Ferizaj region, while the highest percentage of rejected farmers was in the Prishtina region (3.7%) and the lowest in the Mitrovica region (1.2%). The average area for which a farmer received subsidies for open field vegetables was 1.3 ha.

Table 94: Direct payments for open field vegetables by region, in 2016

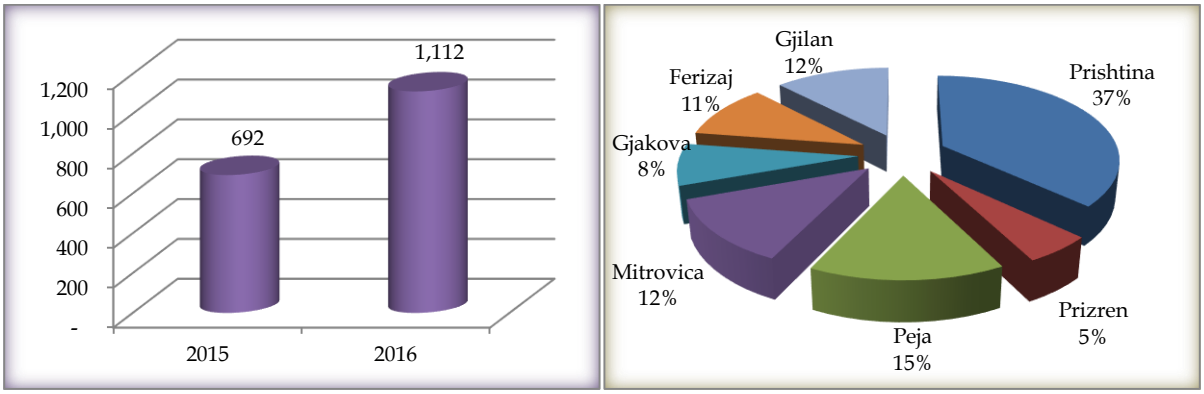
No.	Region	No. of Applicants	No. of benefiting farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	832	801	1,014	304,182
2	Prizren	384	374	312	93,582
3	Peja	536	522	954	286,173
4	Mitrovica	573	566	1,426	427,680
5	Gjakova	2,530	2,483	2,301	690,330
6	Ferizaj	146	143	183	55,023
7	Gjilan	303	299	415	124,647
	Total	**5,304**	**5,188**	**6,605**	**1,981,617**

Source: Agency for Agricultural Development (AAD)

Existing orchards

In the second year of subsidies, direct payments for existing orchards have increased by 61%, reaching 1.1 million €. The percentage of rejected farmers decreased significantly compared to 2015 to only 4% of applicant farmers. Payment per hectare has remained the same at 400 €/ha as in the previous year. The average area for which a farmer benefited was 1 ha, and this has changed depending on the region from 0.8 to 1.3 ha. Regarding the regional distribution, the most hectares were subsidized in the Prishtina region, followed by Peja, Mitrovica, Gjilan, Ferizaj, Gjakova, and Prizren.

Figure 58: Direct payment for existing orchards 2015-2016, in 1000 € (left); Subsidized area with existing orchards by region, in 2016 (right)



Source: Agency for Agricultural Development (AAD)

The average area for which a farmer benefited was the highest in the Gjilan region (1.3 ha), while the lowest in the Ferizaj region (0.8 ha). Regarding the percentage of rejected farmers, the highest was in the Prizren region (7.3%), while the lowest in the Mitrovica region (1.5%).The number of subsidized hectares in 2016 was 2,780 ha or 1,049 ha more than in 2015.

Table 95: Direct payments for existing orchards by region, in 2016

No.	Region	No. of Applicants	No. of benefiting farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	1,113	1,070	1,027	410,624
2	Prizren	179	166	149	59,632
3	Peja	364	350	414	165,484
4	Mitrovica	400	394	342	136,908
5	Gjakova	187	177	220	88,176
6	Ferizaj	398	381	289	115,484
7	Gjilan	267	256	339	135,724
	Total	**2,908**	**2,794**	**2,780**	**1,112,032**

Source: Agency for Agricultural Development (AAD)

Organic farming

Organic farming support through direct payments started for the first time in 2016, with farmers receiving 200 €/ha. 7 farmers have applied, of which only 3 have benefited, 2 in the Peja region, respectively in the municipality of Istog and 1 in the Gjakova region respectively in the municipality of Rahovec. 73 ha were subsidized in the total amount of € 14,626.

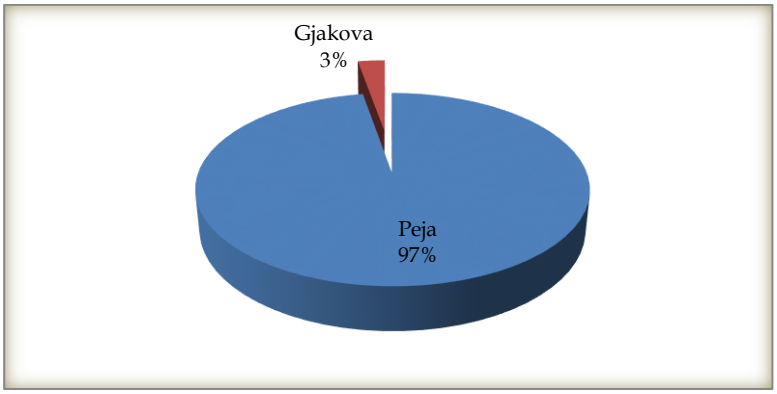
Table 96: Direct payments for organic farming by region in 2016

No.	Region	No. of Applicants	No. of benefiting farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	-	-	-	-
2	Prizren	-	-	-	-
3	Peja	3	2	71	14,224
4	Mitrovica	1	-	-	-
5	Gjakova	3	1	2	402
6	Ferizaj	-	-	-	-
7	Gjilan	-	-	-	-
	Total	**7**	**3**	**73**	**14,626**

Source: Agency for Agricultural Development (AAD)

Of the total 73 ha subsidized, 97% are in Peja region and the rest in that of Gjakova. There were only applicants from three regions, and despite the small number of applicants, over 50% were rejected.

Figure 59: Subsidized area with organic crops by region, in 2016



Source: Agency for Agricultural Development (AAD)

5.2.2 Direct payments for livestock and milk

In 2016, the total amount of direct payments for the livestock sector was 10.2 million € or 31% higher than in 2015. Dairy cows, bees, sheep and goats, and milk by quality classes had greatest share in the total of direct livestock payments, while other categories account for less than 4% of the total direct livestock payments. The total number of applicants for direct payments for livestock was 13,475, out of which 13,042 benefited resulting in a percentage of rejection of about 3%.In this year, the number of applicants was smaller only for sheep and

goats, while for other cultures the number of applicants increased. The number of beneficiaries is reduced only in the case of sheep and goats.Direct payments for heads have remained the same except for bees since in 2015 the payment was 10 €/hive while in 2016 it increased to 15 €/hive.In 2016, the share of direct payments for livestock in the total direct payments is 39%.

Table 97: Direct Payments by sector, 2012-2016

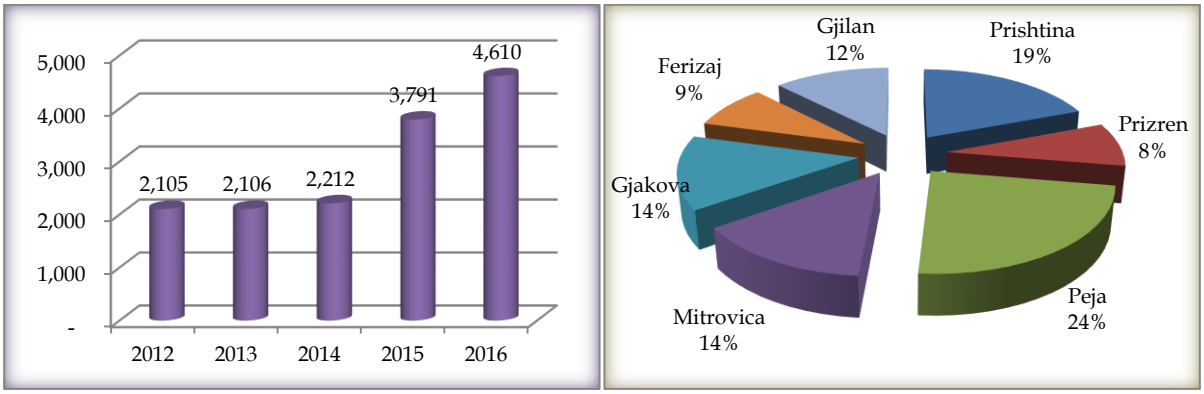
		2012	2013	2014	2015	2016	Difference 2016/2015 in %
Dairy cows	Number of applicants	5,584	5,803	6,052	6,827	7,981	17
	Number of beneficiaries	5,231	5,075	5,472	6,451	7,650	19
	Number of heads paid	42,096	42,119	44,235	54,157	65,857	22
	Payment per head	50	50	50	70	70	0
	Total amount paid	2,104,800	2,105,950	2,211,750	3,790,990	4,609,990	22
Sheep and goats	Number of applicants	1,533	1,370	1,442	1,366	1,325	-3
	Number of beneficiaries	1,449	1,252	1,295	1,287	1,273	-1
	Number of heads paid	132,745	115,972	121,012	128,091	128,883	1
	Payment per head	10	10	10	15	15	0
	Total amount paid	1,327,450	1,159,720	1,210,120	1,921,365	1,933,245	1
Sows	Number of applicants	-	-	72	124	137	10
	Number of beneficiaries	-	-	65	106	121	14
	Number of heads paid	-	-	311	562	702	25
	Payment per head	-	-	20	20	20	0
	Total amount paid	-	-	6,220	11,240	14,040	25
Bees	Number of applicants	1,120	1,086	1,504	2,018	2,378	18
	Number of beneficiaries	779	985	1,394	1,918	2,353	23
	Number of hives paid	35,861	50,066	77,761	112,958	143,918	27
	Payment per hive	10	10	10	10	15	50
	Total amount paid	358,610	500,660	777,610	1,129,580	2,158,770	91
Egg-laying hens	Number of applicants	-	61	64	86	86	0
	Number of beneficiaries	-	58	59	57	78	37
	Number of heads paid	-	567,996	526,966	466,064	783,531	68
	Payment per head	-	0.50/0.40 /0.30	0.50/0.40 /0.30	0.50/0.40	0.50/0.40	
	Total amount paid	-	240,305	231,648	210,868	346,259	64
Quail	Number of applicants	-	-	-	-	7	
	Number of beneficiaries	-	-	-	-	6	
	Number of heads paid	-	-	-	-	22,083	
	Payment per head	-	-	-	-	1	
	Total amount paid	-	-	-	-	22,083	
Milk	Number of applicants	-	-	-	-	1,552	
	Number of beneficiaries	-	-	769	1,040	1,552	49
	Number of litres paid	-	-	-	-	-	
	Payment per litre	-	-	0.06/0.04 /0.02	0.06/0.04 /0.02	0.06/0.04 /0.02	
	Total amount paid	-	-	491,884	711,644	1,082,829	52
Reported cattle slaughter	Number of applicants	-	-	-	1	9	800
	Number of beneficiaries	-	-	-	1	9	800
	Number of heads paid	-	-	-	84	526	526
	Payment per head	-	-	-	30	30	0
	Total amount paid	-	-	-	2,520	15,780	526

Source: Agency for Agricultural Development (AAD)

Dairy cows

Direct payments for dairy cows in 2016 were 4.6 million € and have increased by 22% compared to 2015. The number of applicants has increased by 17% and the number of beneficiaries by 19%. The percentage of rejected farmers is 1.4 percentage points lower than in 2015.In terms of regional distribution, the largest number of supported dairy cows was in the Peja region by 24%, followed by Pristina with 19%, Gjakova and Mitrovica by 14% each, Gjilan with 12%, Ferizaj with 9% and Prizren with 8%.

Figure 60: Direct payments for dairy cows 2012-2016, in 1000 € (left); Number of dairy cows subsidized by region, in 2016 (right)



Source: Agency for Agricultural Development (AAD)

The total number of dairy cows subsidized in 2016 was 65,857 heads. The average number of cows for which a farmer benefited was 8-9 heads, the average being the highest in the Gjilan region and there was no significant difference between the regions in the average number of subsidized heads. The percentage of rejected farmers was 4.1%, while the highest was in Ferizaj with 4.5%.

Table 98: Direct payments for dairy cows by region, in 2016

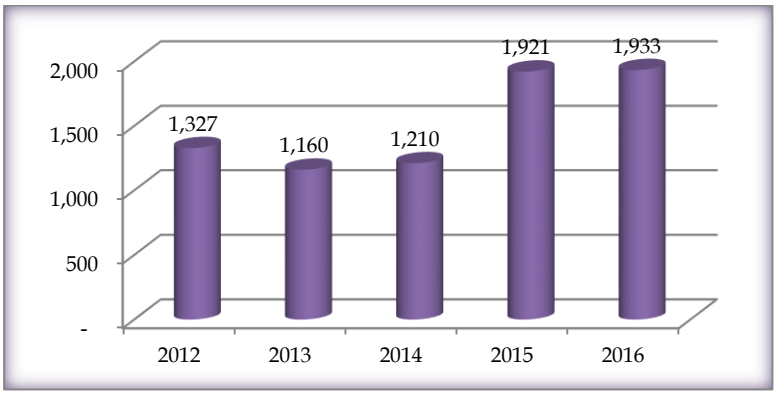
No.	Region	No. of Applicants	No. of benefiting farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	1,516	1,442	12,684	887,880
2	Prizren	676	642	5,502	385,140
3	Peja	1,843	1,771	15,595	1,091,650
4	Mitrovica	1,172	1,146	9,168	641,760
5	Gjakova	1,147	1,105	9,241	646,870
6	Ferizaj	752	703	5,546	388,220
7	Gjilan	875	841	8,121	568,470
	Total	**7,981**	**7,650**	**65,857**	**4,609,990**

Source: Agency for Agricultural Development (AAD)

Sheep and goats

Sheep and goats continued to be subsidized with 15 €/head even in 2016. The total amount of payments was 1.9 million € or 1% higher than in 2015. From the total amount of support, 92% are subsidies for sheep and only 8% for goats.

Figure 61: Direct payments for sheep and goats 2012-2016, in 1000 €



Source: Agency for Agricultural Development (AAD)

1,069 farmers have benefited sheep subsidies, accounting for 96% of the farmers who applied, whereas the highest number of rejected farmers was in Prishtina region, followed by Ferizaj and Mitrovica. The average number of sheep for which a farmer benefited was 111, and this has changed depending on the region, the lowest average being in the Mitrovica region with 81 heads, while the highest in the Prizren region with 140 heads.

Table 99: Direct payments per sheep by region in 2016

No.	Region	No. of Applicants	No. of benefiting farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	193	182	16,920	253,800
2	Prizren	215	209	29,156	437,340
3	Peja	194	190	15,534	233,010
4	Mitrovica	131	124	10,034	150,510
5	Gjakova	126	124	16,120	241,800
6	Ferizaj	111	102	12,726	190,890
7	Gjilan	141	138	17,645	264,675
	Total	**1,111**	**1,069**	**118,135**	**1,772,025**

Source: Agency for Agricultural Development (AAD)

The total amount of direct payments for goats was 161,220 € or 10% higher than in 2015.The number of beneficiaries of direct payments for goats was lower compared to that for sheep, out of the total number of applicants of 214 farmers, 204 benefited, and the largest number was in the Prishtina and Gjilan regions. Regarding the number of rejected farmers, the number was higher in the Prishtina and Peja regions, while lower in other regions

Table 100: Direct payments for goats by region in 2016

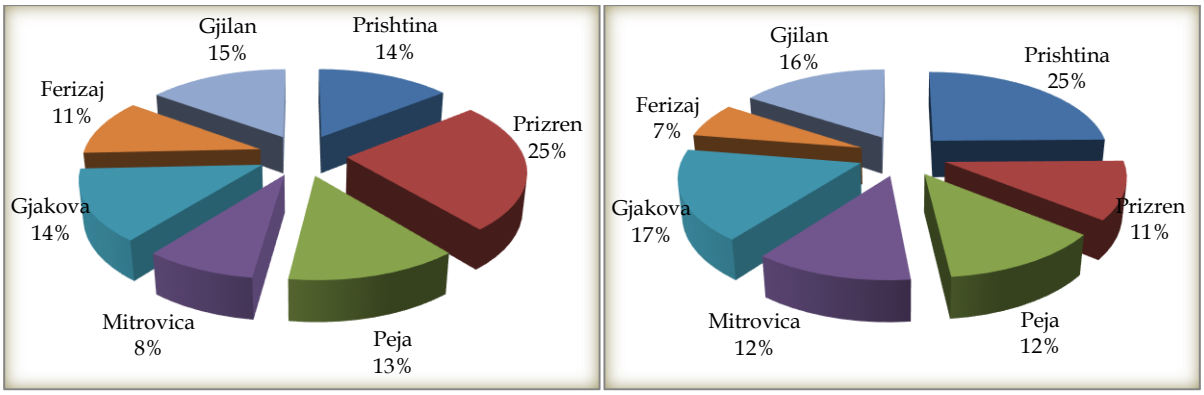
No.	Region	No. of Applicants	No. of benefiting farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	58	55	2,662	39,930
2	Prizren	21	21	1,184	17,760
3	Peja	33	30	1,346	20,190
4	Mitrovica	22	21	1,290	19,350
5	Gjakova	21	20	1,853	27,795
6	Ferizaj	18	17	720	10,800
7	Gjilan	41	40	1,693	25,395
	Total	214	204	10,748	161,220

Source: Agency for Agricultural Development (AAD)

The region which is characterized by the largest number of subsidized sheep is the Prizren region (25%), followed by Gjilan (15%), Pristina and Gjakova by 14% and other regions by 32%. The region with the lowest number of subsidized sheep was the Mitrovica region.

Regarding the number of subsidized goats, the Pristina region is the first with 25% followed by Gjakova with 17%, Gjilan with 16%, Peja, and Mitrovica by 12% each and other regions with 18%.

Figure 62: Number of subsidized sheep by region, in 2016 (left); Number of subsidized goats by region, in 2016 (right)

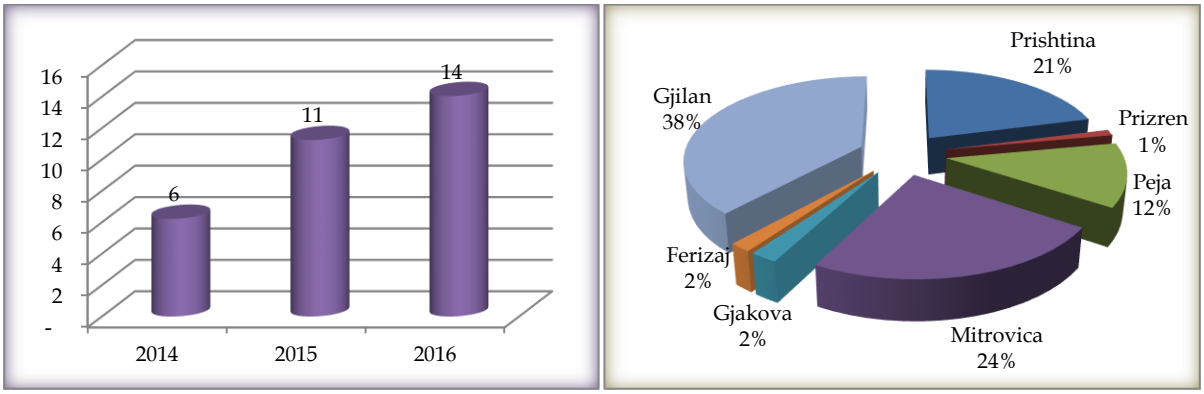


Source: Agency for Agricultural Development (AAD)

Sows

The swine sector started to be subsidized for the first time in 2014. Through direct payments, reproducing sows are subsidized and farmers benefited 20 €/head. In 2016 the total support for sows was about 14,000 € or 25% more than in 2015. The largest number of subsidized sows was in Gjilan region (38%), followed by Mitrovica region with 24% and Pristina with 21%, while the rest of 17% in four other regions (Peja, Gjakova, Ferizaj, and Prizren).

Figure 63: Direct payments for sows 2014-2016, in 1000 € (left); Number of subsidized sows by region, in 2016 (right)



Source: Agency for Agricultural Development (AAD)

Out of the total number of applying farmers, 11.7% were rejected and were mainly from the Gjilan, Mitrovica, Peja and Prishtina regions; there were no rejected application in the Prizren, Ferizaj and Gjakova regions. The total number of subsidized sows was 702 heads.

Table 101: Direct payments for sows by region in 2016

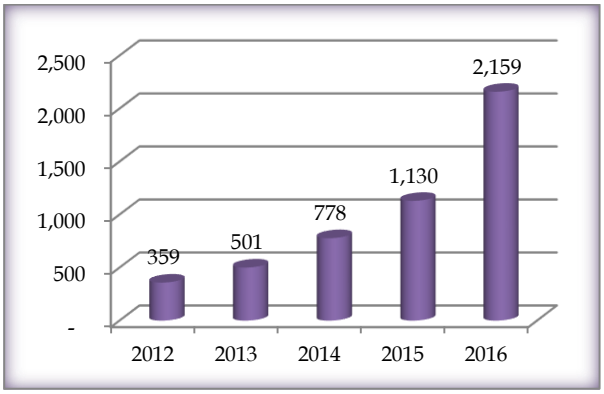
No.	Region	No. of Applicants	No. of benefiting farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	37	36	147	2,940
2	Prizren	2	2	8	160
3	Peja	22	21	85	1,700
4	Mitrovica	15	8	166	3,320
5	Gjakova	4	4	15	300
6	Ferizaj	2	2	12	240
7	Gjilan	55	48	269	5,380
	Total	**137**	**121**	**702**	**14,040**

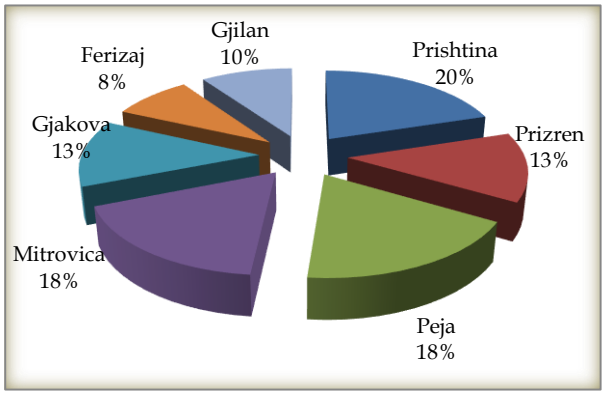
Source: Agency for Agricultural Development (AAD)

Beekeeping

The support to beekeeping sector continuously increased, amounting to around 2.2 mil. € in 2016. Compared to 2015, the total amount of subsidies for bees increased for 91%, whereas compared to the average of the last four years, the amount of subsidies for bees tripled as a result of increase of the number of subsidised beehives, but also the increase of payment for a beehive from 10 € to 15 €/beehive. The distribution of subsidies in regions in the case of bees had not great differences, where the support in the regions of Prishtina, Peja, Prizren, Mitrovica and Gjakova varied from 13% to 20%, depending on the region, whereas the region of Ferizaj and Gjilan benefited less, namely both 18%.

Figure 64: Direct payment for bees 2012-2016, in 1000 € (in the left); Number of subsidised beehives by region, in 2016 (in the right)





Source: Agency for Agricultural Development (AAD)

The average number of beehives benefited by a farmer was 61 beehives and there were no great differences between regions. The percentage of rejected farmers decreased from 5% in 2015 to only 1% in 2016. With regards to the number of rejected farmers, the highest percentage compared to the average was only in Ferizaj and Gjilan.

Table 102: Direct payments for bees by region, in 2016

No.	Region	No. of applicants	No. of beneficiary farmers	No. of subsidised beehives	Paid amount in €
1	Prishtina	510	506	29,036	435,540
2	Prizren	291	288	18,935	284,025
3	Peja	453	448	26,210	393,150
4	Mitrovica	380	377	25,160	377,400
5	Gjakova	286	286	18,313	274,695
6	Ferizaj	212	208	12,203	183,045
7	Gjilan	246	240	14,061	210,915
	Total	**2,378**	**2,353**	**143,918**	**2,158,770**

Source: Agency for Agricultural Development (AAD)

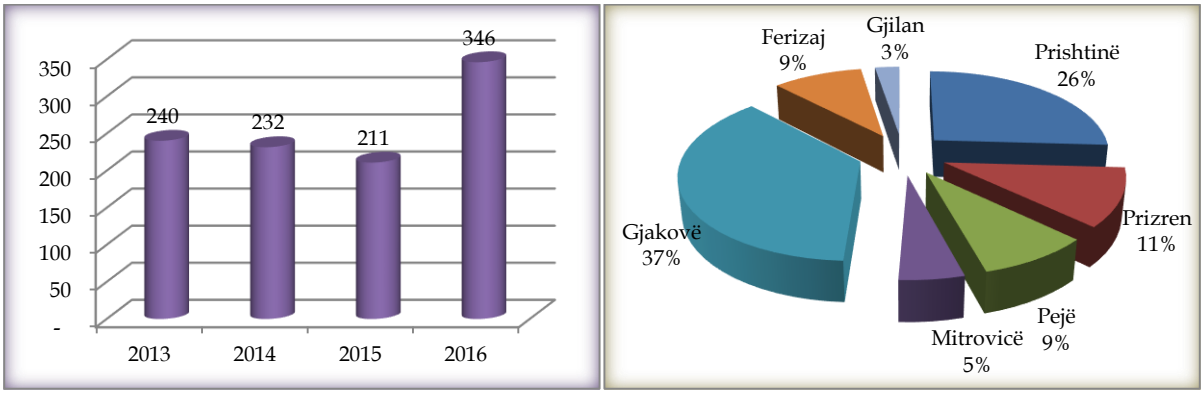
Poultry

Within the sector of poultry, laying hens and partridges have been supported through direct payments. The support for laying hens commenced in 2013, whereas the support for partridges commenced for the first time in 2016.

Laying hens

Direct payments for laying hens in 2016 amounted to 346 thousand €, which compared to 2015 increased for 64%, while the number of subsidised laying hens increased for 68%. In 2016, the number of applicants was the same, whereas the number of beneficiaries increased for 37%, resulting with a decrease in percentage of rejected farmers. The largest number of subsidised laying hens was in the region of Gjakova (37%), followed by Prishtina with 26%, Prizren with 11% and other regions with 26%.

Figure 65: Direct payments for laying hens 2013-2016, in 1000 € (in the left); Number of subsidised laying hens by region, in 2016 (in the left)



Source: Agency for Agricultural Development (AAD)

From the total number of applicants, 91% have been subsidised, whereas the other 9% have been rejected due to the failure to fulfil the criteria and these farmers were from the region of Prishtina, Prizren, Peja, Gjakova and Ferizaj, whereas no farmer from the region of Mitrovica and Gjilan has been rejected.

Table 103: Direct payments for laying hens by region, in 2016

No.	Region	No. of applicants	No. of benefiting farmers	No. of subsidised heads	Paid amount in €
1	Prishtina	23	21	202,999	89,373
2	Prizren	16	14	87,012	39,651
3	Peja	11	10	68,600	32,650
4	Mitrovica	5	5	38,980	17,540
5	Gjakova	17	16	290,495	124,643
6	Ferizaj	10	8	75,050	32,205
7	Gjilan	4	4	20,395	10,198
	Total	**86**	**78**	**783,531**	**346,259**

Source: Agency for Agricultural Development (AAD)

Partridges

Support to partridges through direct payments commenced for the first time in 2016 and the subsidy was 1 €/head. 7 farmers applied and only one of them in them in the region of Mitrovica has been rejected. The total number of subsidised partridges was 22,083 heads. There were no applicants from the region of Peja, Gjakova, Ferizaj and Gjilan.

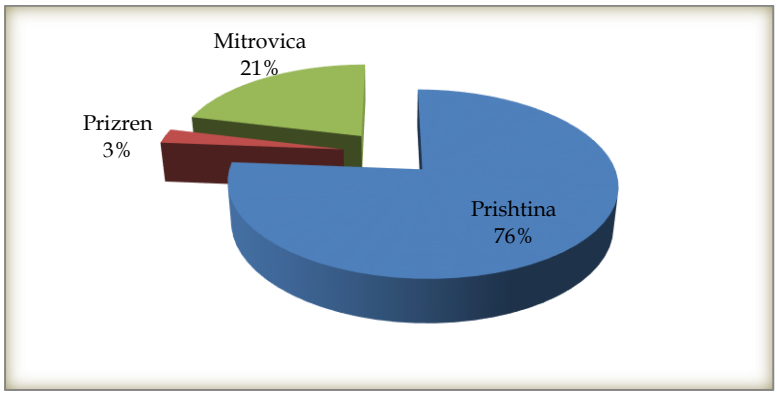
Table 104: Direct payments for partridges by region, in 2016

No.	Region	No. of applicants	No. of beneficiary farmers	No. of subsidised heads	Paid amount in €
1	Prishtina	2	2	16,840	16,840
2	Prizren	1	1	570	570
3	Peja	-	-	-	-
4	Mitrovica	4	3	4,673	4,673
5	Gjakova	-	-	-	-
6	Ferizaj	-	-	-	-
7	Gjilan	-	-	-	-
	Total	7	6	22,083	22,083

Source: Agency for Agricultural Development (AAD)

From the total number of subsidised partridges, 76% were in the region of Prishtina, namely in the Municipality of Podujeva and Drenas, 21% in the region of Mitrovica, and 3% in that of Prizren. The average number of partridges for which a farmer has benefited was 3,680 heads, which average was the highest in the region of Prishtina with 8,420 heads and the lowest in the region of Mitrovica with 570 heads, whereas in the region of Prizren this average was 1,558 heads.

Figure 66: Number of subsidised partridges by region, in 2016

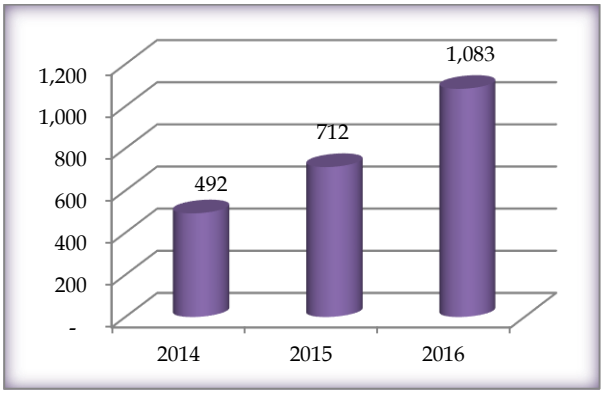


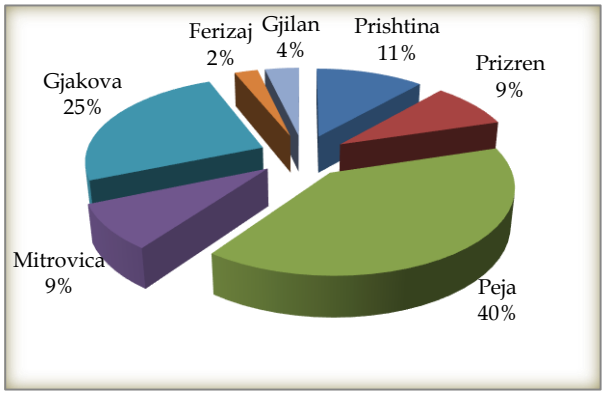
Source: Agency for Agricultural Development (AAD)

Milk by quality

Support to milk by quality classes commenced implementation for the first time in 2014. In 2016, total direct payments for milk by quality were around 1.1 mil. €, marking an increase of 52% compared to 2015. Number of beneficiaries in 2016 increased for 49% compared to the previous year and no farmer was rejected. The largest share of delivered milk was in the region of Peja and Gjakova, which is an indicator that the milk processing industry is more developed in these regions compared to other regions. From the total number of beneficiaries, these two regions have a share of 65%, followed by Prishtina (11%), Mitrovica and Peja with 9% each, Gjilan with 4% and Ferizaj with 2%.

Figure 67: Direct payments for milk by quality 2014-2016, in 1000 € (in the left); Number of benefiting farmers for milk by quality, by region, in 2016 (in the right)





Source: Agency for Agricultural Development (AAD)

In 2016, during the all 4 quarters, benefited a total of 1,552 farmers from various regions. These farmers benefited for the milk delivered to the licensed dairies. The average of the number of beneficiaries during one quarter was about 388 beneficiaries, whereas the average amount awarded to one beneficiary within one quarter was around 700 €. The largest number of beneficiaries was in the fourth quarter, where around 455 farmers benefited, whereas the lowest number was in the first quarter, with 338 farmers.

Table 105: Direct payments for milk by quality in regions, in 2016

No.	Region	No. of beneficiary farmers	Amount paid in €
1	Prishtina	204	124,979
2	Prizren	202	95,190
3	Peja	523	429,215
4	Mitrovica	127	94,273
5	Gjakova	370	272,484
6	Ferizaj	51	27,222
7	Gjilan	75	39,466
	Total	**1,552**	**1,082,829**

Source: Agency for Agricultural Development (AAD)

Reported bovine slaughter

Direct payments for subsidising bovine commenced for the first time in 2015, where only one slaughterhouse applied for 84 heads slaughtered. Unlike the first year of subsidy, in 2016 applied 9 slaughterhouses and the number of reported slaughtered bovine was six times greater than the number reported in 2015. Total amount of direct payments for reported bovine slaughter was 15,780 €, of which 10,520 € are payment directly to farmer, whereas 5,260 € to the slaughterhouse.

Table 106: Direct payment for reported bovine slaughter in 2016

Number of applicants	9
Number of beneficiaries	9
Number of slaughtered bovine	526
Payments per slaughtered bovine	30
Payments per farmer for slaughtered bovine	20
Payments per slaughterhouse for slaughtered bovine	10
Total paid amount	15,780

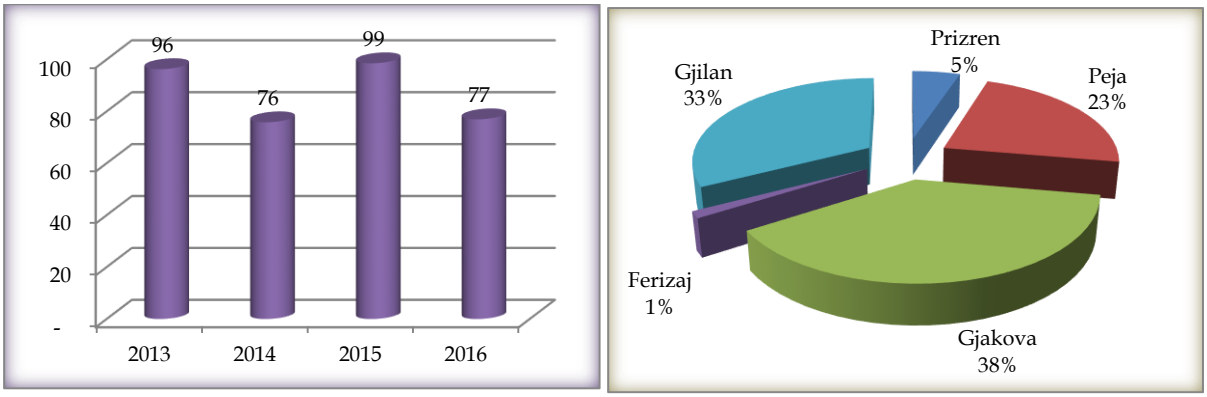
Source: Agency for Agricultural Development (AAD)

5.2.3 Support to agricultural inputs

Support to seedlings

The total amount of direct payments for seedlings in 2016 was about 77 thousands €, where compared to 2015, there is a decrease of 22%. The largest number of subsidised seedlings is in the region of Gjakova (38%), followed by Gjilan (33%), Peja (23%) and other regions with 6% in total. There were no applicants in the region of Prishtina and Mitrovica.

Figure 68: Direct payments for seedlings 2013-2016, in 1000 € (in the left); Number of subsidised seedlings by region, in 2016 (in the right)



Source: Agency for Agricultural Development (AAD)

In 2016, the number of applicants and beneficiaries decreased for 10.5%, where even this year, as in 2015, no farmer was rejected. The largest number of beneficiaries was in the region of Gjilan, but given that the average of seedlings which a farmer has benefited is lower, the region of Gjakova leads with the number of subsidised seedlings.

The average of seedlings for which a farmer has benefited was around 25 thousand seedlings, the lowest was in the region of Ferizaj (5,644 seedlings), whereas the highest one in the region of Gjakova (55,167 seedlings).

Table 107: Direct payments for seedlings, by region, in 2016

No.	Region	No. of applicants	No. of beneficiary farmers	No. of subsidised seedlings	Paid amount in €
1	Prishtina	-	-	-	-
2	Prizren	1	1	22,000	4,400
3	Peja	5	5	97,520	19,504
4	Mitrovica	-	-	-	-
5	Gjakova	3	3	165,500	23,750
6	Ferizaj	1	1	5,644	1,129
7	Gjilan	7	7	140,750	28,150
	Total	**17**	**17**	**431,414**	**76,933**

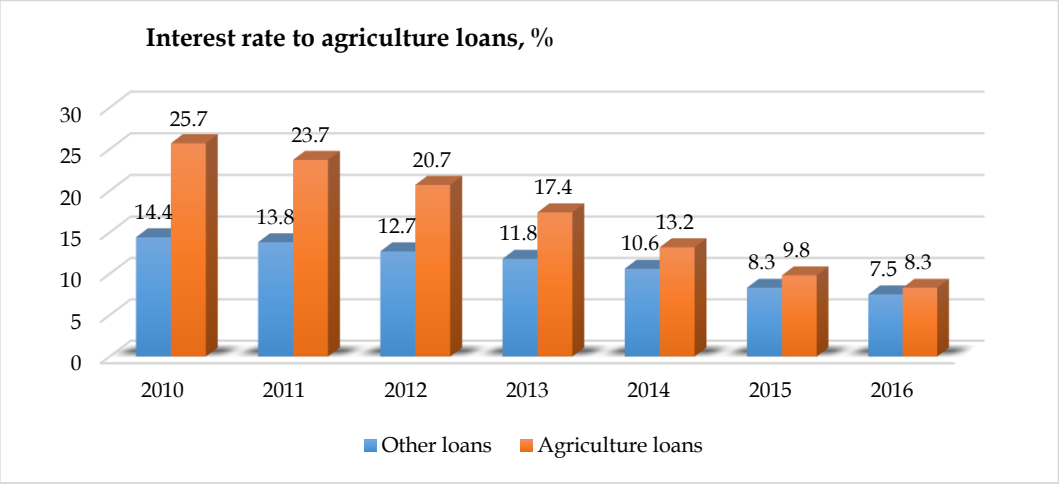
Source: Agency for Agricultural Development (AAD)

Agro loans and guarantee fund

Despite the difficulties, preferential treatment and its consideration as a government priority for the country's economy, the agriculture sector still needs a great funding - and agro loans too. 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 satisfactory level, despite continued support from the government (grants and subsidies) and from various donors.

Agriculture continues to have low access to the general bank financing with only 4.2% in 2016 (0.3 percentage points lower than in the previous year), 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 2016 was characterized by a decrease in the interest rate of 1.5% compared with the previous year, or by 4.9 percentage points compared to 2014, which will be a positive stimulation for farmers.

Figure 69: Interest rate to 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 the insurance system in agriculture also greatly influences farmers' access to loans, respectively, to affordable loans.

In order to increase farm efficiency, farmers need to broaden the level of financing their investments in: purchase of agricultural equipment and machinery of the latest technology, purchase of inventory, adjustment and expansion of farms and land, purchase of livestock in order to increase their stocks, purchase of inputs, set up of collection points, storage refrigerators and many other agricultural equipment. Such investments in farms enable the farmers to increase productivity and at the same time prepare themselves for the new agricultural season. Various investments in this sector will allow for improved welfare in rural areas and increased domestic production, which will have an impact in replacing imported products and creating new opportunities for export.

Banks that financially support the agricultural sector with loans in Kosovo are: Banka për Biznes, Banka Ekonomike, Raiffeisen Bank (RBKO), ProCredit Bank (PCB), TEB Bank, NLB Prishtina and Banka Kombëtare Tregtare, while the Microfinance Institutions are the following: Qelim Kosovë, Timi Invest, Start, Perspektiva 4, Mështekna, Kreditimi Rural i Kosovës (KRK), KosInvest World Vision, KGMAMF, KEP Trust, Finca and Agency for Financing in Kosovo (AFK).

The leaders in the amount of disbursed Agri-loans are PCB, RBKO and TEB, followed by Microfinance Institutions: KRK, AFK, Finca, etc. The table shows that most loans were disbursed in 2016 and 2015. The total amount of loans disbursed in 2016 is 0.4% higher than in 2015, and this increase is very small compared to the 20% increase in 2015 compared to 2014. The number of loans granted since the beginning of 2010 and up to 2016 is approximately 135 thousand loans, with a total amount of 461.8 million €. Therefore, for those 7 years, an average of 1,600 loans was monthly disbursed with an average amount of 5.5 million €.

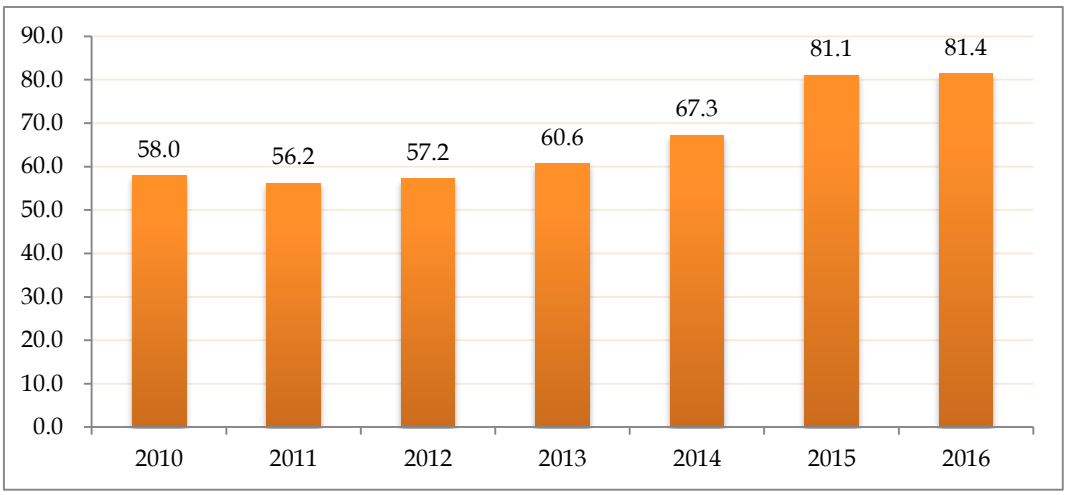
Table 108: Agro loans 2010-2016

Agro Loans 2010 - 2016	Disbursed loans	Number of loans disbursed	The amount of loans disbursed/ Bank and MFI (€)	The total amount of loans disbursed (`mn €)	The duration of the loan (months)	The average interest rate (%)	Participation of Agro Loans compared to other loans (%)
2010	4 - 10,772	24,528	37,600 - 28,600,000	58.0	12 - 45	12.0 - 32.6	0.06 - 67.02
2011	3 - 7,198	20,865	8,600 - 27,390,000	56.2	16 - 33	12.0 - 32.8	0.02 - 60.83
2012	7 - 5,645	18,961	11,000 - 27,550,000	57.2	16 - 27	12.0 - 28.1	0.01 - 59.00
2013	3 - 3,608	17,578	15,300 - 24,600,000	60.6	15 - 45	10.5 - 26.2	0.02 - 64.00
2014	14 - 3,638	16,360	18,400 - 18,500,000	67.3	13 - 50	9.0 - 26.5	0.7 - 58.6
2015	20 - 4,270	17,308	31,600 - 29,000,000	81.1	13 - 42	9.3 - 26.6	0.5 - 51.4
2016	9 - 5,008	19,086	25,500 - 17,000,000	81.4	12 - 42	8.0 - 26.9	0.5 - 60.0
Total		134,686	2,781.28	461.8			

Source: Commercial banks and MFIs in Kosovo

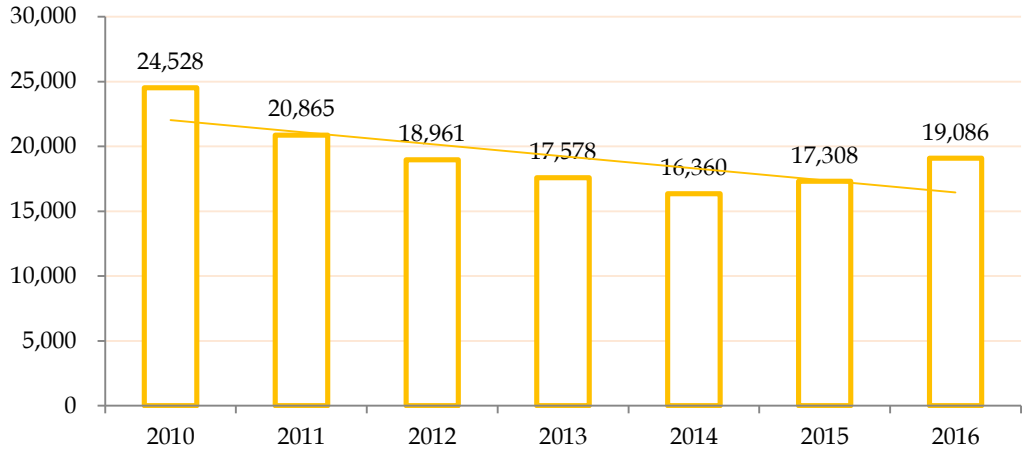
The leaders in the amount of loans disbursed are: PCB, TEB, RBKO, and as for the MFIs: KRK, AFK, Finca and KEP. The table and figure clearly show that years 2015 and 2016 can be clearly distinguished in terms of number of granted loans, while the year 2011 has 31% less compared to 2016.

Figure 70: The total amount of loans disbursed (mil. €)



Source Commercial Banks and MFI in Kosovo

Figure 71: Number of loans disbursed



Source Commercial Banks and MFI in Kosovo

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

In 2006, the lending period was 12-42 months and the interest rates for agricultural loans varied from 8% to 26.9%, depending on the amount of loan and the repayment period. Agricultural producers are still unsatisfied with the interest rates which hinder the development of this sector.

Collateral is usually not required for smaller loans, whereas for medium and large loans, banks and MFIs require collateral ranging from 100% up to 388% of the loan amount. Previous years are characterized with low collateral rates, whereas 2012 with the highest collateral rate and in the recent years there has been noticeable normalization. However, a collateral standard which is required by lenders ranges between 100% and 150% of the loan value.

The grace period or period of payment deferral varies from 3 to 12 months, although in some publications it is indicated as 18 months, which depends on the fact whether the grace period is flexible. Throughout previous years we observed that the grace period was shorter, however, in recent years it has increased. The highest percentage of loan repayment takes place after the harvesting season.

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

Below we will present the positions of financial institutions over the years (in earlier publications presented starting from 2006):

In 2016, the highest number of loans disbursed was achieved by PCB, TEB, KRK, AFK and Finca, while the highest amounts of loans were disbursed by KRK, AFK, Finca and TEB. The highest share of Agro-loans compared to other loans was achieved by Perspektiva, KRK, KGMAMF and Afk. Over the two last years, TEB and Finca have significantly increased their activities.

As for the share (%) of bad loans among agro-loans, we can say that they are at an acceptable level, within the limits set by most banks and financial institutions. Compared to the countries in the region, we are at a very satisfactory level.

Over the years, in the Banks the maximum share of bad loans was 5.4%, whereas among Microfinance Institutions this percentage varies between 9.4% and 23.8%, 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 MAFRD to lower the interest rate for loans (up to 3%) by the end of 2012 by guaranteeing 50% of the value of agricultural loans.

In order to offer loan guarantees in agreement with six main banks in Kosovo, by disbursing loans and at the same time increasing access to agricultural and agro-business loans, this fund contributes with a total value of 26 mil. $ (23.5 million €) and MAFRD has a share of 2.5 mil. €. The USAID programme provides new opportunities in Agriculture for a period of four years, with the aim of creating more favourable conditions for loans in the agricultural sector, which would ensure: sustainable agricultural development, increase of exports, generating added value and creation of new jobs.

Farmers and agricultural SMEs will face easier procedures for obtaining loans because DCA has secured a risk guarantee of 50% for loans disbursed by these banks, with a repayment period of 12-60 months and for the loans in value between 5,000€ and 250,000€ for qualified farmers and agri-businesses. The Programme is designed to increase lending in the agricultural sector, given the current difficulties in this sector.

For each bank, an analysis of several loan indicators is conducted according to the 4 banking periods. Apart from the initial data, indicators for application to the guarantee fund are also considered.

If we look at the data of one of the banks in Kosovo without DCA, we can see that the average loan amount is around 16,000€ during the periods, whereas with DCA this amount

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 and consequently they varied from 13.6% without DCA to 9.5% with the Guarantee Fund for the period calculated (2013/2014).

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 analysing a bank that is lending less compared to banks that have a large number of loans, we see similar ratios between those indicators before and after the DCA. Even in the case of this bank, the value of the average loan is much higher after DCA is applied and there is a lowering of interest rate on average by 4% from the standard interest rate.

Based on the factors mentioned above, it may be concluded that the application of DCA is a positive step which advances and facilitates the lending for the development of agriculture and agri-businesses with the fact that also countries of the region have begun to apply it. According to the latest data that we have, 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.

By the end of 2016, the project realised 88.8% of the total amount, with an average disbursed of 25,257 $ and 913 loans in total. The tables presented above note the positive effect of the project, where the fall of the interest rates on agricultural loans has been reflected in these four years.

5.3 Insurances in Agricultural sector

Agricultural producers in Kosovo as well as around the world face many risks that affect their family income and well-being. These risks are mainly related to: weather conditions, pests, diseases and many other factors. For this reason, insurance in agriculture is an indispensable means of risk management for modern agriculture that promotes the development of the most competitive agricultural sector through new capital investments, adaptation of latest technologies and innovations in production, processing and marketing. 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.

30 years ago Kosovo has paid special attention to agriculture and cattle breeding insurance, being that agricultural cooperatives were obliged to insure 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 aircrafts located in Dobrajë, Klina, Gjakova (Bec) and Skenderaj, which were spraying crops. Also anti-hail rocket system existed, which protected plant production from damage caused by hail 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 with nets and providing other benefits of a similar nature.

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 dairy 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 (farm movements), and estimates regarding the loss in cases of natural disasters.

According to information received from the Central Bank of Kosovo, 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 Article 7/9 of the Law No. 05/L045 on Insurance, 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 terms of the contract. Companies have been offered technical assistance from the NOA-USAID project, for calculating the premium and loss evaluation. 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 were also conducted by IFC, EFSE, etc.

Based on the trend of insurance developments of the type in question, insurance companies are reluctant as regards this type of product, being aware that there are many technical preparations and that they do not provide great profit, so they do not show interest and avoid this type of insurance.

To improve the existing situation, support or participation in 'Agriculture and Livestock Insurance' is expected from the Ministry of Agriculture.

IFC is currently taking concrete steps, in cooperation with MAFRD, to start with the implementation of insurances in agriculture.

Damages to agriculture

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

In the context of easing the situation for farmers in case of occurrence of natural disasters, the Secretary General of the MAFRD issued a decision to establish the Commission for verification of damage caused by floods, hail and other natural disasters in agriculture. This Commission has operated since 2011 and it consists of three members (two members and the chair) and has the task, 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 other natural disasters. The Commission prepares written reports and reports to the Secretary General of MAFRD.

So far, there is 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.

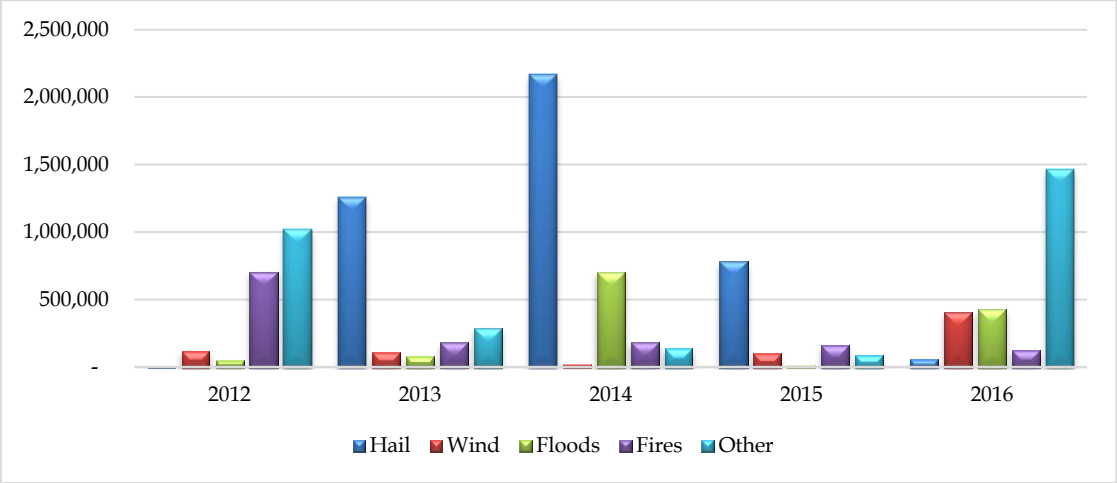
The table below shows the data compiled by the Commission for Compensation of Damages in Agriculture within MAFRD (the data declared by the injured parties and confirmed by the Commission) for years 2012 to 2016.

Table 109: Identification of damages in agriculture according to years:

Years	2012	2013	2014	2015	2016
Hail	5,500	1,258,000	2,165,000	783,000	61,000
Wind	120,000	107,000	22,500	100,000	403,540
Floods	48,000	78,000	702,000	11,000	428,320
Fires	706,000	182,000	185,000	161,000	127,530
Other	1,019,574	289,116	137,249	88,886	1,461,128
Total amount / €	**1,899,074**	**1,914,116**	**3,211,749**	**1,143,886**	**2,481,518**

Source: MAFRD

Figure 72: Damages to agriculture



Source: MAFRD

Pursuant to the chart and table above, damages from fire in 2012 were in the amount of 706 thousand €, damages by hail in 2013 were in the amount of 1.26 million € and damages by hail in 2014 were 2.16 million € and damages by floods in 2014 were 702 thousand €. The year 2015 is characterized by hail damages in the amount of 783 thousand €, so much less than the previous year, and by reduction of natural damages in general. Year 2016 is characterized by frost damage worth about 1 million €, and wind and flood damage worth over 400 thousand €.

5.4 Rural Development Projects – Investment Grants

Agriculture as a sector that contributes to the economic development of the country aims to improve the state of the agricultural sector through support/investments in farms or agricultural economies and at the same time to increase production, quality and value of agricultural production.

During 2016, ADA has implemented a part of the RDP including measures and sub-measures for the sectors of Agriculture and Rural Development that are part of the 2016 RDP.

These measures and sub-measures under Rural Development that were implemented during 2016 were as follows:

Measure 101 – Investments in physical assets in agricultural holdings, this measure includes the fruit trees sector (apple, pear, plum and cherry), the small fruits sector (strawberry, raspberry and blackberry), the greenhouse sector including potatoes and storage for preserving vegetables, the meat sector (fattening of calves and broilers), the milk sector (milk cows, sheep and goats), the grape sector and laying hens sector.

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

Measure 302 – Diversification of farm and rural business development includes sub-measures as follow:

302.1 Beekeeping, production/processing and marketing of honey;

302.2 Collecting and processing of non-wood forest products and their marketing;

302.3 Processing of agricultural products (cultivated) and their marketing;

302.4 Development of craftsmanship activities and their marketing;

302.5 Development of rural tourism and farm tourism.

Measure – Scheme for irrigation of agricultural lands;

Measure 303 – Implementation of local development strategies – Leader approach includes sub-measures. 303.2 The first activity "Functionalizing of the selected LAGs" supporting their operational costs and the Second Activity "Implementation of Selected LAGs for SSLs" promoting and implementing small projects in accordance with SSOs.

The Agriculture Development Agency, namely the Division for the Approval of Rural Development Projects during 2016, has implemented a part of the Agriculture and Rural Development Program 2016.

Feasibility of Approval of Rural Development Projects derived according to the planned activities and plan based on the allocated budget for 2016, which was 23,161,150 €.

Table 110: Budget projected for RPD 2016

Measures and sub-measures	Value in €
Measure 101: Investments in physical assets in agricultural households	**14,500,000**
101.1 Fruit tree sector	2,500,000
101.1.1 Berry fruits sector	2,500,000
101.2 Sector of greenhouses	3,000,000
101.2.1 Storage for vegetables	1,200,000
101.3 Meat sector (fattening of calves)	1,600,000
101.3.1 Meat sector (fattening of broilers)	500,000
101.4 Milk sector (cows)	1,600,000
101.4.1 Milk sector (sheep and goats)	500,000
101.5 Grape sector	800,000
101.6 Egg sector	300,000
Measure 103: Investments in physical assets in the processing and marketing of agricultural products	**5,000,000**
103.1 Milk processing sector	1,200,000
103.2 Meat processing sector	1,400,000
103.3 Fruit and vegetable processing sector	1,600,000
103.4 Wine processing sector	800,000
Measure 302: Diversification of farms and business development	**1,500,000**
302.1 Sector of beekeeping and production/processing and marketing of honey	500,000
302.2 Sector of processing of herbs, medicinal plants, forest fruits and collected mushrooms	200,000
302.3 Sector of farm processing and marketing of agricultural products on a small scale (vegetables, fruits, herbs, spices, medicinal plants, mushrooms and milk of sheep, goats)	200,000
302.4 Development of craftsmanship activities and their marketing	200,000
302.5 Development of rural tourism and farm tourism	400,000
Measure: Irrigation of agricultural lands	**2,000,000**
303.2 Implementation of local development strategies - Leader approach "first activity - "functionalization of selected LAGs 2015 and RDN.	**161,150**
Total	**23,161,150**

Source: Agency for Agricultural Development (AAD)

Similar to previous years, after field audits from ADA conducted this year, the process of assessment and rejection of applications continues.

Based on the data available for 2016, the number of applications approved, referring to the budget allocated for this year, is 483 applications and the approved amount for these applications is 22,503,405.98 €, including measures 101, 103, 302, 303 and their sub-measures, as well as measures for irrigation of agricultural lands.

Table 111: Number of applications and value approved in €, RDP for 2016

Measures and sub-measures	No. of applications approved	Vale approved in €
Measure 101: Investments in physical assets in agricultural economies		
101.1 Fruit tree sector	54	2,738,403.82
101.1.1 Small fruit's sector (berries)	53	3,127,842.74
101.2 Greenhouse sector	61	3,122,356.05
101.2.1 Depot for storing vegetables	13	746,135.90
101.3 Meat sector (rearing of calves)	35	1,738,043.75
101.3.1 Meat sector (broiler growing)	10	567,870.60
101.4 Milk sector (cows)	34	1,572,851.60
101.4.1 Milk sector (sheep and goats)	14	705,332.21
101.5 Grape sector	61	577,003.55
101.6 Eggs sector	6	338,498.85
Measure 103: Investments in physical assets in the processing and marketing of agricultural products		
103.1 Sector of milk processing	4	706,551.10
103.2 Sector of meat processing	8	1,475,880.93
103.3 Sector of fruit and vegetable processing	12	2,106,402.03
103.4 Sector for wine processing	3	372,948.00
Measure: Irrigation of agricultural lands	7	965,614.40
Measure 302: Farm diversification and business development		
302.1 Sector, beekeeping and production / processing and trading of honey	56	641,960.35
302.2 Sector for processing of herbs, medicinal plants, forest fruits and mushrooms collected	7	125,402.70
302.3 The processing sector in the farm and trade of marketing agricultural products in low-level (vegetables, fruits, herbs, spices, medicinal plants, mushrooms and milk of sheep, goats)	11	216,998.20
302.4 Developing craft activities and their marketing	9	123,468.80
302.5 Development of rural tourism and farm tourism	14	453,990.40
303 Implementing local development strategies - Leader approach		
303.2 Functionalization of selected LAGs 2015 and RDN.	11	79,850.00
Total	**483**	**22,503,405.98**

Source: AAD (Agency for Agriculture Development)

The value applied for the measures and sub-measures varies from year to year, but it is worth mentioning that this year the sub-measures have marked the value of the approximate application with the previous years and in some cases the value was even lower. The following table shows more about the applied value of each sub-measure for the period 2012-2016.

Table 112: Comparative table on the value applied for the years 2012-2016

Years	2012	2013	2014	2015	2016
Sub-measures	**Value applied €**	**Value applied €**	**Value applied €**	**Value applied €**	**Value applied €**
Sector of greenhouse vegetables in open environment	4,271,212.41	18,686,220.78	11,857,967.73	35,983,748.23	20,356,073.20
Warehouse for storing vegetables					2,536,919.58
Sector of fruit trees (apple, pear, plum, cherry)	5,849,077.48	7,439,019.20	6,274,381.00	9,872,955.18	6,970,694.98
Vineyard-Grape Sector	802,066.77	719,912.67	842,474.00	1,755,181.50	1,413,465.71
Small fruits sector (raspberry, blackberry, blueberry)	711,727.14	3,158,275.12	2,926,206.80	14,319,799.00	24,047,050.90
Eggs Sector	1,041,892.80	2,301,024.60	1,036,950.00	2,844,626.76	1,831,242.40
Milk sector (dairy cows)	7,762,296.70	19,998,425.66	9,300,574.00	17,939,989.91	14,084,277.62
Milk sector (sheep and goats)					3,024,572.69
Meat sector- calves for rearing		3,853,403.38	8,218,692.77	26,423,145.87	15,219,485.03
Meat sector-broiler					4,901,501.91
Grain sector			3,147,193.00		
LAG	181,685.64	835,849.70		83,520.00	83,790.00
Fruits sector –Infr. grove	1,914,257.74	855,851.39			
Pilot measure-less developed areas		3,021,820.34			
Beekeeping (302.1)		3,011,201.23	1,457,313.00	4,419,184.41	4,341,415.48
Processing of herbs, mountain fruits, mushrooms (302.2)		838,235.25	289,577.00	512,471.67	513,690.20
Processing in the farm (302.3)				3,114,905.61	507,927.97
handicrafts (302.4)					429,025.95
Rural development (302.5)					1,799,801.81
Agricultural Mechanisms		15,969,766.20			
Irrigation of agricultural lands		3,742,695.86	1,599,851.00	2,895,028.33	2,285,771.19
Processing and marketing (103) Milk processing		20,503,366.58	15,695,756.00	26,936,648.22	4,505,745.63
Meat processing					9,665,863.71
Processing of fruits and vegetables					14,890,799.06
Vine processing					1,366,606.00
Total	**22,534,216.68**	**104,935,067.96**	**62,646,936.30**	**147,101,204.69**	**134,775,721.02**

Source: AAD (Agency for Agriculture Development)

5.4.1 Restructuring of physical potential

Agriculture in our country is ranked among the most important sectors, which offers employment opportunities and income generation, the support within this sector therefore is being implemented in accordance with the budget provided.

In Kosovo, there are a very small number of farms able to compete in foreign markets. Cause of this are the small size of most agricultural businesses, their land fragmentation, old buildings and equipment, the lack of investment funds, the low level of knowledge about contemporary manufacturing technology and failure to meet EU standards with most of them.

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

Given the importance of the issues mentioned above, 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 objectives within measure 101 "Investments in physical assets in agricultural holdings" are:

- Increase competitiveness of Kosovo agriculture and import substitution;

- Creating new jobs and increasing employment in rural areas;

- Supporting farmers in selected sectors, with aim of approximation with EU rules, standards, policies and practices;

- Supporting economic and social development by aiming sustainable and inclusive growth through development of farms;

- Addressing the challenges of climate change through the use of renewable energy.

Among the specific objectives to be met within the measure 101, for certain sectors, the following are mentioned.

Sector of fruits and sector of vegetables including potatoes:

- Increased production of fruits and vegetables (including potatoes), for commercial purposes;

- Improvement of quality in order to meet the relevant national and EU standards;

- Modernization of farms through the use of new equipment and modern mechanization;

- Reducing post-harvest losses through investments in farm, in storage technology, infrastructure and equipment for the post-harvest stage, including cooling capacities, classification and packaging;

- Production of renewable energy;

- Improving the integration of farmers with agricultural product buyers.

Milk sector and meat sector:

- Increase of production in specialized farms;

- Improving quality in order to meet national and EU standards;

- Modernization of farms through the use of new equipment and modern mechanization;

- Reducing the release of nitrogen oxide and methane oxide by proper treatment of manure and non-contamination of ground and underground waters;

- Production of renewable energy;

- Improving the integration of farmers with the buyers of their products.

Grape Sector:

- Increased production of table grapes and wine grapes;

- Improving quality in order to meet national and EU standards;

- Modernization of farms through the use of quality seedlings and modern mechanization;

- Production of renewable energy;

- Improving the integration of farmers with the buyers of their products.

Egg sector:

- Improving and expanding existing production capacities;

- Improving quality in order to meet national and EU standards;

- Modernization of farms through the use of new equipment and modern mechanization;

- Reducing the release of nitrogen oxide and methane by proper treatment of manure;

- Production of renewable energy;

- Improving the integration of farmers with the buyers of their products;

In the table below are presented the number of applications and the value applied for the sub-measures within the measure 101, investments in physical assets of agricultural holdings. The value applied for this subsection was 94,385,233.97 €, while the approved value was 15,243,339.07 € whereas the total number of approved applications was 341 out of a total of 1,298 applications.

Table 113: Number of applications and value applied for measure 101

Measure 101	No. of applications	Applied value in €
101.1 Fruit tree sector	96	6,970,694.98
101.1.1 Small fruits sector (berries)	405	24,047,050.90
101.2 Greenhouse sector including potatoes	250	20,356,073.20
101.2.1 Warehouse for storing vegetables	19	2,536,919.53
101.3 Meat sector (calf rearing)	163	15,219,485.03
101.3.1 Meat sector (broiler growing)	43	4,901,501.91
101.4 Milk sector (dairy cows)	177	14,084,227.62
101.4.1 Milk sector (sheep and goat)	42	3,024,572.69
101.5 Grape Sector	80	1,413,465.71
101.6 Egg sector	23	1,831,242.40
Total	**1,298**	**94,385,233.97**

Source: AAD (Agency for Agriculture Development)

5.4.2 Development of the processing sector

To be competitive in an increasingly open market, the food industry still needs to work on modernization of technologies, increasing of competitiveness, as well as to affect food import substitution with high quality domestic products and also improving security management systems. The food industry has a duty to contribute to the aspect of food security as well as safe collection, transport and storage of raw materials.

In order to meet the above-mentioned needs in the agri-food industry MAFRD, has drafted the measure 103 "Investments in physical assets in the processing and marketing of agricultural products" which supports investments in the food processing industry in four subsectors such as: milk processing and dairy products, meat and meat products processing, fruit and vegetable processing as well as wine production. This measure is designed to supplement the Measure 101, with the aim of increasing the supply with safe agricultural products and without adverse environmental impacts.

Overall objectives within the Measure 103, investments in physical assets in the processing and marketing of agricultural products are:

- Increase the competitiveness of Kosovo agriculture and import substitution through increased productivity and the introduction of new technologies and products;

-Supporting enterprises in the selected sectors, with the aim of approximating with EU rules, standards, policies and practices and improvements in environmental protection, food safety and product quality, animal welfare and traceability of food chains and waste management;

- Supporting economic and social development aiming at sustainable and inclusive growth through farm development;

- Strengthening the links with primary production;

- Addressing the challenges of climate change through the use of renewable energy.

Among the specific objectives to be met within the framework of Measure 103, for certain sectors, the following are mentioned.

Dairy Processing:

- Implementation of national and EU standards on dairy products (hygiene, food safety, animal welfare, environmental protection, etc.);

- Modernization of milk processing lines and other accompanying facilities;

- Introduction of new products or diversification of products in the dairy industry;

- Improving marketing of milk and its products;

-Improving waste management.

Meat Processing:

- Implementation of national and EU standards for meat products (hygiene, food safety, animal welfare, environmental protection, etc.);

- Introducing new lines of meat processing;

- Introducing new products or diversifying of products in the meat industry;

- Modernization of slaughterhouses including specialized slaughter (for small ruminants);

- Improving marketing of meat and meat products;

- Improving waste management.

Processing of fruits, vegetables and wine production:

- Implementation of national and EU standards (hygiene, food safety, quality, etc.);

- Improvement of processing technology, as well as the modernization of other accompanying facilities (storage depots / cooling depots) by introducing new equipment / technologies;

- Diversification of products;

- Improving marketing;

- Improving waste management.

Regarding Measure 103, out of the total value applied for this measure, 29,062,408.40 € with approximately 84 applications, a total of 27 applications in value of 4,661,782.06 €, dominated by the fruits and vegetables sector.

Table 114: Number of applications and value applied for measure 103

Measure 103	No. of applications	Applied value in €
103.1 Sector of dairy processing	13	4,505,745.63
103.2 Meat processing sector	27	9,665,863.71
103.3 Sector of fruit and vegetable processing	38	14,890,799.06
103.4 Sector for wine processing	6	1,366,606.00
Total	**84**	**29,062,408.40**

Source: AAD (Agency for Agriculture Development)

5.5 Capacity enhancement and development

5.5.1 Education, training and advisory service

The Department of Advisory Services at MAFRD has continued this year as well with the coordination of activities at central and local level by supporting and providing advices and trainings in the following sectors:

- Plant and livestock production

- Agro-processing

- Environmental protection

- Training topics from forestry

- Economic issues and keeping records on farms

- Legal issues, dangerous jobs in agriculture for ages under 18 years

- Brochures, messages and video recordings for good agricultural practices

- Study visits internally and internationally

- Soil sampling, etc.

The activities developed at the municipal Information Advisory Centres (IAC) of advisory services, have been organized to support farmers with technical advice in the sectors of livestock, beekeeping, viticulture, fruits and vegetables.

In total, 5,248 farmers were supported by technical advices, 518 farmers were supported with the preparation of projects for grants, while the number of applications received from the agricultural advisory information centres for subsidies was 26,662.

The Department of Advisory and Technical Services has implemented three projects within the advisory services, such as:

"Development of Rural Areas through Advancement of Advisory Services", which is funded from the Kosovo budget;

"Assistance in strengthening the MAFRD Advisory Services and Improving the Quality of technical services provided by MAFRD laboratories", funded by the European Union, and

"Agriculture and Rural Development Project", the first component: "Transferring Knowledge to the Rural Sector" funded through the loan received by MAFRD, at the World Bank.

Within the project "Development of rural areas through promotion of advisory services", 400 consultations were organized on various topics, including 34 municipalities with 5,516 farmer beneficiaries.

Table115: Number of participants in training

Sector	Topics	No. of advices	No. of participants
Livestock and veterinary	11	120	1,387
Orchards and vineyards	4	30	411
Vegetable production and field crop production	5	30	318
Plant protection	6	28	288
Irrigation	1	20	222
Agro-processing	2	37	406
Environment protection	2	28	343
Hazardous works for young people under the age of 18	2	20	436
Forestry	4	18	177
Apiculture	4	36	933
Agro-economy	2	33	595

Source: Department of Advisory and Technical Services

The project "Assistance in strengthening the MAFRD Advisory Services and Improving the Quality of Technical Services provided by the MAFRD Laboratories" aims to support MAFRD in establishing the Kosovo Operational Advisory System for Agriculture and Rural Development. Within the framework of this project, according to the law, 31 information centres in the municipalities were officially opened and it is being worked on the opening of three centres in the remaining municipalities. There were training sessions organized for the certification of private advisors, where out of the 133 applications 106 were selected based on the required criteria, and 10-day training was organized with 5 modules for private advisors who were also equipped with certificates on the finished modules.

"Agriculture and Rural Development Project", the first component: "Transferring Knowledge to the Rural Sector". This Project includes 3 areas:

Training of potential applicants for grant application: in this area, 931 farmers were trained with individual advices, out of whom 182 were females and 749 were males.

Table 116: Number of farmers trained by gender

No. of municipalities	No. of farmers trained	Participants by gender	
		Females	Males
34	931	182	749

Source: Department of Advisory and Technical Services

Training of trainers to support the grant application process: the objective of this area was the training of MAFRD officials, Municipalities, Local Action Groups (LAGs), NGOs and private providers. Training sessions were conducted for 65 days, and were attended by 85 participants who have undergone the final test and have been provided with certificates.

Training modules have been developed for the following topics:

- Farm investments, livestock production
- Farm investments, fruit and vegetable production
- Investments in agro-processing
- Investments in agricultural marketing
- Investments in diversification of rural economies
- Feasibility studies and business plans (3 days)
- Investments' financing and commercial loans
- Application for grants
- Communication skills
- The criteria for modernization of consultants, and
- Final training test

Training to improve the efficiency of Extension Staff (Extension Methodology),which was aimed at training the extension staff of MAFRD, municipal advisors for agriculture and rural development and private extension staff. A total of 82 participants participated in the training (out of which 17 were female) and the following modules were developed:

- Primary Production and Livestock Production
- Farm Planning, Management and Analysis
- Post-Harvest and Agricultural Marketing
- Agro-Processing and Rural Diversification, and
- Transport of Agricultural Production and Agricultural Trade.

5.5.2 Local Action Groups

Local Action Groups (LAGs) were established with EU funding, consisting of 25 members, with a 50:50 participation of organizations or public and private persons. 30% of the council members must be women. In addition to LAGs, Kosovo Rural Development Network (KRDN), was also established in order to contribute to the economic development of rural areas and to serve as a platform for providing technical assistance and exchange of experience between LAGs. These two groups together with DRDP/MA, AAD, various NGOs and private experts have prepared Measure 303 with its Sub-measures 303.1 and 303.2.

The budget allocated for Sub-measures for 2016 is € 161,150.

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

- The first activity is the functionalization of LAGs selected, by supporting their operating costs.

- The second activity is the implementation of the selected LAG's LDS (local development strategies) where they promote and implement small projects in accordance with LDS and Sub-measure 303.1. "The acquisition of skills and promotion/animation of the territory inhabitants of LAGs for selected LAGs".

Table 117: Funds planned for implementation of sub-measures for 2016

Sub-measures	Budget in %	Budget in €
303.1. "The acquisition of skills and promotion/animation of inhabitants of the LAGs territory for selected LAGs" For municipalities with 10,000 - 50,000 inhabitants up to 5,000 € For municipalities with 50,000 – 90,000 inhabitants up to 7,000 € For municipalities with 90,000 - 150,000 inhabitants up to 9,000 € For Network for Rural Development 7,000 €	56	89,000
303.2. Sub-measure "Implementation of local development strategies"- Activity 1 and Activity 2	44	71,250
Total	**100**	**161,150**

Source: Department of Advisory and Technical Services

Since functionalizing the operational office, the KRDN has conducted several activities aimed at identifying the needs of the LAGs, defining and preparing projects that have mainly covered rural areas and several projects of LAGs members have been implemented, where the Network has held the responsibility of organizing information sessions, and in some cases the Network has also provided support in organizing joint fairs.

KRDN and LAGs have coordinated various meetings and activities with MAFRD and with donors such as GIZ, Austrian ADA, FAO, USAID and EC, where based on priorities and projects identified LAGs members have been supported with the necessary documents in order to sensitize and promote their projects.

During 2016, the LAG's operational offices carried out a series of activities, which we will describe below:

The Local Action Group "Gjeravica" together with the Municipality of Deçan are beneficiaries of the project "'Eco Products Valorization in the Cross-Border Area" worth € 189,829.50, within the cross-border program with Montenegro, which is funded and managed by the EU office in Kosovo.

Local Action Group "LAG Vitia" in cooperation with the Department of Agriculture, Forestry and Rural Development, "IKC" organization and the Helvetas Organization with the project "Skills for Rural Employment (S4RE)" have held the sixth edition of the Fair "Let's preserve our traditional values".

Within the project with the organization Helvetas/S4RE and in cooperation with the Municipality of Vitia, provided training to the communities living in this municipality in the areas of beekeeping, livestock and milk processing, fruit and small fruit processing, non-wood forest products processing, vegetable cultivation and cultivation in greenhouses, ornamental trees, garden products, preparation of business plans and project proposals, etc..

The Network also has ongoing co-operation with the GIZ under the project "Competitiveness of the private sector in rural areas" (COSiRA), as well as with the Helvetas/S4RE organization for capacity building of LAG members, and based on the needs of municipalities, for the development of rural areas.

KRDN in cooperation with MAFRD has organized "Training of Trainers to support Grant Application Process", which is a World Bank loan for MAFRD implemented by the PANGEA consortium from Rome (Italy), CIHEAM from Bari (Italy) and ESG from Prishtina (Kosovo). This project is managed by the Agriculture and Rural Development Project and consists of 12 training modules.

5.5.3 Structural promotion, efficiency and development

The Advisory Service continues to give special importance to promotion through the website which is in place by the Department of Advisory and Technical Services, providing services, statistical data and advice from all areas.

Delivering messages to farmers - the test plots for grain have been completed in 7 municipalities (Drenas, Lipjan, Peja, Gjakova, Istog, Ferizaj and Gjilan) and 12 video recordings have been prepared for advisory services including best agricultural practices and are available on the website for the service of farmers.

A total of 5 brochures for farmers have been prepared:

- Farm record keeping;

- Hygiene in improving the quality of milk

- Techniques of planting of seedlings

- Development of rural business and alternative activities in rural areas

- The role and importance of local action groups

Various visits were organized for farmers within Kosovo, in the countries of the region and the EU countries, with the aim of exchanging information and capacity building.

During 2016, two study visits were carried out with producers and agro-processors (applying for grants in agriculture) in the Republic of Macedonia and in Italy.

Beneficiaries of these study visits are 28 producers and processors from different municipalities of the Republic of Kosovo.

DTAS has also provided Municipal Advisors for Agriculture and Rural Development with equipment so that they are more competent in the field while performing their work and supporting farmers with advice. The equipment with which the consultants are supplied with, are as follows:

- EC meter (for measuring salinity)

- pH meter (for soil pH measurement)

- pH meter (for water pH measurement)

- Thermo/Hygrometer

- Refractometer (for measuring sugar in fruit)

- Penetrometer (fruit firmness test)

- Magnifying glass

- Soil sampling probe

5.5.4 Diversification of farms and business development

Rural areas are of great importance for the development of the country and represent a great potential for diversifying economic activities, creating jobs and creating additional income.

Measure 302 "Diversification of farms and business development" aims to create new jobs and maintain the existing ones. Supporting new economic activities should lead to poverty reduction in rural areas and improvement of living conditions.

The general objectives under Measure 302 Diversification of farms and business development are as follows:

- Creating new jobs and preserving them through diversification;

- Creating appropriate conditions for preventing the migration of people living in rural and mountainous areas;

- Sustainable development of rural areas;

As specific objectives that need to be met in order to realize this measure are:

- Increase of income of population living in rural areas;

- Development of small enterprises, based on local resources;

- Preservation and development of traditional craftsmanship activities;

- Development and promotion of rural tourism.

Regarding Measure 302, which contains 5 sub-measures or sectors, the value applied for a total of 303 applications for 2016 was € 7,591,861.41, while the value approved was € 1,561,820.45, including a total of 97 applications.

Table 118: Number of applications and value applied for Measure 302

Measure 302	No. of applications	Value applied in €
302.1 Sector of beekeeping and production/processing and marketing of honey	211	4,341,415.48
302.2 Sector of processing of herbs, medicinal plants, forest fruits and collected mushrooms	20	513,690.20
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)	17	507,927.97
302.4 Development of craftsmanship activities and their marketing	18	429,025.95
302.5 Development of rural tourism and farm tourism	37	1,799,801.81
Total	**303**	**7,591,861.41**

Source: AAD (Agency for Agricultural Development)

5.5.5 Irrigation of agricultural lands

Since the precipitation is absent during the summer season, whereas in other seasons is sufficient, there is a need for accumulation, collection and arrangement of water in order to use it during summer for plant crops irrigation needs. Without the rational use of water resources, and without the deployment, rehabilitation and expansion of irrigation infrastructure, sustainable agriculture cannot be achieved.

The general objectives of the measure for irrigation of agricultural lands are:

- Increase of the productivity of agricultural products;

- Increase of the yields and quality of agricultural products;

- Increase of competitiveness of agricultural products;

The specific objectives for the implementation of this measure are:

- Modernization of irrigation and drainage system, reducing losses in the amount of water used, and

- Improvement of internal connections to existing irrigation networks.

The measure for irrigation of agricultural land for 2016 counts a total of 7 approved applications worth € 965,614.40.

5.6 Policies on market, trade and international policy development

Export continues to be one of the main drivers of job growth in agriculture and food industry in Kosovo. The Common Agricultural Policy Reforms over the last decade have spurred the country's agriculture and food industry to improve its orientation towards European markets and other countries outside the EU, thus becoming competitive with the countries of the region and beyond. During this period, the agro-food sector of Kosovar producers has also benefited from the expansion of the value chain, where some producers have been awarded with product quality medals.

As a result, the value of export of agro-food products has doubled and Kosovo has gradually secured the position of a competitive supplier at several levels of the value chain of agricultural products.

Among the food products, Kosovo producers, although in still very small quantities, export these products:

Edible fruit and nuts; Citrus or melon peels; Preparation of vegetables, fruits, nuts or other parts of herbs; Beverages, alcoholic beverages and vinegar; Oil seeds and oleaginous fruits; grains, seeds and fruits; Industrial or medicinal plants; Beer made of malt; Hard wheat flour; Waters, including mineral waters and aerated waters, containing added sugar or other sweetening or flavouring extracts; Coffee, tea, mate and spices.

Chapter 4.2 indicates that the trade exchange for agricultural products in Kosovo is presented with a negative trade balance, despite the measures taken and export growth. From the post-war period our country has been characterized by high import and very low export.

The great dependence on imported agricultural products is estimated to have a potential to be reduced, since 80% of the products can be produced in our country, thus increasing export opportunities. This fact is based on various studies and assessments that have been made in the agricultural sector and also on the contemporary capacities and technology of 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 centre of discussion of trade policy currently are licensing and mutual acceptance of phytosanitary standards and other technical standards.

Current trade regimes cover:

- Tariff principle increased on imports amounts to 10%. Still, it has to do with only 26% of all agricultural imports in 2013, since imports from EU and CEFTA countries are excluded according to relevant agreements.
- Stabilization and Association Agreement with the EU, opening trade opportunities with EU countries in line with other Western Balkan countries.
- 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.
- 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 better 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, labelling, 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
- Law no. 04/L-005 on Internal Trade
- Law no. 04/L-047 on Safeguards Measures on Imports
- Law no. 03/L-097 on Anti-dumping and Countervailing Measures
- Law no. 02/L-54 on Trademarks
- Law no. 05/L-037 on VAT
- Law No. 04-L/163 on goods exempt from customs tax and goods with zero customs tax.

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 concept 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 has 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.

The Administrative Instruction no. 05/2013 on the Application of the Flat Rate of Value Added Tax to Agricultural Producers is one of the legal bases of Kosovo's agricultural trade policy with the aim of facilitating the market for agricultural products.

The ultimate objective of Kosovo's agricultural trade policy is in line with its overall agricultural policy: optimal use of agricultural production potential by providing employment and incomes while at the same time allowing a wide variety of healthy foods and affordable for consumers. Specifically, all this leads to alignment with the EU's Common Agricultural Policy (CAP) and full WTO membership.

Alignment of trade policies with CAP according to regulations:

EC. No. 1305/2013 …….. Rural development

EC. No. 1306/2013 …….. Financing of CAP

EC. No. 1307/2013 …….. Direct payments

EC. No 1308/2013 …….. Establishment of the common market (trade measures)

Future steps in the alignment of CAP:

- WTO membership (MTI is in the phase of preparation for application)
- Implementation of product safety and quality standards, (global g.a.p, haccap, iso, etc.)
- Development of procedural facilities for registration, licensing and certification of agricultural companies,

- drafting of national legislation on market organization for agricultural products

It is estimated that "Fiscal Package 1" yielded results and now we have more domestic products in the market. As a result of this reform, the turnover of local businesses has increased. The drafting of "Fiscal Package 2" is expected soon to facilitate agricultural sector development, in particular the production sector, exempting from customs taxes inputs used for production, in order to boost the domestic production and to decrease the dependence on imports.

6 Annexes

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

6.1.1 National legislation in force

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

6.1.2 Administrative Instructions adopted by the Ministry of Agriculture, Forestry and Rural Development in 2016

Administrative Instruction (MAFRD) - No. 01/2016 on Financial Compensation for Veterinary Services in the Field, dated 01.14.2016.

Administrative Instruction (MAFRD) - No. 02/2016 on the Measures and Criteria of Support in Agriculture and Rural Development for 2016, dated 03.01.2016.

Administrative Instruction (MAFRD) - No. 03/2016 on Direct Payments in Agriculture for 2016, dated 03.17.2016.

Administrative Instruction (MAFRD) - No. 04/2016 on Licensing of Producers and Re-packagers of Artificial Fertilizers, dated 06.14.2016.

Administrative Instruction (MAFRD) - No. 05/2016, dated 04.07.2016 on Amending and Supplementing Administrative Instruction (MAFRD) No. 01/2016 on Financial Compensation for Veterinary Services in the Field.

Administrative Instruction (MAFRD) No. 06/2016 on Pharmacologically Active Substances and their Classification Regarding the Maximum Residue Limits in Foodstuffs of Animal Origin, dated 08.02.2016.

Administrative Instruction (MAFRD) No. 07/2016 concerning the prohibition on the use in stock-farming of certain substances having hormonal or thyrotoxic action and of beta-agonists, dated 09/16/2016.

Administrative Instruction (MAFRD) - No.08/2016, dated 16.09.2016 on Amending and Supplementing Administrative Instruction No.02/2016 on the Measures and Criteria of Support in Agriculture and Rural Development for 2016.

Administrative Instruction (MAFRD) - No. 09/2016, dated 16.09.2016, on Amending and Supplementing Administrative Instruction (MAFRD) - No. 03/2016 on direct payments in agriculture for 2016, dated 03.17.2016.

Administrative Instruction (MAFRD) - No. 10/2016 Criteria for Support of Local Development Strategies - Leader Approach for 2016, dated 26.10.2016.

Administrative Instruction (MAFRD) - No. 11/2016 on Amending and Supplementing Administrative Instruction (MAFRD) - No. 02/2016 on the measures and criteria for support in agriculture and rural development for 2016, dated 11.10.2016.

Administrative Instruction (MAFRD) - No. 12/2016 on Amending and Supplementing the Administrative Instruction No. 07/2011 on Farmers Register, dated 12.12.2016.

Administrative Instruction (MAFRD) - No. 13/2016 concerning the performance of analytical methods and interpretation of results, dated 15.12.2016.

6.2 Statistics on prices

Table 119: Prices in the value chain 2010, €/kg

Products	Local prices	Import prices	Difference (€)	Difference (%)
Wheat	0.19	0.18	-0.01	-5
Maze	0.22	0.13	-0.09	-41
Potatoes	0.29	0.21	-0.08	-28
Cabbages	0.18	0.16	-0.02	-11
Peppers	0.59	1.46	0.87	147
Beans	1.80	0.74	-1.06	-59
Tomatoes	0.62	0.38	-0.24	-39
Apples	0.49	0.21	-0.28	-57
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; *unit: 30 pcs

Table 120: Prices in the value chain 2011, €/kg

Products	Local price	Import price	Difference (€)	Difference (%)
Wheat	0.25	0.26	0.01	4
Maze	0.29	0.20	-0.09	-31
Potatoes	0.30	0.26	-0.04	-13
Cabbages	0.17	0.29	0.12	71
Peppers	0.58	0.28	-0.3	-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; *unit: 30 pcs

Table 121: Prices in the value chain 2012, €/kg

Products	Local price	Import price	Difference (€)	Difference (%)
Wheat	0.26	0.33	0.07	27
Maze	0.30	0.35	0.05	17
Potatoes	0.32	0.22	-0.1	-31
Cabbages	0.24	0.07	-0.17	-71
Peppers	0.58	0.36	-0.22	-38
Beans	2.47	1.02	-1.45	-59
Tomatoes	0.71	0.29	-0.42	-59
Apples	0.54	0.71	0.17	31
Grapes	0.93	1.01	0.08	9
Farm chicken	2.12	1.92	-0.2	-9
Milk	0.32	0.65	0.33	103
Honey	8.52	4.81	-3.71	-44
Eggs*	2.91	1.53	-1.38	-47

Source: KAS, developed by DEAAS – MAFRD; *unit: 30 pcs

Table 122: Prices in the value chain 2013, €/kg

Products	Local price	Import price	Difference (€)	Difference (%)
Wheat	0.22	0.20	-0.02	-9
Maze	0.31	0.21	-0.1	-32
Potatoes	0.43	0.24	-0.19	-44
Cabbages	0.17	0.19	0.02	12
Peppers	0.78	0.78	0	0
Beans	2.63	0.87	-1.76	-67
Tomatoes	0.56	0.23	-0.33	-59
Apples	0.53	0.35	-0.18	-34
Grapes	0.85	0.46	-0.39	-46
Farm chicken	2.27	1.16	-1.11	-49
Milk	0.33	0.61	0.28	85
Honey	8.83	4.71	-4.12	-47
Eggs*	2.69	2.72	0.03	1

Source: KAS, developed by DEAAS – MAFRD; *unit: 30 pcs

Table 123: Prices in the value chain 2014, €/kg

Products	Local price	Import price	Difference (€)	Difference (%)
Wheat	0.20	0.20	0.00	0
Maze	0.28	0.21	-0.07	-25
Potatoes	0.34	0.30	-0.04	-12
Cabbages	0.19	0.19	0.00	0
Peppers	0.68	0.42	-0.26	-38
Beans	2.92	1.14	-1.8	-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; *unit: 30 pcs

Table 124: Prices in the value chain 2015, €/kg

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

Source: KAS, developed by DEAAS – MAFRD; *unit: 30 pcs

Table 125: Prices in the value chain 2016, €/kg

Products	Local price	Import price	Difference (€)	Difference (%)
Wheat	0.17	0.16	-0.01	-4
Maze	0.24	0.18	-0.06	-23
Potatoes	0.32	0.32	0.00	1
Cabbages	0.21	0.23	0.02	8
Peppers	0.67	0.39	-0.28	-42
Beans	2.46	0.91	-1.55	-63
Tomatoes	0.60	0.34	-0.26	-44
Apples	0.49	0.32	-0.17	-34
Grapes	0.84	0.52	-0.32	-38
Farm chicken	2.04	0.96	-1.08	-53
Milk	0.30	0.58	0.28	92
Honey	9.87	5.47	-4.40	-45
Eggs*	2.40	1.36	-1.04	-43

Source: KAS, developed by DEAAS – MAFRD; *unit: 30 pcs

6.3 Comparative statistics

Table 126: Population in candidate and potential candidate countries by year

	2010	2011	2012	2013	2014	2015	2016
Albania	.	2,831,741	.	2,898,782	2,895,947	2,892,303	2,886,026
Bosnia and Herzegovina	3,844,046	3,843,183	3,839,265	3,835,645	3,830,911	.	.
European Union (28 countries)	503,170,618	502,964,837	504,060,345	505,166,839	506,944,075	508,293,358	510,056,011
Montenegro	619,001	619,850	620,308	620,893	621,521	622,099	622,218
FYR of Macedonia	2,052,722	2,057,284	2,059,794	2,062,294	2,065,769	2,069,172	2,071,278
Serbia	7,306,677	7,251,549	7,216,649	7,181,505	7,146,759	7,114,393	7,076,372
Turkey	72,561,312	73,722,988	74,724,269	75,627,384	76,667,864	77,695,904	78,741,053
Kosovo	2,208,107	1,794,180	1,798,645	1,815,605	1,820,631	1,804,944	1,771,604

Source: KAS

Table 127: Number of foreign visitors in Kosovo by regions

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gjakova	646	646	734	647	739	547	1,003	1,267	2,345
Gjilan	937	937	779	755	886	737	794	712	1,109
Mitrovica	546	546	827	4,458	557	616	532	385	646
Peja	3,763	3,763	3,152	260	2,588	1,326	5,761	12,694	12,649
Prizren	2,412	2,412	2,334	20,832	2,695	3,799	3,520	9,779	9,101
Prishtina	26,781	26,781	25,428	1,635	37,897	42,083	49,041	53,057	56,291
Ferizaj	1,233	1,233	1,128	1,762	3,428	966	662	1,344	1,569
Total	**36,318**	**36,318**	**34,382**	**30,349**	**48,790**	**50,074**	**61,313**	**79,238**	**83,710**

Kosovo Agency of Statistics: Hotels and Tourism