



**USAID Serbia  
Agribusiness  
Project**



# **USAID Serbia Agribusiness Project**

## **Annual Report – Project Year Four**

**October 1, 2010 – September 30, 2011**

**Contract no.:** EDH-I-00-05-00004-00/09  
**USAID Agribusiness Project**

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**USAID Serbia Agribusiness Project**  
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**TABLE OF CONTENTS**

<b>REPORT SECTION</b>	<b>PAGE NO</b>
<b>I. Executive Summary.....</b>	<b>1</b>
<b>II. Activities Planned &amp; Implemented During the Period.....</b>	<b>4</b>
Component 1: Increased Efficiency & Competitiveness of Agribusiness	
Component 2: Improved Enabling Environment for Agribusiness	
Component 3: Program Management & Administration	
<b>III. Significant Problems Encountered During the Period .....</b>	<b>54</b>
<b>IV. Actions Taken to Resolve Problems Encountered.....</b>	<b>55</b>
<b>V. Important Observations Regarding Implementation.....</b>	<b>56</b>
<b>VI. Results Achieved Relative to Annual Workplan Targets .....</b>	<b>57</b>

**Report Annexes:**

Annex I	Performance Monitoring Plan
Annex II	Project Success Stories
Annex III	Project Accrual Report
Annex IV	Project Weekly Reports
Annex V	Project Training Events
Annex VI	Project Inventory over \$500

### **I. EXECUTIVE SUMMARY:**

The focus of project activities in Year Four was primarily on coordinating and supporting the work of service providers to implement Project activities. This focus was a precursor to the final year Project goal which is to implement project activities solely through local entities. Thus, the strategy in Year Four related directly to that of Year Five, namely to transform local service providers into effective entities in Year Four, and to utilize them nearly exclusively for implementation in Year Five. This then will result in the ultimate project goal of sustainability by Project termination.

Project transformation, followed by sustainability, will occur when the Project completes its fifth year and leaves in its wake an agricultural and agribusiness sector that is stronger and more competitive. This end result is built on the base of vigorous Project implementation, and the total of experience gathered over the past four years. Management believes the Project has not strayed far from the original Project vision of moving incrementally each year toward sustainability.

A notable accomplishment during Year Four was solidifying the working relationship with the Ministry of Agriculture, and working to develop the capacity of ministry technical staff to carry out much of what the Project was implementing. Success in this area is particularly evident in the environmental area, where the Project has been the catalyst in major safe pesticide use and cleaner production initiatives. The Project has also worked closely with the ministry in addressing enabling environment issues through our Project policy component. The photo at the right shows participants at the “Agribusiness Development Priorities for 2011” conference, which was organized in collaboration with the Ministry of Agriculture, and AGROPRESS, in October 2010. In addition, it is also noteworthy that the ministry reviewed and endorsed our draft year five Work Plan prior to its presentation to USAID.



The Project has continued making important contributions to the sub-sectors by producing leading edge studies to guide program and policy decisions. These included key and timely studies on Anti-Hail Protection and Trade Liberalization, which were produced in Year Four. Identifying these information needs, gathering relevant and timely data on them, and effectively presenting them to key stake-holders remains an important perceived need among Project clients. Focused research and studies will remain important Project components in Year Five.

The Project continued to utilize a substantial quantity of short-term technical assistance (STTA) during the year. Increasingly this assistance is being provided by local expert consultants, and in most cases where international consultants were engaged they were assigned Serbian counterpart technicians who supported the expatriate efforts and in the process they were able to enhance their own consulting skills and capacities.

The Project has advanced significantly in establishing meaningful cooperative project ventures with other donors. A number of MOUs, containing substantive and measurable arrangements, were signed with entities such as the Danish Fruits & Berries Program, and the Ministry without Portfolio, to assist women entrepreneurs. Leveraging funds, and facilitating direct financial support from other programs and projects, has been, and will continue to be, a growing and increasingly successful Agribusiness Project component. At end of Year Four the Project had signed substantive working relationships with 15 such entities and programs.

In Year Four the Project made significant strides in advancing a more coherent Livestock & Meat sub-sector strategy and program, and in paving the way for a much needed Dairy Processor's Association in the Project's dairy sub-sector. These initiatives will come to fruition in Year Five.

During Year Four the Project committed fully to strategies that were not certain to be sufficiently productive until then. This included an increased emphasis on herbs, a focus on meat processing (to replace the previous focus on livestock production), accepting the key importance of the Russian market for Serbia, developing local wholesale markets for vegetables, and assigning a higher priority Project wide to agribusiness industry association development.

The key accomplishments that highlight the Project's impact in Year Four include, among others, the following events and activities:

✚ Project activities in the Marketing & Sales component remain important because of the Task Order defined sales goals. In Year Four the Project facilitated client sales contracts for agricultural products valued at \$69.3M. Out of these contracts \$42.7M in sales were delivered over the course of Year Four. These results provide a cumulative sales figure at the end of Year Four of \$115.6M, which is well above the Life-of-Project goal of \$90M. At the same time the sales contracted (but not yet delivered) results in Year Four indicates that doubling the Project's defined sales goal for the Life-of-Project is a result which is well within reach. The photo shows the Fruits of Serbia booth at FruitLogistica 2011, one of the largest food trade shows in the world.



✚ Employment generation, which is closely related function of sales, also saw an increase in Year Four, with 1,904 jobs created. This unexpected jump in jobs created suggests that the overall project goal of 10,000 jobs may remain achievable by the end of the Project.

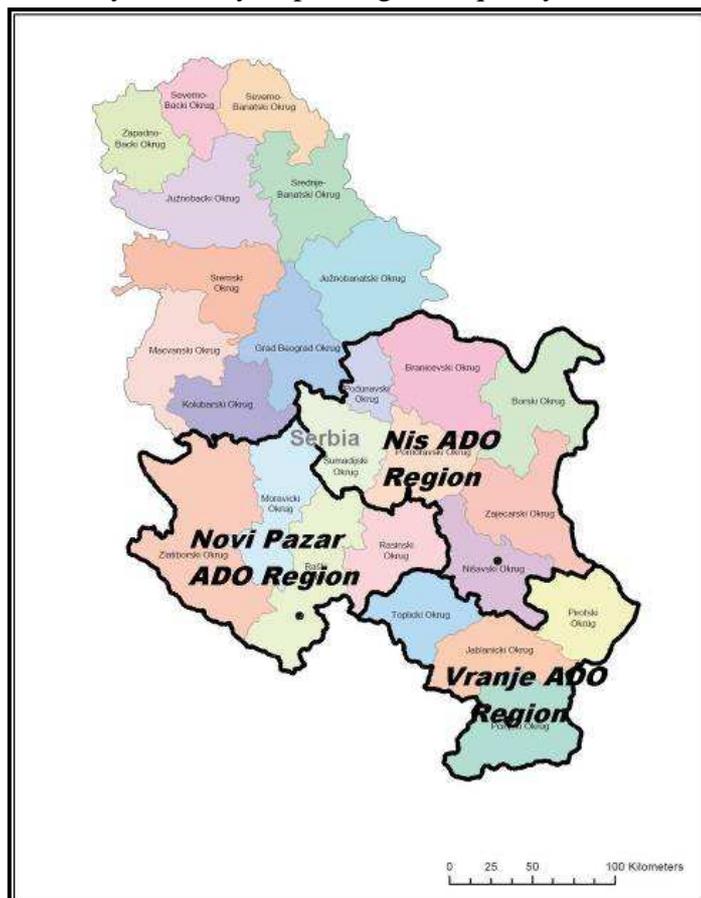
✚ The project hosted 7,513 seminar and workshop participants at 59 training seminars and 59 workshops. This breaks down to three training events per week on average, a very high rate of Project activity implementation by any standard.

✚ CULINARIA 2011, the second iteration of Belgrade's fine food fair, was a successful event which capped off an active and productive Year Four. A significant part of the effort was the fact that the Project recruited and trained 45 agribusiness firms from southern Serbia to participate in this event and display their products. These first-time firms achieved surprising sales results of \$7.5M from their participation in CULINARIA. Important in these results is that direct project input and assistance to the fair was less than last year and produced higher impact with broader reach. Project assistance to Culinaria will be even less in year five with the current private sector service provider undertaking more of the organizing, management, and direct investment. The photo at the right shows the American and the German Ambassadors sampling some of the food on display at CULINARIA 2011.



- ✚ A total of 37 new producer organizations were assisted by the Project to develop or enhance their capacities, and 266 new members joined these associations. This latter figure is particularly impressive, since it is an important indicator of sustainability. Similarly, by the end of Year Four the Project had assisted 68 agribusiness service providers to build their capacities provide needed services. This is another important step towards sustainability.
- ✚ The Project was the catalyst for the launch of an important dairy training program in southern Serbia. This program is sustainable, and it grew from dairy sector activities early in the Project which focused on increasing competitiveness of the dairy sector by improving milk quality.
- ✚ Recognizing the systemic problems in the finance sector, the Project has developed loan program templates in collaboration with Opportunity Bank. This program will be tested in Year Five, and will be rolled out to additional banks to serve clients in the south of Serbia.

An overview of the key Project developments in Year Four would also include the full implementation of Project assistance in the south. This required assessing the problems and issues associated with work in those less developed regions, and expanding the resource base needed to address them. One clear solution was heightened physical presence. Thus, two new staff positions (Agribusiness Development Officers, or ADOs) have been created, and a current staff member from the Nis field office was promoted to be the ADO for the Nis region. The map at the right shows the geographic areas that have been assigned to the three new ADOs for the Agribusiness Project.



In addition, Year Four saw the emergence of gender issues as being very important, and overlooked in the past. The Agribusiness Project's programs in this area designed to train rural women entrepreneurs to develop bankable business plans have proven to be extremely popular, and of special interest to the media. This Project component will be expanded and refined in Year Five.

## **II. ACTIVITIES PLANNED & IMPLEMENTED DURING THE PERIOD:**

### **Component 1: Increased Efficiency & Competitiveness of Agribusiness**

#### **1.0 COMMODITY ACTION PLAN ACTIVITIES:**

##### **1.0.1 Berry Fruits:**

In accord with the Berry Fruit Sub-Sector VCA and CAP done in the Year One, during the fourth year the Project continued to support the berry fruit industry in three main directions to increase exports of value added Serbian berry products, add new exports of fresh berries, and support the development of new berry crops and products to complement existing ones. As originally planned, Year Four has been the most dynamic for the sector over the Life of Project. During the reporting period a number of consultants provided Advisory Services and Training Assistance for vertically integrated operators, advice on the use of High-tunnel production systems, and assistance to rural producer organizations. Additional activities included a Study Tour to Italy, a study on the Russian Berry Fruit market, a national Berry Fruit Conference in Belgrade (see the photo at the right), and an International Symposium in Zlatibor. These events increased the industry's awareness of new technologies and market opportunities, and have contributed to preparing industry's stakeholders to take advantage of them. While implementing these activities the Project collaborated with many international and national partners, such as the Danish Fruit & Berries Program, the Serbian Chamber of Commerce, Belgrade University Faculty of Agriculture, SIEPA, and a number of national Producer Organizations.



Even with negative impact of the global financial crisis, reflected in shrinking demands, stronger competition and declining prices, strong and well-structured assistance to the berry fruit processing sector has resulted in Serbia gaining access to new markets (Israel, Kazakhstan and Malaysia, among others) and an increased presence in demanding markets (the UK, Russia, the Scandinavian countries, and Japan). The share of organic, higher-value-added and/or retail-packed frozen products in Serbia's exports has been significantly increased as well. On the other hand, as result of the tailored and diverse assistance provided so far, Project clients have been successful in establishing regular supply arrangements for Fresh berries, and in accessing new markets. Blueberries have continued to lead this sub-category, followed by fresh raspberries and strawberries. Trial deliveries have confirmed that there are untapped opportunities for the export of fresh blackberries and red currants as well. As in the previous year, the International Standards, Marketing and Promotion, and National Association grant programs proved to be very efficient tools for improving the industry's performance and market penetration, as well as strengthening sustainable industry associations in Serbia. A total of 22 clients from the sector that participated in the annual survey have reported 203 new employments achieved with 68 full-time, and over US\$4.65 million of new sales contracted, of which 3.4 millions have been executed during the year. The following paragraphs will provide details of the main activities undertaken during the year.

##### **1.1.1.1: Training on the Use of High Tunnels for Berries**

During the reporting period the Project has implemented several activities to enable producers in Serbia to extend production & marketing season and improve fruit quality by applying tunnels for berry fruit production, and thus take advantage of opportunities at fresh berry fruit markets. Prof. Gina Fernandez from North Carolina State University worked for the Project and delivered training seminars in Cacak, Leskovac and Belgrade in March 2011. Over 200 fruit producers, ABDS

providers and students attended the trainings and received a copy of High-tunnel Raspberries and Blackberries guidebook developed by the Cornell University and adapted for Serbian conditions by the Project. The consultant also visited several clients – producers of cane berries for fresh market and ABDS providers, and advised them on various aspects on application of tunnels for berries production. As result of these activities, the very fist few tunnels have been mounted in Serbia. While raspberry grower in Priboj applied simpler construction, based on practices met in Spain a client from Pozega has organized production of metal constructions that will be offered to interested growers in Serbia. Combining tunnels with potted-plant production of raspberries at their demo field, the client is developing know-how base for programmed off-season production of berries for the fresh market. Due to financial difficulties and late implementation of their individual projects, clients form other regions (Djurdjevo, Valjevo, Arilje, Sume) had to postpone application of tunnels for spring 2012.

#### **1.1.2.1: Field advisory services to strengthen diversified production**

Over the reporting period the Project expanded its technical assistance to growth-oriented producer organizations with aim to improve members’ knowledge base and facilitate introduction of new berry fruit types, varieties and technologies. The assistance consisted of production of a berry fruit diversification guidebook, a series of training seminars and a study tour to Italy, and it was intended for rural POs majority of which are located in remote areas of south Serbia. Over a six-month period local consultant Jasminka Milivojevic prepared the guidebook and delivered a total of 11 training seminars. In addition to over 300 berry fruit growers and representatives of extension service providers, fruit processors and local authorities who attended the trainings, representatives of the Fruit & Berries Project and growers from northern Montenegro took part in the program as well. Each participant received a copy of the guidebook and recommendation on suitability of their sites for specific crops and required production technologies. During the program implementation the Project collaborated with agricultural offices and ABDS providers in host municipalities. The program has already yielded first results, such as diversified production/increased production area of minor berries, over \$20,000 of new sales generated, improved crop management practices, improved yields and product quality for participating POs, and strengthened service-provision capabilities for participant ABDS providers.

#### **1.1.3.1: Support for the National Associations to Implement Grants**

During the year four the National Association “Serbian Blueberry” and their project “World Serbian Blueberry” were funded within the Project’s grant program for national associations. This 12-month project consists of a comprehensive set of capacity building, training and marketing activities. Within four milestones of the project the association’s visual identity has been developed, promotional and training materials produced, a trade mission to Germany/Fruitlogistica conducted, inward buyers’ visits to Serbia organized, promotional advertisements in “Eurofruit” magazine published, a three-day training seminar in blueberry production technology conducted, a number of media and promotional events organized and a field advisory and mentoring program for the association’s members and local advisors implemented. These activities have resulted in improved NASB’s visual identity and promotion of its product, improved production and advisory capacities and increased local consumption, sales and exports of cultivated blueberries. As result of promotional activities done, a number of new buyers approached the association and its members who succeeded in establishing regular supply arrangements with buyers from Germany, Netherlands and Russia as well as with leading retail chains in Serbia. By the end of Year Four the total value of exported fresh blueberries surpassed \$115K, while local sales grew to \$65K in 2011.

### **1.1.3.2: TA to strengthen Vertically Integrated Operators**

To compensate for lack of experience in managing primary production and lack and/or low capacity of advisory services available, the Project has implemented a TA program for seven selected businesses who vertically integrate berry fruit primary production of strawberries, raspberries, blackberries and currants with its processing. Over an eight-month period these clients in south/west of Serbia have received from the Project an extensive training and field-advisory assistance in four cycles that has been delivered by selected two highly competent local consultants - Mr. Karas and Mr. Nikolic. The consultants worked with clients in the field and by recommending suitable varieties, consulting on production technologies and helping in selection and preparation of sites suitable for new fields, assisted them in strengthening supply chains, developing crop management capacities, increasing yields and improving product quality. With Project's assistance, approximately 15 ha of new berry fruit fields have been planted, three full-time jobs were generated, while clients' technical staff capacities and production practices applied on over 20 ha of current production have been significantly improved. To complement these activities, for participating clients the Project has also organized two study tours/trade missions: to Italy for strawberry production, and to Poland for raspberry, blackberry and currants production.

### **1.1.4 Support for the International Standards Program**

Through a Project-wide certification program, the Project continued provision of its support to growth-oriented clients in the process of implementing international standards needed to improve their overall performance and markets access. During Year Four a total of seven clients from the berry fruit sector have been assisted within the program: two for fresh berries - introduction and certification of GlobalGAP, and five for processed berries: two for IFS, two for ISO 22000, and one for the BRC standard. As reported in grant reports and the annual survey, these grants have proved their usefulness by improving and integrating companies' quality management systems and food safety, as well as by generating new employments and fostering exports/local sales.

#### **1.3.1.1: Support Companies that Participate in Trade Fairs**

During the reporting period the berry fruit sector lead worked closely with marketing staff and Project's partners, and supported clients that exhibited at trade fairs, from early selection through preparations for exhibiting to organizing follow-on inward buyers' visits to Serbia. As follow-on to activities done to support expansion of exports of berries to Russia, the sector lead participated at the World Food Trade Fair held in Moscow in mid September 2011. At the fair, Serbia's Livestock, Fruit & Vegetables and Confectionery sectors have presented their products to potential customers from Russia and CIS countries. At two booths jointly funded by SIEPA and the Project, a total of 20 companies promoted their products and worked together to increase supplies to this demanding and fastest-growing market in Europe. Russian berry fruit market research and presentations funded by the Project have contributed to clients' from the berry fruit sector achieving very good results at the fair, i.e. contracting over US\$1,45M sales and entering negotiation of additional \$2.05M. Besides further growth of fresh and frozen fruit export, especially successful was exhibition of Serbian meat processing sector which achieved significant sales agreements and yet realized potential for additional expansion should some pre-conditions be met.

#### **1.3.2.1: Sales Trade Mission to Poland**

In collaboration with Danish Fruit & Berries Program and Serbia Coldstores Association, in early September, 2011 the Project organized a Berry Sector Trade Mission to Poland. During the activity a total of 20 participants have visited leading berry fruit producers and processors, as well as suppliers of planting material and machine harvesters in south Poland. As result, all the participants have improved their knowledge about the strongest competitor in frozen berries business and production, harvesting and processing technologies applied, as well as became able to improve their

operations by applying technologies and techniques suiting to Serbia's conditions. Negotiation of future cooperation with visited companies has begun, as well their inward visits to Serbia. From the visit it was obvious that Poland has drastically increased production of raspberries with good quality and low costs, and that a quick and organized response by Serbian industry is required to deal with challenges emerging at the global market. The Serbia Coldstores Association at its assembly meeting has already discussed findings from the mission and intends to set up an action plan to respond to challenges and take best advantage from market opportunities. Participating media and materials produced are being used by participants to share the findings with other stakeholders in Serbia and increase their awareness of actions that need to be taken.

#### **1.3.2.2: Market Research and Studies for Berries**

To enable Serbia's berry fruit industry to access new markets and increase exports of processed and fresh berries at Russian market, the Project has organized a Russian market research for berry fruits. Mr. Andriy Yarmak, a consultant from Ukraine, conducted the research and a series of presentations of the research findings, including one at the berry fruit conference held in Belgrade on May 5, 2011. He has also delivered presentations for associations and companies in western Serbia and advised them on Russian berry market specifics and options how to establish and run business activities there. Besides clients' improved knowledge, one of immediate results is increased number of berry fruit companies interested in attending trade fairs in Russia; the first has been Moscow World Food Trade Fair in September, with a total of 8 client companies dealing with berries that have exhibited at Serbia's booth.

#### **1.3.2.3: Study Tour to Italy**

To support adding fresh market operations to already established processed/frozen products, a total of 16 representatives of Southern and Central Serbian producers, ABDS providers & vertically integrated strawberry producers participated in a study tour to Italy, a world leading region in berry fruit production for the fresh market. Guided by the Project's Sector Lead and the local consultant, the group visited Apo Scaligera and SantOrsola cooperatives, Mazzoni Vivai nursery, and a number of commercial berry farms in both the hilly-mountainous and flat areas of northern Italy. The participants learned about implementation of modern technologies, varieties developed for the fresh market and the organizational and marketing strategies of Italian cooperatives and businesses dealing with fresh berry fruits. As a result, the study tour participants have already organized strawberry plant imports and have begun implementation of their plans to modernize production and revise their marketing strategies for fresh products.

#### **Other Berry Sector Activities:**

In collaboration with Serbian Coldstores Association and Serbian Chamber of Commerce in early May the Project organized in Belgrade a **Berry Fruit Conference** entitled "Serbian Berry Fruit Industry – a Time for Change?" Besides analyses of current state of the affairs and obstacles characterizing berry fruit industry in Serbia and in the global market, the conference provided some of potential solutions and direction of future development to industry stakeholders. The event attracted over 100 attendees - representatives of berry fruit producers, processors, ABDS providers, government institutions and media. Representatives of Danish Fruit & Berries program and USAID-funded FARMA project from Bosnia attended the event as well.

As part of the 10<sup>th</sup> International Rubus & Ribes Symposium, the Project organized a **Berry Producers Day** on June 26<sup>th</sup> 2011 with the aim of facilitating an information flow, improving access for Serbia's berry industry to new technologies, and increasing awareness of global changes in the industry. The event gathered Serbian berry fruit industry stakeholders and international experts from the world's leading berry producing countries who shared their knowledge on the

current status of new technologies applied in the industry. Besides international experts and Serbian producers, processors and extension service providers, a number of participants from the region attended the event that has been organized in collaboration with the International Society for Horticultural Science, University of Belgrade and the Pesticide and Environment Research Institute from Belgrade.

### 1.0.2 Dairy Products:

The Dairy Sector Work Plan for Year Four was developed to target the main dairy stakeholders' inefficiencies. The main target group was dairy processing companies, as a key driver of change and development along the value chain. The main areas of intervention were related to improved market access, policy facilitation, and increased dairy companies competitiveness based on introduction of advanced and environmentally sound dairy technologies. All activities, however, were directed on building capacity of dairy companies to understand the concepts which could bring them benefits if promoted on industry level. The methodologies for building the clients' capacity to organize a dairy association included tailor made conferences, workshops and legal/policy support.

Highlights of the year were: The First Sabac Dairy Shipment of kajmak and Dairy Spreads to the USA, a Dairy Company Round Table and Meetings with the European Dairy Association, both aimed at establishing an industry association, and the Ceremony marking the signing of the contract between Lazar Dairy from Blace and GHD Inc. from Wisconsin for designing and installing the first anaerobic digester and biogas plant of US origin in Europe.

Dairy Sector- Highlights of Year Four
1. The First Sabac Dairy Export to USA
2. Ground works for the First US origin Biogas Plant in the South Eastern Europe
3. Dairy Industry Round Table and developed linkages with European Dairy Association

### Dairy Companies' Capacity Building Trainings for Increased Market Access

Following multiple field visits and cooperative efforts with dairy companies to increase market access on Russian, US and regional markets, USAID Agribusiness Project identified a lack of knowledge on export procedures for target markets. Working cooperatively with Veterinary Department of the Ministry of Agriculture, Trade, Forestry and Water Management (MATFWM), the Project implemented two workshops for dairy and livestock clients (in Kraljevo and Nis). The aim of the training was to ensure that companies, and regional inspectors, know the certification and control procedures for the dairy and livestock sectors. Over 80 participants from the meat & dairy industry and the regional inspectors, attended seminar. Due to the high level of interest, the Project scheduled two additional training seminars in Vojvodina and development of Export Guidebook for Dairy Companies. Unfortunately, Veterinary Department had limited resources to follow up with additional trainings. The Project finds that development of Dairy Export Guide Book is important and will re initiate the activity with the Veterinary Department in Year Five.



### USAID Agribusiness Project Support Serbian Dairies to Export to US Market

Following the successful cooperative activity with USDA and Veterinary Department (MATFWM) to adjust export certificate for US market in Year Three, technical support was provided to Sabac Dairy for adjusting product labeling for US market. The Project has also facilitated negotiation

with a buyer - AB Company from Wisconsin. The USAID Agribusiness Project and Sabac Dairy organized a joint press conference on March 14<sup>th</sup> and a tour of the company's production facility in Sabac. The press conference was organized to publicize the recent success of Sabac in establishing regular exports to the US, and the assistance the USAID Agribusiness Project and the USDA. In addition, a container load of Sabac products, including Serbian kajmak, was loaded and sent off to the US importer for the first time on the 14<sup>th</sup> – making this event even more significant. More than 25 media representatives were present for the event, and this resulted in excellent and extensive local and national media coverage. Over 55 media clippings were identified and collected – including segments on B92, Prva TV, and RTS News.

### **Support local/regional initiatives to support efficient farm management programs**

Focused activity during Year Four was the Sumadija Sustainable Dairy Development Project and the related training series. The USAID Agribusiness Project, in partnership with the Ministry of Agriculture Trade Forestry & Water Management (MATFWM), supports the Center For Information and Education (CIE) from Kragujevac to implement the Sumadija Sustainable Dairy Development Project. Despite the late start at the end of Year Three, as a result of the MATFWM delay in securing funding, the project kept the pace with implementation in Year Four. The Campaign was implemented focusing on two components: Improving dairy supply logistics for Kuc and Mladost Dairy, and Delivering Advanced Farm Management Training to Farmer Suppliers.



In total, 300 farmers, dairy company technical staff, logistics service providers, and collection center managers have been trained in the Lapovo training center and in 16 villages in the Sumadija region, in 10 different modules related to modern dairy farm management practices and milk supply logistics. In addition, 20 sample guidelines and procedures have been developed for each dairy plant for milk collection, supply, transport and purchase.

### **New Technologies for Dairy Agribusinesses**

#### **A. ENERGY & AgroPROCESSing international Conference**

The Project implemented a conference on ENERGY & AgroPROCESSing which was held at the Master Center on the Novi Sad Fairgrounds on Oct 27<sup>th</sup>, 2010. The event brought together more than 200 participants who are interested in alternative sources of energy that can be linked to agroprocessing industries, and at the event the Agribusiness Project presented the GHD bio-digester technology. The conference also organized a video-link to GHD headquarters in Wisconsin, and their Marketing Manager responded to questions from the audience.

#### **B. Legal support to Lazar Dairy**

The USAID Agribusiness Project provided support to Lazar Dairy to develop a legal agreement with the GHD Company from Wisconsin, thus continuing to support B2B promotion between Serbia and the USA. As Lazar moves ahead with the installation of the GHD digester, the Project wants to have them collaborate closely and to act as a "demonstrator" for this new technology. It was expected that official signing of the contract for installing biogas plant based on US technology will initiate a number of new requests locally and regionally.

**C. Lazar Dairy & GHD Formalized Development of the First US Biogas Plant in Europe**

A particular highlight of the year was the official signing of the contract between Lazar Dairy from Blace and GHD Inc. from Chilton-Wisconsin for the design and installation of the first biogas plant (digester) in the Republic of Serbia, using primarily farm and processing bio-waste. This contract, and the active USAID Agribusiness Project promotion of renewable (“green”) technologies, are aimed at increasing the competitiveness of dairy companies, as well as ensuring compliance with European standards. Constant requests from dairy companies and farms, and also livestock and vegetable sector companies, have demonstrated the importance of these activities being undertaken by the USAID Agribusiness Project. The importance of this pioneering effort is bigger, having in mind poor Southern Serbia. The patented US technology contributes to environmentally sound solutions for animal and processing waste. The target date for the start-up of the digester is late January, or early February. The photo at the right shows the Lazar Dairy digester installation as of late October 2011. The building on the right is where the generator will be installed, along with the solids separator. The cement structure on the left is the digester tank itself, which has had all the internal piping installed in it and it is awaiting the installation of the roof which will enclose the tank and make it gas tight.



**Formalizing Dairy Industry Association for Increased Competitiveness of the Sector**

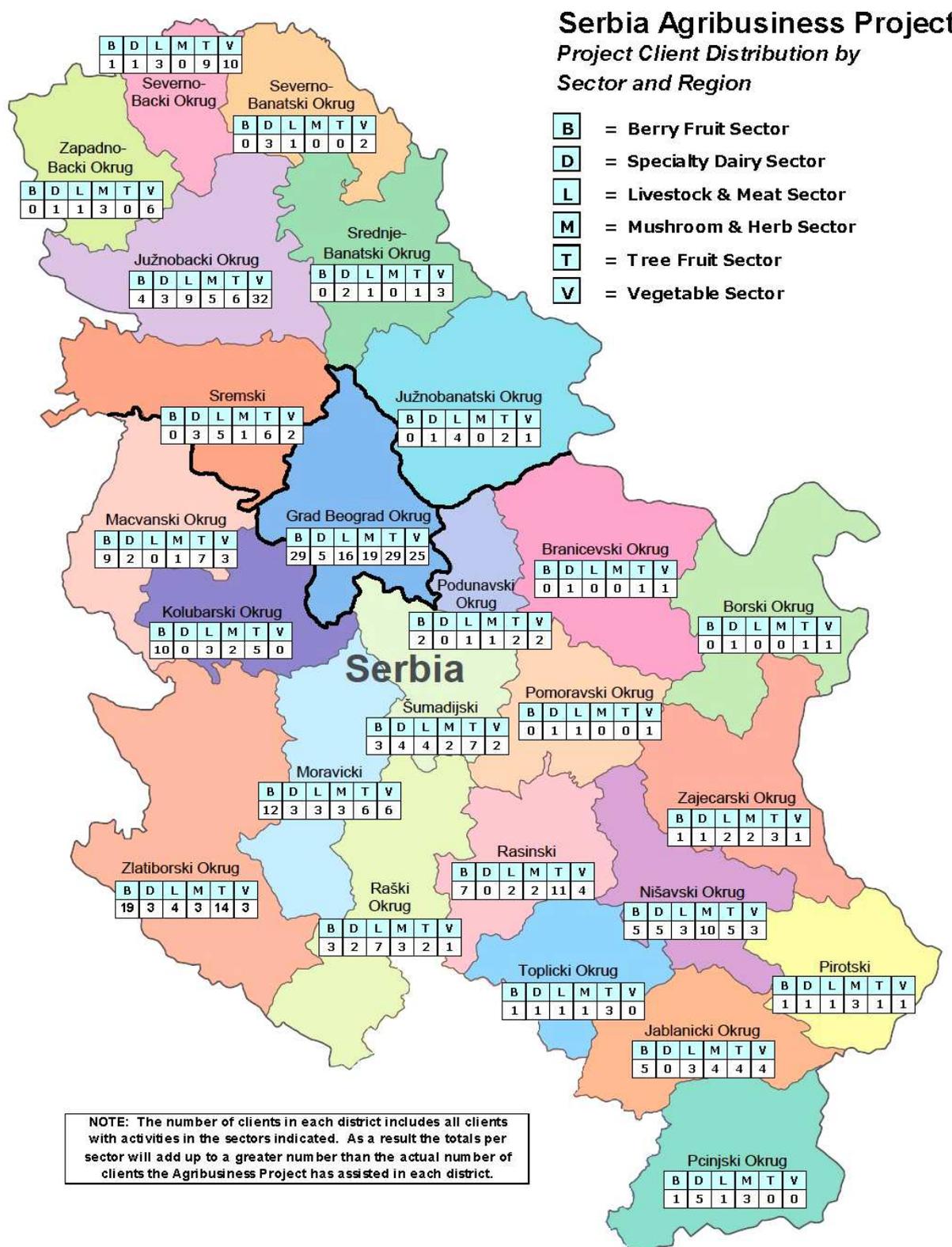
**A. Agribusiness Projects links Serbian Dairy Industry with European Dairy Association**

The USAID Agribusiness Project met with EDA (European Dairy Association) Secretary General, Mr. Kleinbeuker, to discuss potential joint efforts in supporting the development of the Dairy sector in Serbia. Mr. Kleinbeuker spoke about Serbian Dairy Sectors Prospects and offered allied membership to the EDA - EU Dairy Umbrella Organization along with a range of technical assistance programs. The USAID Agribusiness Project and the EDA have agreed to intensify communication from October 2011, where Mr. Kleinbeuker has invited Serbian dairies to participate on EDA Annual Congress in Luxembourg.

**B. Dairy Industry Round Table**

The USAID Agribusiness Project team facilitated the Dairy Round Table workshop on September 23<sup>rd</sup> and 24<sup>th</sup> 2011. The goal of the workshop was to identify the challenges for forming an association and discuss different roles the association might have. The eight participating dairy companies (Nis, Mladost, Leskovac, Kuc, Sabac, Granice, Muza, Lazar) agreed that an industry association is a must, but in order to overcome mutual disagreements, dairies requested transitional support of the project in managing the activities of an association through 2012. During the Round Table, the participants discussed bylaw for association and potential of using external funds and sector's organizations and events for capacity building during 2011-2012. The meeting concluded with agreed operational plan for officially registering the association in the last quarter of 2011.

The map shown below presents the distribution of Project clients (agribusiness firms, coops, associations and grantees) active in Year Four by sub-sector and by district. As can be seen on the map the Project had active clients during the year in every district of Serbia.



### **1.0.3 Livestock & Meat:**

Over the course of Year Four, the focus of activities within Livestock sector was shifted from Baby Beef production and export, and animal breeding, to the meat processing industry. During the year, the Project conducted three regional meat processing and production surveys focused on Sandzak, and the Southern and Central parts of Serbia. During these surveys companies were identified which would be the main targets for intervention within the sector and planned activities, and also companies within the sector which can be considered as SMEs, with good potential for growth. Besides the decreasing herd size in Serbia, there are more limiting factors in market growth for Serbian companies, especially on the export market where are present specific requirements by EU, Custom Union and Third countries markets. Lack of knowledge for fulfilling proper conditions for access to those markets, outset the procedures for export numbers and certificates and also lack of communication with official bodies for issuing such certificates drove to demotivation of the many companies even to think to access to the other markets. Another main characteristic for intervention within the sector is very low implementation of marketing techniques, and because of that the Project has been active in supporting companies in marketing awareness, understanding, approach and development, especially in the Southern regions of Serbia and Sandzak, through additional support within the seminars in preparation for grant program.



The Project provided support for three target groups – Meat Processors and producers, ABDS providers, and Livestock breeders who are in the value chain with the processors receiving assistance from the Project. The meat processing industry in Serbia is the one with the lowest presence on the international market when compared with the other sectors, and the industry has few opportunities to follow international trends in processing, design, and packaging. During Year Four the Agribusiness Project provided meat sector companies opportunities to see what is happening outside of Serbia, and to participate in international fairs. Meat companies were able to display their products at the World Food food show in September 2011, and a Trade Mission to the American Meat Institute convention in Chicago, along with visits to meat plants in Wisconsin (see the photo above, showing one of the plant visits) in May of 2011.

In order to thoroughly analyze the situation within the Serbian, and the regional, meat market, the Agribusiness Project conducted a Meat Market Survey in Serbia with interviews with the entire value chain structure, including Farmers, SME meat processors, larger meat processors, supermarket chains, ABDS providers, and Serbian government institutions. This study, with its findings and recommendations, is a very important document for the industry and it will be delivered to the processing companies and institutions.

#### **1.01 Survey SME meat processors to identify key sector clients**

During November 2010 The Livestock Sector Lead completed a survey of the meat processors in areas of Southern Serbia which includes Jablanica, Peinja, Nisavski, and Pomoravski districts. This survey was completed in cooperation with the PPES Novi Pazar field office (The specific survey for the Sandzak area) as part of the preparations for a visit by representatives from 10 foreign embassies in Serbia. During this assessments the Sector Lead met with 12 companies. Within survey in those two parts of Southern Serbia are defined specific problems and directions in which were focused further activities in order to strength capacities of meat processing sector and reinforced for



competitive access on domestic and foreign markets. Through the assessment the Project identified a number of key clients, with potential for growth and leadership roles within the sector in regions. During the assessment itself, it was identified interest of the companies for association within the sector and introduction and implementation of the experience from US and surrounding countries who were part of the EU accession process and who faced with requirements of the EU market.

In order to have comprehensive picture of the needs and identified key partners in entire South Serbia region, Southern from Belgrade, another assessment took place and included area and 14 companies from central, western Serbia, and western Sandzak.

### **1.02 Initial Marketing & Promotion seminars for the south**

As part of the Livestock Year Four Workplan, and as a part of marketing intervention circle support within Livestock/Meat processing industry, there were three specific seminars and presentations conducted in Leskovac, Nis and Sandzak with the topic “Turbo Charge Your Marketing Program - Proven Strategies for Success”. The main purpose of the seminars was marketing awareness of the companies and importance of marketing strategy and promotion in value adding. For this purpose as a part of overall marketing and marketing grant strategy, was engaged expert Jeffrey Spear. Eight meat processing companies participated on the seminars and three of them have received Agribusiness Project marketing & packaging development grants.



Beside these seminars, four meat processing companies were assisted through one-on-one consultancy services. The main topic of these consultations was a review of the current marketing strategy of the companies, the design, packaging and branding of the products, and advice for future marketing developments.

### **1.03 Export Requirements seminars w/MOA & USDA**

#### **1.04 EU requirements seminars**

During February and March the Agribusiness Project conducted two seminars oriented toward export procedures, the requirements of foreign markets, international standards, self-control and control of the facilities that are approved for the export of meat and meat products. The seminar was organized in cooperation with the Veterinary Department and the USDA, with the purpose of increasing the capacity of Meat and Dairy companies to export products to the EU, the Russian market and to third countries. The first seminar was held in Nis on the 10<sup>th</sup> and 11<sup>th</sup> of February, and there were 10 companies from the dairy sector, 16 Meat/Livestock companies and 13 participants from institutions and ABDS providers.



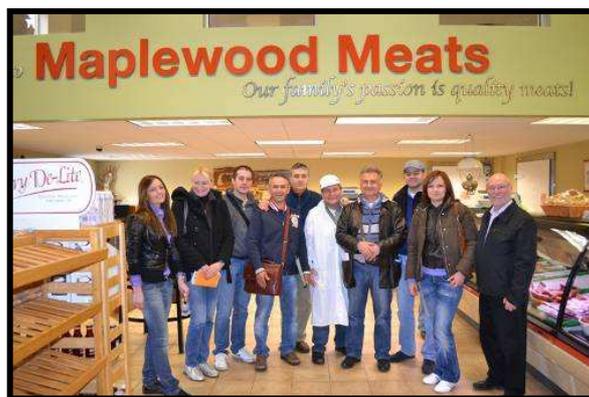
The second seminar was held in Kraljevo with almost 80 participants. There were 22 participants from Meat/Livestock companies, and 25 registered participants from institutions and ABDS providers, and some of the participants were not included on the list. Seminar participants came from the Sandzak and Raski Districts, and also from Sumadija and Macva. Topics covered on the Seminar included: Required Standards/preconditions for export on different markets, Procedures for certification of the facilities for export, Control and self control of production, Contents of new regulations in food trade (meat and dairy sector) and requirements of EU markets.

### **1.05 International Trends in the Meat Industry Seminars (Mike Bittle)**

As a part of US study tour companies participants had an opportunity to learn about new technologies and requirements on the US market. Special attention has been paid on diversification of production and orientation toward traditional products which provides high level of impact on the market. Companies included in study tour have been interested in new potential products for Serbian and neighbor markets (Summer Sausage and salami, recipes for the products – delivered in Maplewood Meat Company) and new type of packaging of products.

### **1.06 Trade Mission to AMI Expo 2011 & Wisconsin**

The Agribusiness Project organized a study tour to Chicago for the AMI Expo combined with visits to American meat companies that are similar to the size of Serbian clients. The AMI convention was opportunity for Study Tour group to see the latest in meat technology, and design and packaging approaches in the USA. Six livestock sector companies participated on this study tour, all of them from Southern Serbia. Beside technical side of the activities the Agribusiness Project organized specific meetings with the Serbian Chicago consulate staff, Economic Attaché and General Consul itself.



During visits of the companies in US, group had a chance to see different size of the companies with different orientation toward local, regional, and entire US market. Serbian group was pretty interested in type of meat products for American market, way of quality control, very efficient organization, with excellent branding, packaging and promotion.

Special meetings were organized with importers of food products from the Balkans – the “AB Company” - Chicago, GBM Trading Chicago, and Bo Drazevic from Milwaukee. The purpose of these meetings was to learn about import procedures, transportation way of the products, promotion of the products and potential sales. As it is forbidden import of any kind of beef meat in US, there was mostly talk about potential export of processed meat over 72C of canned meat such as Ham in Can (Pajic Company Group-Paracin – who is preparing line for production of this type of product), but also about frozen Burek (Hera-Prokuplje – which prepare new design of the products more appropriate for transportation and export). All the other companies, due to type of products could be potential franchise partners for production and sale in USA.

### **1.08 National meeting of meat processors (Round Table)**

Due to high interest of many interviewed companies for A meat processing association, the Agribusiness Project has organized a Round Table as the first step in forming the association and establishing a core group of companies as leaders of this initiative. For this purpose the Project brought the Executive Director of the Romanian Meat Association to Serbia to present their experience with EU accession and absorption of the EU funds by the meat companies in Romania. The Livestock Sector Lead is working with PO specialist on association of meat producers as part of overall strategy for strengthening of Serbian meat industry competitiveness and influence on livestock national policy and regulations.



### **1.10. Livestock production seminars for key client farmers**

During the assessment completed in January/February, and in accordance with Year Four Workplan, the Project organized a set of four trainings in four cities and municipalities (Kragujevac, Sjenica, Leskovac and Nis), with specific modules designed to help livestock producers improve and standardize the feeding of the animals, selection for fattening, animal health and animal welfare, and at the same time improve their production on feedlots and farms. The trainings were implemented by Project partner Agrar Kontakt from Belgrade, and in partnership with the meat processing companies and slaughter houses in the selected cities and municipalities.

### **1.1 Strengthen Producer Organizations support activities**

The Livestock Sector Lead is working with the PO specialist on creating an association of meat producers as part of the overall strategy for strengthening Serbian meat industry competitiveness, and to influence national policy and regulations on livestock and meat.

### **1.3 Marketing and sales Assistance support activities**

The Livestock Sector Lead worked closely with the Marketing and Sales team on CULINARIA 2011, including company selection, but especially on B2B meetings with food importers from the US and Serbian companies that are interested in exporting meat products. During preparations for the Moscow World Food Fair, in coordination with SIEPA, special attention was paid to Meat Processing companies and the Sector Lead was included in finalization of the list of Serbian companies selected to exhibit at the Fair.

### **3.0 Agribusiness Grant Program support activities**

#### **• Marketing & Promotion grants**

In Year Four six companies from the Livestock & Meat Sector were approved for grants for marketing & packaging development. All of them have been visited, and their applications were reviewed and approved. There were two applications that were not supported due to the fact that the companies did not have current HACCP certification, and due to an unacceptable marketing strategy for the US market where.

During May, in cooperation with George Washington University senior class students and Prof. Jeffrey Spear, the Project organized market research for the MAK Internacional Company. This company was provided with specific marketing recommendations for improvement of the marketing strategy and approach for the company. This research was completed with support from Agribusiness Project staff. This research will be used as the basis for the approved marketing grant for the company “MAK Internacional”, by the Agribusiness project.



#### **• Standardization and certification of the production:**

The Livestock Sector has been actively involved in review of standardization process of companies with approved standardization grants. During Year Four there were five new Livestock companies approved for the introduction of the ISO 22000 standard with Project support.

### **1.0.4 Mushrooms & Herbs:**

As planned in the Mushroom & Herb Year Four Workplan the Project has placed a greater emphasis on work with the sector associations. In Year Four the Project supported three national associations

in this sub-sector, the herb processors association “**Serbian Flora**”, the wild mushroom association “**Forest Fruits of Serbia**”, and the herb collectors and growers association “**Dr. Jovan Tucakov**” to carry on overall sector related activities. Broad sector related activities like addressing policy issues, trade missions, study tours, international and local fairs, international promotion campaigns, target market research, publications, and seminars were undertaken by the sector associations.

In addition, as a result of overall Project assistance activities conducted over the course of Year Three, Mushroom and Herb client companies were able to contract for \$4,535,000 of new sales, and deliver \$3,097,000 worth of products. Of the sales delivered, a total of \$1,788,000 was exported, representing 58% of the total sales deliveries. Mushroom & Herb clients also added 8 new full time jobs, 5 part time jobs, and added 433 seasonal workers, mostly new collectors and growers, this reporting period. Other support activities undertaken during Year Four include the following:

### **Support Clients with Marketing & Promotion Grants**

As a result of new Marketing & Promotion Grants program, launched on December 27<sup>th</sup>, 2010, a total of seven Herbs and Mushrooms companies have been approved and signed Grant Agreements. Those companies are: “Herba,” “Kirka Pharma,” “Macval,” “Opstanak,” “Adonis,” ZZ “Moravac,” and “Sistem Eko Fungi”. At the moment they are in various stage of the project implementation but all of these seven Herb & Mushroom clients will finalize their activities in Year Five.

### **Training Programs/Educational Seminars for Association Members and Sector Stakeholders**

A two-day lecture on cultivation of medicinal and aromatic plants was organized by “Jovan Tucakov” Association. Also, they prepared educational materials for association members and sector stakeholders, i.e. the handbook for medicinal herbs growers and the handbook for medicinal herbs collectors. The lecture was delivered by four leading experts in this sector, as part of the 8th Nis Tea Festival, which took place from March 2<sup>nd</sup> to 6<sup>th</sup> 2011. The following topics were covered: Lecture on the possibility of growing medicinal plants in the area of Southern Serbia; Lecture on the cost-effectiveness and capabilities of sales of these products and Use of organic fertilizers in the production of medicinal herbs.

Over 100 people attended the training. In addition, the Association organized a four day practical training for 47 herb collectors from Southeast Serbia and provided certificates for herb collecting to trainees who pass the training. The training took place during St. Jovan, The Herb Picker Festival on July 4-7, 2011 in Sokobanja.

### **Exhibitions of Producers at International Fairs**

**Vitafoods 2011 Geneva:** Six Herb & Mushroom companies exhibited their products at the Vitafoods Fair in Geneva on May 10<sup>th</sup> to 12<sup>th</sup> 2011 under the umbrella of the Serbian Flora Association. Vitafoods Europe is the most important annual event in the herb produce business. The participating companies are extremely happy with the contacts made, and positive about the good results and importance for their future development. Having in mind size of the sector, the contracted and potential sales are substantial. A great job was done in inviting buyers to visit the booth and pre-scheduling meetings which resulted in contracted sales during the Fair. The highlight of the Fair is the success of Melisa Farm (see the photo at the right), a small company from Apatin, which established many useful contacts with buyers which will double, or even triple, their sales within a year.



**Agricultural Trade Fair Novi Sad:** The Association “Dr Jovan Tucakov” exhibited their products at the International Agricultural Fair in Novi Sad, 14th - 21st May 2011. At the Fair, Association

members presented to the visitors and businesses products of medicinal herbs and raw materials from pure ecological environment. The stand was visited by a large number of visitors. Exhibitors initiated negotiations with 10 large buyers. This participation at the Novi Sad Fair was part of the Association grant program awarded to the Association Dr Jovan Tucakov.

**Tea festival Belgrade:** The Jovan Tucakov Association successfully organized Belgrade Tea Festival on November 29, 2010 in Dom Sindikata hall. This activity represents a response to the association's effort to introduce their members to broader market, and to expand potential new markets (especially Belgrade market, which is certainly the largest market in Serbia). A total of 20 companies exhibited at the Festival. As a result of this activity, the association reported ten new jobs, \$150,000 worth of sales under negotiation, \$45,000 of delivered sales, and 3 new members.

### **Trade missions**

**Albania:** Serbian Flora made contact with its counterpart association in Albania, The Essences Producers and Cultivators Association (EPCA) in order to organize business-to-business (B2B) meetings with EPCA in Tirana. The B2B meetings in Albania were organized in late November (25<sup>th</sup>-28<sup>th</sup>). As a result, a total of 20 participants - nine herb companies, Association coordinator, Serbian Chamber of Commerce, and USAID Agribusinesses staff - have travelled to Albania to meet with EPCA association and its members, Albanian Chamber of Commerce and to visit International Trade Fair in Tirana. Thanks to this activity, Serbian companies contracted purchase of raw materials in the total value of \$550,000, as well as export of final products in the total value of \$250,000.

**ExpoEast USA:** Association members had an opportunity to meet with relevant herbal trade associations in the US and to attend the ExpoEast trade show – the natural products and organic show. Participants obtained an understanding of how trade associations operate, but also learned more about the various industries they represent. At ExpoEast, participants had the opportunity to meet numerous companies that are both possible customers and, in some instances, potential suppliers to them. As a summary, most participants made contact with at least 15 companies of interest as potential customers for processed ingredients. Of these, it seems that anywhere from 3 to 6 were immediate prospects for relationships and sales. There was also a few of the companies that saw opportunities to sell private label teas as finished goods.

### **Association Visual Identity, Web Site, Marketing & Promotional Material**

Three H&M national associations developed a completely new visual identity and developed new catalogue, leaflets, brochures, promotional material, logo, and web site. Also, Serbian Flora promoted Serbian herbal sector in an international journal

### **Market Research & Analysis for Designing Proposals to Change Policies and Regulations**

The consultant Zora Dajic completed the report on the national quota system encompassing concrete proposals and suggestions from the industry to further improve the system of licensing for collection and export of wild herbs, and practices implemented in the region and in the EU will be presented to the Ministry of Environment, Mining and Spatial Planning. To date, the consultant has had numerous meetings with relevant focal points involved in the creation of target legislation (e.g. Ministry of environmental protection and spatial planning, Institute for Nature Protection, Ministry of Trade and Services, etc.). Moreover, advocacy and lobbying for change of the legislative framework has been started. As a result several medicinal and aromatic plants have been removed from the Quota System list, and for several other wide-spread and commercially important herbal species the quota has been increased.

### **Study of the Level of Presence of Heavy Metals in Soil and Mushrooms**

Different markets have different regulations regarding allowed presence of heavy metals in products which are imported. Some countries have different regulations regarding allowed presence of heavy metals in products which are imported. The Association Forest Fruit of Serbia completed the study in order to help exporting companies to avoid return of the shipment from the border. Analysis shown level of presence of heavy metals in mushrooms collected from different regions so exporting companies will know, depending on the region they are collecting wild mushrooms, on which markets they should focus on. The study is available to everyone

### **Support the Adoption of International Standards**

The Agribusiness Project supported introduction of international standards for H&M Clients. Six Mushroom & Herb sub-sector companies have obtained certification of ISO 22000, Organic, and IFS standard to date. The companies involved are: Interfood 20, Malina Impex, Marni Mushrooms, Herba PG Ljiljana Petrovic and PG Bojan Zivkovic

### **1.05 Tree Fruit:**

Year Four within the Tree Fruit Sector was characterized by a further increase in exports of fresh tree fruit, and favorable climate conditions in the first part of the vegetation season, suitable for sweet and sour cherry yields. Combined with good market prices, these two commodities have generated reasonable profits for producers and exporters. At the end of this year apple harvest yields are estimated to be somewhat lower than last year, mostly due to dry weather and sunburn in unprotected plantings. During the past year, Project has continued support to apple producers and cooperatives related to their internal organization, postharvest practices and introduction of SmartFresh technology. Sour cherry producers in the South of Serbia have been trained on improving safety of their products and specific attention was dedicated to increasing interest in production of sweet cherry.

- Conference on innovations in sweet cherry production attended by 500 participants
- 100 producers and ABDS providers in the South trained on increasing safety of sour cherries
- SmartFresh postharvest technology introduced to Serbia and applied on stored apples
- Technical and financial instructions for purchasing anti hail nets presented to tree fruit producers

### **Conference on Sweet and Sour Cherry Production and TA in Sweet Cherry Production**

Professor Gregory Lang from MSU has provided TA and conducted the lecture on modern sweet cherry production technologies during the Conference on Innovations in Sweet and Sour Cherry Production in Serbia that was supported by the Project. The conference took place on February 10<sup>th</sup> in Belgrade and was attended by over 500 participants consisting of sweet and sour cherry producers, exporters, ABDS providers and members of scientific institutions from all over Serbia and regional countries. The STTA has created a Manual on Sweet Cherry Production Practices for Present and Future Serbian Export Industry that was printed in the number of 200 copies.

### **Sour Cherry Industry Analysis and Training on Plant Protection Practices**

The Economical Analysis of Sweet and Sour Cherry Production in Serbia was completed with the goal to provide relevant information on the current status of production, processing, sales and problems



in functioning of these two commodity value chains. Important issues that are covered through this study are production costs and economical indicators for production of both commodities that provide directions for parties preparing to enter into sweet cherry production especially.

Trainings on Integrated Pest Management in Sour Cherry designed for sour cherry producers in the South of Serbia were targeted to educate in application of plant protection measures in accordance to requests of EU and Russia related to pesticide maximum residue levels. They were attended by over 100 farmers and representatives of local extension services and ABDS providers. This activity took place in cooperation with cold stores, processors, cooperatives, Agricultural Extension Services from the South of Serbia, and Fruit & Berries Program funded by the government of Denmark.

### **Assist Cooperatives and Companies to Introduce Market Required Certificates**

As per the Project's Grants program for support to introduction of international standards, seven companies from the Tree Fruit Sector introduced ISO 22000, one company introduced ISO 14000, one company the IFS standard, and one cooperative has been certified for production in accordance with the GlobalGAP standard. The total value of Project impact after completing these activities is that an additional 33 jobs have been created, and the organizations have realized \$1,680,000 in additional sales through the marketing of fresh and processed fruit.

### **Training on Apple Post Harvest Activities and Application of *SmartFresh***

In the third quarter of Year Four, STTA Christopher Watkins from Cornell University conducted six training seminars on the best tree fruit harvest and postharvest practices for suppliers of cold stores and members of cooperatives involved in exporting fresh fruit from Serbia. During these seminars a total of 130 farmers, ABDS providers, storage operators and production managers have received a complete package of information on tree fruit harvest, postharvest and storage management, including advice on future applications of *SmartFresh* technology.

After obtaining a temporary license for application, the *SmartFresh* technology was imported to Serbia in September 2011 and the first applications on apples in cold stores are in progress. By the end of this year's harvest season the service provider ProFruit is planning to perform the treatment of approximately 10,000 tons of apples in Serbia. It is estimated that the application of *SmartFresh* on this quantity of fresh apples can lead to added sales revenue of \$5M for the exporters.

### **Study Tour to Italy**

In cooperation with the PO component, the Tree Fruit Sector organized a study tour to South Tyrol for representatives of the Fruitland Association and cooperatives from around Serbia that are involved in apple production, storage and marketing. While visiting associations and cooperatives in this part of Italy, the tour participants had an opportunity to get insight into the details of their modes of organizing and internal functioning related to over 5000 members. Group members were able to learn about the most advanced techniques of apple production, postharvest and storage



practices, with the focus on benefits of application *SmartFresh* technology and moreover, Integrated Fruit Production methods applied by each member of each cooperative that is under control of the Association. In order to increase development levels, study tour participants will use organizational modes of applied technologies that are applicable in the status their cooperatives are currently in.

### **Cost-Benefit Analysis for Equipment Purchase - Study on Anti-Hail Protection**

The team of five consultants was engaged to prepare a Study on the Impact of Weather Conditions on Agriculture in Serbia, and Modalities for Anti-Hail Protection. The team has completed this paper assessing current ways of organizing and applying system of anti hail protection in Serbia with an emphasis on the tree fruit sector. The Study was publicly presented in May in cooperation with the Belgrade Chamber of Commerce. The entire activity was implemented jointly with the Policy component and its purpose is to suggest directions for development of the hail protection system and to explain technical characteristics and investments into anti hail nets used in tree fruit production that will serve as a baseline while making decisions on investing into this type of equipment. The photo at the right shows the participants who attended the presentation of the study document.



### **Grants for Agribusiness Associations**

The Fruitland Association has completed activities presented in the Grant Agreement and submitted the final version of the Study on Economical Efficiency of Production and Marketing of Processed Apples. The goal of this study was to provide efficient analysis of this type of processing and possibilities for marketing apple processed products that are suitable for capacities and needs of the Association. As the result of searching modes of financing the project, Association has started negotiating with a Russian company ready to enter into joint investment with Fruitland. The processing facility will be located in Slankamen, where one of the Association members, ZZ Slankamenka cooperative has leased the land for building.

### **Trade Mission to the Netherlands**

The Project has supported organization of the trade mission to the Netherlands for 11 members of Srbija kalem association of tree fruit planting material producers. While visiting production sites of the most advanced nurseries in Holland, participants were presented with available high quality virus free tree fruit rootstocks that need to be imported into Serbia and used for further propagation. One of the visited nurseries has expressed interest to cooperate with the Association in joint production and sales of planting material. Association members also had an opportunity to learn about technologies for production of knip trees; new apple and pear varieties available in Holland, specific machinery used in this type of production and also agree on import of machinery pieces.

#### **1.0.6 Vegetables:**

Having in mind previous production season, we can say that open field producers had a good conditions followed with fairly good prices. Closed environment producers from the south of Serbia had probably one of the worst seasons in the past decade. It started with the cucumber producers who faced a specific situation due to bacterial outbreak in Germany, when local market reacted similarly because of the fear and lack of information. Most of the producers hoped that will manage to cover the losses with second crop/tomato but extremely low prices, caused by hyper production and lack of buyers/market, left them in even more difficult position. The processing industry demonstrated a slight recovery and growth of production, but only those companies who are mainly export oriented, since those buyers pay on time according to the contractual obligations.

Russia is still the main growth market for Serbian vegetable products. An obstacle for further development can be recognized on the supplier side due to the lack of production capacity and poorly organized sales. In the previous period, clients have worked on project preparation for the

construction of facilities for bio-energy production, motivated by the savings which will be achieved. This represents an important development in vegetable sector. The ABC company is a pioneer in this area, with a planned 3Mw energy plant, which will use bio-mass from their own corn production, and other producers in the South Backa region.

I Capacity building of closed environment producers in Southern Serbia
II National Vegetable Sector Conference – Contemporary Vegetable Production
III Timok Region Study – Vegetable Sector Study and Development Recommendations
IV Vegetable Processors Break Through to the EU Market

#### **Agroindustry Cluster Capacity building:**

The Agribusiness Project supported the development of an *Agroindustry cluster*, which consists of twenty one primary producers and processors located in the North Backa region. They are striving to become the driving force for their members with innovative arrangements and improved competitiveness. The final goal of the cluster is to achieve profitable, competitive and sustainable conventional and organic production through joint efforts by its members. As a result of Project assistance, they have created a network with partners in Slovenia following a B2B meeting arranged in Celje, Maribor, and Murska Sobota, as well as in Hungary. The Project also assisted them to develop their visual identity and promotional material.

#### **Food Safety Standards Implementation:**

The implementation of internationally accepted standards in processing companies has successfully been completed, and the ISO 22000 certificates have been awarded to the following companies: *Polimark, Aroma 1990, and Caseus, Telek Paprika and Zdravo Organic*. These and other such companies decided to invest in certification and overall development, primarily because they are oriented toward highly competitive export markets with strict certification regulations.

#### **Sales Mission to the Sial Trade Fair:**

Two clients from the vegetable sector exhibited at the SIAL Fair in October: *Biotrend Donato* from Novi Sad and *Planten* from Irig. These companies are extremely satisfied with contacts they were able to make and possibilities for market expansion. Both exhibitors are smaller companies, and thus have a greater ability to adjust to the demands and characteristics of a specific market. Contacts they were able to make included primarily distribution companies which supply some of the best-known supermarket chains in EU.

#### **Sales Mission to Fruit Logistica Berlin:**

Four Vegetable sector clients exhibited at the world largest fresh product fair In Berlin. During the four-day fair producers established many very valuable contacts. *Sagal , Planten, Naturacoop* and the *Lucic* companies initiated negotiations for fresh vegetable exports to the EU market and to Russia. The *Planten* company attracted significant attention as a pioneer in hydroponic lettuce production, with a range of over 40 lettuce varieties. Their produce is also very interesting because the shelf life is extended to 15 days due to a high tech packaging solution.

#### **Post-Harvest Activities (Technical Assistance/ Advisory)**

The USAID Agribusiness Project continues to work on Post-Harvest technology promotion with Serbian producers. For this purpose the Project contacted vegetable post harvest specialist Mr. Lorenzo George Wilson who spent two weeks in Serbia. During this assignment Mr. Wilson provided advisory service to selected clients. These visits included large scale producers of root crop vegetables in Vojvodina, Western and Central Serbia. During the visit, and based on recorded information and specifics of Serbian vegetable production, the STTA developed a handbook which

has been translated and distributed. A Post-Harvest seminar for vegetable producers specialized in root crop production was held on October 19<sup>th</sup> 2010 in Novi Sad, at the Vojvodina Chamber of Commerce with the participation of 45 large-scale vegetable producers, service providers and extension service representatives. Prof. George L. Wilson presented new technologies in post-harvest treatments, with special focus on vegetable handling.

#### **Closed environment production technology training**

A series of sixteen training seminars were held in Vranje, Leskovac, Krusevac and Negotin during February, March and April of 2011. Over 190 producers each participated in four seminars, which covered the following subjects: soil preparation, installation of green houses, protection, picking, packaging, complete technology, calculation of production costs. Support for the implementation of the project was given by partners in the field, and primarily by representatives of the local extension services, the local municipal governments, the chambers of commerce, and RARIS from Zajecar.



#### **Vegetable Sector – Study for the TIMOK region/ Eastern Serbia:**

After several months of work on collection of data and relevant information, local service provider contracted by the USAID Agribusiness Project (Andjelko Miskovic) finalized the Timok Region Study which emphasized potentials for further sector development. In his extensive research project, eight municipalities were included. A public presentation was arranged in Zajecar with the assistance of RARIS (Regional Agency for the Development of Eastern Serbia) as a local partner who will use these information for strategy development. Ministry of Agriculture officials, local government representatives, ABDS providers, GTZ representatives, LEDIB representatives and many others expressed interest in this subject and participated at the event.

#### **PLMA – Specialized Fair for the Producers Interested to Produce Private Label Products**

Two companies from the vegetable sector participated for the first time at this unique fair and presented their products. The PLMA fair gathers producers of various product groups (food, chemical, clothing, etc.) in order to present them to buyers and large commercial chains both from Europe and other parts of the world. The *Polimark* company established contacts with buyers from Austria and Poland, and contracted for sales of \$800K. *Aroma 1990* has established contacts with buyers from Russia and the European Union.

#### **Distribution Center Development Initiative**

During the month of June, USAID Agribusiness Project team members visited four distribution centers in Hungary. The reason for this is the necessity of construction and investments in vegetable storage facilities, but as part of organized producer systems, i.e. cooperatives. Project team members also discussed support programs through pre-accession funds, which triggered a speedy development of vegetable storage capacities in this part of Hungary. Also, the business model based on cooperation with large commercial chains represents a subject which will be separately covered. The reason for this represents the fact that this area is of particular interest to Serbian producers who have conducted business with such companies, but exclusively on the domestic market.

**Procedures Related to Export, Import, and Transportation of Vegetables, Seedlings, & Seeds**

As part of preparation and aid to producers and exporters of seedlings and seeds with entering foreign markets, the USAID Agribusiness Project has worked with the Ministry of Agriculture of Serbia on a project to simplify necessary and required export procedures. The export of fresh, as well as vegetables for processing, represents great export potential which has not been fully exploited in the past. Considering that fresh vegetables, as well as hotbeds, are rather sensitive commodities, which need to be transported from producers to end buyers, speed and familiarity with conditions and procedures represent key factors. Because the increasing number of middle and large vegetable producers decide to export products primarily to the neighboring, but also other countries, this information will be presented also to this group of commercial producers.

**National Vegetable Sector Conference**

This conference took place on December 11, 2010, at the Novi Sad Agriculture Faculty. The VDP and the USAID Agribusiness project organized a Conference on *Contemporary Vegetable Production* with the participation of 45 companies (service providers and input suppliers) and over 900 visitors from different regions of Serbia. Over the course of the day, leading domestic and foreign vegetable production and protection specialists presented a total of nine technical lectures. As this is one of the main annual events in the vegetable industry in Serbia, the conference also had excellent media coverage. The discussion which took place after the official program led to the initiation of an idea to transform Vojvodina Association of Vegetable Growers to a national level association – the *Serbian Association of Vegetable Growers*.



led to the initiation of an idea to transform Vojvodina Association of Vegetable Growers to a national level association – the *Serbian Association of Vegetable Growers*.

## **1.1 STRENGTHEN PRODUCER ORGANIZATIONS:**

Over the course of Year Four, the focus of the PO component was on provision of technical and grants assistance to client sub-sector associations and strengthening of management capabilities of agricultural cooperatives. In several sub-sectors, support to targeted farmers associations and cooperatives was provided through advisory assistance to improve members' farm level productivity, harvest and post-harvest quality, loss reduction, application of new post harvest technologies, and to increase value-added products. Support to limited number of cooperatives was also provided through overall grants program for the introduction of international standards and for marketing and promotional activities.

The PO component made some strong inroads with business association development. After a period of greater involvement of the Project staff in the organization of sector activities, a gradual transition of activities to the associations in the fourth year of project began to bear its first results with decreased involvement of Project staff. During first quarter, grants were awarded to 8 out of 15 associations that have applied for grants program. The grants focused on adding new activities and services to the organizations to serve members and the industry and not on covering their day-to-day operating costs. Also, the grants addressed promotional activities, organization of national pavilions at international and local trade fairs, trade missions, promotional campaigns, addressing policy issues, targeted market studies, developing publications, trainings and conferences, which were all organized by the sector associations. The program was tailored to support transition of associations towards full sustainability by increasing their skills and capacities. Because of the Project assistance to POs activities, client associations and cooperatives have made significant achievements and results.

### **Year Four PO Achievements and Results**

- **37 POs** were assisted and capacity developed, generating 870 new jobs (702 seasonal)
- **\$ 15 million** of additional member sales delivered, 266 new members joined POs
- **4 sector associations** organized national pavilions at 3 international and 1 local trade show
- **30 member companies** exhibited at national pavilions organized by sector associations
- **Outward trade missions** organized to Albania, Slovenia, Germany, Netherlands and USA
- **Policy changes** and regulations influenced by Associations (Serbia Organica, Serbian Flora)
- **Improved access to funding**, available and sustainable state and EU funds (SIEPA, IPARD)
- **Management capacities** of 6 associations and 8 cooperatives raised through know how exchange study tours
- **Media communication** of associations raised

### **Task 1.1.1: Support Implementation of Grant Activities of Agribusiness Associations:**

**National Association for organic farming “Serbia Organica”** was the busiest association in Year Four with many implemented activities. In order to increase visibility of the association, attract new members, and promote organics among buyers and final consumers Serbia Organica developed the association's promotional tools: book of graphic standards, and promotional brochures and leaflets. Promotional campaign of Serbian organic products in four supermarkets in Belgrade has been completed, which resulted in increased local sales of their members during and after the promotions. The Association launched “Organic News”, a unique electronic monthly magazine for information on developments in the organic sector in Serbia and abroad. This publication is now being distributed every month to over 1,200 organic food stakeholders and interested agribusinesses without further project financial support, demonstrating this way sustainability of the association activities. In addition, a unique address book of all participants in the organic value chain in Serbia, named “Who is Who in the Serbian Organic Sector”, has been created and posted at association's

web site with the free access for the members and subscribers only. Serbia Organica prepared and organized a Serbian national pavilion at Biofach Trade Fair in Nurnberg Germany, the most important organic food trade show in the world, which resulted in successful exhibition of 6 member companies under the association joint booth and \$2.13 million of delivered sales. As final grant activity, the association organized National Conference on Organic Production in Serbia that has brought together 250 stakeholders from the organic sector. Main topics were a new legal framework, government and EU incentive funds and loans, introduction of organic farming in agricultural high schools, etc. All these accomplishments significantly enhanced Serbia Organica's organizational abilities to provide services and attract new membership, which resulted in increase of 88 new members and gained a lot of new organic producers and increased total surface under the organic production. Serbia Organica is now recognized as credible representative of the sector and viable organization that is a reliable partner to many institutions.

This has resulted in numerous activities conducted by Serbia Organica without any Project assistance. For example Serbia Organica and the Novi Sad Agricultural Fair together organized national organic pavilion at 78<sup>th</sup> International Agricultural Fair in Novi Sad with more than 50 exhibitors. Furthermore, Serbia Organica was engaged in drafting of articles and by-laws of new Law on Organic production in Serbia and setting up proposals to for establishing the National Competent Authority for organic production within the Ministry of Agriculture. The association made a proposal for adoption of a positive list of allowed organic pesticides according to the EU standards. Together with the Ministry of Agriculture, a new subject *Organic Agricultural Production* has been introduced into 60 Serbian agricultural schools. Manual for producers "How to get a certified organic product" has been published and the association INFO center formed. In cooperation with Belgrade City Company "City markets", they organized "Organic food Market", a place where every week organic products are sold and promoted at the New Belgrade green market.

**National Association „Fruit of Serbia“** organized a Serbian national pavilion at the world's largest fruit & vegetable trade show – Fruit Logistica 2011 in Berlin. Twelve member companies that met the specific criteria such as membership within association, *affiliation* with fresh *fruit* and vegetables sectors, adequate product quality, sufficient volumes, relevant international standards applied, have been selected to exhibit under the umbrella of Fruits of Serbia. Fruits of Serbia organized a preparatory training for exhibiting companies providing information on exports data of targeted fresh fruit and vegetables, structured upon country of exports and imports. The cocktail reception organized at the booth the last day of the fair was an innovative activity inviting many buyers. Because of this activity, member companies delivered exports worth \$9.8 million, new 8 members joined Fruits of Serbia, and 77 new jobs were generated (40 seasonal jobs).

**Serbian Flora, association of herbs processors and exporters** organized a number of activities in support to members and the industry. B2B meetings with counterpart Association (EPCA) in Albania to establish business linkages with Albanian companies were organized by Serbian Flora. Thanks to the visits and meetings members of Serbian Flora and EPCA are negotiating mutual sales valued at \$250,000. For the first time ever, a Serbian pavilion was set up at the world's largest and most important annual event in the herb business – Vitafoods 2011 Fair in Geneva, Switzerland. Serbian Flora and six of its members displayed at the Serbian pavilion herb based finished products, raw materials and ingredients which attracted many professional buyers and suppliers from all over the globe. The potential sales from Vitafoods fair equaled \$820,000, while more than \$300,000 in sales contracts was finalized during the event. The Association conducted complete survey of the national quota system and actual stage of the wild herbs resources in Serbia to propose adequate changes in the industry-related policies and regulations. As a result, government working group accepted the association's findings and proposals and 15 wild collected herb species were removed

from the list of collection quotas, while for the 50 of herb species collection quotas were significantly raised.

**Herb collectors association “Dr Jovan Tucakov”** from southeast Serbia organized the first Tea Festival in Belgrade to promote members’ herbs products to the main local consumer market, as well as the 8th Tea Festival in Nis. Two handbooks for collectors and growers of medicinal plants were presented at the Tea Festival in Nis along with two-day training on collection and cultivation of medicinal plants performed by leading experts. The association also organized a joint exhibition of six member SME’s at the International Agricultural Fair in Novi Sad and 4-day practical training for herb collectors from southeast Serbia. The training took place during in Sokobanja and 50 trainees who have passed the training, received certificates for herb collection. This grant has reached 160 beneficiaries, 128 new association members, 260 new seasonal jobs, and contributed to increased member sales of \$345,000.

**National association of blueberry growers “Serbian Blueberry”** developed promotional materials and organized campaign to raise local public awareness of the health benefits and nutritional values of cultivated blueberries to increase local consumption. The association used the international magazine “Eurofruit” to promote itself and Serbian blueberries at the foreign market. The Association organized a national event for media representatives and in-store promotion of retail packed fresh blueberries in MAXI supermarket. Educational/promotional video material was broadcasted through 56 regional TV stations in the country to inform potential growers on proper growing of blueberries. To strengthen the network of field advisors for blueberry growers, specialized manual, covering all aspects of growing blueberries, has been prepared and printed. The association organized trainings of field advisors, delegated by member associations, which are assigned ‘on field’ to a certain area to help member growers of cultivated blueberries.

**Association of tree fruit cooperatives “FruitLand”** developed a feasibility study for apple processing in Serbia based on market potential and production resources of association members. Based on study findings, Fruitland cooperatives decided to enter into specific type of apple processing. The association has started negotiations with a Russian company ready to enter into joint investment with Fruitland. The apple processing facility will be located in Slankamen, where one of the association members, cooperative Slankamenka has leased the land for building.

### **Task 1.1.2: Build Capacities of Agribusiness Associations:**

The Project engaged a U.S. consultant to facilitate development of “Serbian Flora” as a self-reliant association for the long-term. Two Strategic Planning sessions were held with the association members to develop strategic plan with activities and the budget for 2011-2013. The consultant also coached Serbian Flora and Serbian Organica associations how to successfully run professional membership organizations learning from examples from the United States, their organization, structure and functions.

As a result, the members of Serbian Flora and Serbia Organica identified the U.S. market as potential for organized placement of products from Serbia and US trade association as good models to strengthen their organizational capacity. To address this, a training on fundamentals of exporting to US was implemented and a trade mission to US conducted, A delegation with representatives of 8 companies from three Serbian agribusiness associations, Serbian Flora, Forest Fruits of Serbia, and Serbia Organica, participated in this activity. The participants had a firsthand view of the U.S. natural products (herbs and organics) market and opportunity to establish linkages with U.S. buyers and conduct business within the U.S. The delegation met with representatives of several US Trade

Associations in Washington D.C. and in Baltimore the participants toured the Natural Products Expo East, one of the world's largest trade shows for healthful products, where they have met individual herbs and spice brokers, importers, agents, grinders, and processors. Common conclusion is that there is a huge market potential for herbs processing and blending in Serbia and the associations will continue to pursue this opportunity.

With Project support, the Serbian agribusiness associations have raised its capacities to continue to independently provide services and organize joint activities for their members and to use available state funds. Three client associations have applied to a public call for grants to the Serbia Investment and Export Promotion Agency (*SIEPA*) and were awarded with \$ 90,000 to organize exhibition at international trade fairs. "Serbia Organica", "Serbian Flora" and "Fruits of Serbia" will organize Serbian pavilions at Fruit Logistica fair in Berlin, Biofach fair in Nuremberg and Vitafoods fair in Geneva in 2012.

### **Task 1.1.3: Capacity Building of Targeted Agricultural Cooperatives:**

Building on the business-training program for management of agricultural cooperatives conducted in Y3 in cooperation with the Ministry of Agriculture, the Project continued to provide support to cooperatives. One of the participating cooperatives, tree fruit grower's coop "Milesevka" from Prijepolje in Sandzak region, has been awarded with 350,000 USD grant from the Ministry of Agriculture for building the cold store for apple storage, which is 40% of the total planned budget. Strategic, business and financial planning sessions helped the cooperative manager to prepare documentation for the grant application and to plan new investment in cooperative value added product, which led to grant award.

## **1.2 IMPROVING ABDS & FINANCE SERVICE DELIVERY:**

Support to AgriBusiness Development Services is one of key elements of the project contributing to increased value of Serbian agricultural product sales and increased employment in the agricultural sector. During Year Four, several important tasks were implemented.

### **Increased Access to Finance:**

To better understand the dynamics of credit offerings in Southern Serbia, in the second quarter of YEAR FOUR, the Project conducted formal market research to over 120 of its clients in order to measure the perception of their access to appropriate credit products. An analysis of the market research results has demonstrated that a significant number of Project clients (over 60%) indicated that either they or their cooperants lack access to appropriate financial products. A large majority of them (82%) also stated that banks are reluctant to finance rural businesses and it difficult to access appropriate credit for the agricultural sector, particularly in Southern Serbia.

Based on the market research and field interviews conducted, the Project has concluded that many farmers and agribusinesses in Southern Serbia are faced with a large number of market failures in their access to appropriate credit products, as per the following:

- **Processors** face significant cash shortages on a seasonal basis, lack financing for equipment upgrades, and are forced to pay their cooperants late, due to bank ignorance of their creditworthiness and a corresponding reluctance to finance them with appropriate loan products (lack of agribusiness knowledge and market awareness by banks).

- **Farmers** face serious challenges in accessing credit and are in many cases excluded from bank financing due to lack of appropriate credit products provided by banks, who generally only want to provide loans to “registered” farmers with significant collateral and formal sales contracts (lack of knowledge by farmers of the benefits of registration, high level of risk-aversion and heavy reliance on collateral by banks).
- **Banks** lack awareness and knowledge of the specific characteristics of agricultural lending and of the market environment in southern Serbia. Banks find it easier, due to their low capacity in rural lending, to focus on the urban environment in Belgrade and on more developed agriculture in Vojvodina (lack of capacity by banks).

Building on the results of this market research, the Rural Finance Specialist engaged by the Project worked to develop an “Operating Model” of cooperation with partner financial institutions in order to develop more appropriate lending products for Project clients and their cooperants. In discussions and meetings with Opportunity Bank Serbia (OBS) and two microfinance institutions in Serbia, it was clear that these organizations saw a number of benefits in participating in the implementation of the Operating Model. As a result, the institutions agreed to work with the Project in an effort to develop new and more appropriate loan products as well as to improve their long-term capacity in value chain finance.

In this context, the Project will be able to add significant value to the ability of its agribusiness clients to increase their access to working capital and investment finance through a model of formal cooperation with financial institutions. With the market information and training capacity of the Project provided to actors in the overall value chain, such as farmers, cooperatives, processors and financial institutions, the Project will be able to increase employment and sales in southern Serbia in accordance with USAID program goals.

The results of the execution of this vision will be that at least 200 agribusiness clients or their input suppliers will access more appropriate financing and new credit products. This financing will be provided as a result of the Project activities in information-sharing, marketing support, price information and training to lending staff and to Project clients. This value chain financing will be provided to clients on a sustainable basis after the project ends due to the increased capacity that will be possessed by these lenders.

Better access to appropriate finance will help all actors in the value chain to increase sales and employment. Training and capacity-building by the Project will increase lenders “comfort level” with rural lending. Lenders will learn more about value-chain lending and participate actively to secure new clients. Thus, the Project will have a beneficial impact on a large group of farmers, women-owned businesses, and agribusinesses in the South.

### **Culinaria Fine Food Show:**

Building upon the success of the first Culinaria Fine Food Show organized in September 2010, early in YEAR FOUR the Project has conducted a selection of candidates for organization and ownership of Fine Food Show Culinaria. The Project unanimously elected a local service provider company Zizgin who has provided the best offer. The Project partnered with Zizgin through an MoU and supported the company in planning throughout the year and finally implementation of the 2011 Culinaria Fine Food Show.

The Second international food fair CULINARIA was held in Belexpocenter on September 28-30. A total of 104 exhibitors from Serbia, Montenegro, Bosnia and Herzegovina, Croatia, Slovenia, Italy,

Romania, Hungary and Germany participated at the fair, established contacts and negotiated with more than 400 professional buyers. USAID Agribusiness Project hosted 50 professional buyers from 16 countries in the region, Europe and Eurasia.

The Project ensured participation of 45 client companies from South Serbia and Sandzak. The event was opened by the US and German Ambassadors, Assistant Minister of Agriculture and Vice-President of Serbian Chamber of Commerce. Preliminary results show that the fair resulted in \$ **441.000** of contracted sales and \$ **8,098,500** remained in negotiations after the fair and these numbers significantly exceed the results from CULINARIA 2010. These results are yet another indicator that CULINARIA is well on its way to sustainability and growth.

### **Farm Management Training:**

The development of agricultural production in Serbia is limited by a lack of knowledge in some fundamental areas, such as farm management. This problem also influences a number of other related issues, such as: business planning, cost management, financial planning, and others. Thorough and precise bookkeeping is a basic source of information for any business decision making process, and is crucial also. The significance of these activities can be also presented through concrete savings during the input supply process and product calculations. This subject also provides valuable information on product profitability, and the future selection of product types. Although large scale producers have bookkeeping systems in place, usually through contracted agencies, their knowledge about farm management practices and techniques is very low.

Serbian agriculture and its people have a long history of food production. But most managers and service providers received their management training through the university system some years ago when education was strongly focused on the needs of state and socially-owned farms in an economic system very different from that of today. Younger people are receiving “free market” education but still find it difficult to put new methods into practice. Many farmers believe they can produce and then demand a very profitable price for their product. This might be working in the current conditions but changes are taking place and producers will find the market will ultimately determine price of the product. Farmers still have the idea the government’s role is to subsidize and control imports so that Serbian farmers can produce at will and “make money.”

The Project developed the activity to support and enhance the management capabilities of project client firms, specifically companies that are providing advisory services (ABDS) – 30 of them who participated in this training activity. An international consultant presented practical, usable, techniques to selected training participants, which will allow them to implement new ideas and techniques quickly in their daily practices. This will benefit all of the companies that these ABDS providers are advising. It is expected that these services will result in decreased production costs and improved quality of the crops and products from firms that are receiving advices.

### **Increase Design Capacities of Service Providers from South Serbia:**

There are a number of design and marketing companies operating in Serbia who provide world-class solutions to businesses operating in a broad variety of market sectors. That being said, there is a disproportionate number of individuals calling themselves designers who deliver products that fall short of industry standards and fail to exploit marketplace opportunities. The majority of individuals and companies who embrace global best-practices and can offer a broader spectrum of design and marketing services are found in Belgrade and Novi Sad. Companies deemed satisfactory in other parts of the country are not of the same standard. It is interesting to note that, although there are a

large number of global brands operating within Serbia who rely upon world-class marketing strategies and uniquely designed tactical devices, and the intrusion of these innovative, impactful, distinctive and memorable products is hard to avoid (at least in the larger population centers), many Serbian designers are reluctant to study, embrace or exploit similar practices.

When it comes to both domestic and international trade, and the intensity of competition that exists in both arenas, a large number of Serbian designers rely upon tried-and-true solutions with a limited palette of traditionally accepted design devices and icons. They do not appear to understand, or concern themselves with emerging trends, changes in consumer preferences and undeniable cultural differences. In short, they do not seek out or exploit the benefits that can be derived from research and/or strategic planning. It is important to state, once again, that there are very creative and innovative designers working as sole proprietors and/or banded together as design studios / marketing agencies in Serbia's major population centers. It is these operators who are producing the most effective and impactful designs, are finding peer recognition in other countries and, more importantly, are consistently and successfully engaged by both domestic and international enterprises operating in Serbia.

The Project invested efforts to identify and quantify design companies operating in the Southern regions of Serbia. Based on a list of 22 service providers, individual sessions were scheduled with directors from each company to qualify and further quantify the level and scope of services offered by their organization. Subsequent to these meetings, an in-depth seminar and workshop was implemented to help these operators increase competitiveness, both locally and throughout the Balkan region, and improve the quality of their designed products based on domestic and international best-practices.

In every session with both producers and service providers, including individual consultations as well as during the workshop and seminar that was produced, detailed discussion took place regarding competitive dynamics and market expectations for effective brands and brand imagery in the Balkans and throughout the EU. Relying on samples collected domestically and in international trade events, comparisons and contrasts were made. The outcome was a better understanding of what would be needed to develop effective brands through tactical devices including, but not limited to, trademarks, labels, packaging, brochures, websites, tradeshow displays, retail store fit-out, etc.

The Project organized one day seminar and workshop emphasizing best-practices in terms of competitiveness, market research, brand strategy and delivery of impactful and effective tactics, including label and packaging design for service provider in the south of Serbia. Its content was developed, in part, in response to initial meetings with service providers; formulating an opinion regarding existing strengths and weaknesses in terms of creative fluency and depth of services. One more 2-hour seminar discussing global best-practices in design and marketing was presented to the Technology Faculty in Leskovac. It was attended by both students, academic staff and news media and was well received.

### **Management Training - Capacity Building and Promotion:**

In October of 2010, Carr Swanson and Randolph, LLC (CSR) provided a five day combined basic and advanced negotiations training-of-trainers course for 8 potential instructors and 4 Agribusiness personnel, and a second five day offering of the basic and advanced negotiations course for 12 Agribusiness companies and consultants. This effort was a continuation of leadership training and development work initiated in May of 2010. The purpose of the five day negotiation training was to

strengthen the competitiveness of Serbian agribusiness enterprises through improving participants' understanding of negotiation, as well as their ability to negotiate effectively, both within the work place and externally with suppliers and customers. The training emphasized negotiating commercial transactions/deals with U.S. and EU buyers.

The participants and trainers were appreciative of the training and indicated both the training course and the training-of-trainers initiative were directly relevant to their daily professional practice. There was also a high level of excitement, anticipation and energy among all groups for Agribusiness to continue to offer assistance in the areas of continued negotiations training, coaching of trainers, and leadership development.

### **1.3 MARKETING & SALES PROGRAM:**

#### **Objective 1 - Implement Firm/Association-level Activities**

##### **Task 1.1 - Trade Fair and Export Promotion Preparation Trainings:**

Prior to SIAL trade fair in October, Project team provided training to SIEPA in giving the Sales Training and provided them the template for organizing future trainings for the companies. Also, prior to each of the above mentioned trade fairs, we provided sales trainings in coordination with SIEPA or with participating associations so as to further support the transition. On SIAL 2010 Serbia had three Project client companies that organized their own exhibitions on separate stands, while at this year's ANUGA (the fair which is being held biannually alternately with SIAL) we had seven client companies with their own stand (more companies realized the sustainability and are ready to pay for their own stand, which was one of our goals). Besides the usual support to the existing sub-sectors to reach international markets Project also supported the exhibition of traditional Serbian food in Italy (Terra Madre exhibition of slow food in Torino) being the initial step for further action to support foods with geographic origin in Serbia.

##### **Task 1.2 – South Serbia Training Initiatives: Training for Firms: Strengthen Business Skills:**

The need for marketing knowledge and support in Serbia is great, especially in the South. Many of the companies have excellent products but are unable to market those products. In addition, these companies also have limited or almost no funds for marketing activities. Thus, the packaging, quality of marketing materials and lack of marketing strategies are apparent.

In preparation of CULINARIA trade show Project team organized business trainings for the companies from Southern Serbia to strengthen their business skills and prepare them to be able to exhibit at CULINARIA and other regional and world trade fairs. The Project implemented a comprehensive set of business trainings for Southern Serbia companies. Through five implementing partners, a total of 50 trainings were delivered in ten different locations. More than 100 agribusiness companies, cooperatives, associations and representatives of local municipalities and economic development officers participated in these trainings.

These activities were conducted as a part of South Serbia initiative 'Road to Culinaria'. The initiative was created to assist companies from the South Serbia in approaching local and foreign food and drink buyers. Companies, expressing an interest to exhibit at the joint pavilion, in order to improve their business performance and sales attended five modules of two-days trainings in:

1. Strategic and business plan development;
2. Finance for non-finance managers;
3. Professional selling skills;
4. Integrated marketing communications; and
5. Business Networking and Trade Fairs.

The program was organized at 10 locations in Novi Pazar, Vranje, Zajecar, Nis, Leskovac, Valjevo, Uzice, Kraljevo, Nova Varos and Krusevac. Out of 140 participating companies, a total of 50 companies were selected to participate at a joint pavilion at Culinaria Fine Food Show organized in September 2011 in Belgrade. In addition to the trainings, the Project ABDS/Finance and Marketing & Sales staff organized a one day orientation/ training seminar in Belgrade where all participants received final preparation instructions, decided on final booth layout and design and discussed other issues related to participation to Culinaria.

Project team also organized a two days market research training organized by ITC from Switzerland that enables client companies to understand and have experience in using ITC’s market analysis tools as well as other market information sources to investigate targeted market opportunities and requirements for a number of products exported by Serbia.

**Task 1.3 - Transition Associations to Domestic and International Self-Promotion:**

For the first time in Year Four, Fruit Logistica, Biofach, Vitafoods were organized completely by the associations involved (Fruits of Serbia, Serbia Organica, Serbian Flora) supported by the grants and consultancy services provided by the Project. Project team is proud to have assisted the establishment of the associations that are completely capable to act as an independent body and provide leadership to their members both politically and organizationally on their road to sustainability. This role of associations resulted in an extremely successful visibility and good results achieved at the above mentioned exhibitions

**Task 2.1 - Trade Fair Support:**

Marketing & Sales supported Serbian companies at the following international trade fairs:

	<b>SIAL</b>	<b>Paris (October 2010)</b>
	<b>SALONE DEL GUSTO</b>	<b>Torino (October 2010)</b>
	<b>FRUIT LOGISTICA</b>	<b>Berlin (February 2011)</b>
	<b>BIOFACH</b>	<b>Nurnmberg (February 2011)</b>
	<b>MIHAS</b>	<b>Kuala Lumpur (April 2011)</b>
	<b>VITAFOODS</b>	<b>Geneva (May 2011)</b>
	<b>PL Amsterdam</b>	<b>Amsterdam (May 2011)</b>
	<b>WORLD FOOD</b>	<b>Moscow (September 2011)</b>
	<b>CULINARIA</b>	<b>Belgrade (September 2011)</b>

**Facilitate Sales Linkages for Serbian Agribusinesses – Sales Missions (Inbound/Outbound):**

In Year Four Project organized international buyer's visit to Serbian producers such as: the visit of second biggest retail chain in Sweden – Axfood to our fresh fruit and vegetable producers, visit of the biggest wholesaler of fresh produce in Russia – Globus group sourcing fresh fruit and vegetables in Serbia, Hekking – Dutch goat cheese producer visiting facilities in Serbia in search of potential company for partnership relation.

As a follow-up to Fruit Logistica, and an inward buyer visit with Serbian blueberry producers, the Project organized visits to pack-houses and a second round of meetings between the German company “Wilhelm Kopke” and fresh berry sector clients. Based on preliminary agreements, exports of fresh blueberries & raspberries will begin from Arilje, while currants & plums will be shipped from the Topola region.

Examples of the exit to international markets supported by the project:

- First container of Sabac dairy products to US after which Sabac dairy decided to have their own stand at Summer Fancy Food Washington where they had successful exhibition,
- consolidation of Serbian products initiated by Atle company supported by the Project (Vocar, Dijamant, Nektar) to Danish Netto retail chain,
- delivery of first container of berry fruit from Healthy fruit company to Israel, etc.

**1.4 YOUTH ENTERPRISE PROGRAM:**

Over the course of Year Four, the Project focused mainly on the strategy for the Third and Fourth Rounds of the Best Business Plan Competition, and implementation of the entrepreneurship program for high-school and university students (to provide entrepreneurial training to students who will compete in the Youth BBP competition). During first quarter the procurement of equipment for the winners of the Second Round of the Best Business Plan Competition were completed and all the equipment will be delivered by the end of January 2011. The start-up agribusinesses being implemented by these young entrepreneurs became completely functional by the spring of 2011.

The Project awarded Junior Achievement Serbia (JAS) a grant to support of their project: Junior Achievement Training for New Teachers in Agricultural High Schools, Youth Agribusiness Trade Fair, and Business Challenges. In Year Four, the Agribusiness Project launched the training program for new teachers and students from agricultural high schools throughout Serbia. Following the preparation of the training schedule, two training programs were delivered for teachers from Pancevo, Boljevac, Bujanovac, Arilje, Prijepolje, Sombor, Ruma, Rekovac, Svilajnac, Vrsac, Sabac, Zrenjanin, Prokuplje, and Kraljevo. During this activity JAS has trained 31 new teachers from 25 agricultural and 10 schools with agricultural departments in the entrepreneurship curriculum, involved 714 students in entrepreneurship programs in 35 schools, organized an international trade fair in Belgrade for the student companies with agricultural products, and organized two Business Challenges organized in Nis (for South Serbia) and Pozega (for Sandzak region and Western Serbia) for 194 participants from 35 schools from 18 municipalities.

Throughout the year, the Youth Program also concentrated on the organization of a Trade Show in Belgrade where at least 20 student-led agribusinesses had the opportunity to present their products. During the show, students from Serbia and other European countries, as well as the Project's JAS partners, presented the results of their work and learning experience. The fair took place on April 16th at Delta City in Novi Beograd. During the Year Four the Youth team also assisted the delivery

of equipment to the most promising youth-led businesses, which were winners of the Best Business Plan competition. Through a program of regular visits to young people implementing agribusinesses, the Project continued to support them with technical assistance, training programs, conferences, and fairs, to improve their position on the market.

In addition to the support for Junior Achievement Serbia, the Agribusiness Project has introduced Business Development Planning Courses in the Agricultural Universities in Belgrade, Novi Sad and Čačak, as a precursor to the final round of the Youth Business Plan Competition. This training program began in mid-June and was being provided as an extracurricular training program offered to the University students, at all three of these Agricultural Universities in Serbia. In total, more than 170 students, at all three Faculties, attended the training program. By the end of August, the Service Providers continued with individual consultations with the students whose business ideas included production and/or processing of fresh and processed vegetables, tree and berry fruits, meat products, dairy products, forest fruits, herbs and mushrooms, helping them to finalize their business plans and apply for Agribusiness Youth Best Business Plan Competition, which was open due August 31, 2011. All applications that have met these criteria are being reviewed by the Project team, consisting of: Grants, Marketing, Environment, Sectors and Youth specialists, who will by the end of October 2011, decide which of the applications should be awarded as winners and will be supported with the equipment for the agribusiness start-up.

The Agribusiness Project assisted young entrepreneurs and farmers, with promising business ideas, to take advantage of emerging opportunities in domestic, regional and international markets and the Project provided technical assistance in the same way that other agribusinesses benefit from participating in Project supported activities.

### **1.5 OTHER CROSS CUTTING ACTIVITIES:**

#### **1.5.1 Environment:**

Within the framework of the YEAR FOUR workplan, this year have seen increasing attention to the environmental activities under 3 priority areas: Pesticide Safety & Environmental Education/Certification (PSEE), Clean Production Assistance (CP) and environmental compliance. The project delivered a combination of training in technical areas, such as cleaner production, as well as in improving professional skills such as ToT for Pesticides Use and Environmental Education. Environmental activities are mainly being conducted in partnership with Ministry of Agriculture, Forestry and Water Management and/or Ministry of Environment and Spatial Planning of Republic of Serbia. To achieve general program environmental goals-to continue to apply an integrated preventive environmental strategies to processes, products, and services in order to increase overall efficiency and reduce risks to humans and the environment, AgBiz has also provided technical assistance to client food processing companies from South Serbia.

#### **Pesticides Safety and Environmental Education/Certification**

During this reporting period, Pesticides Safety and Environmental Education/Certification Program of USAID Agribusiness Project underlined the changes that have occurred in the environment, policy and socioeconomic context to help explain many of the environmental trends that have been observed as driving force of development of adult educational program on pesticides use in Serbia, aiming at making a number of issues clear such as: the type of challenges that Serbia faces, or what are the barriers to further progress in regard to reduced use of pesticides.

USAID Agribusiness Project and MAFWM have worked on development of the train-the-trainer model to ensure consistency and quality PSEE training and to be nationally adaptable. First, it completed a survey and selection of new practicing agronomists and engineers likely to take the PSEE qualification and certification for PSEE-technical training delivery. Selected potential PSEE trainers have been included into set of technical and skills trainings via two main PSEE activities designed by USAID Agribusiness Project's Environment sector. These activities were : a) the *Coaching Program for Institutionalization of Market Led PSEE Services and ( b) The Support to PSEE Competence Certification*. Both activities are based on demand of the market represented by over 300,000 plant protection products users in Serbia, who are obliged by the law to take a PSEE education and certification in order to meet criteria for purchasing as well as for applying pesticides. Implemented sub-activities in this reporting period are as follows:

- *Training of Trainers- compulsory testing of PPP application equipment, certification of operators and distributors, and access to certification for trainers*

This ToT was organized in a form of two workshops in cooperation with Ministry of Agriculture, Department of Plant Protection, and University of Belgrade and University of Novi Sad. First 2-day workshop attended new practicing agronomists and engineers who were planned to take the PSEE certification for the delivery of technical part of PSEE training for farmers. This workshop has also served as a stage in a development of a new curriculum for PSEE trainings related to the technical requirements of PPP application equipment. The training provided an access to updated knowledge on supplementary environmental protection requirements that must be fulfilled by PPP applicators to 30 new PSEE-technical trainers. An exit exam was also conducted for training participants.

Second 2-day workshop was organized as a field exercise, run by Mr. Sedlar, who has provided short term consultancies to the Project and to the MAFWM. A guest lecturer from Belgium, Mr. Jan Lengerekens, participated at the workshop with a presentation on latest EU requirements regarding certification of sprayers and other PPP application equipment. As a part of Mr. Sedlar assignment, the report on scenarios on program for inspection and certification of PPP application equipment in Serbia was prepared as well as the Rulebook on Inspection of PPP application equipment.

- *Technical training-Basic Safe Pesticides Use & Environmental Protection training for new trainers*

Two-day technical/professional training event was organized in Banja Vrujci, on March 12th & 13th. The event was attended by 38 new PSEE service providers, who completed the first part of the basic course on Safe Pesticide Use & Environmental Protection.

- *PSEE Competence Certification-Practicum*

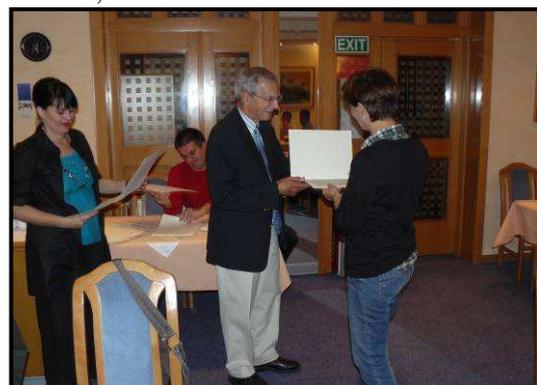
The PSEE Competency Examination consisted of oral examination and practicum (field study). Exit exams for competence certificate-practicum for new PSEE trainers were organized in 37 municipalities in Serbia. In general, the practicum took the form of an exercise in the practical application of knowledge of PSEE trainers and it was aimed at evaluating the competence of new trainers to conduct PSEE trainings in the future and to develop new market services in the area of Safe Pesticides Use and Environmental Protection. The Project has organized in cooperation with MoA more than 40 PSEE Practicum events throughout Serbia, which also served as learning tool to farmers to gain knowledge on safe and



environmentally friendly application of plant protection products. Farmers who successfully completed the course (2008 of them) are to be awarded by certificates, which MoA will transform into pesticides ID cards as of June 2012.

➤ *Vocational training on teaching methodologies and communication*

The Consultant, Mr. Tadic Darko has designed the program on teaching methodologies for PSEE educators and has implemented a cascade training module for national “core” PSEE trainers through 3 teacher-training workshops held in Palic, Nis and Kragujevac during month of September, 2011. The accomplished objectives of training were:



- 1 To provide hands-on training for PSEE service providers to get them acquainted with teaching tools in order to improve vocation training skills
- 2 Introduce PSEE trainers to subject of application of innovative teaching methods in vocational training process.
- 3 To improve the communicative skills of PSEE trainers
- 4 To improve linguistic competences of vocational PSEE teachers.

During these workshops, PSEE trainer Competence Certificates award ceremonies were organized for 71 newly certified trainers.

### **Clean Production Assistance (CP):**

Recognizing the importance of continuity in competitiveness related programming, the Project has built on the results of CP promotion activities the program of technical assistance to food processing companies from South Serbia. Through a step-by-step approach, the project provided to the selected 47 SMEs intensive support in order to introduce a concept of Cleaner Production into their operations. Depending on the needs and requirements, selected companies were instructed by the CP consultant providing a short term technical assistance to the Project, in the area of production, quality control, environmental management, waste management, innovation. Companies are trained on how to use all resources efficiently to prevent the generation of waste and emissions, including energy loss, while simultaneously learning how to save resources, water or energy by applying one or more of the following techniques: organizational changes, technological modification, good housekeeping, and replacement of raw materials, product modification and recycling. Specific emphasis has been placed in South Serbia where the Project experience have shown that CP works, by reducing the costs of production, providing a rapid return on the investments, improving efficiency and competitiveness, reducing operating costs and strengthening the public image of the companies. The sharing of knowledge and networking between more and less developed companies was another of the goals achieved through the set of CP trainings. CP trainings also provided the contact between academic knowledge and agro-business experience.



**Environmental Compliance:**

By recognizing the potential to accelerate the delivery of its technical assistance and information, The USAID Agribusiness project organized in cooperation with SEPA the National Conference on State of Environment and Agriculture in Serbia. The main purpose of the activity was to present in a simple, understandable way, complex environmental systems to Project beneficiaries with the goal to develop effective and efficient agro-environmental options for environmental compliance Project issues and to measure progress toward the desired environmental objectives. Approximately 200 participants took part in the Conference.

**1.5.2 Women’s Entrepreneurship:**

During the Year Four, the gender program focus was on Women Entrepreneurs in Agribusiness training program. This included promotion of the training program, information dissemination among interested women, finalization of the eligibility criteria for participants, carrying out the selection process and organizing the training programs. A total of 304 participants were selected, from more than 760 applicants, and intensive training programs were carried out in the Southern, Western, Eastern and Central regions. The training curriculum included lectures and practical exercises on the concepts of the market, customer identification, and the planning of resources needed to launch a business. Business plans were also drafted during the training program. The local media showed great interest in the Women in Agribusiness program, with many newspaper articles and TV appearances being devoted to this topic. The public posters, as well as billboards and other public media presentations of the program have served to generate widespread interest in the program, and the greater than expected response by potential trainees.

The second quarter of Year Four was marked by: 1) Intensive training for women entrepreneurs in agribusiness, and 2) Completing the trainings and awarding certificates for trainees. Certificates were awarded to women from the South, Central and Eastern Serbia regions; with awarding ceremonies representing the training program in Entrepreneurship Skills and Business Plan Writing, which lasted five months and reached 297 women from 35 municipalities.

The Women Entrepreneurship program excelled in FY11 with a number of strategic partnerships the project created with local governments, government institutions and other international organizations. These include the Ministry without portfolio's Office for Sustainable Development of Underdeveloped Areas (OSDUA), Vojvodina Provincial Government, City of Nis and Danish Fruits & Berries Program. Many of these organizations have also expressed interest in funding a second round of the training program planned for Y5 of the Project.

Previous successful cooperation between Agribusiness Project and The City of Niš Department for Agriculture and Rural Development has been confirmed once again by signing of Memorandum of Understanding between two entities. The purpose of this Memorandum of Understanding was to establish an alliance between the Project and the Department for support to the “Women in Agribusiness” program which represents important component of work of both signing parties. Joint activities aimed at strengthening and developing of Women in agribusiness program, as defined by MoU, will include 1) Funding business plans from the first round of women entrepreneur training selected by The City of Niš Department for Agriculture and Rural Development, and 2) Organization of a second round of entrepreneur training for at least 30 rural women solely in Niš municipality, training will be organized and delivered by the USAID Agribusiness Project and Nish Department for Agriculture will select and fund 5 business plans that are developed during the second round of training.

## USAID Serbia Agribusiness Project – Year Four Annual Report

Through these partnership, the Project has been very successful in leveraging funds for Women Entrepreneurship program, confirming once more the importance of this initiative.

Activity FY2011	USAID	OSDUA	Nis	Fruits&Berries	TOTAL
FY 2011 Training Program	\$150,000				\$150,000
FY 2011 Grant Program	\$144,700	\$45,000	\$21,000	\$150,000*	\$360,700
Total FY11 Budget Breakdown	\$294,700	\$45,000	\$21,000	\$150,000	\$510,700

\* Not yet dispersed

### **National Conference on Women in Agribusiness:**

Some 200 participants attended the National Conference on Women in Agribusiness, held at Sava Centre on September 21, 2011. The conference was organized by the USAID Agribusiness Project and the OSDUA, with a goal to present successful women entrepreneurs and encourage other women to start and advance their own agribusinesses, encourage governmental and financial institutions in Serbia to support women entrepreneurship in agribusiness and present results of USAID Agribusiness Project and other donor projects that promote and support female entrepreneurship. The Conference participants were addressed by Dusan Petrovic, Minister of Agriculture, and Sulejman Ugljanin, Minister without Portfolio, as well as by numerous representatives of all governmental and financial institutions which may encourage and influence the entrepreneurship environment in Serbia. One of the highlights of the Conference was signing of the contract between OSDUA and three women entrepreneurs who completed the USAID Agribusiness project training in “Entrepreneurship skills and business plan writing” organized in 2010/2011; their business plans will be supported by the OSDUA which will provide fund for purchasing necessary equipment to enable further development of these three women-owned businesses.



At the end of the Conference a message was sent that women-owned businesses have a high development potential so partnership between all relevant stakeholders which promote and support women entrepreneurship is needed and a better provision of information about assistance available to women and women education in entrepreneurship are imperative in order to strengthen this highly potential group of businesses.

## **Component 2: Improved Enabling Environment for Agribusiness**

### **OBJECTIVE 2.1: IMPROVE CROP/LIVESTOCK ESTIMATES & MARKET PRICE INFORMATION**

During Year Four the Agribusiness Project policy team has designed the program to further strengthen the existing agriculture market information system (STIPS), in cooperation with the Ministry of Agriculture. The agreement was made to initiate the work on the establishment of the online interface “*Agroponuda*” which would enable creation of the system of publishing verified information on offers (supply) for a range of agricultural products, thus enabling farmers to market their products and find potential buyers. The “*Agroponuda*” will be the web based client/server application within the existing market information system in agriculture STIPS (<http://www.stips.minpolj.gov.rs/>) operated by the Ministry of Agriculture offering organized, standardized and reliable free service for marketing the offers of agricultural products of farmers in the territory of the whole country. The work on “*Agroponuda*” will be completed during the final Year of the Project.

In addition, the Agribusiness Project’s team took part in several trainings and conferences related to the market information systems in agriculture and production and market estimates, namely:

- The TAIEX Workshop on Methodology of Prices Data Collection and Reporting organized by the EC and Ministry of Agriculture on April 18, 2011 in Best Western Hotel Sumadija. The policy team presented the work related to the market information system (STIPS) implemented in the preceding years. The aim of the workshop was to introduce relevant EU regulations prescribing methodology and guidelines for agricultural market prices collection, and to enhance Serbian practices implemented through STIPS. In addition, participants from the extensions service responsible for STIPS were trained in the EU practices related to the frequency of data collection and reporting, data collection network, type of products included, processing and controlling the collected data, relevant EU regulations and rulebooks, and the applied EC software system. The trainers at the workshop were Mr. Martin Maria Krachler from OVAF, Austria and Mr. Ladislav Hana from the Agriculture Paying Agency of Slovakia.
- The third “Serbian Agricultural Outlook Conference” organized by the U.S. Embassy’s Foreign Agricultural Affairs Office and the Ministry of Agriculture on June 23, 2011. The conference provided information about the current economic trends on agricultural commodities markets in Serbia and the region in 2011 and 2012, as well as forecast and projections in relation to certain agricultural commodities for the upcoming period using the baseline model.

### **OBJECTIVE 2.2: FACILITATE LEGAL, POLICY, AND REGULATORY REFORM**

Over the course of Year Four, the focus of the policy and regulatory reform related work of the Agribusiness Project was preparation of the two major studies related to the forthcoming changes in the enabling environment for agribusiness, series of conferences and trainings to inform the industry representatives about important regulatory topics, as well as several consultancy assignments to facilitate implementation of agriculture related laws and regulations. Some of the achievements under the policy related work that should be emphasized include the following:

- Two major topics, tariff liberalization and anti-hail protection in agriculture, were thoroughly analyzed in the enabling environment related studies;
- Warehouse Receipts Communication Center established, 4 new public warehouses licensed and 1.1 million \$ worth loans disbursed;
- 15 medicinal and aromatic plants removed from the quota system, and quotas increased for more than 50 commercially important herbal species;
- 41 agribusinesses successfully implemented foods safety and quality standards;
- Total of 694 participants attended 5 national conferences dealing with the policy and regulatory issues;
- 5,000 copies of businesses operating with food of plant origin received the Guide for Application, Self Control and Control of the GMP, GHP and HACCP Systems.

**POLICY RELATED PUBLICATIONS AND CONFERENCES:**

- The Study on the *“Implications of Tariff Liberalization on Serbian Agricultural Sector”* prepared by the Project encompasses quantitative and qualitative analysis of the effects of the liberalization under the SAA with the EU, free trade agreements with Turkey and Belarus and accession to the WTO across the agricultural sector. The Study consists of the 1. General tariff analysis of the liberalization process and its impact, and 2. Sector specific detail analysis of effects of liberalization focusing on 15 most important groups of products in Serbian agriculture. Findings of the Study were presented to more than 200 industry representatives at the conference titled **“Trade Liberalization – Implications for Agriculture”**, organized on January 18, 2011 in cooperation with the National Alliance for Local Economic Development (NALED) and the Ministry of Agriculture. The conference (see photo at the right) attracted significant media attention, and all media outlets (TV, radio and press) covered the event, while the study was the most quoted publication of the Project in Year Four.
- The Agribusiness Project also facilitated preparation of the study titled *“Impact of Weather Conditions on Agriculture of Serbia and Modalities of Anti-Hail Protection”* by the team of 5 local experts. Public presentation of the findings was organized in cooperation with the Serbian Chamber of Commerce on June 16th, 2011. The Study analyzes the status, legislative framework and organization of the existing system for hail protection and provides potential solutions for the improvement of the system. Specific emphasis are given to applying anti hail nets in the tree fruit sector for apples, pears and peaches, including also technical characteristics and types of anti hail systems used in Serbia, system set up, management and maintenance.
- The latest berry fruit market developments and perspectives, potentials of the Russian berry fruit market were presented at the conference titled *“Serbian Berry Fruit Industry – a time for change”*. The conference (see photo at the right) was organized in cooperation with the Serbian Chamber of Commerce and the Coldstores Association of Serbia on May 5th, 2011. The conference also dealt with policy related issues in the berry fruit industry, in particular impact of bilateral and multilateral agreements providing for trade liberalization, and

changes in the policies related to the quality and safety standards in the berry fruit industry. In order to achieve collaborative support for the industry, the Project's team prepared program proposal to further improve the Serbian berry fruit sector in 2012 that was submitted to the Ministry of Agriculture. The activities proposed were identified to serve the following goals: improving the varieties of planting material suitable for fresh through membership in the UPOV as one of the key policy steps in the process; extending the season; improving production technologies and introduction of international standards; etc.

- The Agribusiness Project facilitated printing of 5,000 copies of the publication "*Guide for Application, Self Control and Control of the GMP, GHP and HACCP Systems*". The publication was distributed to food businesses throughout Serbia by the Chamber of Commerce and inspection service of the Ministry of Agriculture. The Guide provides information about the requirements of these systems and inspection controls performed to verify compliance with the prescribed requirements. The Guide will help food businesses to comply with the mandatory requirement for products of plant origin prescribed in the Food Safety Law, applicable as of June 11, 2011. Electronic version of the Guide is available on the websites of the Project and of the Ministry of Agriculture.
- Under the grant program for associations the Project supported organization of the "*National Conference on Organic Production in Serbia*" through association Serbia Organica on May 26<sup>th</sup> 2011. The conference dealt with several policies, including the new legal framework for organic production and harmonization with the EU practices, regulations governing support measures for organic production, and national action plan for development of organic production. The Serbia Organica also issued the technical manual for producers "How To Get A Certified Organic Products", and produces monthly electronic news bulletin "Organic News" that contain information and guidelines on the regulatory framework for organic production in Serbia and specific information of the labeling requirements. With the support from the Project, the association worked on the **draft Law on Organic Production** and setting up proposals for establishing national competent authority for organic production.
- The Agribusiness Project, in cooperation with the Association of Agricultural Journalist Agropress and the Ministry of Agriculture organized the second "*National Agribusiness Conference – Agribusiness Development Priorities in 2011*", on October 26, 2010. The former Minister Sasa Dragin presented the development and support programs for 2011, and discussed with the key industry stakeholders about the most pressing issues and challenges in the agricultural sector. The lecturers also analyzed the agricultural exports, latest trends in sales, and competitiveness of Serbian products with countries that recently acceded to the EU. The President of the National Parliament Slavica Djukic - Dejanovic outlined the 2010 achievements in legislative reform in agriculture and plans for the upcoming year.
- The Project team also took part in the National Warehouse Receipts conference organized by the Indemnity Fund on May 16, 2011 in Novi Sad. The conference was dedicated to the achieved results in the implementation of the Law on Public Warehouses for Agricultural Products, electronic issuing and record keeping for warehouse receipts, and key aspects of future expansion of the system. Two years after adoption of the Law, 1.2 million \$ worth loans



were provided using warehouse receipts as a collateral, and 10 warehouses are registered and licensed as public warehouses, with storage capacity of 47,566t. Key speakers at the conference were experts from the EBRD, FAO, provincial and national governmental bodies and Agribusiness Project's COP.

### **POLICY RELATED CONSULTANCY:**

- The local STTA expert Vladimir Obucina completed the assignment aimed to assist the General Inspectorate of the Ministry of Agriculture with introduction of the Risk Analysis IT tools in accordance with the requirements of the Food Safety Law. The detail report prepared by the STTA contains evaluation of the existing procedures and provides advice and recommendations on necessary changes to be made in the IT related infrastructure, procedures and operations of the General Inspectorate in order to introduce the efficient risk analysis system. The report has been delivered to the General Inspectorate of the Ministry of Agriculture, and will serve as basic document in setting the proper IT structures and procedures for the risk assessment.
- The consultant Zora Dajic engaged by the Serbian Flora Association under the association grant component “Improved Enabling Environment in the Herbs Sector” analyzed the regulatory limitations for the sector developments. The analysis covered the quota system for collection of wild herbs, fees, import and export licensing. The report also evaluates compatibility of practices implemented in Serbia with policies applied in the region and in the EU. With the support from the Project, the Serbian Flora Association made a major break through in advocacy and lobbying to change the regulatory framework in the herbs sector. As a result of this effort, *the Decree on Placing Under Control the Use and Circulation of Wild Flora and Fauna (RS OG No. 69/11)* was amended in September 2011 to remove 15 medicinal and aromatic plants from the quota system, and increase quotas for more than 50 commercially important herbal species.
- The Agribusiness Project's Gender & WTO Advisor Anne Simons assessed the Serbia's progress made in the WTO accession negotiation process in the agricultural sector. Specific tasks encompassed review of the current stage of WTO accession and relevant ACC documents, particularly focusing on the document ACC/4 outlining domestic support measures and export subsidies in agriculture. The advisor met with the Senior Trade Expert Bozidarka Banovic from the Ministry of Agriculture and discussed the current needs of the Ministry for policy advice to assist them in their progress in moving forward on WTO accession and implementation of reforms related to WTO accession. The key issues in the WTO accession in agriculture encompass restrictive GMO related policies and completion of bilateral negotiations on market access.

### **POLICY RELATED TRAININGS AND PROJECT ADVISORY:**

- The Agribusiness Project's Senior Policy Advisor and Grants Manager held two seminars on the Program for Introduction of International Food Safety and Quality Standards on August 31 in Krusevac and September 14, 2011 in Nis. Food businesses operating in Rasinski and Nisavski district were educated about the food safety and quality systems, project's grant program scheme, criteria and application process. The incentive grant scheme will be available to interested agricultural households, agriculture-related firms and cooperatives for certification of selected international food safety and quality



standards and system. In the Year Four, 41 agribusinesses successfully introduced internationally recognized food safety and quality standards.

- The Agribusiness Project in cooperation with GIZ organized the training in the “EU Instruments of Pre-Accession Assistance” on July 5th and 6<sup>th</sup>, 2011, followed by the training in the “Project Cycle Management (PCM) and Project Logic Matrix (PLM) in the EU Funded Projects” on July 12 and 13, 2011 for the representatives of agribusiness associations. The main training topics encompassed principles and methodology of project preparation and management of EU funds. The 22 participants from agribusiness associations were thoroughly trained in all five components of IPA. Each group of participants designed the project proposal that could potentially be funded under IPA, using the logic matrix approach. The experts from the consulting company “European Project Center” implemented the training, together with the guest lecturers from the SEIO, Ministry of Economy and Ministry of Agriculture responsible for IPA programming.
- The Agribusiness Project, in cooperation with the Veterinary Administration of the Ministry of Agriculture, organized two-day seminars titled “Approval and Licensing of Export Facilities and Certification of Meat and Dairy Products for Export” in Nis and Kraljevo during March 2011. The goal of seminars was to ensure that businesses and regional inspectors gain proper knowledge of new regulations and requirements related to the exports, certification and control procedures in the dairy and livestock sectors. Officials from the Veterinary Administration, responsible for inspection, international cooperation, certification and public health gave lectures at the seminars, and presented latest revisions of the legislation and regulations in the veterinary area.
- The Agribusiness Project’s Senior Policy Advisor participated as a trainer in the workshop organized by the Ministry of Agriculture and IDA, under the RuralNet Project financed by the European Union in Kraljevo on October 22, 2010. The aim of the workshop was to educate representatives of the rural development network about the implications of the accession process to the EU on the agricultural sector. The rural development network representatives were informed about the Common Agricultural Policy of the EU, IPARD programming, trends in the trade policy of the EU, the Interim Trade Agreement with the EU, standards and quality requirements in the EU for Serbian agricultural exports. The Agribusiness Project also took active role in two events organized by the Ministry of Agriculture related to IPARD. The Project staff participated in the presentation of the National Program for Rural Development organized by the Sector for Rural Development of the Ministry of Agriculture in Sremski Karlovci on December 23, 2010. The purpose of the presentation was exchange of information related to the planed investment support measures that will be provided to the meat, dairy, cereals, fruit and vegetables sector during the 2011. Project staff also took part in the Conference on the European Rural Development Policy with focus on IPARD, organized by the Ministry of Agriculture on December 7, 2010 at the Serbian Palace. The main purpose of the conference was to raise awareness of all important stakeholders on challenges and opportunities ahead of the Serbian agriculture with respect to preparation for absorption of the EU rural development funds in the pre-accession period.



- The Agribusiness Project’s policy advisor in cooperation with the dairy sector lead prepared a brief paper related to the draft Energy Law. The paper list the most important changes introduced by the draft Energy Law, primarily those related to the production of electricity from renewable sources. The most important issues with the draft law are related to the contracts for purchase of electricity, payment regime upon expiration of feed-in tariff, authority to approve the prices and lack of provisions related to the biomass as the renewable energy source. In addition, policy advisor and the dairy sector lead conducted the research of the import tariff protection (both ad valorem and specific duties) of Turkey for milk and dairy products. The Agribusiness Project also provided comments on the report “Concept of Serbian Development by the Year 2020” as per request from the USAID. Serbia 2020 defines the basic directions and elements of socio-economic development of the country.
- The Agribusiness Project has successfully completed the one year grant program “*Healthy Economy – Promotion of Warehouse Receipts System*” that was implemented by the agency Head Made supporting the efforts of the Indemnity Fund to further strengthen the warehouse receipts system in Serbia. The last milestone of the grant program was setting of the communication (call) centre as one of the basic models of communication with target group through a free phone information service and high quality communication channel. The communication centre is active 6 days a week (Monday – Saturday), from 7:00 AM to 7:00PM. Users of the communication center are able to obtain timely and accurate information on public warehouse receipts system on a daily basis, by calling a free phone number: 0800 333 555. Also, through the contacts provided by the Project, the Deputy Director of the Indemnity Fund took part in the course “Research & Development in Food Security & Grain Storage” organized by Israel’s Agency for International Development Cooperation (MASHAV), from March 30th – April 12th, 2011 in Israel.



### **Component 3: Program Management & Administration**

#### **3.1 AGRIBUSINESS GRANT PROGRAM:**

##### **➤ Establish & Manage the Agribusiness Grant Program**

Pursuant to provisions of the Year Four Work Plan, the Project's grants review committee approved 34 grant applications over the course of Year Four, in a total amount of \$733,796; the grant recipients committed to provide additional funds, as their matching contribution, in the total amount of \$609,500 (i.e. 45.37% of the total costs). Additional 27 grant applications submitted within the youth and women agribusiness start-up grants programs, in a total amount of \$351,159, are currently under review and it should be awarded in the first quarter of Year Five.

Also, a final round of the grants program for introduction of international food safety and quality standards is underway; five grant applications are received in a total amount of \$17,062, which are currently being reviewed. The public call for applications will be open until March 31, 2012 or until the grant funds for this activity in the amount of \$100,000 are available.

Finally, the Agribusiness Project launched the follow-on grants for agribusiness associations, which is the last grants program where the Agribusiness Project expects new applications. The follow-on grant funds will be allocated to support the continuation of the association's member support activities, such as marketing and promotion, product development, product quality development, technology transfer, joint ventures and investments, lobbying and advocacy to change industry-related policies and regulations, and capacity building of the association and their members. The total grant budget allocated for this activity amounts \$200,000, and the grants will be awarded through a limited competition where the follow-on grants will be available only to the agribusiness associations whose original grants have been successfully completed.

To date, the Agribusiness Project has awarded a total of 158 grants in a total amount of \$2,336,213. These grants are in the various stages of implementation, while 131 of them have been successfully completed so far. Current grant expenditure rate is 63.52% of the total grant budget of \$3 million, while all the remaining grant funds are either obligated or allocated for the specific grant activities.

Likewise previous three years, the grant funds in Year Four were used to support the market-driven activities designed to increase the efficiency and competitiveness of Serbian agribusinesses along the value chain in the six selected sub-sectors by leveraging their investments in marketing and promotional activities, education and introduction of international food safety and quality standards. The grant funds were also used by qualified food industry business associations and ABDS providers to provide general benefit services to their members. Finally, the grant funds were used to promote and facilitate women and youth entrepreneurship in agribusiness. Significant efforts were also put in place to assure timely completion of the grants awarded in Year Three, which have significantly contributed to the overall sales and employment results reported in this annual report. Based on the annual survey results, the grantees are very satisfied with the grants program; an overall satisfaction rate is 4.71 on the scale from 1-extremely dissatisfied to 5-extremely satisfied, which is higher than the score from last year.

##### **➤ ACTIVITY 3.1.2: AWARD INVESTMENT INCENTIVE GRANTS TO CLIENT FIRMS**

The Agribusiness Project's grants review committee approved 25 grant applications out of 44 submitted within the Year Four Grants Program for Marketing and Promotional Activities in Agribusiness. Their marketing plans and recommended service providers went through a thorough review and assessment of the Project's STTA, a marketing and branding expert Jeff Spear. These 25

grant applicants plan to utilize the grant funds in a total amount of \$435,046 (44.9% of the total costs) for introduction of new brands, package design, product and corporate visual identity, etc. According to their projections, the grant applicants will generate close to \$6.3 million in additional sales and 163 new jobs. As an integral part of this grant scheme, the Agribusiness Project provides a complementary technical assistance and education to the grant applicants and their service providers. Mr. Spear has been providing a follow-up technical assistance and advisory to the grant applicants and the service providers, which has been focused towards further improvements of the design and marketing solutions, as well as specific needs of each individual grant recipient, market and trends, potential buyers, etc. The main goal of this assistance and expertise is to ensure that the USAID grant funds are invested with the greatest opportunity of success. The grants are underway and it will be completed by June, 2012, while most of the grant activities will be completed in the second quarter of Year Five.

In Year Four, 35 recipients of the grant funds for introduction of international food safety and quality standards have successfully completed the certification process: Sirogojno Co., Mak Internacional, Junior Komerc, Malina Impext, Imanuel, Duga Fruit, Duga Komerc, Agrofrost, Telek Paprika, DIS Todorovic, Suvobor Koop, Agroprom.Com, Panonija Trade, Pile Produkt, Hera, Tisacoop, Frigo Junior, Aroma 1990, Frost Line, Caseus, DBD System, GMP Enterprises and PFI (Polimark Food Industry) have introduced ISO 22000; Herba, PG Bojan Zivkovic and PG Ljiljana Petrovic have introduced Organic standard; Agrokooperativa Domacin and Mondi Serbia have introduced GlobalGAP; Interfood 20 and Desing have successfully introduced IFS; Zdravo Organic has successfully introduced three standards: ISO 22000, ISO 14001 and Organic standards; Marni Mushrooms has successfully introduced two standards: ISO 22000 and Organic, as well as Pajic Company Group: ISO 22000 and ISO 14001; and MN Hladnjaca and ITN have introduced ISO 14001 and BRC respectively. Thanks to these standards, the grant recipients reported additional sales in the amount of \$5.7 million and 227 new jobs.

The final round of grants for introduction of the international food safety and quality standards was initiated in August 2011, which is continuation of the assistance provided in the past two years that included partial financial support to all interested agricultural households, agriculture-related firms and cooperatives in the six sub-sectors in the process of introducing one or more international food safety and quality standards. The main goal of this assistance is to facilitate access to domestic and international markets for Serbian agribusinesses, which will eventually lead to income generation and new jobs in their production and processing facilities. This year's grants program has been upgraded: the list of grant-supported standards from the previous round has been expanded for HACCP, Halal, Kosher and other market specific international standards, while the grant funds will only be available for certification. The grant applicants may utilize up to \$5,000 per standard to cover up to 70% of the total certification costs. The total grant budget for this activity is estimated at \$100,000, to support approximately 30 grant applicants, with a special focus on underdeveloped areas and southern Serbia. To date, the Agribusiness Project received a total of five grant applications in a total amount of \$17,062, which are currently being reviewed. The public call for applications will be open until March 31, 2012 or until the grant funds for this activity are available, while the grant funds will be awarded on *first come – first serve* basis.

### ➤ **ACTIVITY 3.1.3: GRANTS TO POS AND ABDS PROVIDERS (ENABLING GRANTS TO ENHANCE DELIVERY OF PUBLIC GOODS)**

The grants sub-program for agribusiness associations was launched at the end of Year Three with the main goal to support producer organizations to improve their management and operational capacity, as well as the services to their members and clients. The Project solicited grant

applications through a public RFA and approved the grant funds in a total amount of \$322,422 to support the activities of the following eight associations: the Fruits of Serbia, Serbian Flora, Fruit Land, "Dr Jovan Tucakov" Association for Medicinal Plants, Forest Fruits of Serbia, Serbian Blueberry, Serbia Organica and Agroindustry Cluster. As for the specific activities implemented in Year Four, these grants have supported the association members' joint activities such as sector-related educational seminars and workshops, studies and researches, marketing and promotional activities (e.g. festival of aromatic, medicinal and spice plants in Belgrade, promotional text/advertisement about Serbian blueberries for the "Eurofruit" magazine, the address book "Who is who in the Serbian organic sector", the bulletin "Organic News," best recipe competition and in-store promotions, etc.), technology transfer, lobbying and advocacy to change industry-related policies and regulations, trade missions to Albania, Slovenia and Hungary, attendance at the trade fairs Vitafoods, World Food Moscow and Fruit Logistica. To date, the six associations successfully completed planned grant activities, while other two associations are scheduled to complete their grants until the end of October 2011. According to their reports submitted so far, these eight associations and their members signed sales contracts valued at \$5.8 million, out of which \$3.7 million is already delivered; 156 new members joined client associations, and 384 new jobs were created as a result of implemented grant activities. In September 2011, the Agribusiness Project launched the follow-on grants for agribusiness associations; the grant funds are allocated to support the continuation of the association's member support activities, such as marketing and promotion, product development, product quality development, technology transfer, joint ventures and investments, lobbying and advocacy to change industry-related policies and regulations, and capacity building of the association and their members. The total grant budget allocated for this activity amounts \$200,000, and the grants will be awarded through a limited competition where the follow-on grants will be available only to the agribusiness associations whose original grants were successfully completed. The grant applications are due November 4, 2011, while the proposed grant activities must be completed by June 30, 2012. Additional information about the grants program for agribusiness associations can be found under the Producer Organization section of the Quarterly Report, and the sections prepared by the respective Sector Leads.

Halal Agency of Serbia, an ABDS provider specialized in halal industry, received the grant funds in the amount of \$32,555 to implement the project *Halal Market Promotion and Education*. The project included promotion of the halal products from Serbia at the World Halal Expo MIHAS 2011 held in Kuala Lumpur, Malaysia, in the period April 6 – 9, as well as 8 one-day educational seminars that covered topics such as standardized procedures and requirements in the process of obtaining "Halal" certificate; economic aspects of the halal-certified products and market opportunities, as well as an overview of the Halal B2B Portal ([www.b2bhalal.com](http://www.b2bhalal.com)). The seminars are held in cooperation with the Regional Chambers of Commerce for all interested companies in Belgrade, Kikinda, Sjenica, Novi Sad, Niš, Valjevo, Kragujevac and Leskovac. During the project, Halal Agency of Serbia registered additional contracted sales by their clients in a total amount of \$900,000 with additional \$300,000 under negotiation, while 119 participants attended educational seminars. Further, Halal Agency of Serbia provided matching contribution from their revenues in a total amount of \$17,514.36 towards implementation of this grant activity.

The grants sub-program to support women entrepreneurship in agribusiness launched in Year Three was developed in line with the Special Provisions (A.23) of the Task Order as to support women start-ups in agriculture through a business training program and a follow-up micro-grants scheme for the most prosperous business plans developed by participating women. The business training program for women was completed in Year Four. The grant-awarded training providers Business Women from Nis, Economics Institute, XAOSolutions, Center for Entrepreneurship – Kragujevac and Be Your Own Boss have completed training programs to the selected women as well as a

follow-up individual consultations and advisory in the regions of Nis, Leskovac, Vranje, Kragujevac, Cacak, Kraljevo, Valjevo, Uzice, Sabac, Zajecar, Pirot, Bor and Pozarevac, where according to the final reports, a total of 297 women from 35 municipalities participated in the training programs, while 225 of them have successfully developed their business plans. Following completion of the business training program, the grant-awarded training providers provided the evaluation criteria and scoring system used by their review panels, as well as the final recommendations that include the list of 25 best business plans.

In the second phase, the Agribusiness Project invited the women from the list of 25 best business plans to submit the grant applications for start-up grants. Pursuant to the grants review procedure, the Project staff (i.e. respective sector lead, Youth/Gender Director, Gender Advisor and Marketing & Sales Director) has completed the field assessment and review process for each of the 23 received grant applications and recommended 11 grant applications, in a total amount of \$144,700, for funding. According to their business plans/grant applications, these eleven women-owned agribusinesses will generate additional income in a total amount of \$316,000, as well as 53 new jobs, thanks to the Project's assistance. The final grants review committee will be arranged with the USAID in the first week of October 2011. Further information about the women entrepreneurship grants program can be found under the Gender section of the Annual Report.

Further, as an additional effort in promoting the Women Entrepreneurship Training Program, the Agribusiness Project initiated cooperation with the Office for Sustainable Development of Underdeveloped Areas of Serbia (OSDUA) within the Minister without Portfolio. Two parties have agreed to formalize future cooperation and to sign MoU. Accordingly, OSDUA has agreed to fund three business plans from the list of top 25, while the Agribusiness Project will develop a follow-on Women Entrepreneurship Training Program for the six municipalities in Sandzak and underdeveloped areas in eastern Serbia. Assuming the USAID approval, the Agribusiness Project will fund the training programs, while OSDUA has agreed to fund the business plans, which will be developed during the training programs. During the training programs, OSDUA will also advise the training participants about their funding mechanisms and criteria.

The grant-supported promotion of the warehouse receipts system launched in Year Three has been successfully completed in Year Four. As a follow-up to the training programs, the grantee Head Made established the communication center to provide post-training information and answers to the training participants and other parties interested in the warehouse receipts system. The communication center is the basic media for disseminating information, and a hub for all members of the system. As a result, the grantee is able to measure and analyze results of the training program and post-training advisory, as well as to timely inform farmers, bankers and warehouse operators about topics related to the warehouse receipts system. Since May 2011, Indemnity Fund has committed to financing the communication center, thus assuring sustainability and functionality of this public service after completion of the project. Additional information about the grant program *Healthy Economy* can be found in the Policy section of the Annual Report.

### ➤ **ACTIVITY 3.1.4: AWARD YOUTH ENTERPRISE GRANTS TO SELECTED STUDENTS**

As agreed with the COTR, the third round of Youth Business Plan Competition scheduled to begin in the first quarter of Year Four has been postponed to July – August 2011, when both rounds planned for Year Four were implemented. As for the business training program for youth, the Project has continued with business development planning courses in the specialized Agriculture High Schools throughout Serbia, with the support of Junior Achievement Serbia. This training program for high-school students accredited by the Serbian Ministry of Education, reached its

conclusion with a number of trained students to participate in this year's Youth Business Plan Competition. In addition to the training for 31 new teachers working in the 25 agriculture schools throughout Serbia, Junior Achievement also organized a trade show in Belgrade where students-led agribusinesses had a chance to present their products (65 students and 20 professors from Serbia, Hungary and Lithuania participated in this event), as well as two Business Challenge events – one in Nis, for the schools from Southern Serbia, and one in Pozega for the schools from Western Serbia and Sandzak region; these two events attracted 194 participants from 35 schools from 18 municipalities, as well as business representatives. National Final Competition was established for winners of all four Business Challenges held during the school year 2010/2011; 16 students-competitors from Nis and Pozega Challenges qualified for the finals and 7 of them were awarded as members of the three best teams.

Aside from the Junior Achievement's entrepreneurship training program for high-school students, the Agribusiness Project decided to expand the business development planning courses to the Agriculture Universities in Belgrade, Novi Sad and Čačak engaging qualified service providers to deliver the business training and advisory as a precursor to the final round of the Youth Business Plan Competition. Thus, the Agribusiness Project's grants review committee approved three grant applications in a total amount of \$41,384 submitted by CEFEB Srbija, Economics Institute and Regional Center for SME Development Krusevac, within the grants sub-program to support business training for students of the agricultural faculties, with a goal to introduce young people to agribusiness technical, financial, and business management principles. The selected three grant applicants designed and delivered a business training program in the agricultural faculties. With this grants sub-program, the Agribusiness Project delivered the results pertaining to the specific objectives within the Component 1: *Increased Efficiency and Competitiveness of Serbian Agribusinesses of the USAID Agribusiness Project's Work Plan*; in particular, 1.4 Youth Enterprise Program, Task 1.2: Institute entrepreneurship-based programs within agriculture universities. A total of 161 faculty students attended the training program. Based on the evaluation criteria and scoring system, the grant-awarded training providers created the list of 33 best business plans.

Following completion of these two business training programs for youth in August 2011, the Agribusiness Project launched the final round of the Youth Business Plan Competition. The Grants Evaluation Committee has completed formal review of the grant applications; out of 21 received grant applications, 16 have successfully passed a formal review. These 16 grant applications in a total amount of \$206,459 are considered ready for further review, which will include site visits to their production/processing facilities and an environmental compliance review.

*(the text for this section continues on page 51)*

The map shown below presents the distribution of organizations that were awarded Project grants (agribusiness firms, coops, associations and individuals) during Year Four by grant type and by district. The Agribusiness Project awarded 33 new grants during Year Four, and these grants were distributed among 11 of the districts in Serbia. While there were 33 new grants awarded, over the course of Year Four the Project had 111 active grants during the year.



**3.2 PROJECT COMMUNICATIONS & MEDIA:**

As media are one of the key target groups within the Project Communication Strategy, a continuous effort was made in Year Four to inform them of Project activities and results. A number of tools were used:

- Media Advisories (announcing: participation at international fairs, workshops, seminars, trainings, conferences)
- News Releases (following announced activities; initiation of new programs, grants etc)
- Press Conferences (presenting major news/successes)
- Media brunches (providing in-depth information to journalist on the topic of interest)
- Organization of events (Conferences; Senior USAID officials/Ambassador’s visit to project sites; Certificate award presentations; presentations of studies etc)

Web sites are nowadays considered a relevant source of information for a growing number of people in Serbia. Having that in mind, Communications Advisor, aside from creating the news content, also worked on improving the media monitoring, by extending the monitoring reach to key Internet sites. This is important since presence on the World Wide Web provides more than a national reach: news reports on Internet are available to the whole world (namely to the Serbian-speaking population world-wide) and they continue to inform the public even long after the news source was first posted (in example: typing Culinaria/Kulinarija in Google search engine today - will continue to ‘speak’ about the fair even after all traditional media reports (newspaper, TV) are out-dated and hard to find.

Media monitoring results are presented through the **Annual Media Coverage Report:**

Month	Print	Electronic	Quarter Cumulative
October 2010	17	37	156
November 2010	18	57	
December 2010	10	17	
January 2011	13	56	292
February 2011	19	72	
March 2011	40	92	
April 2011	11	40	294
May 2011	25	95	
June 2011	39	84	
July 2011	13	41	297
August 2011	14	75	
September 2011	35	119	
<b>TOTAL</b>			<b>1,039</b>

➤ **Project Assisted or Hosted Public/Publicity Events:**

Over the course of the fiscal year, the Project organized, and/or took part in, numerous public events which generated positive media coverage, and which provided the USAID Mission and the Embassy with opportunities to participate. These events included the following:

**October 2010** - Second National Agribusiness Conference; Belgrade Tea Festival;

**November 2010** - Opening new USAID Agbiz project office in Nis; Award of Certificates for Cooperative Managers; State of the Environment in Serbia – Annual report 2009 Conference;

**January 2011** - Conference on the Effects of Trade Liberalization on agriculture in Serbia;

February 2011 - USAID Mission Director visit to Zrenjanin; Diploma Award Ceremony as part of the Women Entrepreneurs in Agribusiness Project; Culinaria Media Brunch

**March 2011** - Sabac Dairy begins export to US - Media Event/ Press Conference;

**May 2011** - The signing of MoU between USAID and Gov of Denmark for cooperation in Serbia's fruit sector;

**June 2011**- Public Presentation of the Study on the Effects of Weather on Agriculture in Serbia and Anti-hail Modalities;

**July 2011** - MoU USAID and Ministry without Portfolio for the support of Women in Agribusiness;

**September 2011** - Culinaria Fine Food Show; National Conference on Women in Agribusiness

In addition to hosting USAID representatives, these events were also an opportunity to host and maintain good cooperation with the representatives of the Serbian Government, including the Minister of Agriculture, Assistant Minister of Agriculture, Minister without Portfolio and 3 Ambassadors (US, Germany, Denmark).

#### ➤ **Create and Manage an Agribusiness Project Web Site**

Project web site is an important tool in dissemination of project related information. During the Year Four limited changes were made to the website and they mainly concern the CMS/ data management system and the visual appeal of the website.

In the period October 2010 - September 2011 over 28,000 people visited the Project web site. Out of these approximately 16,000 were new visitors which shows that information about the Project activities reached a large number of people through this communication channel.

**Compared to the previous fiscal year, there is 30 % increase in the number of visitors (similar percentage is for the rise in the number of new visitors).**

### **3.3 GENERAL PROJECT ADMINISTRATION:**

**During Year Four there were numerous Project personnel departures, as follows:**

1<sup>st</sup> Quarter (Oct – Dec, 2010):

- Ms Danijela Sever-Radovanovic (completed replacement contract for Ana Martinovic)

2<sup>nd</sup> Quarter (Jan – Mar 2011):

- Mr Goran Radojevic – Operations/Cross Cutting Director (Jan '11)
- Mr Stevan Bulatovic – Office Manager (Feb '11)
- Ms. Tatjana Milic-Zanoskar – Dep. Policy Specialist/Procurement Manager (Feb '11)

## USAID Serbia Agribusiness Project – Year Four Annual Report

- Ms Tisa Causevic – Livestock Sector Lead (Feb '11)

3<sup>rd</sup> Quarter (Apr – Jun 2011):

- Mr Remer Lane {Expat} – Senior Marketing Advisor (Jun '11)
- Ms Jovana Ducic-Savic – Marketing & Sales Director (Jun '11)
- Ms Darja Radulovic – Admin Assistant, Novi Sad (Jun '11)

4<sup>th</sup> Quarter (Jul – Sep 2011):

- Mr Srdjan Budisavljevic – Office Manager (Sep '11):

### Replacements/additions to the Project have been hired as follows:

1<sup>st</sup> Quarter (Oct – Dec, 2010):

- Ms Ana Martinovic – Communications Specialist (returned from maternity leave)
- Ms Ivana Janicievic – Youth & Gender Specialist (returned from maternity leave)

2<sup>nd</sup> Quarter (Jan – Mar 2011):

- Mr Srdjan Budisavljevic – Office Manager
- Ms Maja Todorovic – Procurement Officer

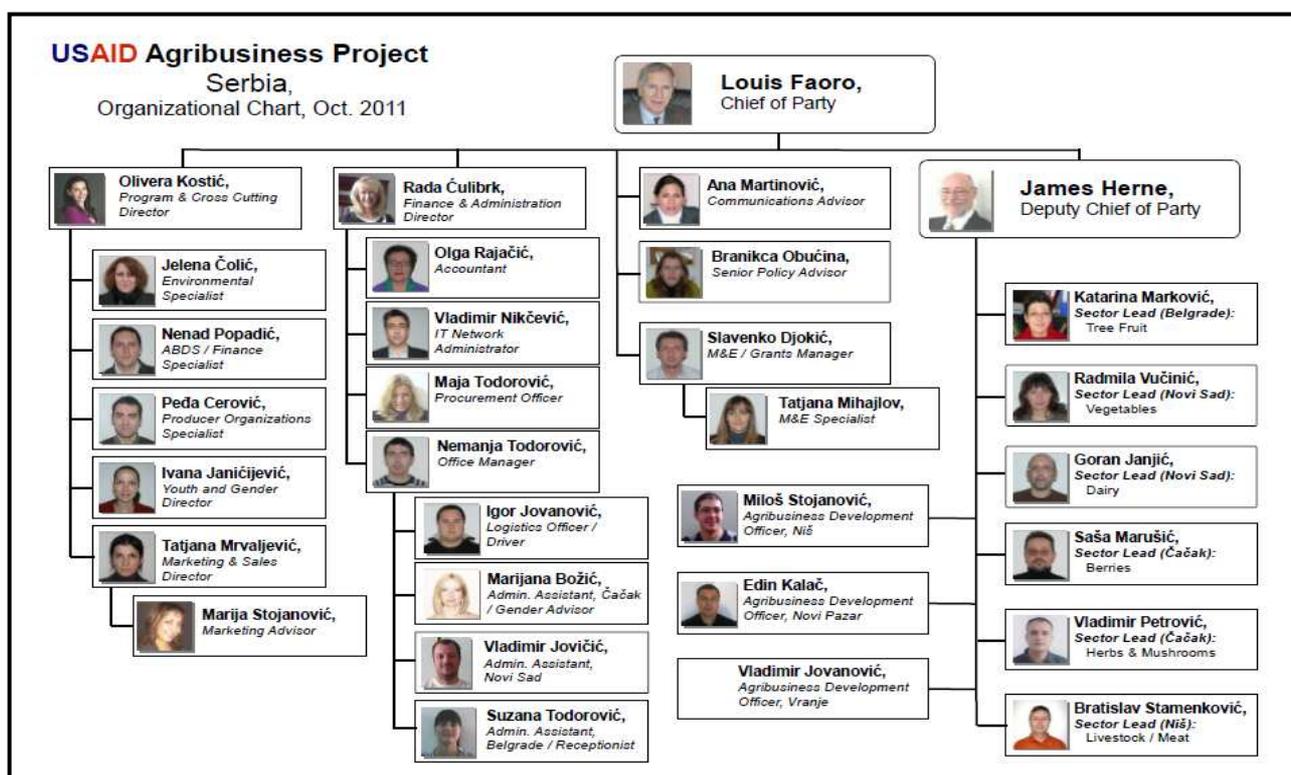
3<sup>rd</sup> Quarter (Apr – Jun 2011):

- Ms Olivera Kostic – Program & Cross Cutting Director
- Ms Tatjana Mrvaljevic – Promoted to Marketing & Sales Director

4<sup>th</sup> Quarter (Jul – Sep 2011):

- Mr Edin Kalac – Novi Pazar Agribusiness Development Officer
- Mr Milos Stojanovic – Promoted to Nis Agribusiness Development Officer
- Mr Vladimir Jovicic – Admin Assistant, Novi Sad

The Agribusiness Project organizational chart, at the end of Year Four, is shown below:



### **III. SIGNIFICANT PROBLEMS ENCOUNTERED DURING THE PERIOD:**

Over the course of Year Four the Project continued to encounter problems and issues which were unforeseen, or which were continued from previous periods. Serbia offers an unpredictable policy, regulatory and agricultural production environment. Unanticipated obstacles frequently arise, and in response the Project has attempted to foresee coming problems, and alert stake-holders. These issues have had an impact on the ability of Project staff to complete their tasks, and they will also have an impact on the level of impact that is called for in the Project's Performance Management Plan. A summary of the significant problems encountered in Year Four is as follows:

- Farms and agribusinesses in southern Serbia are relatively small and have limited access to formal lines of credit. Thus, they are inherently non-competitive in the current volatile and changing business environment in Serbia.
- The past few years in Serbia have seen very unusual weather patterns, and these changes in climate have had a negative impact on agriculture, and the agribusinesses that depend on the raw materials provided. The ability to respond to these conditions is limited in the south.
- The demands from clients for assistance in identifying, and procuring, machinery, equipment and other technical inputs (such as *SmartFresh*, and the bio-digesters) are increasing, but the Agribusiness Project can only provide advice and guidance in this area.
- Problems associated with the livestock sub-sector long-term and complex, and it is unlikely that the Project can have any real impact in the livestock sector over the remaining life of the Project. As a result the Project has shifted to focus to assisting the meat processors.
- Gender-related, and in particular youth-related agribusiness promotion, have been seriously neglected areas in Serbia. This relative lack of attention in the past makes them more urgent to deal with, and more difficult for the Project to address and correct.
- During Year Four the Project suffered from the departure of a number of key personnel for other, newly established, USAID funded projects. These departures had a significant negative impact on Project implementation during the early months of 2011.
- The change of ministers at the Ministry of Agriculture during 2011 has disrupted some of the Project's initiatives, and created some uncertainty among key Project counterparts.
- The low level of investment in agriculture and agribusiness remains an important limiting factor on sector development. This limits the base upon which our assistance can be established.
- As the project expands and broadens its reach geographically, it is becoming more difficult (and more important) to capture impact results. Data collection is more complex, requires wider staff participation, and development of new data collection techniques.



The photo at the right above shows a package of the *SmartFresh* growth inhibitor which is now being used on Serbian apples for the first time. *SmartFresh* is an advanced fruit production technology which is used in many of the major fruit producing countries in the world (in particular in the USA and the EU) to retard the growth of fruit while it is in storage to preserve freshness. With this technology Serbia is now playing on a more level playing field in the world fresh fruit market, and it should be able to realize significant increases in its export income from the sale of fresh fruit in future years.

### **IV. ACTIONS TAKEN TO RESOLVE PROBLEMS ENCOUNTERED:**

As in past years, Project staff and management have responded to the problems and issues which arose during the year with creative and innovative responses. These responses have allowed the Project to reduce, or in some cases eliminate, the negative impacts of these problems. A summary of the responses that the Project used over the course of Year Four is as follows:

- To gain momentum in the south quickly the Nis office was initially opened on a provisional basis, but it rapidly proved itself useful, and offered an effective gateway to the south. The Project has now added staff in Novi Pazar and Vranje to further enhance access to the south.
- The Project is confident that the women's entrepreneurship training program has attracted good media attention. We will build on this to attract participants from other southern regions. This will have an impact on the regressive attitudes that surround women in some regions.
- The Project continues to nurture and maintain a collaborative relationship with the Ministry of Agriculture. This has benefitted the Project in numerous ways. The Project has the ability to influence Ministry activities, and they have opportunities to rely on the Project for assistance.
- The problem of staff departures had a serious negative impact on the Project early in 2011. A thorough search for available staff replacements, along with significant networking with other projects and programs, has produced good replacements for those staff who moved on.
- A key collaborating partner has been AgroPress. The Project's main contact with AgroPress has been named as a senior advisor to the new Minister of Agriculture. This will provide added opportunities to further solidify the productive working relationship with the Ministry.
- The Project is addressing the shortage of agribusiness loan facilities through a joint effort with Opportunity Bank that should lead to the creation of loan mechanisms relevant to the south. It is also encouraging that another leading bank now has asked to participate in this initiative.
- In Year Four the Project broadened assistance efforts relative to association development. Appropriate international study tour opportunities for promising Serbian associations and cooperatives are also being identified. Exposure to more developed and sophisticated groups, and in particular those in the region, should prove to be a catalyst in this process.
- The Project has generated numerous success stories, and developed many successful client visit possibilities so that ready examples of private sector solutions don't depend on government programs. Such models can stimulate critical thinking on the part of clients in the south.
- The Project is preparing new Monitoring & Evaluation approaches and tools that will allow the collection of missing Project impact data. Initial trials with these mechanisms were conducted during the Year Four annual project survey.



The photo at the right above, is a good example of the impact that the Agribusiness Project's women's entrepreneurship training program has had over the course of Year Four. This photo shows the Deputy Chief of Party signing an MOU with the head of the Nis Department of Agriculture and Rural Development, whereby the municipality of Nis will provide grant funding to five women who have prepared approved business plans based on the training provided by the Agribusiness Project. This is one of many instances where local governments, national ministries, or other donor projects will provide leveraging funding for this program.

**V. IMPORTANT OBSERVATIONS REGARDING IMPLEMENTATION:**

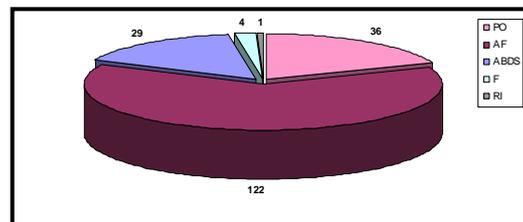
Based on implementation experience over the course of Year Four, Agribusiness Project management has identified a number of important observations that will help to improve future Project implementation, and to formulate new activities and events for the Project:

- The Project continued to generate increased sales results, particularly for export sales, over the course of Year Four. The goals established by USAID for this indicator should be far surpassed by the end of the Project. The goal set for employment generated is now also within reach.
- This Project year raised expectations regarding the willingness of groups to associate to achieve common goals. Applications for association grants, and work with new service providers, suggests the Project has been successful in promoting group activities based on self-interest.
- The Project continues to record major impact from marketing-oriented activities, notably the marketing & packaging grant program. This activity continues to be in high demand and will continue to generate more competitive products that have great consumer appeal.
- The Project took a careful and measured approach to the second CULINARIA food show. A series of critical benchmarks had to be met in order to launch the event itself. This caution served the event well and has now positioned it to become a premier event in Belgrade.
- Consolidation efforts continue to bear fruit. The freight forwarder has demonstrated continuing success, with 70 containers of small quantity products shipped to date. Client companies sold \$1.2M of products that would not have been sold otherwise, and Lagermax is profiting as well.
- The Project has continued to expand activities and services within the environment program. This includes the Safe Pesticide Use program, and technical assistance on Cleaner Production. This Project function will become increasingly important as EU accession progresses.
- Association and cooperative formation remain major Project thrusts. As Year Four came to a close good progress has been made on developing the Dairy and Meat associations. Significant efforts on association formation and strengthening will continue to Project completion.
- Project staff and management are pleased at the level of attention the media has provided our activities, and how that has highlighted the presence of USAID in Serbia. The Project continues to achieve increasing levels of, and more significant, media exposure.
- The response to the rural women's entrepreneurship program has been dramatically positive. Demands from municipalities, donor programs, and other entities for an extensive second round of training continue to come in, and donor groups are offering to share the cost of future programs. One surprising result of this was the identification of product design and packaging as a serious need for many of the women who prepared business plans.
- The Project has recognized the continuing need to support grantees with technical assistance to ensure the full implementation, and eventual success, of their grant activities. The Project is examining various approaches to providing such assistance during Year Five.
- Work in the south, especially gender-oriented activities, has produced a serious response from the Minister Without Portfolio to organize cooperative programs in the 48 municipalities that his ministry covers. This offer includes cost-sharing for all the elements of activities designed for those regions. The Project is now developing activities in coordination with the ministry.
- The Project has been pleasantly surprised at the level of interest generated in the south for the business training package. In an area generally regarded as too underdeveloped to produce interest in such training, we had 150 firms that applied for participation. This level of interest in large part results from a unique marketing effort made by the Project to identify participants.

**VI. Results Achieved Relative to Annual Workplan Targets**

During the month of September 2011, Project staff collected data on the impact results of Project assistance during Year Four, which are reported here. This data collection was accomplished through individual surveys of clients, as well as through an analysis of data entered into the DAI Technical & Administrative Management Information System (TAMIS). Based on this client survey, the following impact results can be reported for this reporting period:

- A total of 192 client firms received assistance during Year Four, which included 36 producer organizations, 29 ABDS providers, 122 agriculture-related firms, 4 farmers, and 1 research institution. The graph at the right shows the distribution of the clients receiving assistance.



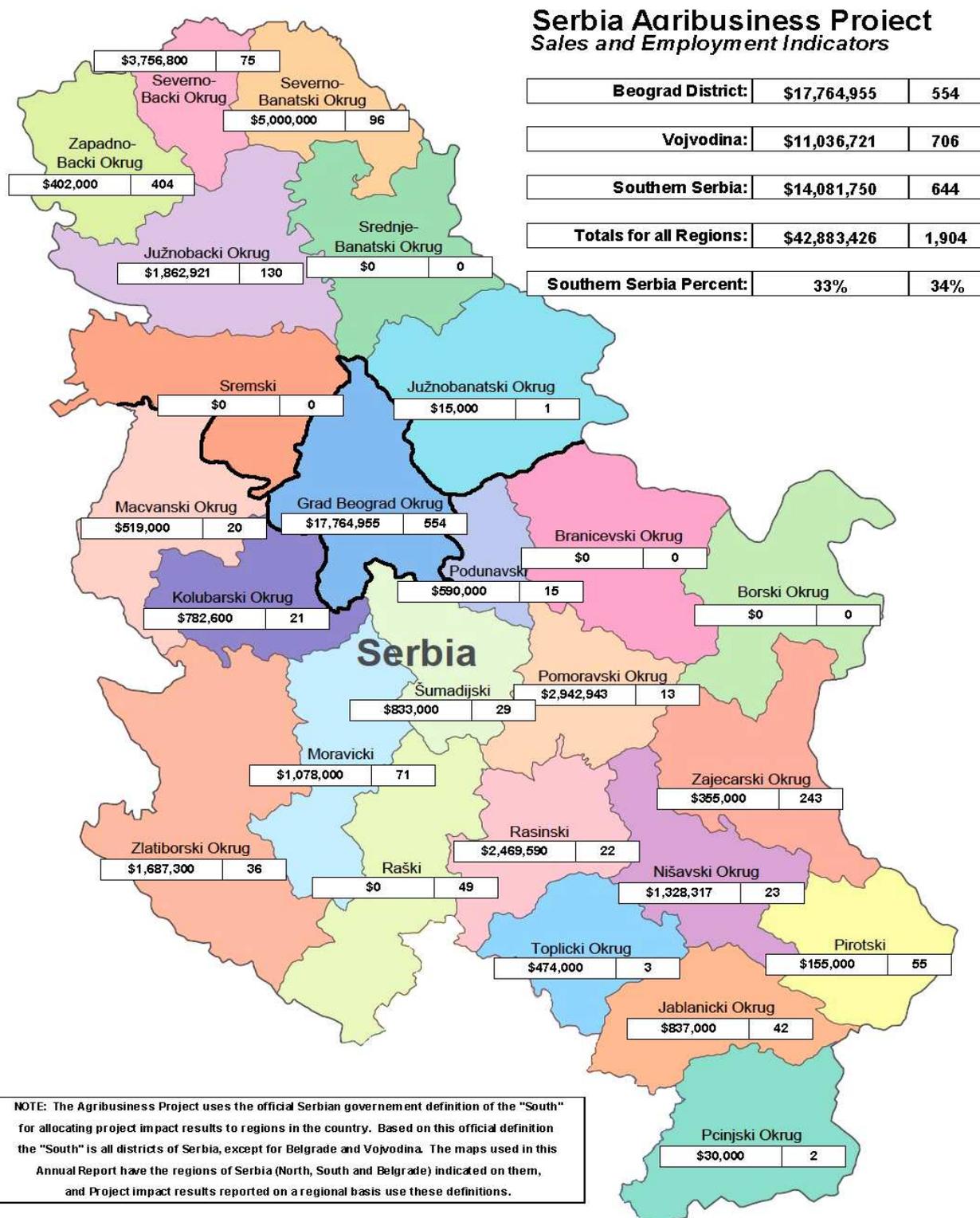
- Out of the 192 agribusinesses and organizations that received assistance in Year Four, most of them (110) are located in what the Project defines as Southern Serbia (i.e. all districts located to the south of Belgrade); a total of 46 agribusinesses are located in Vojvodina, and 36 in Belgrade.
- In Year Four, the Project implemented 309 technical training programs, workshops, seminars and conferences, which were attended by 8,627 participants.
- The Project supported a number of agricultural and agribusiness related conferences over the course of Year Four, including Agribusiness Development Priorities, State of the Environment, the Effects of Liberalization on Serbian Agriculture, a conference on Renewable Energy, a conference on the impact of weather on agriculture and a number of sector focused events.
- The Agribusiness Project provided business advisory services, and facilitated market access, for Serbian agribusinesses attending seven international fairs and trade shows with Project support. The Project also supported the organization of CULINARIA 2011 which had 104 exhibiting firms from Serbia and neighboring countries.
- A total of 34 grants, with grant funding amounting to \$733,796 (USAID funds) were approved in Year Four, with a significant matching contribution of \$609,500 (45% of total costs) being provided by the grantees. Current grant obligations of \$2,336,213 for a total of 158 grants, represents 63.5% of the total Project grant budget of \$3.0M.
- The Project has devoted significant time and effort to addressing policy issues to improve the enabling environment for agribusiness. Four strategy papers were prepared with Project assistance, while three policy reforms were implemented in Year Four.
- To evaluate the quality of Project assistance, the annual survey included questions related to client satisfaction with types of assistance provided. Client satisfaction was measured on a scale of 1 to 5, with 5 = extremely satisfied. A total of 110 clients participated in this year’s survey. The table below shows the client satisfaction rating for the types of Project assistance, and as can be seen client satisfaction with each type of assistance has increased in Year Four.

Type of Assistance	Grant	Market Linkages	Training/ Advisory	Trade Fair Attendance	Study Tour	Overall Score
Scores in 2010	4.65	4.43	4.67	4.45	4.88	4.61
Scores in 2011	4.71	4.44	4.74	4.56	4.92	4.67

(the text for this section continues on page 59)

## USAID Serbia Agribusiness Project – Year Four Annual Report

The map shown below presents the distribution of the primary Project impact indicators (sales and employment) by administrative district. As can be seen on the map, the Impact Survey for Year Four recorded impact in 21 of the 25 districts in Serbia. Two districts in Vojvodina, and the two districts in the east bordering Romania, had no impact reported in the survey for Year Four.



➤ **Client Sales Reported:**

During Year Four a total of \$42.9 million of agricultural and food products were delivered by client firms, based on a total contracted amount of \$66.0 million. Sales of processed and fresh fruits and vegetables accounted for 54.5% of the delivered sales reported in the annual survey. Based on this data the Project has exceeded the sales target of \$38 million in Year Four. The table below provides summary data on the sales target and achievements.

Project Overarching Indicator	YEAR FOUR Target	YEAR FOUR Actual Result
<i>Dollar value change in agricultural product sales of USAID Agribusiness Project beneficiaries (Delivered sales)</i>	<b>\$38 Million</b>	<b>\$ 42,883,426</b>
<i>Contracted Sales</i>	N/A	<b>\$ 66,055,925</b>
<i>Under Negotiation</i>		<b>\$ 36,168,100</b>

Of the \$42,883,426 in delivered sales, the surveyed companies reported that exports made up 72% of the total sales reported, or \$30,878,471. Based on the survey results, the major export markets for Serbia were the EU with \$18,297,457, and Russia with \$10,064,900.

➤ **Employment Generated:**

A total of 457 registered (full-time and part-time) jobs, and 1,447 seasonal jobs, were reported by client organizations for Year Four. A total of 54% of these new employees are women, and an additional 22% are classified as youths. Since the beginning of the Project, a total of 6,923 new jobs have been created by Project clients (720 full-time, 619 part-time and 5,584 seasonal jobs). Based on the results reported by surveyed firms, the Project can confirm that the PMP target of 6,000 jobs (cumulative) by the end of Year Four has been exceeded.

➤ **Results by Beneficiary Categories:**

The Agribusiness Project survey results, and the data included in the TAMIS system, have been analyzed and disaggregated into the following groups of Project clients and Project objectives, in accord with the Performance Monitoring Plan requirements:

**Objective 1.1: Strengthen Producer Organizations:**

In Year Four, the Project provided assistance to 55 separate producer organizations, and this assistance included various training programs, direct technical assistance, international study tours, trade fairs, and Project grants. There are 67 producer organizations that have been assisted to date, which exceeds the established PMP target of 45 producer organizations receiving assistance by the end of Year Four. Members of the assisted producer organizations reported a total of \$15,004,831 in delivered sales during Year Four, with 95% of these sales being for exports.

**Objective 1.2: Improve ABDS Service Delivery:**

During Year Four, the Project provided direct assistance to 29 ABDS providers which provide agricultural business development services to client firms, with 13 of these being new clients. With the total of 59 ABDS providers that were assisted during Years One, Two and Three, the Agribusiness Project has now reached a total of 72 ABDS providers receiving assistance, which is close to the PMP target of 80 ABDS providers receiving assistance by the end of Year Four.

**Objective 1.3: Encourage Youth Involvement in Agribusiness:**

In cooperation with Junior Achievement (JAS), the Project has completed its entrepreneurship training program for youth at the agricultural high schools. Following completion of the training program many of the students participated in the Youth Business Plan Competition, which took

place in July & August of 2011. JAS organized business trade show in Belgrade where student-owned agribusinesses had an opportunity to display their products for the public. JAS also organized two Business Challenge events, one in Nis and one in Pozega, which attracted 194 participants from 35 schools and 18 municipalities.

The final round of the Youth Business Plan Competition was launched in August 2011, and as of the start of Year Five 16 grant applicants, out of a total of 21 applications received, have passed the formal review process and the Project is now in the process of completing site visits and the environmental compliance review process.

**Objective 1.4: Increase Value-Chain and/or Cluster Competitiveness**

Based on Project technical assistance and grants, a total of 19 agribusinesses have accessed new technologies over the course of Year Four that enhance their productivity and production, as well as the quality of their products. In Year Four, the Project continued to provide financial & technical assistance for the introduction of food safety and quality standards. To date the Project has provided grant funds of \$293,664 to 59 agribusinesses to support their efforts to introduce one or more internationally recognized food safety and quality standards. More importantly, a large number of local consulting and certification agencies are now delivering these services on a regular basis. As a complimentary benefit, there is a greater awareness among the agribusiness firms in Serbia about the benefits of food safety and quality standards in the agricultural and food industry.

**Objective 2.1: Improve Crop Production Estimates & Market Information:**

In Year Four, the Project continued cooperation (at a low level) with the Ministry of Agriculture on the project to improve the agriculture market information system (STIPS) which was initiated during Year Two. According to a web-based satisfaction survey sent out by the Ministry of Agriculture, the average satisfaction score for the system is now at 3.58, on a scale of 1 to 5. This is a slight drop compared to the score of 3.76 which was recorded in Year Three.

**Objective 2.2: Promote Legal, Policy and Regulatory Reform:**

The Project continued efforts aimed at creating an enabling environment for agribusiness development in Serbia. The Project prepared four strategy papers on various topics related to the sub-sectors assisted by the Project, and these have been made public on the Project's web site, and shared with Project partners and beneficiaries. Three policy reforms were implemented by the Government of Serbia in Year Four, as a result of Project assistance.

➤ **The Agribusiness Project Grant Program:**

A total of 34 grants, valued at \$733,796 (in USAID Funds) were approved in Year Four, with a significant matching contribution of \$609,500 (i.e. 45% of the total activity costs) being provided by the grantees. An additional 27 grant applications were submitted within the youth and women agribusiness entrepreneurship grant programs, with total funding of \$351,159, and these are currently under review and should be awarded in the first quarter of Year Five. To date, the Project has awarded a total of 158 grants, with total grant funding of \$2,336,213. These grants are in various stages of implementation, with 131 of them having been successfully completed by the end of Year Four. The current grant disbursement rate is 63.5% of the total grant budget of \$3 million.



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**USAID Serbia  
Agribusiness  
Project**



# **USAID Serbia Agribusiness Project**

**Annual Report – Project Year Four**

**October 1, 2010 – September 30, 2011**

**Annex I – Performance Monitoring Plan**

# USAID Serbia Agribusiness Project

## Annual Report – Project Year Four

### Performance Monitoring Plan

#### Table of Contents

<b>Section</b>	<b>Page</b>
1. Introduction & Background	3
2. Project Assistance & Annual Results by Indicators	4
2.1. USAID Standard Indicators	6
2.2. Overarching Project Level Indicators	7
2.3. Component 1 Indicators: Increased Efficiency and Competitiveness of Serbian Agribusiness Objective 1.1: Strengthen Producer Organizations	9
• <i>Objective 1.2: Improve ABDS Delivery</i>	
• <i>Objective 1.3: Encourage youth involvement in agribusiness through the Youth Enterprise Program</i>	
• <i>Objective 1.4: Increase value-chain competitiveness</i>	
2.4. Component 2 Indicators: Improved Enabling Environment	13
• <i>Objective 2.1: Improve Crop and Livestock Production Estimates and Market Price Information</i>	
• <i>Objective 2.2: Promote Legal, Policy, and Regulatory Reform</i>	
2.5. Grants Program	13
3. Annual Survey – Lessons Learned	14
<b>ANNEX:</b> Year Four Project Results vs. Project Indicators	

### 1. Introduction & Background

Pursuant to the Task Order, the USAID Agribusiness Project has established a performance-based monitoring system to track and document results and achievements attributable to Project assistance. The Performance Monitoring Plan (PMP) defines the Project's monitoring and evaluation system, which is the foundation of the Project's internal and external communication strategy. This plan allows Project staff to build on winning initiatives and take corrective actions when results are less successful than anticipated. The monitoring system is also used to compile and track performance monitoring information, including indicators required by USAID Serbia. The indicators are divided into the following four major categories:

- 1) USAID Standard Indicators
- 2) Overarching Project Level Indicators
- 3) Component 1 Indicators: *Increased Efficiency and Competitiveness of Serbian Agribusiness*
  - Objective 1.1: Strengthen Producer Organizations
  - Objective 1.2: Improve ABDS Delivery
  - Objective 1.3: Encourage youth involvement in agribusiness through the Youth Enterprise Program
  - Objective 1.4: Increase value-chain competitiveness
- 4) Component 2 Indicators: *Improved Enabling Environment for Serbian Agribusiness*
  - Objective 2.1: Improve Crop and Livestock Production Estimates and Market Price Information
  - Objective 2.2: Promote Legal, Policy, and Regulatory Reform

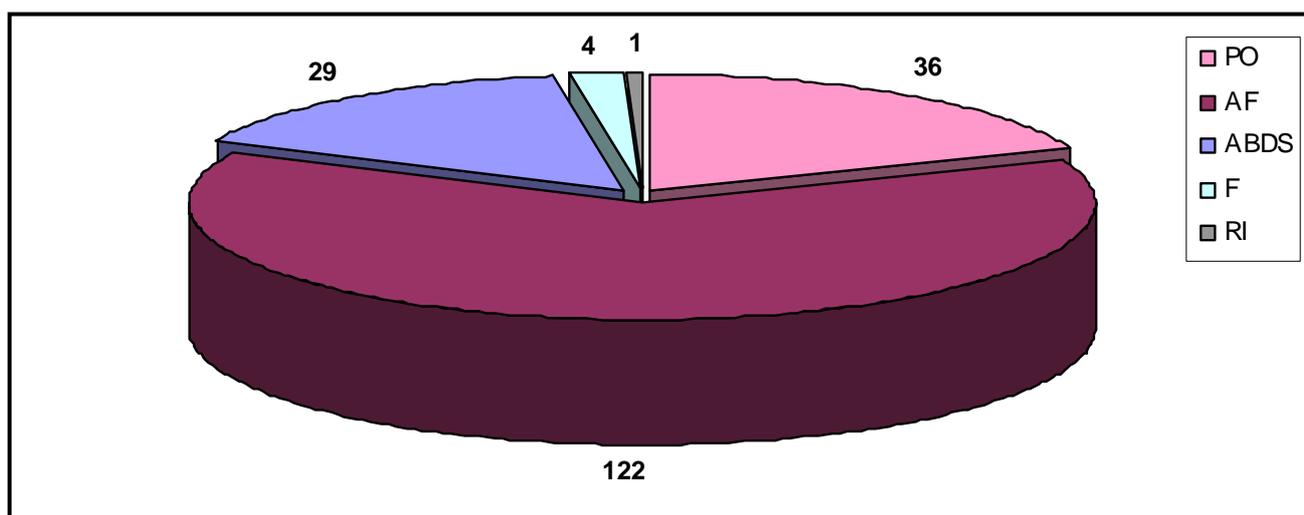
The results of Project assistance are collected from client organizations, and these results are entered into the TAMIS internal database on a regular basis. TAMIS integrates work plan management, impact and performance monitoring, and Project administration into one information system customized to the annual work plans. In addition to TAMIS, Agribusiness Project staff conduct result surveys on a quarterly and annual basis using a customized questionnaire to capture and verify the impact of Project assistance at the client level. Client impact and satisfaction surveys are efficient tools for measuring results and getting feedback from our primary partners: agriculture-related firms, producer organizations and ABDS providers.

Technical Advisors and Sector Leads advise the Monitoring and Evaluation Team regarding the firms and organizations that should be covered by the survey for each quarter, while the more comprehensive annual client impact and satisfaction survey covers all firms and organizations that received more than one type of Project assistance in the preceding Project year. The results collected through the annual survey and the TAMIS data provide the foundation for the annual report to USAID. These types of surveys enable Project management, and USAID, to collect quantitative data on the major sales and employment indicators, as well as other data useful for efficient planning and strategizing technical assistance, such as the availability of agricultural business development services, new technologies, client satisfaction ratings of Project assistance, etc. In conjunction with the Project staff, the M&E team has also adapted the questionnaires to suite each particular client profile (i.e. ABDS providers, agricultural associations, cooperatives, agriculture-related firms and farmers).

In addition to collecting Year Four results, this year’s annual survey was also used to verify the results collected in the surveys from the previous three years; a one-page questionnaire for this purpose was developed. Also, the agribusiness associations were used as one of the main vehicles in the process of collecting the data at the client level, reflecting the progress the Project has made on moving towards transferring the assistance to local partners, and achieving sustainability.

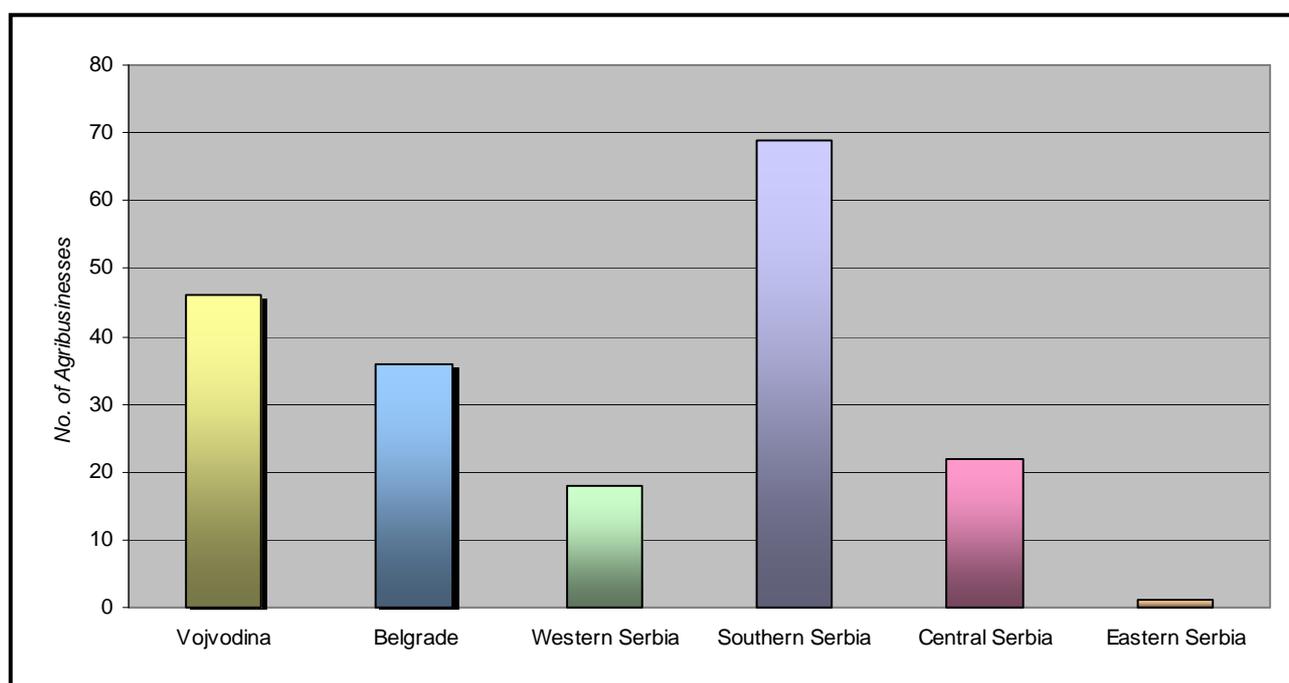
## 2. Project Assistance & Annual Results by Indicators

During the month of September 2011, the Agribusiness Project collected results and achievements, which are reported herein, by surveying recipients of Project assistance, as well as analyzing the data entered into the Technical and Administrative Management Information System (TAMIS) over the course of Year Four. The results collected in this process are divided into the four major categories as defined by the PMP. According to the data collected, the Agribusiness Project provided direct financial and technical assistance to 192 client organizations in Year Four (FY11) i.e 36 producer organizations, 29 ABDS providers, 122 agriculture-related firms, 4 farmers and 1 research institution.



Out of 192 client organizations that received Project assistance in Year Four, most of them are located in what the Project defines as southern Serbia (ie: all districts south of Belgrade, excluding Belgrade itself). There were 110 client organizations in this region, with another 46 located in Vojvodina and 36 in Belgrade. It should be noted that while many client organizations have their main offices in Belgrade, or even in Vojvodina, many of these organizations source their raw materials, and process those materials, in areas in southern Serbia. As a result, much of their income from the sale of the final product is transferred to southern Serbia, and in particular to small rural farmers or forest collectors, who have few other opportunities to earn money.

The graph on the following page presents a graphical depiction of the number of Agribusiness Project clients located in each of the six statistical regions of Serbia. These are the regions defined by the government of Serbia, and will be the regional divisions used by the European Union for Serbia once the country is a member state. As can be seen from the graph what is defined as Southern Serbia has the greatest number of clients, with almost 70 client organizations.



In Year Four, the Agribusiness Project also supported 309 technical training programs, which included workshops, informational seminars, and conferences with a total of 8,627 participants.

The training programs and workshops covered topics such as farm management training programs for dairy farms and vegetable producers; training programs for blueberry stakeholders and MAP processors and exporters to facilitate creation of the sector associations; the marketing and sales techniques for trade fair participants; women and youth entrepreneurship training programs; training on tree fruit post harvest management; export procedures, standards and legal framework for export certification; halal production and market; marketing and promotion focused training programs: *"Turbo Charge Your Marketing Program - Proven Strategies for Success"* and *"Brands and Brand Strategies that Work"*; ITC trade map vertically integrated operators - raspberry, blackberry and currant; high-tunnels for berries and closed environment for vegetables, Sumadija dairy campaign and "Road to Culinaria"; as well as series of workshops on environmental issues such as cleaner production in agribusiness, pesticides safety and integrated soil management.

In addition to the training programs and workshops, the Project supported national conferences that covered the following topics: Agribusiness Serbia: Development Priorities 2011, State of Environment in Serbia – Annual Report 2009, Effects of Tariff Liberalization on Agriculture of the Republic of Serbia, Sweet and Sour Cherry Production in Serbia, Organic Production in Serbia, Women in Agribusiness, Serbian Berry Fruit Industry, Biogas/Digesters Conference on Renewable Energy, as well as Findings from the Study on Impact of Weather Conditions on Agriculture in Serbia and Modalities of Anti-Hail Protection All these conferences included attendance of the high-profile government officials e.g. Minister of Agriculture, Minister w/o Portfolio, State Secretary, etc., as well as the relevant USAID representatives.

The Agribusiness Project has also provided business advisory services, and facilitated market access to Serbian agribusinesses attending seven international fairs and trade shows (*SIAL, Salone del Gusto – Terra Madre in Turin, Fruit Logistica and Biofach in Germany, MIHAS in Malaysia,*

## USAID Serbia Agribusiness Project – Year Four Annual Report

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*Vitafoods in Geneva, and World Food in Moscow*), as well as support for the organization of *Tea Festivals* in Belgrade and Nis, and the *Fine Food Show Culinaria in Belgrade* which had 104 exhibiting firms from Serbia and neighboring countries.

In addition, a total of 34 grants valued at \$733,796 were approved in Year Four, with a significant matching contribution of \$609,500 (i.e. 45.37% of the total costs) being provided by the grantees. Grant funds were used to support market-driven activities designed to increase the efficiency and competitiveness of Serbian agribusinesses in the six selected sub-sectors by leveraging their investments in marketing and promotional activities, education, and the introduction of international food safety & quality standards. The grant funds were also used by qualified food industry business associations and ABDS providers to provide general benefit services to their members.

Finally, the Agribusiness Project utilized grant funds to promote women’s entrepreneurship in agribusiness, as well as Junior Achievement’s entrepreneurship training in agricultural schools throughout Serbia and business training for university students in Belgrade, Novi Sad and Cacak. Since the launch of the Grants Program in April 2008 to the end of Year Four, the Project has awarded a total of 158 grants, with total funding of \$2,336,213, which are now in various stages of the implementation process, while 131 of them have been successfully completed so far. The current grant expenditure rate is 63.52% of the total grant budget of \$3 million, while all the remaining grant funds are either obligated or allocated for the specific grant activities.

The Agribusiness Project has invested significant efforts in policy issues aimed at creating a better enabling environment for agribusinesses in Serbia. Accordingly, a total of four strategy papers were prepared with Project assistance, while three policy reforms have been implemented in Year Four. In addition, two well targeted agricultural surveys were completed with Project support in Year Four in an effort to generate additional data on specific sectors, in particular tree fruit and herbs, spices and mushrooms.

As was the case in Year Three, the annual survey included questions related to client satisfaction with the various types of assistance provided in Year Four to evaluate Project assistance from the client’s perspective. Client satisfaction was measured on a five point scale, from 1 = extremely dissatisfied to 5 = extremely satisfied. A total of 110 clients participated in this year’s annual survey and reported results attributable to Project assistance, as well as their satisfaction with the services provided. Clients were asked to rate each type of service provided (grants, market linkages, training and advisory, trade fair attendance and study tours). Accordingly, the Agribusiness Project is able to report on client satisfaction by type of service, as well as their overall satisfaction with the Project. As can be seen in the table below, client satisfaction with each type of assistance has increased, as well as the overall client satisfaction with Project assistance in Year Four, compared to the client satisfaction in Year Three.

<i>Type of Assistance</i>	<b>Grant</b>	<b>Market Linkages</b>	<b>Training/ Advisory</b>	<b>Trade Fair Attendance</b>	<b>Study Tour</b>	<b>Overall Score</b>
<i>Scores in 2010</i>	<b>4.65</b>	<b>4.43</b>	<b>4.67</b>	<b>4.45</b>	<b>4.88</b>	<b>4.61</b>
<i>Scores in 2011</i>	<b>4.71</b>	<b>4.44</b>	<b>4.74</b>	<b>4.56</b>	<b>4.92</b>	<b>4.67</b>

With these ratings, The Agribusiness Project is able to assess to what extent the team is adeptly identifying unmet needs in communities and assisting the private sector respond to these needs.

## 2.1 USAID Standard Indicators

USAID/Serbia has recommended the following performance indicators to measure the results generated through the support provided by USAID Agribusiness Project:

- 1) **Percent change in value of international exports of targeted agricultural commodities as a result of USG assistance:** According to the survey results, Project-assisted clients reported a 26% increase over the previous year for international exports of targeted agricultural products, which exceeds the annual target of 15%. Out of the 110 surveyed clients in Year Four, a total of 45 reported international exports totaling \$30,878,471, versus \$24,507,592 reported by 55 companies in Year Three. The primary export markets for Serbian agricultural and food products remained the EU with 59.3%, and Russia, Belarus and Ukraine with 33.0% of the exports. Other export markets included the United States, Australia and Canada with \$529,500, Asia with \$1,318,000, and CEFTA countries with \$258,614.
- 2) **Number of producer organizations assisted:** To date, the Project has directly assisted 63 producer organizations, exceeding the target of 45 producer organizations expected to have received Project assistance by the end of Year Four. Pursuant to provisions of the revised Task Order, Project assistance has been primarily focused on producer organizations, associations, and cooperatives from Southern Serbia.
- 3) **Number of agriculture-related firms benefiting directly from USG supported interventions:** Since the launch of the Project, a total of 188 agriculture-related firms have benefited from Agribusiness Project interventions, which exceeds the cumulative target of 125 agriculture-related firms benefiting directly from Project support in the first four years of the Project. The Project's focus on southern Serbia over the course of Year Four resulted in 33 agriculture-related firms benefiting directly from Agribusiness Project assistance.

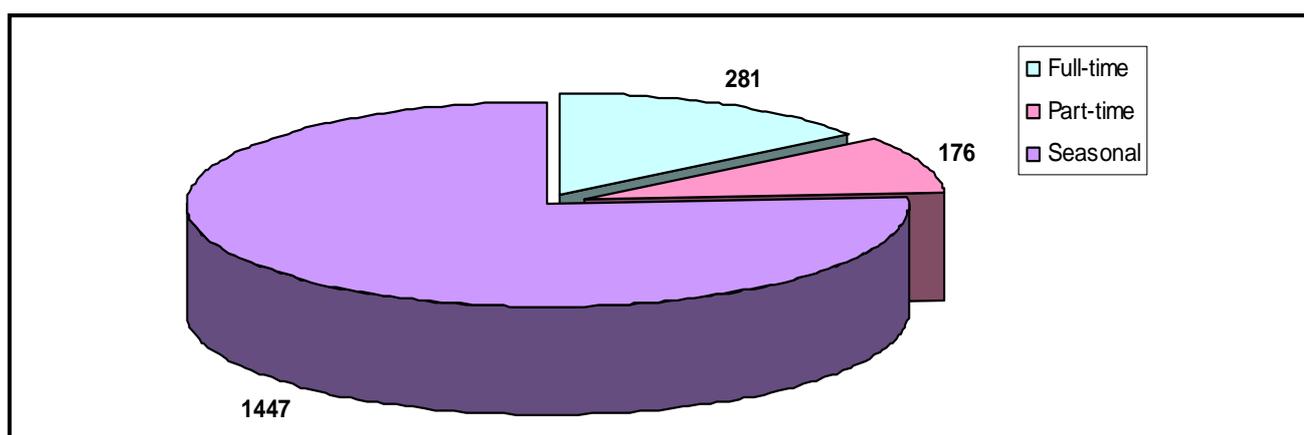
## 2.2 Overarching Project Level Indicators

While a number of indicators can be attributed to particular interventions, the overarching Project-level indicators result from a combination of technical assistance, training, and grants that span across sub-sectors and Project objectives. In addition to the sales and employment results captured through the annual survey, the Agribusiness Project has acquired data regarding Serbian agricultural GDP and agricultural exports from the National Bureau of Statistics.

- 1) **Percent change in agricultural GDP:** Actual results for the percent change in agricultural GDP are available for 2009 and they show a 3.6% decrease in agricultural GDP compared with the baseline data. The baseline year is 2007 with an agricultural GDP of \$4.25 billion. Actual results for the agricultural GDP in 2010 and 2011 will be available in December 2011 and December 2012 respectively, whereas the National Bureau for Statistics publishes these data annually and one year after the end of calendar year (Serbian Fiscal Year). The projections for 2010 and 2011 are 3% and 6% over the baseline, respectively.
- 2) **Percent change in the value of agricultural exports:** Actual results for 2011 will be provided in June 2012 whereas the National Bureau for Statistics publishes these data six months after the end of calendar year (Serbian Fiscal Year). The target for percent change in the value of

agriculture exports in 2011 is set at 12%. However, the trend of increased agriculture exports continued in 2010 with a 32.9% increase over the baseline of \$1.67 billion in year 2007, thus this indicator is well ahead of the target increase of 7.5%.

- 3) **Actual increase in employment in agricultural processing and services:** A total of 1,904 new jobs were created in Year Four; 457 registered (full-time and part-time) jobs and 1,447 seasonal jobs; 54% of all new employees are women and 22% were youth. Since the beginning of the USAID Agribusiness Project, a total of 6,923 new jobs have been created by the Project-assisted agribusinesses (720 full-time, 619 part-time and 5,584 seasonal jobs);



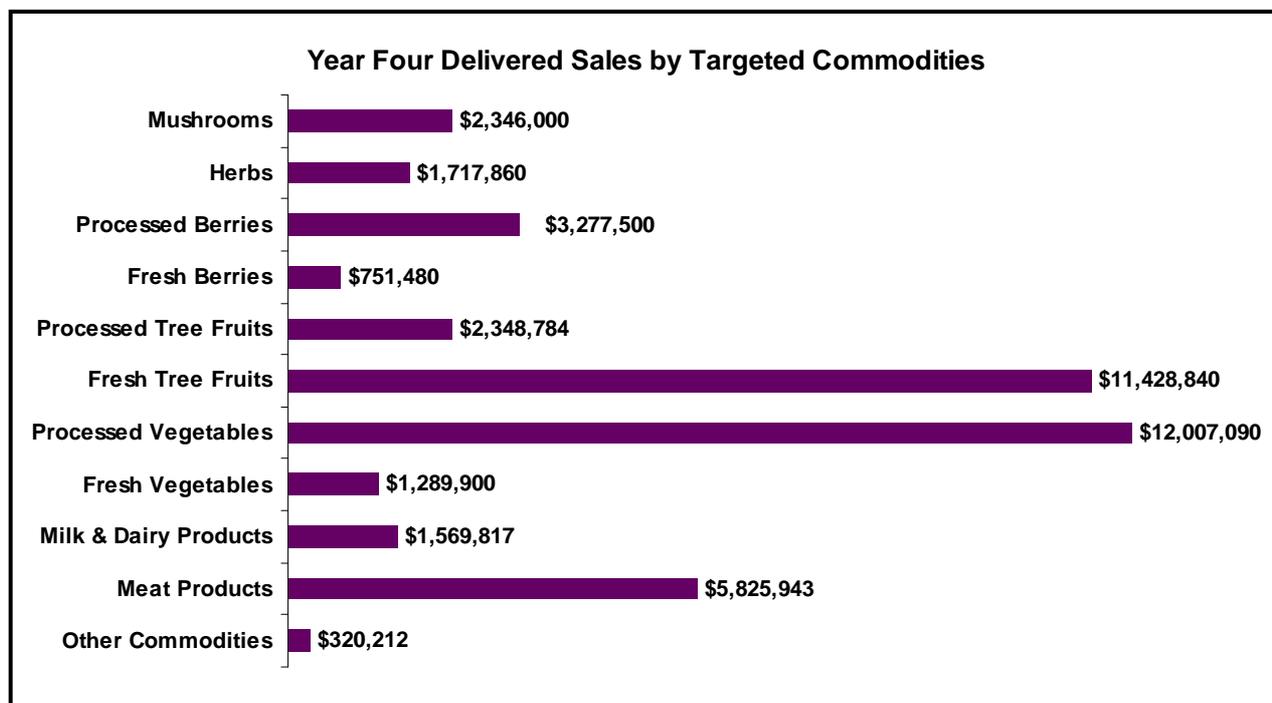
With a total of 6,923 new jobs created, the Project has exceeded the four-year cumulative target of 6,000 new jobs. However, the Project will need to engage significant efforts to reach the Life of Project target of 10,000 new jobs.

- 4) **Dollar value change in agricultural product sales of USAID Agribusiness Project beneficiaries:** A total of \$42.8 million of agricultural products were delivered in Year Four, out of a contracted total of \$66 million. 72% of the total delivered sales were exports, while the sales of fresh and processed fruits and vegetables account for 72,5% of the total delivered sales registered through the annual survey. The Project has exceeded both the annual target of \$38 million for Year Four, as well as the four-year cumulative target of \$60 million in additional sales with a total of \$115.6 million of increased agriculture sales. The Project will continue to assist clients to improve their competitiveness and market their products in Serbia and abroad.

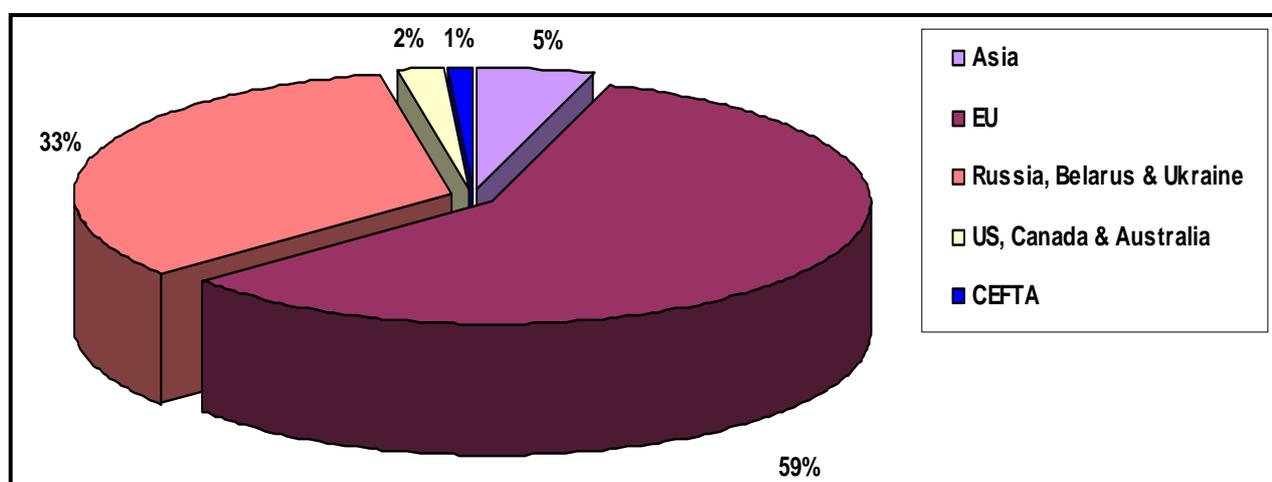
Project Overarching Indicator	Y4 Target	Y4 Actual Result
<i>Dollar value change in agricultural product sales of USAID Agribusiness Project beneficiaries (Delivered Sales)</i>	<b>\$38 million in 2011 or \$60 million (cumulative)</b>	<b>\$ 42,883,426 in 2011 or \$115.6 million (cumulative)</b>
<i>Contracted Sales</i>	N/A	<b>\$ 66,055,925</b>
<i>Under Negotiation</i>		<b>\$ 36,168,100</b>

## USAID Serbia Agribusiness Project – Year Four Annual Report

- Processed vegetables and fresh tree fruits were the leading trade commodities this year, with a 54.5% share in the total sales reported by surveyed clients. The sales of meat products reached nearly \$6 million, or 13.5%, while sales of fresh and processed berries account for 9.3%. Sales of milk and dairy products accounted for 3.7%, while the total sales of mushrooms, herbs and spices account for 9.6% of the total value of all delivered commodities.



- Out of \$42,883,426 in delivered sales, surveyed clients reported exports totaling \$30,878,471 (or 72% of the total delivered sales). According to the survey results, the major export markets for Serbian agricultural and food products are the EU with \$18,297,457, and Russia with \$10,064,900. Other important export markets include Asia with \$1,318,000, the United States with \$529,500, Belarus and Ukraine with \$260,000, the CEFTA countries with \$258,614 and Australia and Canada with \$150,000.



## **2.3 Component 1 Indicators: Increased Efficiency and Competitiveness of Serbian Agribusiness**

### ***Objective 1.1: Strengthen Producer Organizations***

In Year Four, the Agribusiness Project continued to provide assistance to both existing and nascent groups of agribusiness-related firms to help them work together and become effective service providers for their members, and evolve into sustainable business associations. These producer organizations played an important role in the process of collecting the survey data for the indicators and capturing results within this year's annual survey, with a total of 55 client organizations being surveyed by the producer organizations.

To date, the Project has provided direct assistance to 63 producer organizations which included various training programs, technical assistance, study tours, trade fair attendance and grants. Accordingly, the Agribusiness Project has exceeded the PMP target of 45 producer organizations receiving assistance at the end of Year Four.

Members of the assisted producer organizations reported a total of \$15,004,831 in delivered sales with 95.4% being for exports. The National Association "Fruits of Serbia" alone reported \$8,072,200; and other associations that reported member sales include: ZZ Prima, ZZ Vocko, ZZ Euro Duo-Kalem, Agrokooperativa Domacin, "Fruitland" Association, "Serbia Organica" National Association, Agroindustry Cluster, ZZ Eko-Adut, Agro-Dragecevo Cooperative, National Association "Serbian Blueberry", Strawberry Growers Association "Jagoda", Association "Zlatno Brdo", ZZ Prima Borovnica, Fruit Growers Association "Polimlje", Dr. Jovan Tucakov Association, National Association "Serbian Flora" and Association "Forest Fruits of Serbia". Based on the sales results, we can conclude that 34.9% of the total delivered sales in Year Four was generated by producer organizations, as well as close to 47% of the total export sales. The target of generating \$5 million in member sales through Agribusiness Project-assisted producer organizations has been exceeded.

During the reporting period, a total of 266 new members joined Project-assisted producer organizations Fruitland Association, Fruits of Serbia, National Association Serbian Blueberry, Serbia Organica, Strawberry Growers Association "Jagoda", Fruit Growers Association "Polimlje", Dr. Jovan Tucakov Association, National Association "Serbian Flora" and Association "Forest Fruits of Serbia". Accordingly, a total of 806 new producer organization members have been registered since the beginning of the Agribusiness Project. As indicated in last year's annual report, the targets for this indicator were set unrealistically high (5,000 new members by the end of Year Four and 6,000 new members by the end of Project). Therefore, the Project has revised these targets as follows: 620 new members in Year Four and 700 new members in Year Five.

In Year Four, the Project worked with limited pool of targeted producer organizations in selected sub-sectors with the main focus being on helping associations to improve their performance. To measure improvement in organizational capacities of producer organizations we again used the Organizational Capacity Assessment Tool on a representative sample. The average score of assisted producer organizations through this method is an indicator that scores civil society and community-based organizations along 7 dimensions that are critical to effective organizations (governance, management practices, human resources, financial resources, service delivery, external relations, and sustainability).

Each dimension is scored along a 5 -point scale, where 1 = needs urgent attention, all the way to 5 = good. However, this year's survey included a representative sample of agricultural cooperatives, as the most suitable organizations to use to measure organizational improvements. The average score of this year's OCAT survey is 3.66 and it shows a modest improvement in organization skills of the surveyed cooperatives compared to last year's 3.21 score. However, continued attention and interventions in the coming period will be still required. Pursuant to the PMP methodology, the first year's average score is set as the baseline for this indicator.

### ***Objective 1.2: Improve ABDS Delivery***

The Agribusiness Project assists ABDS providers to strengthen their operations and promote new ABDS services to firms along the six value chains. In Year Four, the Project provided direct assistance to 29 ABDS providers, while 13 of them were new to the Project. With the 59 ABDS providers assisted in the previous three years, the Project has reached a total of 72 ABDS providers cumulatively since the Project began, which is very close to the target of 80 ABDS providers being directly assisted by the Agribusiness Project at the end of Year Four.

The Project-assisted ABDS providers reported new revenues totaling \$652,666 for the provision of goods and services facilitated by the Agribusiness Project, which exceeds the target of \$350,000 in ABDS revenues in Year Four. These services include extension services in agriculture, business plan development, marketing and joint sales, dairy farm management and consulting services related to solar drying.

To evaluate availability and quality of agribusiness development services, this year's annual survey also included a client satisfaction rating of such services on a five point scale, from 1 = extremely dissatisfied to 5 = extremely satisfied. According to the annual survey results, the ABDS clients are very satisfied with the availability and quality of the agribusiness development services available in Serbia, with an average score of 4.29.

One client (Suncokret d.o.o.) has received a bank credit as a result of Agribusiness Project assistance, with a total loan amount of \$60,000. The lending institution was Opportunity Bank.

### ***Objective 1.3: Encourage Youth Involvement in Agribusiness through the Youth Enterprise Program and Business Plan Competition***

As agreed with the Project's COTR, the third round of the Youth Business Plan Competition scheduled to begin in the first quarter of Year Four was postponed to July – August 2011, when both rounds of this competition planned for Year Four were completed.

Regarding the business training program for youth, the Project has continued with business development planning courses in the specialized Agricultural High Schools throughout Serbia, with support from Junior Achievement Serbia. This training program for high-school students, which is accredited by the Serbian Ministry of Education, reached its conclusion with a number of trained students participating in this year's Youth Business Plan Competition. In addition to the training for 31 new teachers working in 25 agriculture schools throughout Serbia, Junior Achievement also organized a trade show in Belgrade where student-led agribusinesses had a chance to present their products (65 students and 20 professors from Serbia, Hungary and Lithuania participated in this

event), as well as two Business Challenge events – one in Nis, for the schools from Southern Serbia, and one in Pozega for the schools from Western Serbia and Sandzak region. These two events attracted 194 participants from 35 schools in 18 municipalities, as well as business representatives. The National Final Competition was established for winners of all four Business Challenges held during the school year 2010/2011, and 16 student-competitors from the Nis and Pozega Challenges qualified for the finals and 7 of them received awards as members of the three best teams.

Aside from the Junior Achievement entrepreneurship training program for high-school students, the Agribusiness Project decided to expand the business development planning courses to the Agriculture Universities in Belgrade, Novi Sad and Čačak by engaging qualified service providers to deliver the business training and advisory services as a precursor to the final round of the Youth Business Plan Competition. As a result the Project's grant review committee approved three grant applications with a total amount of \$41,384 submitted by CEFEB Srbija, the Economics Institute and the Regional Center for SME Development Krusevac. These grants are part of the grant sub-program to support business training for students of the agricultural faculties, with the goal of introducing young people to agribusiness technical, financial, and business management principles.

The selected grant applicants designed and delivered business training programs in the agricultural faculties. With this grant sub-program, the Agribusiness Project delivered results pertaining to objectives within Component 1: *Increased Efficiency and Competitiveness of Serbian Agribusinesses of the USAID Agribusiness Project Work Plan*; in particular, 1.4 Youth Enterprise Program, Task 1.2: Institute entrepreneurship-based programs within agriculture universities. A total of 161 faculty students attended the training program. Based on the evaluation criteria and scoring system, the grant-awarded training providers created the list of 33 best business plans.

Following completion of these two business training programs for youth in August 2011, the Agribusiness Project launched the final round of the Youth Business Plan Competition. The Grant Evaluation Committee completed formal review of the grant applications; out of 21 received grant applications, 16 have successfully passed the formal review. These 16 grant applications, with total grant funding of \$206,459, are considered ready for further review, which will include site visits to their production/processing facilities and an environmental compliance review.

Although youth grants awarded in the first three years of the Agribusiness Project yielded results contributing to the Overarching Indicators, the team had decided to revise the quantitative indicators, such as the number of youth-led businesses participating in Agribusiness Project-funded activities and youth-led successful/operational businesses initiated based on Project assistance. The Agribusiness Project has put a lot of effort into encouraging young people to start their own businesses. In Year Four alone, over 500 young people were trained through Project-supported business training programs in agricultural high-schools and agricultural faculties.

Yet, the majority of them are still reluctant to start their own business, and consequently few students participate in the Project-funded Youth Business Plan Competition. In the absence of a substantial Government-funded program for young entrepreneurs in agribusiness, the number of youth engaged in agribusiness will remain low. Accordingly, the Agribusiness Project has decided to make certain revisions in the PMP targets relevant to the youth component.

***Objective 1.4: Increase Value-Chain and/or Cluster Competitiveness***

The Agribusiness Project has utilized the grants and technical assistance to promote the Project's objectives of rapid, sustained, broad-based economic growth. These activities are leveraged to address market failures hindering firms from investing in new technologies and international food safety and quality standards.

Thanks to Project technical assistance and grants, a total of 19 agribusinesses have accessed new technologies over the course of Year Four; with the new technologies including vegetables growing in foil with a drip irrigation system, a new technology for cutting and storing soap as well as herb distillation, *Smartfresh*, data base software for a web page, postharvest technology, hydroponic strawberry production and computer controlled fertilization of strawberries, growing berry fruit under the plastic tents, anti-hail nets; introduction of primocane raspberry variety Polka, berry fruits growing on plastic foil and with anti-hail nets, growing strawberries and raspberries in semi-tents, as well as introduction of new strawberry, raspberry and blackberry varieties. The following agribusinesses accessed these new technologies: PG Sasa Cosic, SZR Savour, ZZ Prima, Atos Vinum, Serbia Organica Association, PG Pavle Terzic, ZZ Agro-Dragecevo, Rasadnik malina, National Association Serbian Blueberry, Agrana, Flora, Strawberry Growers Association "Jagoda", Fungo-jug, Udruzenje vocara i vinogradara "Zlatno Brdo", Yugent, ZZ Prima Borovnica, Fruit Growers Association "Polimlje", Agrar Plus and Strela. According to the revised targets, a total of 75 agribusinesses need to access new technologies by the end of Year Four.

In Year Four, the Agribusiness Project continued to provide financial and technical assistance for the introduction of food safety and quality standards. To date, the Agribusiness Project provided grant funds totaling \$293,664 to 59 agribusinesses to facilitate their efforts to introduce one or more internationally recognized food safety and quality standards (such as ISO 14001, ISO 22000, GlobalGAP, IFS, etc.). A total of 67 international food safety and quality standards have been introduced thanks to Project assistance. More importantly, there is a large number of local consulting and certification agencies that are now delivering these services on a regular basis. As a complimentary benefit, there is a much greater awareness among the agribusiness firms in Serbia about the benefits of food safety and quality standards in the agricultural and food industry. Thanks to Project assistance, and the introduction of international food safety and quality standards, client agribusinesses reported additional sales totaling \$8 million, and 319 new jobs.

## **2.4 Component 2: Improved Enabling Environment for Serbian Agribusiness**

***Objective 2.1: Improve Crop and Livestock Production Estimates and Market Price and Environment Information***

Reliable crop/livestock production and market price information system operating within the Ministry of Agriculture was the subject of a web-based client satisfaction survey. According to this survey, developed and conducted by the Ministry of Agriculture, the average satisfaction score for the system is 3.58, on a scale of 1 to 5. This result is slightly lower than the average score of 3.76 which was achieved in the satisfaction survey for this system in Year Three.

Surveys of Agribusiness Project focal sub-sectors included the following: 1) Study on the Impact of Weather Conditions on Agriculture in Serbia and Modalities of Anti-Hail Protection and 2) Study on the Level of Presence of Heavy Metals in Mushrooms on the Territory of Serbia.

In Year Three, a total of 266 producers, firms and producer organizations were trained in the use of the market information system (STIPS), as well as the basics of marketing and market analysis. With 299 clients trained in the first two years, the LoP target of 225 trainees for this indicator has been exceeded. Accordingly, the Project has reduced its efforts associated with this activity.

The Environmental Protection Agency of the Republic of Serbia, registered as the National Reference Center for Agriculture by the European Environment Agency, is running an Environmental Information System to collect, assess and analyze environmentally-related data at the national and regional levels. The system is primarily used by professional research organizations and public institutions. The Environmental Protection Agency plans to set a web-based client satisfaction survey once the system is fully operational and available to public, primarily to the private sector stakeholders.

### ***Objective 2.2: Promote Legal, Policy and Regulatory Reform***

The Agribusiness Project has continued efforts aimed at improving the enabling environment for agribusiness development in Serbia. The following four strategy papers were prepared in Year Four, with Project assistance:

- Guide for Application, Self Control and Control of the GMP, GHP and HACCP Systems,
- The Report On The Resources In The Herbal Sector, National Quota System For Collection Of Wild Herbs And Recommendations For Amending The Legislation On Protection And Control Of Collection Of Herbs,
- Analysis of the Implementing Regulations of the Law on Organic Production with Proposed Amendments of the Regulations Overview of the SAA and Interim Trade Agreement with the EU and
- Proposal for Financial Support of Organic Production in 2011,

As for the policy reforms implemented in Year Four, the Project assisted with: 1) The Decree on Amending the Decree on Placing Under Control the Use and Circulation of Wild Flora and Fauna (RS OG No. 69/11), 2) Rulebook on the Control and Certification of Organic Production and the Methods of Organic Production (RS OG No. 48/11) and 3) Decree on the Use of Incentive Funds for Supporting Development of Organic Production in 2011 (RS OG No. 49/11)

## **2.5 Grants Program**

In Year Four, the Agribusiness Project's grant review committee approved 34 grant applications over the course of the year, with total funding of \$733,796. To compliment Project grant funding the recipients have committed to provide additional funds, as their matching contribution, totalling \$609,500 (or 45.37% of the total project costs). An additional 27 grant applications were submitted within the youth and women agribusiness start-up grant programs, with total funding of \$351,159, and these are currently under review and should be awarded in the first quarter of Year Five.

Also, a final round of the grants program for introduction of international food safety and quality standards is underway; five grant applications have been received with a total amount of \$17,062, which are currently being reviewed. The public call for applications will be open until March 31, 2012, or until the all grant funds for this activity (\$100,000) are obligated.

Finally, the Agribusiness Project has launched a follow-on grant program for agribusiness associations, which is the last program where the Project expects new applicants. The follow-on grant funds will be allocated to support the continuation of association's member support activities, such as marketing and promotion, product development, product quality development, technology transfer, joint ventures and investments, lobbying and advocacy to change industry-related policies and regulations, and capacity building of the association and their members. The total grant budget allocated for this activity amounts to \$200,000, and grants will be awarded through a limited competition where the follow-on grants will be available only to the agribusiness associations whose original grants have been successfully completed.

To date, the Agribusiness Project has awarded a total of 158 grants with a total grant amount of \$2,336,213. These grants are in various stages of implementation, with 131 of them having been successfully completed to date. Current grant disbursements total 63.52% of the total grant budget of \$3 million, while all the remaining Agribusiness Project grant funds are either obligated or have been allocated to specific grant activities. Significant efforts were also put in place to assure timely completion of the grants awarded in Year Three, which have significantly contributed to the overall sales and employment results reported in this annual report.

As in the previous three years, grant funds in Year Four were used to support market-driven activities designed to increase the efficiency and competitiveness of Serbian agribusinesses by leveraging their investments in marketing and promotional activities, education, and the introduction of international food safety and quality standards. Grant funds were also used by qualified food industry business associations and ABDS providers to provide services to their members. Finally, grant funds were used to promote and facilitate women and youth entrepreneurship in agribusiness. Based on the annual survey results, the grantees are very satisfied with the grants program; with an overall satisfaction score of 4.71 on the scale from 1 to 5. This is an increase over the score achieved by the grant program in Year Three.

### **3. Annual Survey – Lessons Learned**

- As indicated in last year's annual report, the role of producer organizations is becoming increasingly important as the Project transfers the responsibility for the implementation of activities to these entities. Of the 162 clients that participated in this year's survey, 49 were surveyed by the assisted producer organizations. Thanks to the role of these producer organizations, the number of clients surveyed nearly doubled from the number last year.
- A major improvement in the quality of the data collected through the survey this year has been noted. Despite the improvement in the data collected, there is still a significant role for the Sector Leads and Cross-Cutting staff to assist the clients in the process of filling-out the questionnaires in an accurate and correct manner.

The process of data collection has been streamlined, but nevertheless the annual survey continues to be an extensive and time-consuming effort that requires significant involvement of the entire Project staff.

# **USAID Serbia Agribusiness Project**

Annual Report – Project Year Four

Performance Monitoring Plan

## **Results vs Targets Tables**

### **USAID Standard Indicators**

#### **Overarching Indicators**

**Objective 1.1: Strengthen Producer Organizations**

**Objective 1.2: Improve ABDS Service Delivery**

**Objective 1.3: Encourage Youth Involvement**

**Objective 1.4: Increase Value Chain Competitiveness**

**Objective 2.1: Improve Production Estimates & Market Information**

**Objective 2.2: Promote Legal, Policy & Regulatory Reform**

**USAID Serbia Agribusiness Project  
USAID Standard Indicators – Results vs Targets**

<b>USAID Standard Indicators</b>		<b>2008 RESULT</b>	<b>2009 RESULT</b>	<b>2010 RESULT</b>	<b>2011 RESULT</b>	<b>2011 TARGET</b>	<b>2012 TARGET</b>
<b>Performance Indicator</b>	<b>Methodology (data source)</b>	<b>Baseline</b>					
Percent change in value of international exports of targeted agricultural commodities as a result of USG assistance	Annual Client Impact Survey	In 2008, a total 15 agribusinesses reported the export of the targeted commodities in the amount of \$3,914,809; this amount has been taken as a baseline for 2009	75.99% (over previous year)	11.16% (over previous year)	*25.99% (over previous year)	15% (over previous year)	15% (over previous year)
Number of producer organizations, water user associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	Project data input into TAMIS	N/A	39	48	63	45	50
Number of agriculture-related firms benefiting directly from USG supported interventions	Project data input into TAMIS	N/A	135	139	188	125	150
*According to the survey results, the Project-assisted agribusinesses reported 25.99% increase over previous year of international exports of targeted agricultural commodities, which exceeds the annual target of 15%. Out of 110 surveyed agribusinesses in Year 4, a total of 45 reported international exports of the targeted commodities totaling \$30,878,471 versus \$24,507,592 reported by 55 companies in Year 3.							
**Actual results for agricultural GDP and the value of agriculture exports for 2010 and 2011 will be provided in December 2011 and December 2012 respectively whereas National Bureau for Statistics publishes these data annually and one year after the end of calendar year (Serbian Fiscal Year).							

**USAID Serbia Agribusiness Project  
Overarching Indicators – Results vs Targets**

<b>USAID Overarching Indicators</b>		<b>2008 RESULT</b>	<b>2009 RESULT</b>	<b>2010 RESULT</b>	<b>2011 RESULT</b>	<b>2011 TARGET</b>	<b>2012 TARGET</b>
<b>Performance Indicator</b>	<b>Methodology (data source)</b>	<b>Baseline</b>					
Percent change in agricultural GDP	National statistics	2007 Ag GDP: \$4.25 B	-3.58% (over baseline)	**Result will be available in December '11	**Result will be available in December '12	6% (over baseline)	10% (over baseline)
Percent change in the value of agricultural exports	National statistics	2007 Ag Exports: \$1.69 B	15.25% (over baseline)	32.92% (over baseline)	**Result will be available in December '12	12% (over baseline)	16% (over baseline)
Actual increase in employment in agricultural processing and services	Annual Client Impact Survey	0	4,010 (cumulative)	5,018 (cumulative)	6,923 (cumulative)	6,000 persons (cumulative)	10,000 persons (cumulative)
Dollar value change in agricultural product sales of USAID Agribusiness Project beneficiaries	Annual Client Impact Survey	0	\$33,913,483 in Year 2	\$34,264,047 in Year 3 or \$72.96 million (cumulative)	\$42,883,426 in Year 4 or \$115.6 million (cumulative)	\$38 million in Year 4 or \$60 million (cumulative)	\$30 million in Year 5 or \$90 million (cumulative)
*According to the survey results, the Project-assisted agribusinesses reported 25.99% increase over previous year of international exports of targeted agricultural commodities, which exceeds the annual target of 15%. Out of 110 surveyed agribusinesses in Year 4, a total of 45 reported international exports of the targeted commodities totaling \$30,878,471 versus \$24,507,592 reported by 55 companies in Year 3.							
**Actual results for agricultural GDP and the value of agriculture exports for 2010 and 2011 will be provided in December 2011 and December 2012 respectively whereas National Bureau for Statistics publishes these data annually and one year after the end of calendar year (Serbian Fiscal Year).							

**USAID Serbia Agribusiness Project**  
**Objective 1.1: Strengthen Producer Organizations – Results vs Targets**

<b>Objective 1.1: Strengthen Producer Organizations</b>									
<b>Performance Indicator</b>	<b>Methodology (data source)</b>	<b>Baseline</b>	<b>2008 RESULT</b>	<b>2009 RESULT</b>	<b>2010 RESULT</b>	<b>2011 RESULT</b>	<b>2011 TARGET</b>	<b>2012 TARGET</b>	
Number of producer organizations assisted as part of the USAID Agribusiness Project	Project data input into TAMIS	N/A	25	39 (cumulative)	48	63	45 (cumulative)	50 (cumulative)	
Number of new members joining USAID Agribusiness Project-assisted producer organizations	Project data input into TAMIS	N/A	317	492 (cumulative)	540 (cumulative)	806 (cumulative)	620 total new members*	700 total new members*	
Total dollar value of member sales through USAID Agribusiness Project-assisted producer organizations	Annual Client Impact Survey	N/A	\$1,055,064	\$1,122,748	\$15,294,128	\$15,004,831	\$5M sales in Year 2	\$10M sales in Year 2	
Average score of assisted producer organizations on the Organizational Capacity Assessment Tool	Annual Client Impact Survey	Results of the assessment conducted in December 2008 are used as a baseline		2.42 (baseline)	3.21	3.66	3.00	4.00	
* Revised targets; please see Y5 PMP									

**USAID Serbia Agribusiness Project**  
**Objective 1.2: Improve ABDS Service Delivery – Results vs Targets**

<b>Objective 1.2: Improve ABDS Delivery</b>										
<b>Performance Indicator</b>	<b>Methodology (data source)</b>	<b>Baseline</b>	<b>2008 RESULT</b>	<b>2009 RESULT</b>	<b>2010 RESULT</b>	<b>2011 RESULT</b>	<b>2011 TARGET</b>	<b>2012 TARGET</b>		
Number of Agribusiness Development Service (ABDS) firms benefiting directly from USAID Agribusiness Project	Project data input into TAMIS	N/A	8	25 (cumulative)	59 (cumulative)	72 (cumulative)	80 (cumulative)	100 (cumulative)		
Number of new ABDS started with assistance of USAID Agribusiness Project	Project data input into TAMIS	N/A	0	0	0	0	3 (cumulative)	0*		
Total dollar value of new revenues generated from ABDS providers as a result of USAID Agribusiness Project	Annual Client Impact Survey	N/A	\$20,000	\$445,682	\$504,400	\$652,666	\$350,000 in annual revenues	\$600,000 in annual revenues		
Client satisfaction rating by firms of the availability and quality of agribusiness development services by region	Annual Client Impact Survey	N/A	5	4.16	4.24	4.29	4.00	4.00		
Number of producers/processors who have received credit as a result of USAID Agribusiness Project	Annual Client Impact Survey	N/A	3	5 (cumulative)	8 (cumulative)	9 (cumulative)	120 (cumulative)	180 (cumulative)		
Total dollar value of credits received by producers/processors as a result of USAID Agribusiness Project	Annual Client Impact Survey	N/A	\$2.5 M	\$1,025,000	\$160,870	\$60,000	\$320,000 in Year 4	\$320,000 in Year 5		
* Senior Management recommended the indicator to be removed from PMP. Please see Y5 PMP.										

**USAID Serbia Agribusiness Project  
Objective 1.3: Encourage Youth Involvement – Results vs Targets**

<b>Objective 1.3: Encourage Youth Involvement in Agribusiness through the Youth Enterprise Program</b>									
<b>Performance Indicator</b>	<b>Methodology (data source)</b>	<b>Baseline</b>	<b>2008 RESULT</b>	<b>2009 RESULT</b>	<b>2010 RESULT</b>	<b>2011 RESULT</b>	<b>2011 TARGET</b>	<b>2012 TARGET</b>	
Number of Youth Business Plan Competition winners	Project data input into TAMIS	N/A	0	7	9	0	15 per annum	34* (cumulative)	
Number of youth-led businesses participating in USAID Agribusiness Project-funded activities	Project data input into TAMIS	N/A	5	7	9	0	30 per annum	45* (cumulative)	
Number of youth-led successful/operational businesses initiated thanks to USAID Agribusiness Project	Project data input into TAMIS	N/A	0	4 (cumulative)	16 (cumulative)	16 (cumulative)	34 (cumulative)	34* (cumulative)	
* Revised targets; please see Y5 PMP									



**USAID Serbia Agribusiness Project  
Objective 2.1: Improve Production Estimates & Market Information  
Results vs Targets**

<b>Objective 2.1: Improve Crop and Livestock Production Estimates and Market Price and Environment Information</b>									
<b>Performance Indicator</b>	<b>Methodology (data source)</b>	<b>Baseline</b>	<b>2008 RESULT</b>	<b>2009 RESULT</b>	<b>2010 RESULT</b>	<b>2011 RESULT</b>	<b>2011 TARGET</b>	<b>2012 TARGET</b>	
Reliable crop/livestock production and market price information system operating within the Ministry of Agriculture	Annual or semi-annual survey on client satisfaction	2007 System Reports	2.57	3.38	3.76	3.58	TBD	TBD	
Targeted agricultural surveys implemented with the project support (per annum) in order to generate additional data on specific sectors or specific agricultural issues (e.g. costs and generated income per various households)	Project data input into TAMIS/Data from partner organizations	N/A	6	3	3	2	2 per annum	8 (cumulative)	
Number of producers and firms trained in the use of market information & production data	Project data input into TAMIS	N/A	0	299	266	0	200 (cumulative)	225 (cumulative)	
Introduction of an operational Environmental Information System (EIS)	Annual or semi-annual survey on client satisfaction	No system in place	Survey to be conducted upon introduction of the system		N/A	N/A	TBD	TBD	

**USAID Serbia Agribusiness Project**  
**Objective 2.2: Promote Legal, Policy & Regulatory Reform**  
**Results vs Targets**

Objective 2.2: Promote Legal, Policy and Regulatory Reform										
Performance Indicator	Methodology (data source)	Baseline	2008 RESULT	2009 RESULT	2010 RESULT	2011 RESULT	2011 TARGET	2012 TARGET	Disaggregating Categories	
Number of strategy papers prepared on policy related issues as a result of USAID Agribusiness Project activities	Project data input into TAMIS and data from partner organizations	N/A	3	11 (cumulative)	18 (cumulative)	22 (cumulative)	11 (cumulative)	12 (cumulative)	Type of reform	
<p>Guide for Application, Self Control and Control of the GMP, GHP and HACCP Systems</p> <p>The Report On The Resources In The Herbal Sector, National Quota System For Collection Of Wild Herbs And Recommendations For Amending The Legislation On Protection And Control Of Collection Of Herbs</p> <p>Analysis of the Implementing Regulations of the Law on Organic Production with Proposed Amendments of the Regulations</p> <p>Proposal for Financial Support of Organic Production in 2011</p>										
Number of policy reforms implemented as a result of USAID Agribusiness Project	Official Gazette of the RS (Serbian trade magazines and newspapers, GOS & Ministry data)	N/A	1	3	5 (cumulative)	8 (cumulative)	1 per annum	5 (cumulative)	Type of reform	
<p>The Decree on Amending the Decree on Placing Under Control the Use and Circulation of Wild Flora and Fauna (RS OG No. 69/11)</p> <p>Rulebook on Control and Certification in Organic Production and Methods of Organic Production (RS OG No. 48/11)</p> <p>Decree on the Use of Incentive Funds for Supporting Development of Organic Production in 2011 (RS OG No. 49/11)</p>										



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# **USAID Serbia Agribusiness Project**

## **Annual Report – Project Year Four**

October 1, 2010 – September 30, 2011

## **Annex II – Success Stories from Year Four**

# **USAID Serbia Agribusiness Project**

## **Annual Report – Project Year Four**

### **Success Stories from Year Four**

#### **Quality Standards have a Big Impact**

*Hera – Livestock & Meat/Grants*

#### **IFS Certification Opens New Markets**

*Fortis – Tree Fruit/Grants*

#### **A Young Entrepreneur Has Big Plans**

*Prokic – Tree Fruit/Grants*

#### **US Bio-Digesters Coming to Serbia**

*Lazar Dairy – Dairy/Environment*

#### **Imported Raspberries are a Success**

*Rasadnik Malina – Berry Fruit Sector*

#### **A New Natural Soap Brand is Born**

*Savour – Dairy/Herbs & Mushrooms/Grants*

#### **Sabac Dairy Exports to the USA**

*Sabac Dairy – Dairy/Marketing & Sales*

#### **International Sales Spurs Expansion**

*Melisa Farm – Herbs & Mushrooms/Marketing & Sales*

#### **Youth Grantee Expands Production**

*Milos Erceg – Tree Fruit/Grants*

#### **Biotrend Sosini is now in Slovenia**

*Biotrend – Vegetables/Grant*

#### **Serbia Organica Expands Quickly**

*Serbia Organica – Producer Organizations/Grants*

#### **SmartFresh Provides an Advantage**

*SmartFresh – Tree Fruit/ADBS & Finance*

#### **CULINARIA 2011 – Building on Success**

*Culinaria – Marketing & Sales/ADBS & Finance*



## SUCCESS STORY

# Quality Standards Have A Big Impact

**HERA has enhanced its access to the EU, and it can now supply food to Serbian government institutions.**



Photo: Agribusiness Project

The image above shows some of the workers in the HERA factory in Gornja Trnava preparing Burek for baking and freezing. HERA employs 25 people, 13 of them women, in this small village. This company will add 10 new employees based on recently signed Serbian government supply contracts.

*The USAID Serbia Agribusiness Project, via its international food quality and safety standards grant program, has assisted HERA to obtain ISO 22000 certification for their small food plant. This standard will give this company much greater access to both Serbian and international customers, and it will ensure that the company continues to grow and prosper.*

The Jevtovic family has been in the business of cereal processing since 1942, when a flour mill with a single pair of stones was built on the Babotinac River. The tradition of flour milling, and an ambition to continue to grow their family business, has been passed down from generation to generation in the family. This continues with the current owners of the family business, Vesna and Zoran Jevtovic. In 2003 they opened a small 500m<sup>2</sup> processing plant for the production of a variety of bakery products. This plant is located in an unpolluted environment, in the village of Gornja Trnava, about 10Km north of Prokuplje.

Proximity to the main highway in Serbia allows easy access, while the unpolluted environment of the rural setting ensures the products are safe and healthy, and that they are produced based on traditions from the area. HERA specializes in the production of partially baked, then frozen, traditional pies known as "Burek". These pies are filled with a stuffing of either meat or cheese. Thanks to the quality of their products, HERA exports to Bulgaria, Germany, Switzerland, and France.

Experience had convinced Vesna and Zoran that international standard certification would be essential for the future of the business, and continued access to their domestic and international customers. Based on this, they determined that the next step in their development strategy should be to introduce the product quality and safety standard ISO 22000. HERA had learned of the International Standards Grant Program of the USAID Agribusiness Project, and they applied for a grant to support the introduction of ISO 22000 at their company. As of early 2011, HERA is in the final stages of the process of becoming certified for this international quality standard.

In January 2011, the HERA Company partnered with Frikom, and jointly they submitted bids, and were awarded contracts, for two Serbian government tenders to become suppliers for the Ministry of Internal Affairs (Serbian police), and the Army of the Serbian Republic. One of the strict rules that the evaluation committees for these institutions used is that suppliers must possess international food quality standards, and HERA and Frikom meet these requirements. Thanks to these new contracts, the HERA Company will increase its production by 50%, and they will add ten new full time workers.



## SUCCESS STORY

# IFS Certification Opens New Markets

**Fortis concluded sales contracts worth \$500K based on the IFS standard certification assistance.**



Photo: Agribusiness Project

The image above shows some of the employees at the Fortis plant, located in the village of Bojnik near Leskovac, sorting sour cherries before freezing and packing. Fortis will be delivering 500 Tons of frozen sour cherries to new customers based on the IFS standard received with assistance from the Agribusiness Project.

*The USAID Agribusiness Project, via the International Standards grant program, assisted grantee Fortis to implement, and become certified in, the International Food Standard (IFS). This standard is a requirement for the supply of food products with many European buyers, and it has ensured that Fortis will be able to sell their products in the EU market in the coming years.*

Fortis is a young company which was founded by a group of friends in 2006 when they decided to purchase a former state-owned cold store and fruit processing facility located near Leskovac, in southern Serbia. The company was formed to get this group involved in the sour cherry business, and to privatize this processing plant. The early years were difficult for Fortis, but fairly soon they managed to re-start the production facility. In addition to starting the plant, they had to meet customer quality standards, and tirelessly seek out new markets for their products. Thanks to hard work and dedication they managed to make their first deliveries of sour cherries and berries to a German customer in the 2008/09 export season.

Their main production is the purchase, sorting, freezing and storing of sour cherries, plums, raspberries and blackberries. Their main markets are Germany and Switzerland, where their frozen products are used in the food processing industry for jams, yogurt and ice cream production, fruit preparations, and in bakeries. Being aware of increased competition, and the quality demands of their newer customers, Fortis saw the need to introduce International Food Standards (IFS) in their production and supply chain. Having this certificate was a condition for deliveries to three new buyers from the EU.

For this reason, Fortis applied for the Agribusiness Project's International Standards Grant Program, and based on this assistance they obtained IFS certification for their plant in May of 2010. This certification was received just in time for their new buyer's first audit of their facility. Following a positive audit report, Fortis signed a contract for the annual delivery of 500 Tons of sour cherry with three new buyers.

The contracts for the 2010/11 export season were valued at \$500,000, and at this time Fortis has delivered 250 Tons of frozen sour cherries, valued at \$375,000. Fortis has also added five new full time employees in their facility as a result of the new sales contracts. Fortis purchases their sour cherries from farmers in southern Serbia, around Leskovac, and they have regular agreements with more than 300 small farmers. The production manager from Fortis is in regular contact with the farmers, and is providing them with advice and guidance on production methods and quality controls.



## SUCCESS STORY

# A Young Entrepreneur Has Big Plans

**Milos Prokic sold 20,000 Euros of dried fruit in the 4<sup>th</sup> quarter of 2010, and has big plans for expansion.**



Photo: Agribusiness Project

The image above shows Milos with his father in front of a picture of his great, great, great grandfather. The picture was taken in 1907, and it has a prominent place in the family home. Milos has two full time employees now, but when he has his new operation going he expects to employ up to 22 people.

*The USAID Agribusiness Project, via the Young Entrepreneurs grant program, has assisted grantee Milos Prokic to launch a new dried fruit production business. Milos has already sold 20,000 Euros of fruit, and based on his experience he is planning a major expansion of his operations in 2011. He expects to construct a new facility at the family farm that will be able to process up to 7 Tons of fruit per day.*

Milos Prokic, from Donja Satornja, has big ambitions for his new business, based on old family traditions. His great, great, great grandfather, who was born in 1860, was the first member of his family to become involved with fruit drying. When Milos learned about the USAID Agribusiness Project's Young Entrepreneurs Grant Program, he knew he had an opportunity to build on this family tradition, and create a new small business that he could use to support his own young family well into the future.

As a final year student at the Agricultural Faculty of the University of Belgrade, he used his education and his personal experience on the family farm to prepare a winning business plan for the grant program. This grant, which financed the purchase of some basic fruit processing equipment, has allowed him to launch his new business. During the first three months of operation (Oct-Dec 2010), he sold more than 20,000 Euros of dried fruit, and he expects to sell as much, or more, in the first quarter of 2011. His business has two full time employees.

Based on his experience so far, Milos is already planning for a large expansion of his operations in the near future. He would like to build a new processing facility on the family property in Donja Satorna, and the new plant will have a capacity to process up to 7 Tons of fruit per day, and it will have a 100 Ton cold storage room. Milos has worked with a local contractor to develop a plan for the new facility, and he is now negotiating with AgroBanka to secure a loan to finance the construction.

Milos has established a contractual relationship with a major dried fruit company in Serbia, and they are, and will continue to be, his main customer. He is negotiating with OMV Serbia (a major gas station chain) to supply them with dried fruit for the restaurants they operate in their gas stations. Milos expects them to agree to include one piece of dried fruit with every cup of coffee they sell, and this will create a significant new market for dried fruit within Serbia. In addition to his main customer, he also plans to sell dried fruit products to the healthy food shops in Belgrade, and eventually to directly export his fruit products as "Health Foods" to Germany and other EU countries.



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## SUCCESS STORY

# US Bio-Digesters Coming to Serbia

**Lazar has signed a \$650K contract with GHD, Inc. of Wisconsin for bio-digester design and construction.**



Photo: Agribusiness Project

The image above shows Milan Vidojevic, the owner of Lazar Dairy, discussing the construction of GHD digesters with Steve Dvorak, on a visit to Wisconsin in May of 2010. Following this visit, Lazar Dairy made a decision to use the GHD design for a bio-digester that will process all the manure from their dairy farm.

*The USAID Agribusiness Project, using its' close working relationship with Lazar Dairy, has acted as the "match maker" between Lazar and GHD, Inc of Wisconsin. Lazar will invest \$1.5M in a new bio-digester for their dairy farm that will create a renewable energy source, address a serious pollution issue, and jump start the adoption of "green energy" production among other dairies throughout Serbia.*

The Agribusiness Project has been working with Lazar Dairy, from southern Serbia, to assist them to adopt new marketing and management systems, and to enter new markets. Lazar has participated in international trade fairs, and technical training programs, supported by the Project. When the USDA brought a US bio-digester company to Serbia, Lazar was an obvious choice for a visit. Steve Dvorak, President of GHD, Inc. visited Lazar at that time, and his presentation of the GHD technology, and discussions regarding what it could do for Lazar, sparked Milan Vidojevic's interest in the technology.

Following the visit of GHD, the Agribusiness Project hired a local consultant to collect data on a number of dairy farms, and this data was provided to GHD so they could prepare feasibility studies on the use of their technology. The study for Lazar showed that their digesters could significantly reduce their operating costs, and the digester could pay for itself within three years. This really heightened the interest of Milan, so much so that he wanted to go to Wisconsin and see for himself how this technology worked on real dairy farms. The Agribusiness Project stepped in to organize a tour to Wisconsin for Milan and his farm manager, where they visited four operating GHD digesters, as well as one under construction, and they initiated discussions on how GHD could design and build one for Lazar.

Over the summer and fall of 2010, Lazar and GHD continued their discussions, and eventually they reached agreement on the terms of a contract. The Agribusiness Project provided some legal assistance to Lazar to develop the actual contract document, and by the end of 2010 the deal was sealed – Lazar made an initial payment of \$110K to GHD so they could begin the design work, and to start preparing the equipment for the digester that will be built in the United States.

This contract is an important milestone in Serbia's efforts to increase its production and use of renewable energy sources, and it is a significant new business relationship for an American company in Serbia. GHD is the leading US company in the design and construction of anaerobic digesters, and its' patented design is more efficient, and produces more gas per ton of waste than older digester designs. The Lazar digester will become a model that other Serbian dairies can emulate.



## SUCCESS STORY

# Imported Raspberries are a Success

**Rasadnik Malina has used Project assistance to expand their nursery and to achieve sales growth.**



Photo: Agribusiness Project

The image above shows Rasa Maric explaining to a customer the performance advantages of the Polka variety of raspberries to a customer. The adoption of this variety was a direct result of Project assistance and the study tour to the UK where Serbian growers observed the latest techniques used in the EU.

*Since introducing the Polka variety, Rasadnik Malina has been able to expand their fields and extend the season for fresh market production. Supplying wholesalers in Belgrade, the Malina nursery manages 2.5ha of fresh berry fields. With the new varieties yields have been improved and the season extended. As they saw in the UK and Spain, Malina has set-up trial tunnel production which will be used for crop protection during the harvest season.*

Rasadnik Malina (*Raspberry Nursery*) is a small family business founded in 2006 by Mladen Maric. As a registered nursery, its primary activity is the propagation of raspberry planting material. Starting small, the nursery initially had one employee and hired a few seasonal laborers. Since it was located in the primary raspberry growing area of Serbia, the nursery also had some fields devoted to raspberry production, and it had plans to enter the fresh raspberry business. The nursery's primary interests though were new varieties and production technologies, to help them expand plant propagation. However, there was a lack of local knowledge and experience in applying modern production technologies, and they had no one to ask for advice. For this reason the owner's son, Rasa, was pleased when he learned about the activities of the Agribusiness Project.

Project assistance in the berry sector started with fresh market berry fruit production training delivered by a US specialist from Wisconsin. Importing improved planting material was a logical first step so the Project organized a Trade Mission to the UK, where participants visited one of the leading European soft fruit nurseries. Visits to large commercial farms helped the group understand new production technologies and field management practices. After the new variety "Polka" was imported from the UK, Rasadnik Malina participated in a series of field-based assistance programs organized by the Project to learn about the new varieties and appropriate management practices. Rasa participated in a study tour to Huelva Province in Spain to learn about season extension methodologies, production under tunnels, and the post-harvest and fresh fruit marketing practices of the leading EU suppliers of fresh berries.

As a result Rasadnik Malina has grown significantly. Currently it manages nearly 2ha of nursery stock, and 2.5ha of raspberry fields for the fresh market. Starting with the Tulameen plants imported from the UK, the nursery has produced and sold over 95,000 raspberry canes, resulting in \$30,000 of new revenues. The nursery now supplies a number of customers throughout Serbia, and even has clients in Bosnia and Montenegro.



# USAID | SERBIA

FROM THE AMERICAN PEOPLE

## SUCCESS STORY

# A New Natural Soap Brand is Born

**Nikola Srdanov has used USAID Project assistance to launch a new natural soap brand in Serbia.**



Photo: SAVOUR doo

The image above shows some of the soaps that SAVOUR is producing with the equipment provided by the Agribusiness Project. These soaps are made from all natural ingredients (including goat milk, as shown) and are being marketed nationally as unique, natural and hand-made personal care products from Serbia.

*Since receiving the grant from the Agribusiness Project, Nikola has been able to significantly expand the production of his soaps and cosmetics, and get them into the local retail markets in Vojvodina. Based on the positive response from consumers to date, he is planning to expand distribution to the national level, and in the near future begin to export his products to neighboring countries.*

[www.savourcosmetics.com](http://www.savourcosmetics.com)

U.S. Agency for International Development  
[www.usaid.gov](http://www.usaid.gov)

Nikola Srdanov, from Novi Sad, has big ideas for his unique small business. Born and raised in Novi Sad, he has been active and curious since childhood, always seeking something new and unusual. After he finished high school, he left Serbia to study design in Treviso, Italy. When he finished his studies there, he returned to Serbia to start his own business. His idea was to produce something that would stand out from the crowd, by making handmade soaps and cosmetics from all natural ingredients. He started to work on his business, and then he met his partner, Milivoj, another young entrepreneur from the Faculty of Agriculture, at the University of Novi Sad. Milivoj specialized in herbs, and technologies used for herb processing.

They divided up the work, with Milivoj in charge of producing essential oils, and Nikola responsible for the final product. As can be expected, they had many problems, most of them related to financing and equipment. That's when Nikola learned about the Agribusiness Project's Young Entrepreneurs Grant Program. When he read about the program he knew he had an opportunity to build his business, and create a brand for his product. That's how SAVOUR – his new brand – was born. For SAVOUR, Nikola was awarded the 2010 Youth Entrepreneur in Agribusiness prize at the Novi Sad Agricultural Fair.

The Agribusiness Project was impressed with his proposal, and awarded him a grant to finance the purchase of modern US-made equipment for soap making, and distillation equipment for essential oil production. Nikola is combining the traditional and the modern, by using new technology in traditional production processes. He makes his soaps by hand from scratch, using the traditional cold process method. As ingredients, he uses organic olive, palm and castor oils, and their own organic essential oils, such as Lavender and Lemon Grass. He also uses goat milk, chocolate, and other unique ingredients

In his first year, Nikola has managed to cover the Novi Sad market, and most of Vojvodina. He is also negotiating with a national supermarket chain, which will distribute his products throughout Serbia through in their retail network.



# USAID | SERBIA

FROM THE AMERICAN PEOPLE

## SUCCESS STORY

# Sabac Dairy Exports Cheese to USA

**Sabac Dairy has begun commercial cheese exports to the USA with USAID project assistance.**



Photo: Agribusiness Project

The image above shows some employees of Sabac loading a pallet of cheese into the container with the first commercial shipment of Sabac cheese to the USA. Sabac and the Agribusiness Project organized a press event for this activity so local press representatives could see the cheese being loaded into the container and being shipped off to the USA.

Assistance from the Agribusiness Project has been critical to Sabac's efforts to break into the American market. The Project supported their participation at the Fancy Food Show in New York, assisted Sabac to insure its labeling was appropriate for the American market, and helped them obtain export licenses for the USA. US Public response to the Sabac feta cheese has been good.

[www.farmakomb.com](http://www.farmakomb.com)

U.S. Agency for International Development  
[www.usaid.gov](http://www.usaid.gov)

Sabac Dairy, a relatively large private dairy processing firm in western Serbia, has been a client of the USAID Serbia Agribusiness Project since the start of project activities. The Project has provided significant support to the dairy sector since the early days, and the first assistance was support for their farmer suppliers to help them improve their productivity and to increase the quality of the milk they supply to Sabac. As the project progressed the focus of assistance for Sabac shifted more to marketing, and the company participated in a number of the Project's international trade show activities.

In June 2009, Sabac was one of a number of companies that the Project supported for participation at the Fancy Food Show in New York City. Prior to the show the Agribusiness Project assisted Sabac to revise their packaging and labeling to insure it conformed to US standards and requirements. At that show the management of Sabac met with an importer from Chicago that was interested in Sabac products, in particular their feta cheese which they believed had a good market in the mid-west of the USA. Sabac returned to Fancy Food in 2010 and at that show they agreed with the importer to send a trial shipment of cheese. Their products were well received in the US market, and based on that the importer agreed to begin commercial scale imports of Sabac products in March 2011.

Over the course of 2009 and 2010 the Project provided ongoing assistance to Sabac to support their efforts to enter the US market, such as assistance in packaging and labeling and in securing the export licenses necessary from Serbian authorities. Following these efforts, Sabac made its first commercial shipment of cheese to the US on March 14, 2011. To publicize the event Sabac and the Project collaborated on a press conference at the production plant, which was followed by a tour of the facilities. This effort paid off handsomely, as 25 media representatives were present at the event and the Project recorded more than 55 press articles on the export of Sabac dairy products to the USA. Both the USAID Mission to Serbia and the Agribusiness Project were prominently mentioned in all of the articles and stories that appeared in the local press.



## SUCCESS STORY

# International Sales Spurs Expansion

**Melisa Farm used USAID Agribusiness Project assistance to double its annual sales volume.**



The image above shows the owners of Melisa Farm, Zelika and Miroslav Pincir, displaying their products at the 2011 Vitafoods Fair in Geneva. Their participation at this show, which was supported by the Agribusiness Project, has led to large international orders for their products.

*Melisa Farm is a small family owned company located in Apatin, in north-western Serbia. The company has been receiving assistance from the Agribusiness Project since late 2008 and the impact of this assistance has been significant. The owner has stated that sales have doubled since they started to receive assistance from the project, and they also made their first international sales based on assistance from the project.*

<http://www.melisa-farm.com>

Melisa Farm is a small family owned and operated herb processing company which was established by Željka and Miloslav Pinčir based on their interest in, and devotion to, the creation of healthy and natural products. The family's involvement in herbs and other natural products goes back to the 1930s when Miroslav's grandfather established production of medicinal herbs. Miroslav, who has an education in pharmaceutical technology, was never in doubt about the career path he would be taking.

In the early days, Melisa Farm concentrated on the production of liquid extracts and essential oils, but over the years they have expanded the range of products to include dry extracts and aromatic oils. Following a long development period Melisa Farm has become Serbia's national market leader in the production and sale of natural dry plant extracts.

Agribusiness Project assistance to Melisa Farm extends back to late 2008, when the project organized a group of herb processing companies to visit the 2009 Vitafoods trade fair in Geneva. During this trade show, Melisa Farm made contact with a new buyer, and for the first time in company history they were able to export their products. With two years of international sales experience under their belt, Melisa Farm returned to Vitafoods in 2011, but this time as an exhibitor. At this show they made new sales to their existing client, and found new buyers.

Melisa has already reported international sales of \$50,000, and based on the 2011 Vitafoods contacts they signed contracts for an additional \$200,000 of exports. Given that their annual sales are on the order of \$350K per year, these sales contracts are significant for the company. Because of these new sales, Melisa Farm is now planning an expansion of their storage and production facilities. Melisa is building a new storage facility worth \$45K, and they have an investment plan for \$200K of new equipment & infrastructure over the next two years.

Miroslav has this to say: "Melisa has doubled its' annual sales since 2008 when we started to work with the Agribusiness Project. Our buyer from France says that they are now mixing our dry extracts with others, to improve their product quality."



# USAID | SERBIA

FROM THE AMERICAN PEOPLE

## SUCCESS STORY

# Youth Grantee Expands Production

**Milos Erceg used a USAID Agribusiness Project grant to expand cheese storage capacity, and double sales.**



Photo: Milos Erceg

The image above shows some of the cheese products being produced and sold by Agribusiness Project youth grantee, Milos Erceg. Milos has achieved good sales results with Project assistance, and the grant awarded to him will allow him to expand his production and sales to keep pace with the demand for his products.

*Milos Erceg, and his family owned goat cheese company located in Voivodina, have made good use of the assistance they have received from the Agribusiness Project. A small Youth Entrepreneurship grant from the project has allowed the company to expand their storage capacity so they can have product to sell during the periods when milk production is at a lower than normal level. This will allow them to increase annual sales.*

Milos Erceg, a young entrepreneur from Kucura, a village 35Km north of Novi Sad, is developing his business based on traditional cheese recipes. Some time ago he encouraged his family to start a goat farm, along with a processing facility for the preparation of goat cheese. The business was based on goat cheese recipes from the 1950s, which were passed to him by his grandparents who produced traditional goat cheeses in Bosnia with no artificial additives or preservatives.

As a student in his final year at the Faculty for Entrepreneurial Management, Milos has quite a bit of professional and practical knowledge about entrepreneurship, which helped him to become one of the winners of the Agribusiness Project's "Best Business Plan" competition, and this grant has given him the opportunity to expand his capacity and improve his business.

As a result of Milos' efforts, and his cooperation with the Project, his business recorded sales revenues of \$43,000 in 2010, and he is sure that he will double that amount in 2011. A great assistance to him in achieving that goal will be a new storage facility equipped with a modern cooling system which will allow him to store a larger stock of goat milk products. This will give him inventory to sell during the periods of the year when the normal supply of goat milk is lower than demand.

Since 2005 Milos has been a regular exhibitor at the Novi Sad Agricultural Fair and at the Ethno Food Fair in Belgrade. He has also participated in some smaller regional food shows, to promote his products outside of Serbia. Besides his regular buyers from Vojvodina and Belgrade, Milos also uses a booth at the local market for organic and healthy food in Novi Sad, which takes place once a week.

In addition to the storage facility that is being built with Project assistance, Milos is also preparing a new production facility that will be fully operational in the first quarter of 2012. This new facility will allow them to process 3000 liters of milk per day, and add 20 new full time employees to the business. This will also have an impact on approximately 100 suppliers of goat milk that he will be purchasing milk from with this expansion.



## SUCCESS STORY

# Biotrend's Sosini is Now in Slovenia

**Biotrend has capitalized on an Agribusiness Project grant to improve packaging and export to Slovenia.**



Photo: Biotrend Donato Ltd.

The image above shows the SOSSINI products being promoted in Slovenian supermarkets by the local distributor. They have begun to market these products with the slogan "Juicy Vojvodina" which capitalizes on the public image that food products from the Vojvodina region are tasty and of high quality.

*Following on the successful export deal for SOSSINI, Biotrend is now negotiating the supply of a new product for the Slovenian market – "Chips & Dips". This will be a combination of various types of chips, combined in a package with Biotrend sauces, and marketed in convenience stores and gas stations around Slovenia. Biotrend also plans to use a popular Serbian basketball player, who plays for a team in the American NBA, as their promotional spokesman.*

The EU market is nearly unattainable for many Serbian companies, and particularly for small food companies. There are many reasons for this, with the weak Serbian economy and the relative lack of modern packaging & promotion being among the most important. This situation has existed for years and many producers have begun to lose hope that something will change. However, these circumstances have boosted the energy of some producers, and given them the will to move forward. Many of them have received support for their efforts from their friends at the USAID Serbia Agribusiness Project.

While Biotrend products have excellent quality, a prerequisite for competing in world markets is the appearance of the products on the supermarket shelves. With support from the Agribusiness Project, the professional design studio was hired to create a new Biotrend brand, called SOSSINI, which was an addition to their existing range of sauces. These products were successfully exhibited at the Anuga Fair in 2009, and Biotrend established many contacts with interested companies from around the world. Biotrend received many calls for cooperation with the world's leading retail chains, but due to their limited production capacity, and the proximity of the market, Biotrend decided to begin their exports with Slovenia.

After a series of negotiations, and exhibits at other international trade fairs, Biotrend reached an agreement with ORBICO Ltd, the largest Slovenian distribution company. ORBICO placed the SOSSINI products on sale in the leading Slovenian retail chains, such as Mercator, Interspar, and LeClerc. The first export was carried out in May 2011, and the second followed quickly in June. ORBICO organized a series of 18 very successful promotional events, and five magazines have printed articles on this new brand on the Slovenian market. Even though these products appeared on the Slovenian market out of season, buyers were very interested in purchasing them and sales have taken off quickly. Slovenian buyers have readily accepted these products because the product image is based on presenting SOSSINI as a Vojvodina brand, and Slovenian buyers associate Vojvodina products with quality.



## SUCCESS STORY

# “Serbia Organica” Expands Quickly

**The new “Serbia Organica” association has become an effective promoter of all Serbian organic products.**



The image above shows the booths put up by the six member companies of Serbia Organica at the BioFach trade show in Germany in May 2011. These companies reported that they signed more than \$2M in new sales contracts at this international food trade show.

*The National Association “Serbia Organica”, which was established in 2009 by the main actors in the organic sector of Serbia, has already become the voice of the organic movement in Serbia. Since being formally established the organization has added 88 new members and assisted members to sign nearly \$2.5M in new sales contracts for organic products.*

The national organic food association „Serbia Organica” was established in 2009 with Agribusiness Project assistance as the first organization to represent the organic sector in Serbia. The founders were companies, producer organizations, farmers, experts and other stakeholders in the organic movement. As a non-profit organization „Serbia Organica” seeks to improve the environment for the organic sector by advocating for changes to policies and regulations.

The demand for organic products is strong, especially in Western Europe. Realizing the potential of this market, a group involved in organic food production formed this national organization. Successful and viable professional associations are rare in Serbia. There is no tradition for such private organizations, especially at the national level. Associations usually do not have the management skills, and the resources, to develop services needed by their members.

The Agribusiness Project helped Serbia Organica to register their organization based on the new Law on Associations. The Project also launched a specifically designed Grant Program for associations. This program assists these organizations to add new activities and services, to improve their ability to serve their members and the industry. Using these funds “Serbia Organica” has increased their visibility by developing promotional materials, and they have designed a range of products and services for their members and organic food stakeholders throughout Serbia.

With Project assistance “Serbia Organica” also organized a Serbian national pavilion at the world’s most important organic food show, “BioFach” in Germany, where six member companies displayed their products in the association’s booth. These accomplishments have significantly enhanced Serbia Organica’s ability to provide services and attract new members, with 88 new members, and an expansion of organic production. Association activities have also resulted in \$2.49M in new member sales, with 85% of this coming from the Biofach trade show in Germany.



## SUCCESS STORY

# SmartFresh Provides an Advantage

**SmartFresh technology will assist apple exporters to prolong storage and gain higher export prices.**



Photo: Agribusiness Project

The image above shows an employee of ProFruit advising an employee of the Zima apple cooperative on techniques for making the first application of *SmartFresh* to apples harvested in Serbia. These apples will now be able to remain in storage until April or May, and come out of storage like they were just harvested.

*As is the case with all of Serbia's competition in Europe, including the Polish apple producers who are the main competitors for Serbian apples, these local producers have now added another valuable tool that will help them to compete on equal terms. This new product will also allow them to offer a high quality fresh product, following a long storage period, which will attract a much higher export price.*

Over the past few years Serbia has become an important supplier of fresh fruit for the Russian market, and in particular apples. Exports have increased each year, but at the same time the competition, and the quality demands from Russian buyers, are also increasing. Serbian apple exporters are shifting from selling to wholesalers, and are now targeting retail chains, and therefore they need to continually improve their fruit quality.

In addition to improving the quality, Serbia needs to extend the period when it can offer fresh apples to the Russian buyers. Maintaining fruit quality in the cold stores for the longest possible time is very important. The first step was to build ULO (Ultra-Low Oxygen) cold stores, to extend export season to April and obtain higher export prices. While assisting cold-store operators the Project received inquiries regarding the introduction of *SmartFresh* in Serbia. *SmartFresh* can extend the storage period for apples, and maintain the quality of stored apples in the same status as they were at harvest time.

In response, the Agribusiness Project contacted US company Agrofresh, which is the developer and producer of *SmartFresh*. The Project organized a visit to Serbia for them, and presented them with the market potential for their product. Shortly thereafter, Agrofresh decided to enter the Serbian market, and the started the process of registering *SmartFresh* and selecting a local service provider who could represent them. ProFruit, a local company advising fruit producers and processors in Serbia, was selected as the local agent for *SmartFresh*, and has added this new service to their offer for their clients.

*SmartFresh* has been officially registered for application in Serbia, and the first imports arrived in early September 2011. The first application of *SmartFresh* took place later in the month, and 3,000 tons of apples were treated. By prolonging the storage period for these high quality apples, and maintaining their harvest quality until April or May (especially the Granny Smith variety) it is estimated that at least 50¢ will be added to the sale price for kilogram of treated apples. This will give these exporters an additional \$1.5M in sales revenue this first season.



## SUCCESS STORY

# Culinaria 2011 - Building on Success

**CULINARIA 2011 has successfully built on the foundation established during Project Year Four.**



Photo: Agribusiness Project

This picture shows the display stand put up at CULINARIA 2011 by FoodLand, one of the Agribusiness Project's key clients in the Berry Fruit sector. This stand is symbolic of the quality of the displays that were put up at Culinaria this year, as they were more professional in appearance and the companies were well prepared.

*The second CULINARIA fine food trade show has proven once and for all that Belgrade offers the location and the facilities that can attract producers, processors and important domestic and international buyers, to join together at one successful event which will, in the future, be the pre-eminent trade show event for the regional food industry in the Balkans.*

In 2009 the Agribusiness Project assisted BelExpo to organize CULINARIA 2010 as the first international food show to be held in Belgrade. The show was a remarkable success, but due to various issues BelExpo was not in a position to organize the show in 2011. The Project organized a public offer for a new company to take over the management of CULINARIA, and based on the offers received the Zizgin company was selected as the owner and operator of the CULINARIA fair.

Zizgin is well known in the local trade fair and exhibition business, having been in the business for more than a decade and being involved in the organization of exhibitions both domestically and abroad. Over the course of 2011 Agribusiness Project staff and Zizgin employees worked closely together to insure that CULINARIA 2011 would be an even greater success than the show in 2010. Following months of hard work, the effort paid off with a show that attracted more than 100 exhibitors from eight countries in the region and in the EU, and which attracted more than 400 professional food buyers from Europe, North America and the Middle East.

Immediately after the first CULINARIA trade fair Zizgin and Project staff continued to search for new buyers to invite to the 2011 fair. A database including all the relevant regional distributors of food found on the shelves of local supermarkets was developed, and used to make contact with buyers and traders. Zizgin also offered subsidized rooms in the Hotel Continental in New Belgrade as an incentive for new buyers to come to CULINARIA 2011. This worked like a charm, as there were many more buyers at the 2011 fair than in 2010.

At the same time, Agribusiness Project staff organized a promotional tour in southern Serbia, and offered business training courses in 10 southern Serbian cities, to attract food companies from the region to participate in the fair. Project staff also advised the companies on how to prepare for the fair, and what materials they needed to effectively display their products. A total of 50 companies were selected to exhibit, with each of them being provided with a six m<sup>2</sup> stand for their company.

At CULINARIA 2011 participating firms signed contracts for nearly \$450,000 of new product sales, and were in the process of negotiating an additional \$8M in future sales. These sales results were much better than those of CULINARIA 2010.



**USAID Serbia  
Agribusiness  
Project**



# USAID Serbia Agribusiness Project

## Annual Report – Project Year Four

October 1, 2010 – September 30, 2011

### Annex IV – Project Weekly Reports

<b>Year Four - Quarter One</b>	
Week of:	Oct 04, 2010
Week of:	Oct 11, 2010
Week of:	Oct 18, 2010
Week of:	Oct 25, 2010
Week of:	Nov 01, 2010
Week of:	Nov 08, 2010
Week of:	Nov 15, 2010
Week of:	Nov 22, 2010
Week of:	Nov 29, 2010
Week of:	Dec 06, 2010
Week of:	Dec 13, 2010
Week of:	Dec 20, 2010
Week of:	Dec 27, 2010

<b>Year Four - Quarter Two</b>	
Week of:	Jan 03, 2011
Week of:	Jan 10, 2011
Week of:	Jan 17, 2011
Week of:	Jan 24, 2011
Week of:	Jan 31, 2011
Week of:	Feb 07, 2011
Week of:	Feb 14, 2011
Week of:	Feb 21, 2011
Week of:	Feb 28, 2011
Week of:	Mar 07, 2011
Week of:	Mar 14, 2011
Week of:	Mar 21, 2011
Week of:	Mar 28, 2011

<b>Year Four - Quarter Three</b>	
Week of:	Apr 04, 2011
Week of:	Apr 11, 2011
Week of:	Apr 18, 2011
Week of:	Apr 25, 2011
Week of:	May 02, 2011
Week of:	May 09, 2011
Week of:	May 16, 2011
Week of:	May 23, 2011
Week of:	May 30, 2011
Week of:	Jun 06, 2011
Week of:	Jun 13, 2011
Week of:	Jun 20, 2011
Week of:	Jun 27, 2011

<b>Year Four - Quarter Four</b>	
Week of:	Jul 04, 2011
Week of:	Jul 11, 2011
Week of:	Jul 18, 2011
Week of:	Jul 25, 2011
Week of:	Aug 01, 2011
Week of:	Aug 08, 2011
Week of:	Aug 15, 2011
Week of:	Aug 22, 2011
Week of:	Aug 29, 2011
Week of:	Sep 05, 2011
Week of:	Sep 12, 2011
Week of:	Sep 19, 2011
Week of:	Sep 26, 2011



**USAID Serbia Agribusiness Project – Weekly Report**

Week of October 4<sup>th</sup> 2010  
CTO: Djordje Boljanovic

**GENDER PROGRAM:** The grantees for the Women’s Entrepreneurship Training have launched their programs with the initial efforts focusing on insuring widespread and adequate promotion of the training events in their respective regions. Brochures, leaflets, posters and billboards are all being used to publicize the program and to insure that any woman who wishes to participate is aware of the training and has the information necessary to register and participate. The photos at the right show a billboard by the Economic Institute, the grantee for the program in Jablanicki and Pcinjski regions, and posters from the Business Women’s Association of Nis, the grantee for the Nisavski and Toplicki regions. In parallel with these promotional efforts the grantees are focusing on preparing the training materials, and organizing the logistics, for the training sessions which will take place in 12 separate regions of Serbia.



**Other Project Activities:**

- **Culinaria Follow-up Report:** The Agribusiness Project has collected data and statistics on the recently held Culinaria Food Show in Belgrade and can now provide the Mission with a more comprehensive report on the impact of the event. A total of 79 individual exhibitors participated in the show, with exhibitors coming from Bosnia, Croatia, Slovenia, Italy and Macedonia, in addition to Serbia. More than 3,000 visitors attended the show, as well as foreign buyers from 14 countries which included the USA, Canada, the UK and Greece. While the data collection on contracted and potential sales for participating companies is not yet complete, participating companies have reported \$2.3M in potential sales, and \$15,000 in contracted sales. In addition to these sales, BelExpo, the Project’s partner for Culinaria, has reported \$120,000 of new revenues from the fair. More than 70% of the companies surveyed reported they were satisfied with the fair, and they intend to participate next year. There were 95 media reports on Culinaria, among local, regional & national media outlets.
- **Berry Fruit:** Upon successful completion of their International Standards grant program, and receipt of the ISO 22000 Standard, the Sirogojno company has received reimbursement for the costs covered by grant funds. The company has already benefitted from this new standard, as the grantee has already added five new full-time jobs and increased their exports by nearly \$1M over the past five months.
- **Tree Fruit:** To continue support for the introduction of SmartFresh technology into Serbia, biological testing of the active compound in SmartFresh has begun at the Fruit Growing Department at the University of Novi Sad. These tests will examine the effect of SmartFresh on apples being stored in both ULO and conventional storage facilities. Once these tests are complete, at the end of April 2011, it is expected that a temporary one-year license will be granted to the representative of SmartFresh in Serbia. Following a successful second year of testing SmartFresh will be granted a permanent license for use in Serbia. The Agribusiness Project will continue to cooperate and support the representatives of SmartFresh in Serbia to organize training programs for apple producers and apple industry stakeholders.
- **Grant Program:** Youth Entrepreneur grantee Vladimir Ivanovic received reimbursement for \$13,800 of costs he incurred for anti-hail protection equipment, and for other farming tools and implements, that he will use as part of his project to establish High-Bush blueberry production.

**USAID Serbia Agribusiness Project – Weekly Report**

Week of October 11<sup>th</sup> 2010

CTO: Djordje Boljanovic

**Grants:** The annual impact survey for Y3 has been completed. A total of 82 benefiting organizations have responded to the survey. The preliminary results indicate that the surveyed clients delivered agriculture commodities valued at US\$ 34,264,047 out of the contracted US\$ 45,671,264; additional US\$ 17.7 million is reported under negotiations. Thanks to the Project's assistance, the surveyed agribusinesses reported 363 new registered jobs (full-time and part-time) and 645 seasonal jobs; 38.8% of all new employees are women and 24.7% are youth. The final survey results will be available next week.

**Other Project Activities:**

- **Policy:** The Project's STTA expert Vladimir Obucina completed the assignment aimed to assist the General Inspectorate of the Ministry of Agriculture with introduction of the Risk Analysis IT tools. The task has been initiated in order to implement the requirements of the Food Safety Law. Detailed report is available in English and Serbian. The Agribusiness Project's policy team received the final draft of the Study on the Impact of Liberalization on Serbian Agricultural Sector prepared by the service provider "SEEDEV". The Study encompasses quantitative and qualitative analysis of the effects of the liberalization under the SAA with the EU, free trade agreements with Turkey and Belarus and accession to the WTO across the agricultural sector and selected groups of products. Following the review of the final draft by the Project staff and translation of the Study, the Project will organize a public presentation of the findings from the Study.
- **POs/Herbs:** As part of the Agribusiness Project's grant program for associations, Serbian Flora Association hosted a delegation of EPCA - the Essences Producers and Cultivators Association from Albania to discuss a trade mission of Serbian delegation of 10 companies to Tirana on November 25-29. EPCA members also visited processing facility of Bilje Borca company, and met with the president of Serbian Chamber of Commerce and the Albanian economic attaché in Belgrade.
- **Vegetables:** The Agribusiness Project STTA George Wilson visited a number of vegetable sector clients involved in storing operations. Prof. Wilson provided direct advisory to clients who are in the process of the final facility construction activities (PG Medvedj, PG Mirkovic, AD Lucic). The emphasis was on root crops (carrots, onions and potatoes), taking in account their poor quality this year caused by floods (which will create additional problems for adequate storage).
- **Gender:** Promotional workshops for the Women Entrepreneurship Training Program were held in Kragujevac, Valjevo, Sabac and Uzice, while strong media campaigns (TV appearances, radio announcements, press conferences) were organized in Eastern Serbia – Zajecar, Sokobanja, Piro, Bela Palanka, Majdanpek, Kladovo, Babusnica, Boljevac and Negotin. The total number of rural women that applied for the program exceeded the expectations (Eastern Serbia-121, Kolubarski region-32, Macvanski region-46, and Zlatiborski region-53. Sumadijski region and Raska region have already filled out the required number of participants per group (15-20 women), designed the training curriculum and are ready to begin implementation of the training program.
- **Environment:** Environmental Specialist made on-site visits to the Cleaner Production program participating clients that have previously undergone training on CP, Agro-Adria and Sampi-CO from Bujanovac and Vihor from Vranje, to monitor and evaluate progress made on the environmental action plans. These clients are working on introducing product/technology modifications and energy efficiency concepts with the Project's assistance.
- **Nis office:** The Project staff attended inauguration of the National Agency for Regional Development office in Nis by the Prime Minister Cvetkovic and the Minister Dinkic. Informal meetings were held with Mr. Lund from LEDIB (collaboration with the Danish program in the south) and Mr. Kocic, the Mayor of Leskovac, (potential for Project's assistance in the announced Slovenian investment in the regional distribution center for vegetables and fruits in Leskovac area).



**USAID Serbia Agribusiness Project – Weekly Report**

Week of October 18<sup>th</sup> 2010

CTO: Djordje Boljanovic

**GENDER:** Promotional workshops for the Women's Entrepreneurship Training Program in Southern Serbia attracted a large number of women who wish to pursue careers in agribusiness. Workshops were held in Nis, Leskovac, Vranje, Prokuplje, and Gadzin Han, the selected regions where training programs will be held. More than 200 women attended the promotions, 100 of them applied for training programs. The Chief of Party and the Gender Advisor were present at the workshops, and answered questions from the women. The mayors of Nis, Prokuplje, and Gadzin Han, and representatives from the LED offices of Leskovac and Vranje offered their full support for the Agribusiness Project's Women in Agribusiness Program. Media representatives reported on the workshops, and reports were seen on all local and regional electronic and printed media, as well as on RTS Dnevnik 3. The photo at the right shows some of the women who attended the workshop in Nis meeting with the Association of Business Women from Nis, which will be implementing the program in the Nis, Prokuplje and Gadzin Han regions.



**Other Project Activities:**

- **Marketing & Sales:** Marketing & Sales supported the organization and participation of 12 Serbian companies at the SIAL fair in Paris this past week. This fair marked the start of the transition of export promotion and trade fair organization to Serbian partner entities. This year SIAL was organized by SIEPA, and financed by the Ministry of Economy. The Agribusiness Project provided training for the participating Serbian companies in two stages. In the first stage, training was provided to SIEPA on Sales Training, and they were provided with a system to organize future training. In the second stage the Project provided Sales Training directly for the participating companies, in coordination with SIEPA, to support the future transition. The sales at this year's SIAL were significantly lower than in past years. While buyer interest in Serbian products was significantly higher, buyers were very cautious and contracted for lower amounts, or only began negotiations for future procurement. Participating firms reported \$930K in signed sales contracts, and an additional \$4.76M in sales under negotiation.
- **Mushrooms & Herbs:** Interfood60 has now passed the final certification audit for the IFS standard, and they have obtained their IFS certificate. This certification is based on a Project grant, and Interfood60 has reported 5 new seasonal jobs, and \$78,000 of additional product sales as a result of the grant. Since certification has just been completed, they expect significant sales increases over 2010, and into 2011.
- **Vegetables:** A Post Harvest Seminar for vegetable producers specializing in root crop production was held on Tuesday 10/19 in Novi Sad. STTA Prof George Wilson, from NC State University, presented new technologies in post harvest treatments, with a special focus on a vegetable handling in this process. The focus of the seminar was on carrot, potato and onion production, because of their significance in Serbia's vegetable production. The seminar took place at the Novi Sad Fair grounds, and a total of 45 large-scale vegetable producers, service providers, extension service representatives and others attended.
- **ABDS/Finance:** The Project engaged STTA Pete Swanson to conduct a five-day workshop in negotiations for future trainers. Pete presented techniques for more effectively dealing with customers and suppliers. Each day of the workshop had a theme -- days one and two focused on the core competencies of negotiations, and creative problem solving. Day three focused on how participants could better understand how their own approaches impact negotiations, and how they can adapt to different environments. Day four focused the complexities of negotiating, and day five looked at the dynamics of negotiations with multiple interests and diverse personalities. A total of 12 participants were in the first session, which took place over the course of the past week, and 15 client representatives will participate in the second session this week.

**USAID Serbia Agribusiness Project – Weekly Report**

Week of October 25<sup>th</sup> 2010

CTO: Djordje Boljanovic

**POLICY/COMMUNICATIONS:** The Agribusiness Project, in cooperation with AGROPRESS and the Ministry of Agriculture, organized on Oct 26<sup>th</sup> a second National Agribusiness Conference - “Agribusiness Development Priorities for 2011” at the National Bank of Serbia. Representatives from the Ministry of Agriculture, and the local governments of Valjevo, Kragujevac, and Senta, presented their development and support programs for 2011, and discussed current pressing issues & challenges for agriculture and agribusinesses in Serbia. In addition, a consultant from SEEDDEV compared agricultural exports, the latest trends in sales, and the competitiveness of Serbian products with countries that recently acceded to the EU. The President of the National Parliament, Slavica Djukic Dejanovic, also presented the 2010 achievements in legislative reform for agriculture, and plans for the upcoming year. More than 150 participants from the private agribusiness sector, national and local governments, the non-governmental sector, and the media attended the conference. The picture on the right shows Minister Dragin during his introductory speech.



**DAIRY/ENVIRONMENT:** The Dairy Sector Lead and the Deputy Chief of Party participated in a one-day conference titled “ENERGY & AgroPROCESSing” which was held at the Master Center on the Novi Sad Fairgrounds on Oct 27<sup>th</sup>. The event brought together more than 200 participants who are interested in alternative sources of energy for agroprocessing, and at the event the AgBiz Project presented the GHD bio-digester technology. The DCoP made a short presentation on the GHD technology, and then the conference organized a video-link to GHD in Wisconsin and their Marketing Manager responded to questions from the audience. The picture at right shows Melissa VanOrnum, speaking to the conference via the video link.



**Other Project Activities:**

- **Berry Fruit:** The USAID Mission Director, accompanied by acting director of the Economic Growth Office, visited Mondi Serbia on 10/29. Mondi Serbia specializes in processing conventional and organically grown berry fruit. The company has developed a network of nearly 1000 growers that it supports in producing organic and/or fruits grown in accordance with the GlobalGAP standard.
- **Mushrooms & Herbs:** As a part of the grant, Improved Promotion, Education and Marketing Capacity of the Herb Sector in Southern Serbia, awarded to the Association “Dr. Jovan Tucakov”, the grantee has completed the first milestone. The Grantee completed the activities described in their application aimed at building the association’s capacity to serve the needs of its members. Activities within this milestone were focused on organizational issues, and increasing their visibility and developing a visual identity.
- **Producer Organizations:** As part of the grant, “Exhibition at the Fruit Logistica international trade fair in Berlin”, the Fruits of Serbia Association held a kickoff meeting with exhibiting companies, to review the project and fair preparation and planning. The Association prepared letters of commitment for exhibiting companies stipulating the terms of their participation at the association’s booth at the fair.
- **Environment:** To catalyze the process for innovation, the Agribusiness Project held a Cleaner Production in Agribusiness workshop on October 30<sup>th</sup> for interested food processing companies from southern Serbia. The workshop was used to present and discuss the Cleaner Production Program for Year Four, and participants from 30 SMEs were introduced to the goals, objectives, methodologies and the various Cleaner Production activities that will take place throughout the coming year.

## **USAID Serbia Agribusiness Project – Weekly Report**

Week of November 1<sup>st</sup> 2010

CTO: Djordje Boljanovic

**SOUTH SERBIA/GENDER:** The Business Women’s Association of Nis launched their training program for women agribusiness entrepreneurs on Thursday of last week with the first of three regional seminars that will be presented by this Serbian NGO. At the event last week, more than 20 women participated in the event, and the Agribusiness Project’s DCoP and the Program Assistant from the Nis office were there for the opening of the seminar. This regional Women’s Entrepreneurship Training Program (focused on unemployed women from the southern Serbia) is the first of three training events to be presented by the BWA. Additional training seminars in the coming weeks will be held in Prokuplje and Gadzin Han. The photo at the right shows some of the participants at the seminar which took place at the Chamber of Commerce in Nis.



**SOUTH SERBIA:** The Agribusiness Project held an official opening event for the new field office in Nis on Tuesday. The USAID Mission Director, along with the Director of USAID’s Economic Growth Office attended, as well as the mayors of Nis and Leskovac, and the local representative of the Danish LEDIB Project. The event received significant local press coverage and it marks the formal launch of the expanded Agribusiness program for the south. Two Project employees are located at the field office, and it is co-located with the USAID Regional Office for Nis. The photo at the right shows the Mayor of Nis, accompanied by the USAID Mission Director and the Agribusiness Project’s Chief of Party, addressing the press and participants at the event.



### **Other Project Activities:**

- **South Serbia/Vegetables:** The Vegetable Sector Lead participated in a public presentation of the Vegetable Sector Study for the TIMOK Region. Over forty participants from municipalities, the extension service, the National Agency for Regional development, GTZ, RARIS, and others participated. Project STTA Andjelko Miskovic presented the study, and recommendations for the five municipalities which have potential for development and suitable geographic preconditions for vegetable production.
- **Mushrooms & Herbs:** On Thursday the “Serbian Flora” Association held an assembly meeting to discuss implementation of their grant activities. They have finalized their plans for the group’s trade mission to Albania, and they discussed the next steps in their grant project: “Support the Serbian Flora Association to Improve the Business Environment and Increase Exports”. This project will include the Vitafoods fair, sector promotional activities, and activities regarding policies and regulations.
- **South Serbia:** Project staff held a meeting with the Regional Chamber of commerce in Zajecar, along with other regional agencies, to identify potential clients in the Tree Fruit, Berry Fruit, and Vegetable sub-sectors. The Regional Chamber of Commerce will send a list of potential clients with contact data.
- **Producer Organizations:** A ceremony to award certificates to managers of agricultural cooperatives who successfully completed the business training program for cooperative management was held at the Hotel Continental. The Assistant Minister of Agriculture for Rural Development, Mr. Slobodan Teofanov, and the Agribusiness Project’s Chief of Party, Mr. Lou Faoro, delivered certificates to 48 managers from 32 agricultural cooperatives which represent all six of the Project’s sub-sectors.



**USAID Serbia Agribusiness Project – Weekly Report**

Week of November 8<sup>th</sup> 2010

CTO: Djordje Boljanovic

**SOUTH SERBIA/GENDER:** The five NGOs implementing the Women in Agribusiness Training Program have provided the Agribusiness Project with their reports on achievements relative to the first implementation milestone for the program. The implementation has been going very well to date, and the publicity, and the response on the part of interested women, has been much greater than expected. The implementing partners held a total of ten promotional workshops, and there was also widespread media promotion of the program as well. More than 800 women participated in the promotional workshops, and 764 applications for the program were received by the implementers. Out of these applications the partners have chosen more than 300 women, who fulfill the basic selection criteria, who will participate in the training program. These training programs have already begun, and they will take place in 15 cities throughout Southern Serbia. Media coverage of the program during the launch period was very good as well, with 20 newspaper articles, 15 TV appearances, and 10 internet articles being reported. The image at the right shows one of the implementer’s promotional posters for the program.



**Other Project Activities:**

- **Tree Fruit:** The Deputy Chief of Party, and the Tree Fruit Sector Lead, visited Agrar Komerc on Wednesday to assess the impact of the recent STTA assistance regarding the production and marketing of dried fruit products. A local STTA, engaged by the Project for this assistance, designed processes for fruit & vegetable drying that Agrar Komerc has now put into production. Agrar Komerc has developed packaging and labeling for their dried apple chips, and introduced additional apple varieties into the process, and they will begin marketing these products in stores and supermarkets in the coming weeks.
- **Berry Fruit:** After more than a year of negotiation and preparation, berry fruit client Agrograf/Healthy Fruit from Arilje has delivered the first container of products to an Israeli customer. As the first part of an ongoing contract this shipment was worth \$35,000, and it consisted of an assortment of 250g retail-packed private label frozen fruit, mainly berries. This deal is a result of Agrograf’s exhibition at the SIAL 2008 fair, and additional technical assistance and training provided by the Project.
- **Vegetables:** The Vegetable Sector lead met with the Vranje deputy mayors for economy and agriculture last Thursday. The subject was Agribusiness Project activities planned for the coming months in this municipality. The Vranje municipality has offered assistance to the Project for the organization of a series of trainings and workshops for vegetable producers in the region, which will take place between December and February. As part of this training program, the Agribusiness Project will present the Hungarian concept of farmer associations, which will take place in Vranje City Hall in March 2011.
- **Mushrooms & Herbs:** The Mushroom & Herb Sector Lead is working with the president of the “Serbian Flora” association on organizing B2B meetings between Serbian Flora and their counterpart Association – the EPCA - in Albania. A total of 22 people, representing 10 herb companies, the Serbian Chamber of Commerce and the Agribusiness Project, will visit Albania in late November. The B2B meetings in Albania are part of the association’s Agribusiness Project grant funded activities which are designed to improve the industry’s business operating environment, and to increase herb product exports.
- **Dairy/Environment:** The Project’s Deputy Chief of Party made a presentation of the GHD digester technology at the Central European Initiative (CEI) international conference titled “Generation of Energy and Climate Change”, which took place at the City Hall in Pozarevac on Wednesday, November 10<sup>th</sup>.





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## USAID Serbia Agribusiness Project

### USAID Serbia Agribusiness Project – Weekly Report

Week of November 15<sup>th</sup> 2010

CTO: Djordje Boljanovic

**PRODUCER ORGANIZATIONS/GRANTS:** As part of the Grant program for associations, Serbia Organica completed a promotional campaign that included 16 two-day weekend promotions in four supermarkets in Belgrade. The campaign was aimed at the promotion of Serbian organic products with a focus on products made by three member companies: Biosil, Foodland, and Zdravo Organic. The booths were set up near the primary positions of organic products, and near the entrance of the store. Consumers expressed interest in tasting and buying organic products, which resulted in increased sales during the promotions. The national television (RTS), as part of their agricultural television show Znanje Imanje, broadcast a report on the Serbia Organica promotional campaign. The president of Serbia Organica acknowledged that the promotions were organized with grant support from the Agribusiness project. The photo at the right shows the booth set up in one of the participating supermarkets.



#### **Other Project Activities:**

- **Tree Fruit:** In order to design activities to support sour cherry producers in Southern Serbia, the Tree Fruit Sector Lead met the manager of Fortis company which purchases sour cherries from producers in the Leskovac region. Together with Fortis, the Project will organize training sessions on sour cherry production. Fortis will provide space, promote the activity, and invite suppliers. The Project will engage a local STTA for the training, which will focus on plant protection issues for sour cherry orchards.
- **Dairy:** The Agribusiness Project DCOP, and the Dairy Sector Lead, met with the US Embassy Commercial Attache, the CTO, and USDA to update them on the progress of Lazar Dairy's investment in a biogas digester. The Project is assisting Lazar to develop a contract between them and GHD, Inc which will be acceptable to both parties. It is expected that the contract will be finalized before the end of November, and the Project intends to organize a signing ceremony some time in December.
- **Producer Organizations/Marketing & Sales:** The Project supported Serbian participation in the Terra Madre (Slow Food - Salone del Gusto) fair in Italy in October. The Slow Food Association of Serbia supported the participation of five companies from Serbia, which produce various traditional foods (Futoski Kupus, Leskovacki Ajvar, Pirotski Kackavalj, Zlatarski Sir, and Sljive Pozegace). During the past week the association reported that participating firms reported selling nearly 3,000 Euros of product at the show, and there are two contracts under negotiation for an overall amount of \$380,000.
- **Producer Organizations/Grants:** As part of the Grant program for associations, Fruits of Serbia has completed activities relative to their first Grant Milestone. They have arranged with Fruit Logistica for joint exhibition space for participating Serbian companies, and collected signed letters of commitment from the companies stipulating the terms of their participation at the joint stand, as well as the participation fees. Twelve agribusinesses that met the criteria set by Fruits of Serbia will exhibit at the 2011 Fruit Logistica Fair, under the umbrella of "Fruits of Serbia". Fruits of Serbia has also contracted with service providers to develop the booth design, and construct and build the booth at the fair.
- **Policy/Dairy:** The Agribusiness Project COP, the Dairy Sector Lead and the Senior Policy Advisor met with Slobodan Teofanov, Assistant Minister for Rural Development, and advisor Zoran Janjatovic, on December 18<sup>th</sup>. Discussions were held relative to areas for cooperation between the Rural Development Department and the Project, based on a proposal submitted by the Ministry. The parties recognized their mutual interest in women's entrepreneurship in agriculture, and Ministry staff will inform Agribusiness Project trainees about Ministry programs for women's entrepreneurship. In addition, the Ministry will consider jointly funding, with the Project, business plans prepared by women attending the trainings.

## **USAID Serbia Agribusiness Project – Weekly Report**

Week of November 22<sup>nd</sup> 2010

CTO: Djordje Boljanovic

**ENVIRONMENT:** The Agribusiness Project organized a two-day Conference on the State of the Environment to present the National Report on the State of the Environment in Serbia, which was prepared by SEPA, and adopted by the government and to provide business leaders an opportunity learn about environmental factors influencing their businesses. The Conference gathered scientists and technologists, representatives of local and national authorities, and agribusinesses. Conference panelists explained in a simple, understandable way, complex environmental systems to the participants providing access to sound, science-based information necessary for the implementation of environmental principles by producers, and ABDS providers. Key Conference speakers included Mr. Pokimica, Assistant Minister of Environment; Mr. Zivkovic, Director of SEPA, and Mr. James Herne, Agribusiness Project DCoP. "The USAID Agribusiness Project is committed to the inclusion of environmental crosscutting issues into our partner-agribusinesses work," stated Mr. Herne, as he welcomed the more than 150 attendees to the event. The photo at the right shows some of the attendees on the first day of the event.



### **Other Project Activities:**

- **Gender/Grants:** The Agribusiness Project reimbursed \$35,971 to the five grantees within the Women's Entrepreneurship Training Program, and upon successful completion of Milestone 1. This milestone included: adequate promotion of the training program using local and regional media and promotional material; establishing eligibility criteria for training participants; and making the necessary arrangements for the training programs. These training programs began in the second half of November 2010.
- **Berry Fruit/Southern Serbia:** The Berry Fruit Sector Lead, assisted by the Program Assistant from the Nis office, continued his assessment of potential clients in berry fruit production/processing in the south of Serbia. Over the course of the past week they visited six berry sector clients in the Boljevac, Predejane, Vranje, and Leskovac regions. These clients included producers, nurseries, processors, and ABDS providers which can help the Project expand its berry sector activities in the South.
- **Herbs/Prod Orgs/Grants:** As part of a grant activity to improve the promotional, educational and marketing capacity of the Dr. Jovan Tucakov association in southern Serbia, the organization put on the Belgrade Tea Festival this past week. This activity will promote association members to the broader consumer market, particularly in Belgrade. The AgBiz DCoP was joined by the Deputy Minister of Agriculture, Mr. Dejan Nikolic (MP from Sokobanja), the Director of the Nature Conservation Institute, and the President of the association in making welcoming remarks for exhibitors and visitors.
- **Berry Fruit:** Together with partners from Serbia and Bosnia-Herzegovina, the Arilje municipality was awarded a 420,000€ contract to develop raspberry production, and introduce new technologies and varieties as part of an EU-funded cross-border cooperation program. The Arilje Agricultural Innovation Center is the key technical implementer, and it will serve as the main ABDS provider. This grant award is largely a result of AgBiz Project assistance to the Center to develop its capabilities and expertise.
- **Environment/Dairy/Livestock:** The Project organized a one day conference called: "Info-days on Cleaner Production in Agribusiness" this past week. The workshop took place in Sjenica, and was organized in cooperation with the Municipal Agricultural Department. AgBiz representatives presented the program on Cleaner Production (CP) planned for Year Four, specifically as it relates to South Serbia. The Program includes three workshops for companies, the preparation of CP feasibility studies, and implementation of recommended CP options in client companies through a grant mechanism.



**USAID Serbia Agribusiness Project – Weekly Report**

Week of November 29<sup>th</sup> 2010

CTO: Djordje Boljanovic

**HERBS/POs/GRANTS:** As part of the grant activity to improve herb industry's business operating environment, and to increase herb product exports, "Serbian Flora" association organized B2B meetings in Tirana between their members and members of counterpart Albanian Association EPCA. 19 people, representing 9 herb companies and the Serbian Chamber of Commerce, travelled to Albania to meet with EPCA association, Albanian Chamber of commerce and to visit the International trade fair in Tirana. "Serbian Flora" learned about their organizational structure and established business linkages with EPCA members to discuss potential sales of final products and purchase of raw materials (see picture). Thanks to the visits and meetings organized by two associations and the Project, members of Serbian Flora and EPCA are negotiating mutual sales valued at \$250,000. "Serbian Flora" will host EPCA association and their members in April 2011, for the second round of B2B meetings where sales contracts are expected to be signed.



**Other Project Activities:**

- **Gender:** Workshops for Women in Agribusiness were held in Leskovac, Nis, Vranje, Pirot, Cacak and Prokuplje. Participants began drafting their business plans which will help them review the viability of business ideas and determine necessary funding to start their businesses. Gender Advisor presented the program to representatives of German HELP organization for southern Serbia. Cooperation between the projects was agreed in terms of sharing information and the participants of our women program will be given an opportunity to be involved in all HELP programs and apply for their funds.
- **Gender/Youth:** The Project Youth and Gender staff together with Danijel Dasic met LED office in Pirot. It was agreed that Project's assistance will be given in dairy sector (to members of Pirot cheese cluster), and LED will support Youth/Gender programs in disseminating information, recommending participants and suggesting to the municipal council that a certain amount of municipal budget for agriculture should be dedicated to funding business plans of women and youth of Pirot municipality.
- **Vegetable:** Vegetable sector Lead met with deputy president of Vojvodina Provincial Government and Director of Vojvodina Investment Promotion fund. Vojvodina Executive Council would like to assist food processors in Vojvodina to expand exports in cooperation with our Project. The first initiative would be to support companies to exhibit at Fancy Food and Anuga in 2011.
- **Dairy:** USDA representative and Dairy and Livestock Sector Leads met with Veterinary Department to discuss collaboration in Y4. Sector Leads stressed importance of delivering training for SME dairies and slaughterhouses (especially in the south of Serbia) on necessary investments and standard procedures for maintaining sound business practices according to new livestock and food safety laws and changing operating practices to get certificates for export markets. Veterinary Department showed interest in delivering trainings for dairies and livestock companies according to the new procedures for food safety and animal health. The first set of general 3-day trainings is anticipated for January 2011
- **Policy:** The Project's Policy Advisor participated in the Conference on the "Banking Sector Benefits from the Public Warehouse System in Serbia" organized by the Indemnity Fund on December 3, 2010 at the Serbian Palace. The conference was organized under the project "Perspective, Licensing, Education and Profit" implemented with the support from the EBRD and FAO.
- **POs:** Rural Development Department of the Ministry of Agriculture organized a presentation of the draft National Program for Rural Development for 2011-2013 with 3 main pillars: 1) Improving competitiveness of agriculture and food industry; 2) Environmental issues in agriculture, and 3) Diversification of production in rural areas. The Ministry thanked the Project for overall support in the previous years and emphasized the Project's significance for implementation of this National program.



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## **USAID Serbia Agribusiness Project – Weekly Report**

Week of December 6<sup>th</sup> 2010

CTO: Djordje Boljanovic

**PRODUCER ORGANIZATIONS:** The Serbia Organica association has created the first issue of Organic News, a unique electronic news bulletin for information on developments in the organic sector in Serbia and abroad. This bulletin has been prepared with Agribusiness grant fund assistance. The bulletin concept includes: organic sector news from Serbia & abroad, current events, innovations in organic production and processing, market needs and requirements, and reviews of the international standards which relate to organic production. The bulletin will be published on a monthly basis, and it will be distributed via email to organic stakeholders and interested agribusinesses. The first issue of the bulletin was sent to more than 400 addresses using special software for distribution via email to multiple users. After the first six issues, the bulletin will be offered to the association's target market as part of the membership fee, to increase membership in the association. Also, the association plans to fund the bulletin from advertisements and sponsors. Through the creation of this unique and valuable information service, Serbia Organica is facilitating better communication, an improved information flow to stakeholders in organic agriculture, and promotion of the organic sector in Serbia. The photo at the right shows the "cover" of the bulletin.



### **Other Project Activities:**

- **Youth/Grants:** The Agribusiness Project disbursed \$18,750 for equipment purchases as part of three separate Youth Grantee programs. These included a mini-mill to dry fruits & vegetables, a distiller to produce essential oils, and a slicer to be used for slicing Shiitake mushrooms. The Project has also made a payment of \$15,194 to Serbia Organica as part of their grant program following the achievement of Milestone 1. This milestone included the preparation of marketing & promotional materials.
- **Livestock/South Serbia:** As part of the revised Livestock/Meat sub-sector plan for Year Four, the Project organized a series of marketing seminars for processors and ABDS service providers in Nis and Leskovac. American marketing consultant Jeff Spear presented one seminar for ABDS providers (in Nis), and two seminars for processors (in Nis & Leskovac), with 34 participants from 25 companies.
- **Southern Serbia:** The Agribusiness Project Chief of Party held a meeting in Nis with the director of the new Danish agricultural program for the south. The director outlined the Danish interest in signing an MOU with USAID regarding cooperation in the south between the Danish programs and the Agribusiness Project. They are interested in getting a quick start on their new program, and will tap into already underway activities of the Agribusiness Project. The Danes also may be willing to co-finance some activities, such as funding sound business plans of women entrepreneurs.
- **Herbs/Prod Orgs/Grants:** Forest Fruit of Serbia is finalizing activities for Milestone 1 of their grant for Promotional Material and a Sector Study on Wild Mushrooms. The Association completed work on logo design, corporate identity, and a catalogue. Also, the association has engaged a consultant to conduct testing on the presence of heavy metals in soil and wild mushrooms. Soil samples will be tested for heavy metals such as arsenic, lead, cadmium and mercury. The chemical analysis of wild mushrooms will include testing for the same chemicals. Following completion of the first phase, the Grantee will produce a draft report. The image at the right is part of the promotional material the association has produced with Agribusiness grant funds.





## **USAID Serbia Agribusiness Project – Weekly Report**

Week of December 13<sup>th</sup> 2010

CTO: Djordje Boljanovic

**MARKETING & SALES:** Serbian small and medium scale agribusinesses face a number of constraints to exporting their products. In response to this need, the Agribusiness Project held two two-day training sessions this past week on market analysis and research techniques. This training session was provided by staff from the International Trade Center (ITC) to address these issues by training clients on the use of ITC tools to research the day to day questions facing client firms. These include: What countries import my products, and to which markets does my country already export? Which markets are growing most dynamically? With which countries am I competing for market share? What import duties do the various markets apply? With this training participants now understand, and have experience in using, ITC's market analysis tools as well as other information sources they can use to prepare reports and analyses on market opportunities for their companies. A total of 30 representatives from companies, a national association, the Ministry of Agriculture, and SIEPA participated in these two ITC training sessions. The photo at the right shows one of the training sessions, which took place in the Agribusiness Project conference room.



### **Other Project Activities:**

- **ABDS/Finance:** The USAID Agribusiness Project has completed the selection of the ABDS service provider for the organization and ownership of the Culinaria food show for 2011. The Project received three offers, following the publication of the RfP, and two were found to be very competitive. The final decision was unanimous, and all committee members agreed that Zizgin should be the future organizer and owner of the Culinaria Fine Food Show. The Agribusiness Project will now sign an MOU with the Zizgin company spelling out their financial and technical responsibilities for the show.
- **Livestock/Marketing/South Serbia:** The Livestock Sector Lead, in collaboration with Marketing & Sales, organized a training event for meat processors in the Sandzak region. Two different activities were combined to improve the understanding of marketing and promotion, and to assist client firms to implement these ideas in practice. Consultant Jeff Spear presented a marketing seminar, and followed that with one-on-one meetings. Five companies participated, and because of bad weather companies from Prijepolje, Nova Varos, and Tutin were not able to attend. As an additional activity, and in cooperation with Novi Pazar State University, Jeff presented a lecture for Economics students titled "Creating Powerful Brands - Leave the Competition Behind". A total of 50 students participated.
- **Tree Fruit/Producer Orgs/Southern Serbia:** Project staff met with Mr. Dagfinn Moe, the COP of a recently launched Danish program for the south of Serbia. The program will be implemented jointly with the Ministry of Agriculture, with two components: 1. Capacity Building and 2. A Grant Scheme. The main focus of the program will be on primary production within the tree fruit sector (sweet & sour cherries, plums, etc). This program overlaps and complements the Agribusiness Project's activities in this sector and region, and it has been agreed that an MoU will be developed to formalize and identify specific collaborative activities and programs to be undertaken with the Danish project.
- **Grants:** The USAID Agribusiness Project has reimbursed \$15,970 to the following grantees:
  - *Junior Komerc* received the final payment for their grant program, totaling \$6,380, upon their successful introduction of the ISO 22000 standard for their company.
  - *Association Dr. Jovan Tucakov* received the grant second payment, totaling \$9,590, for their grant program following the completion of Milestone 2. This Milestone included organization of the Festival of Aromatic, Medicinal and Spice Plants, in Belgrade in November, as well as the design and printing of association promotional material.



## **USAID Serbia Agribusiness Project – Weekly Report**

Week of December 20<sup>th</sup> 2010

CTO: Djordje Boljanovic

**HERBS & MUSHROOMS:** Within the grant EG-FY-3-35, “Improved Promotion, Education and Marketing Capacity of Herbs Sector in Southern Serbia” by “Dr. Jovan Tucakov” Association, the grantee organized the Festival of Aromatic, Medicinal and Spice Plants, in Belgrade in the period November 24–28, 2010. The Grantee arranged design and printing of the promotional material for this event and organized various media activities. As a result of this festival, the Association reported 10 new jobs, \$45,000 in new sales and 3 new members.



### **Other Project Activities:**

- **Environment:** The Project completed the two-day workshop "Cleaner Production in Agribusiness" in Ivanjica. Total of 31 enterprises from Southern Serbia and Sandzak participated with a purpose of acquiring new skills for application of environmentally safe technologies, while increasing competitiveness and economic growth. Next workshop for the selected clients is planned for February 2011.
- **All Sub-sectors:** All sector leads and several cross-cutting specialists participated in a meeting that was held between the Project and the Ministry of Agriculture's Sector for Rural Development in Sremski Karlovci on December 23rd. The Sector's representatives provided a detailed presentation of Draft Program for Rural Development for period 2011-2013 that was developed in cooperation with EC and will serve as a predecessor to IPARD program until Serbia gets an EU candidate status. The Project staff provided several inputs/suggestions for improvement of the draft program that were welcomed by the Sector. The Project staff also presented major activities planned for Y4 and discussed potential joint implementation with the Sector. It was concluded that the two sides can greatly complement to each other's activities, and it was agreed that they will closely collaborate while implementing study tours and/or trade missions, and in publishing various agribusiness-related handbooks and other printed materials.
- **Grants:** The Project reimbursed a total of \$42,199.93 to the following grantees: Forest Fruits of Serbia Association, Malina-Impex Co., and three youth grantees - Predrag Nesovic (dry mill for mushrooms), Marko Manojlovic (milk pipeline) and Djurdjinka Berberski (machine for automated milk sale). COTR provided a principal technical concurrence to the grants program for marketing and promotional activities in agribusiness. A public RFA will be published on December 27 and it will be open until February 15, 2011. The main objective of this grant scheme is to improve competitiveness of Serbian agribusinesses through the provision of matching funds to allow the client companies to engage professional service providers (e.g. design and marketing agencies) to deliver various marketing and promotional services. The Project has allocated the grant funds in a total amount of US\$400,000 to support these activities. Individual grant awards shall not exceed US\$25,000 for financing up to 50% of the total cost of these services, while each grant activity must be completed within one year from the date of grant award. The grant funds will be available to the limited number of agribusinesses (i.e. approximately 20 agriculture-related firms and 5 cooperatives) on a *first come – first served* basis. The agriculture-related firms and cooperatives whose production and processing facilities are located in the underdeveloped regions of Serbia with the high unemployment rate will have an advantage during the grant review and award process.



**USAID Serbia Agribusiness Project – Weekly Report**

Week of December 27<sup>th</sup> 2010

CTO: Djordje Boljanovic

**MARKETING & SALES/DAIRY:** Sabac Dairy has reported that Serbian Kajmac will be on sale in the USA from early January 2011. This development is a direct result of the assistance that the Agribusiness Project has provided to Sabac, and in particular assistance provided to allow Sabac to participate in the 2009 Fancy Food show in New York. At that show representatives from Sabac met with A.B. Company from Wisconsin, and A.B. have now become the sole US importers of Sabac dairy products. While the Fancy Food show was a critical event, other technical assistance and training has also played a critical role in this development. A Project consultant advised Sabac on packaging and labeling requirements for the US market, the Project (with assistance from the

USDA staff in Belgrade) worked with Sabac to help them obtain an export license from the Ministry of Agriculture, and the Project arranged for A.B. Company to participate in the Culinaria food show in September, where they met with, and finalized their contractual arrangements with, Sabac Dairy. As part of the launch of Sabac products in the US, the A.B. Company will be displaying Sabac Kajmac at the 2011 Fancy Food show in San Francisco this January. The image at the right shows the promotional flyer that the A.B. Company has prepared to promote Sabac Kajmac.



**Other Project Activities:**

- **Environment:** On December 26<sup>th</sup> and 27<sup>th</sup> the Agribusiness Project organized, in cooperation with the Ministry of Agriculture, Department of Plant Protection, a two-day workshop for practicing agronomists and agricultural engineers who are likely to take PSEE qualification and certification training to become certified PSEE technical trainers. This workshop is part of a planned set of environmental training events for advisers (ie: technical trainers) as part of the Project activity "PSEE Professional Service Delivery Improvement". Participation at this training event was greater than expected, and the photo at the right shows participants at the event.
- **Marketing & Sales:** The Marketing & Sales staff conducted a one-day training event for companies that are planning to participate in the upcoming Biofach organic food international trade show to be held in Nurnberg in mid-February. The new agribusiness association "Serbia Organica" will be one of the participants, as well as four individual companies that produce and sell organic food products. As with Agribusiness Project support for past trade shows this training is provided as an orientation and preparation for the participants, so they know what they need to prepare for the show and how to deal with prospective buyers. This training event took place at the Agribusiness Project office in Belgrade.
- **Grant Programs:** Following COTR technical concurrence, the Project launched a second round of the Grant Program for Agribusiness Marketing and Promotional Activities. A public RFA was published on December 27<sup>th</sup> in the newspaper "Politika", and on the Agribusiness Project website. The RFA will be open until February 15<sup>th</sup>, or until the allocated grant funds are fully committed. The Project has allocated a total of \$400,000 in grant funds for this program. Individual grant awards will not exceed \$25,000, and financing will be limited to no more than 50% of the total activity cost. Grant funds will be available to a limited number of qualifying firms (no more than approximately 20 agriculturally related firms, and/or five agricultural cooperatives) on a *first come – first served* basis.





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## USAID Serbia Agribusiness Project

### USAID Serbia Agribusiness Project – Weekly Report

Week of January 3<sup>rd</sup> 2011

CTO: Djordje Boljanovic

**DAIRY/ENVIRONMENT:** This past week the Lazar Dairy from Blace and GHD, Inc. from Wisconsin, finalized an agreement for GHD to design and construct a new bio-digester on the dairy farm owned by Lazar in the village of Krivaja, about 5Km south east of Blace. Lazar has already made an advance payment of \$110,000 to GHD, out of a total contract amount of approximately \$415,000. In addition to the costs related to the assistance that GHD will provide, Lazar will invest more than \$800,000 into this project. The digester will take the animal waste from their farm, and whey from the dairy plant, and process it into methane gas. The gas will then be used to generate electricity, which will be fed into the Serbian national electrical grid at a preferential feed-in rate. In addition to the gas, the digester will produce a sterile dry fiber material (which contributes to better cow health and a cleaner barn) that can be used as bedding for the cows at the dairy farm, and a liquid fertilizer that can be used as-is on farms in the surrounding region. The photo at the right shows Mr. Milan Vidojevic, (on the left) the owner of Lazar, discussing digester design details with Mr. Steve Dvorak, the President of GHD, at a new digester installation under construction at a large dairy farm in Wisconsin. This meeting took place in mid-2010 during the Trade Mission to Wisconsin that the Project organized for the owner and staff from Lazar, and this event played a key role in convincing Lazar to commit to the GHD design, instead of European alternatives. Since Lazar will be using an existing concrete tank at the dairy as the basis for the new digester, construction should proceed quickly.



#### **Other Project Activities:**

- **Grants/M&E:** The Project's first quarterly results survey for FY11 (Project Year Four) has been completed. Based on the preliminary results, a total of 39 agribusinesses participated in the survey and reported results, which include delivered sales valued at \$3.75 million, out of \$6.44 million in sales contracted; while an additional \$1.8 million of potential sales are still under negotiation. A total of 55 agribusinesses received assistance during the quarter, and Project-funded workshops and training programs attracted significant interest, with a total of 1,148 attendees. The detailed results from the survey will be provided in the Project's quarterly report.
- **Tree Fruit:** The Tree Fruit Sector Lead met with the management of the Desing company to provide them with assistance to prepare their final report in accordance with the Grant Agreement for the introduction of international standards. The Manager of Desing has also requested Project assistance related to establishing sour cherry production in the South of Serbia, and creating a producers association that would provide a source of raw material for Desing's processing facility in the Timok region.
- **Ag Info & Policy:** The Project received the first draft of the Study on the Impact of Weather Conditions on Agriculture in Serbia prepared by a team of five local consultants. The Study analyzes the existing system for hail protection in Serbia, including its legal framework, organization, and capabilities, and it evaluates the efficiency and cost-effectiveness of various alternative approaches to hail protection. The final version of the document will be presented to the Project by January 31<sup>st</sup> following additional data collection and other revisions to the report. The data presented in this Study will help producers and processors of tree fruits achieve the best results from anti-hail nets, and provide necessary information to help them make decisions on purchasing this type of equipment. The Study will also provide useful guidelines for policy makers to design a more efficient national system of anti-hail protection.

**USAID Serbia Agribusiness Project – Weekly Report**

Week of January 10<sup>th</sup> 2011

CTO: Djordje Boljanovic

**MARKETING & SALES:** AgBiz Project staff, in partnership with the staff from the Zizgin company, are continuing with preparations for the 2011 edition of the **Culinaria Fine Food Fair**. This past week, Project staff met with representatives of the Serbian Chamber of Commerce, the GIZ Project (formerly the German GTZ), SIEPA, three food related magazines, and other partners to secure their support for the fair. In parallel contacts with buyers have been finalized and invitations have been sent to potential partners in Italy, Slovenia, Turkey and China. The new website for Culinaria 2011 will be formally launched on Monday, January 17<sup>th</sup> 2011, and the address is: [www.culinariafinefood.com](http://www.culinariafinefood.com). AgBiz Project staff are also working on preparations for a working breakfast for the members of the diplomatic corps, banks, and other potential sponsors and partners. This event is scheduled for February 3<sup>rd</sup>, 2011, at the Hyatt Hotel in Novi Beograd.



**Other Project Activities:**

- **Vegetables:** A Russian buyer has visited the *Planten* company from Irig and has finalized negotiations with them for the export of lettuce to Russia. The first truck load of Serbian lettuce is scheduled to leave for Russia the first week of February and, according to the contract provisions exports will continue on a bi-weekly basis. This is the first large-scale export of fresh lettuce produced in peat cubes, which uses the application of the latest production and packaging technology - individual plastic packaging - which will allow for an extended shelf life, and it also allows exports to distant countries.
- **Berry Fruit:** Based on the successful introduction of the IFS standard, the berry fruit processing company, *Agropartner* from Lucani, has submitted their program and financial reports regarding their international standards grant, and they requested reimbursement of \$4,685 for the consulting and certification services. In the three months since certification, this client has reported a \$190,000 increase in sales and exports of the agricultural products they market.
- **Producer Organizations:** A public hearing regarding the draft cooperative law, which will regulate the establishment, registration, and operation of cooperatives and cooperative unions, was held on January 12<sup>th</sup> 2011 in Kraljevo. During the public debate, the president of the regional Cooperative Union of Kraljevo acknowledged the USAID Agribusiness Project as an important partner in this process.
- **Herbs & Mushrooms/Marketing:** On Thursday, January 13<sup>th</sup> 2011, the Mushroom & Herb Sector Lead, and the Senior Export and Marketing Advisor organized a one-day kickoff meeting with potential exhibitors and project management, regarding preparations for a joint exhibition at the Vitafoods International & Finished Products Expo, which will be held in Geneva in May. A total of six companies will exhibit at the fair, as follows: *Herba, Kirka, Melisa Farm, Fructus, Macval* and *Adonis*.
- **Ag Info & Policy:** The Project has finalized preparations for the Conference on Trade Liberalization – Implications for Agriculture. This event will provide an opportunity for relevant stakeholders to become acquainted with the ongoing liberalization process in agriculture and its implications, prepare their businesses for the more intensive competition that will occur, and adapt these new policies in their business operations to mitigate the negative effects of the liberalization process.
- **Grants:** The Project reimbursed a total of \$14,163.81 to the following grantees: *Duga Komerc* (ISO 22000), *Mondi Serbia* (GlobalGAP), and *Desing* (14001). Due to the introduction of international standards, these clients generated additional sales totaling \$275,000, and 43 new jobs.



## **USAID Serbia Agribusiness Project – Weekly Report**

Week of January 17<sup>th</sup> 2011

CTO: Djordje Boljanovic

**Policy:** The Agribusiness Project, in cooperation with the National Alliance for Local Economic Development (NALED) and the Ministry of Agriculture, organized a conference titled “**Trade Liberalization – Implications for Agriculture**” on January 18<sup>th</sup> at the Sava Center. The event was organized to inform the public and the business community regarding the findings in the Project’s Study on Trade Liberalization. The study was undertaken to identify the winners and losers from the application of the SAA, bilateral free trade agreements with Turkey and Belarus, and accession to the WTO. The conference gathered approximately 200 prominent individuals coming from national and local government, agricultural experts, agricultural producers, processors, traders, and the media interested in learning about the opportunities and challenges of the ongoing tariff liberalization process. The conference attracted significant media attention, and almost all media outlets (TV, radio and press) covered the event.



### **Other Project Activities:**

- **Berries / Herbs & Mushrooms:** As part a visit to Southern Serbia, on Thursday, January 20<sup>th</sup> the Deputy Director of the Economic Growth Office from USAID Serbia (Bethanne Cellars), visited the Agribusiness Project’s Cacak office and discussed with Agribusiness staff and Bill Grant from DAI Washington, USAID’s focus for the upcoming period. The Deputy Director also visited *Interfood 60*, a mushroom company, which is a good representative of the assistance provided by the project.
- **Marketing & Sales:** The Serbia Fruit Juice Producers Association has become a member of the European Fruit Juice Association’s (AIJN). This membership is the result of a process that was started on September 17, 2010 in Backa Palanka, where the Agribusiness Project organized a meeting between AIJN and Serbian juice producers. The Project also facilitated the application process.
- **Marketing & Sales/Junior Achievement:** The Board of Directors of the Foreign Investors Council (FIC) has approved the cooperation initiative with Junior Achievement which was proposed at their previous meeting (on Dec 22, 2010). The FIC will prepare a circular e-mail letter for members, and send it along with JA contract information, to members of their HR Committee interested in supporting the JA program in Serbia, as well as including JA on the ‘recommended’ section of their official web site.
- **Tree Fruit/Grants:** Thanks to their ISO 22000 certificate, which *Duga Fruit* obtained for their production with Agribusiness Project’ support, the company was able to establish three new jobs and increase their sales by \$203,000. Compliance with ISO 22000 will also allow *Duga Fruit* to participate in international tender procedures, thus increasing their exports to regional countries, as well as enter into negotiations with potential partners at Private Label Marketing Trade Fair in Amsterdam in May 2011.
- **Grants:** The Project reimbursed \$42,385 to the following grantees: *Fortis* (IFS standard), *Agropartner* (IFS standrad), *Association Fruits of Serbia*, and *Association Fruit Land*. Due to the introduction of the international standards, *Fortis* and *Agropartner* generated additional sales of \$290,000 and established five new jobs. The *Association Fruit Land* generated additional sales \$200,000 and five of their member producer organizations were assisted as part of the project.



## **USAID Serbia Agribusiness Project – Weekly Report**

Week of January 24<sup>th</sup> 2011

CTO: Djordje Boljanovic

**Producer Organizations/Cooperatives:** The national conference “Cooperatives – Economic & Rural Development Perspectives”, which was organized by the Ministry of Economy and the UNDP, took place in the Palace of Serbia. The conference was well attended and received significant media coverage. The aim of the conference was to support the cooperative sector by improving the legal framework for cooperatives, and by incorporating the best practices learned from EU countries. The conference made a positive impact on promoting the lessons learned from EU countries, as it coincides with public discussions on the new draft Law on Cooperatives. In conjunction with the conference, Agribusiness Project staff met with the Assistant Minister of Agriculture to arrange for, and collaborate on, an upcoming study tour to Italy for selected cooperative managers.



### **Other Project Activities:**

- **Producer Organizations/Associations:** The “Serbia Organica” association held a general assembly meeting of the association on the premises of the Serbian Chamber of Commerce. The main purpose of the meeting was to present a current analysis of the organic sector in Serbia, and to inform members regarding proposals addressed to the Ministry of Agriculture regarding needed organic policy changes. In addition, the assembly adopted new proposals that will be presented to the Ministry.
- **Berry Fruit:** As part of the program activity “Advisory Assistance to Vertically Integrated Operators”, local STTA consultant Prof. Mihailo Nikolic held the first in a series of introductory training seminars on January 28<sup>th</sup> on the premises of “Agrana” company in Osecina. The training was attended by 20 participants – employers and suppliers – who represent the raspberry growers and processors from Western Serbia. The training seminars are intended to help these firms acquire raw materials, increase yields and the quality of crops, and expand their overall business operations.
- **Grant Program:** The Project reimbursed a total of \$10,314 to the following International Standards Program grantees: *Herba* (Organic standard), *Duga Fruit* (ISO 22000 standard), and *ITN* (BRC standard). Due to the introduction of these international standards, these agribusinesses have already generated additional sales totaling \$308,000, and added 22 new jobs (mostly seasonal).
- **Grants/Marketing and Export –** On January 26<sup>th</sup> and 27<sup>th</sup>, Agribusiness Project staff made presentations on the Grant Program for Marketing & Promotional Activities to 94 food processors in the Leskovac, Vranje, Novi Pazar, and Prijepolje municipalities. The main goal of these presentations was to familiarize these potential grant applicants in Southern Serbia with the program, the overall application process, as well as new trends in marketing and the promotion of food products. The presentations were organized in cooperation with the local economic development offices.
- **Marketing and Sales:** As part of the Trade Fair & Export Sales Preparation Training, the Agribusiness Team provided marketing training on Jan 24<sup>th</sup> to the Association *Fruits of Serbia* and the seven companies from that association that will exhibit at Fruit Logistica 2011. As part of an ongoing effort to stimulate companies to invest individually in the participation at foreign fairs, Agribusiness staff also provided technical support to Delta Agrar, on their request, to exhibit at Fruit Logistica.
- **Livestock/Coordination of Southern Serbia activities:** Agribusiness Project staff met with a number of international organizations (Help, Pbild, and the Center for Development of Jablanica and Pcinja Districts) which are implementing activities in Southern Serbia, so as to exchange information about current and planned activities and potential areas for cooperation in Southern Serbia. As part of a visit to Nis by the Chief of Party and Deputy Chief of Party, a meeting was held with the two Danish development programs which are active in that region.



**USAID Serbia Agribusiness Project – Weekly Report**

Week of January 31<sup>th</sup> 2011

CTO: Djordje Boljanovic

**ABDS/Marketing & Sales:** In cooperation with the Zizgin company, the Agribusiness Project organized a working breakfast at the Hyatt hotel on February 3<sup>rd</sup> 2011 in order to promote the Culinaria Fine Food fair. This event brought together more than 60 representatives of the diplomatic community, NGOs, and foreign chambers of commerce, to officially announce Culinaria 2011, and to promote wider participation among domestic and foreign firms. Ms. Susan Fritz, the USAID Mission Director stated: “Judging by the interest in last year’s event, it is safe to say that Culinaria is on track to becoming the largest and most prestigious food industry event in the region.” As a direct follow-up to this presentation, the UK economic attaché will promote Culinaria next week at a similar event in Poland, while other diplomatic representatives will do so as well in their respective diplomatic communities.



**Other Project Activities:**

- **Grant Program:** The Agribusiness Project has reimbursed a total of \$5,448 to the following grantees: PG Bojan Zivkovic (Organic Standard), PG Ljiljana Petrovic (Organic Standard), and Imanual (ISO 22000). Following the introduction of these international standards, these three agribusinesses grantees have generated additional sales totaling \$65,000, and created 47 new, mostly seasonal, jobs.
- **Policy/Tree Fruit:** Five local experts from the field of meteorology, chemistry, finance, and tree fruit production, have completed work on the Study on the Impact of Weather Conditions on Agriculture in Serbia and Modalities of Anti-Hail Protection. The study provides the basis for the establishment of an efficient, market-driven, system of anti-hail protection. It will also serve as a guide for businesses wishing to adopt anti-hail nets to reduce production losses and income, due to adverse weather conditions.
- **Policy & Ag Info:** The Agribusiness Project’s policy team received technical concurrence for the printing of the publication prepared by the General Inspectorate of the Ministry of Agriculture titled: “Guide for the Development and Application of Preconditions and Principles of HACCP in the Production of Food of Plant Origin.” This guide will serve as basic instructional material for food businesses wishing to introduce systems which are compliant with HACCP principles, as required by the Food Safety Law.
- **Tree Fruit/Southern strategy:** In accordance with the Year Four Workplan for the Tree Fruit sector, the organization of training seminars for sour cherry producers in Southern Serbia will be undertaken in cooperation with the Fruits & Berries Program funded by the Danish government. At the meeting with Mr. Dagffin Moe, it was agreed that the Agribusiness Project will cover the costs of engaging the local STTA to perform the training, while the Danish Program will cover the cost of space rental and catering.
- **Mushrooms & Herbs:** The Serbian Flora association has signed a final contract for exhibition space at the Vitafoods International & Finished Products Expo, which will be held in Geneva in May 2011. This activity is part of the Milestone 1 activities within their Association Grant project. A total of six companies, all members of the Serbian Flora association, will exhibit their products at the fair.
- **Berries:** As a result of the technical assistance and facilitation provided by the Agribusiness Project so far, Harreaves Plants, U.K., and Belgrade University (Faculty of Agriculture) have reached an agreement to organize trials for two new raspberry cultivars. This is the first step in the process of introducing to Serbia recently released cultivars with higher yields, and extended season, and superior quality.

**USAID Serbia Agribusiness Project – Weekly Report**

Week of February 7<sup>th</sup>, 2011

CTO: Djordje Boljanovic

**Producer Organizations/Marketing:** This past week the Agribusiness Project’s association client “Fruits of Serbia” successfully organized and implemented an exhibit by their members at the world’s largest fruit & vegetable trade show – Fruitlogistica. As part of their Agribusiness grant program, Fruits of Serbia contracted for the design and construction of their stand at the show, and mobilized a dozen of their members to display their products and participate in the show. Fruits of Serbia also organized a reception during the show, which took place at the stand, on Thursday afternoon and the Economic Counselor from the Serbian Embassy (Dr. Aleksandar Ivkovac), along with many of the key buyers of Serbian products attended. Fruits of Serbia also arranged for Mr. Zaharia Trnavcevic from the agricultural show on the B-92 TV network to participate in the event. He will be reporting on the show, and the companies that participated, on the national B-92 agricultural show in the coming weeks. The picture at the right shows the stand, and some of individual displays.



**Other Project Activities:**

- **Environment:** The USAID Agribusiness Project conducted a second two-day workshop on Cleaner Production (CP) for Agribusinesses in Boljevac this past week. A total of 26 participating companies from southern Serbia attended the workshop, which was presented and facilitated by Marija Stevanivis, an Agribusiness STTA for the CP program. The next workshop in this series will be held in early April.
- **Berries:** On February 7-8, the local consultant Prof. Mihailo Nikolic delivered two introductory training seminars in the Leskovac region as part of the program of Technical Assistance for Vertically Integrated Operators. These seminars were attended by more than 110 participants – all of them members of the raspberry, blackberry, and currant supply chains. *Strela* and *Fungojug* are among seven clients which will receive training and advisory assistance over the next eight months. This will allow them to expand their production and fruit supplies, increase yields and quality, and expand their overall business operations.
- **Tree Fruit:** On February 10<sup>th</sup>, in cooperation with the University of Agriculture, the Project organized the Conference on Innovations in Sweet and Sour Cherry Production in Serbia. The event was attended by more than 500 participants, including sweet and sour cherry producers, exporters, ABDS providers, and members of scientific institutions, from Serbia and abroad. One of the expert speakers at the event was Prof. Gregory Lang, a Project consultant delivering technical assistance to Serbian sweet cherry growers.
- **Livestock/Dairy:** On February 10-11, in cooperation with the Veterinary Department and the USDA, the Agribusiness Project organized an Export Seminar for the Livestock/Meat and Dairy Industries, in Nis. The purpose of this event was to assist these companies to better understand the requirements for export of their products to the contribute to the EU, Russia, and third countries. Participants at this seminar included client companies from the dairy and meat/livestock sectors, state institutions, and ABDS providers.
- **Policy:** On February 7<sup>th</sup>, the Project organized a round-table discussion for staff on “Trade Liberalization – Implications for Agriculture” in cooperation with Goran Zivkov, the service provider SEEDDEV’s expert. The round-table was organized to exchange information regarding key issues in the Project sub-sectors, discuss the findings in the Study on Trade Liberalization, strategies for sector meetings in Southern Serbia, and to identify the key messages to be conveyed to sector beneficiaries during trainings and meetings.
- **Communication/Producer Organizations:** On Friday, February 11<sup>th</sup>, the Project’s organic association client “Serbia Organica”, sent out their first Press Release and which was published within hours of being released by the Serbian news portal - E-kapija - <http://www.ekapija.com/website/sr/page/397763/1>.



**USAID Serbia Agribusiness Project – Weekly Report**

Week of February 14<sup>th</sup>, 2011  
CTO: Djordje Boljanovic

**DAIRY/ENVIRONMENT:** This past week Steve Dvorak from GHD in Wisconsin made a visit to Serbia to sign the agreement with Lazar for the design and construction of an anaerobic digester for the Lazar dairy farm in Blace. The signing took place at the Agribusiness Project office on Thursday, with representatives from the USAID Mission and the US Embassy participating. The picture at the right shows Steve and Milan (the owner of Lazar) signing the agreement, as Bradley Harker from the Commercial office and the USAID Mission Director look on. While the signing ceremony was the highlight of the week, Steve also made a two day visit to southern Serbia to spend time at the Lazar plant, and to call on other potential users of the GHD digester design. The lower picture at the right shows Steve & Milan reviewing the digester plans with the owner of the local construction company that will build the digester for Lazar. On Friday a presentation of the GHD technology was held at the Master Center in Novi Sad, with more than 30 people attending. The audience included four people from Bosnia and two people from Macedonia, representing dairies from those countries. Milan and Steve expect that the Lazar digester will be complete, and in operation, by the 4<sup>th</sup> quarter of 2011.



**Other Project Activities:**

- **Producer Organizations/Marketing:** The Serbia Organica Association, supported by the Agribusiness Project, organised an exhibition by six organic producers at the Biofach fair. Herba, Zadrugar, Igda, Lion Foods, Mami and Agrounik displayed products such as organic wild mushrooms, frozen and dried fruits, medicinal herbs, and organic fertilizers. These clients signed contracts for the sale of \$610,000 of products, and are in negotiations for an additional \$2.5M in sales. As is the case every year, the Serbian pavillion attracted many buyers, however the main interest was in raw materials for processing.
- **Gender/Grants:** The Agribusiness Project reimbursed \$63,864 to four grantees implementing the Women's Entrepreneurship Training Program, upon completion of Milestone 2 activities. The Milestone 2 activities included training for 246 pre-selected participants, as well as follow-up consulting and advisory services, during the business plan development phase of the program. The grantees provided the training material (workbooks, handouts, and presentations), notebooks, pens, and folders for each participant.
- **Youth/Grants:** On February 18<sup>th</sup>, the USAID/COTR provided technical concurrence to the unsolicited grant concept paper submitted by Junior Achievement Serbia (JAS). JAS will utilize a grant of \$46,692 to expand its entrepreneurship program, and organize a trade show and two Business Challenge events.
- **Berry Fruit:** On February 17<sup>th</sup> and 18<sup>th</sup>, Agribusiness Project consultant Prof. Mihailo Nikolic delivered two additional introductory training seminars as part of the Technical Assistance program for Vertically Integrated Berry Fruit Operators. The training seminars were attended by some 50 participants – all of them members of the raspberry, blackberry, and black currant supply chains.
- **Tree Fruit:** In response to the high interest in Serbia in the production of sweet cherries, as well as the demand existing sweet cherry producers for expert advice, the Agribusiness Project engaged the services of Prof. Gregory Lang from Michigan State University. In addition to his consulting assignment, Prof. Lang provided materials, and presented a lecture, at the Serbian National Conference on Innovations in Sweet and Sour Cherry Production. Prof. Lang's paper and presentation focused on modern production technologies for sweet and sour cherries, and the selection of the varieties for the chosen target markets.



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Project**

## **USAID Serbia Agribusiness Project – Weekly Report**

Week of February 21<sup>st</sup> 2011

CTO: Djordje Boljanovic

**Producer Organizations/Marketing & Sales:** The Serbia Organica Association, with support from the Agribusiness Project, organized the exhibition for six Serbian organic food companies at the recently held Biofach Fair, in Nuremberg, Germany. The companies participating included: Herba, Zadrugar, Igda, Lion Foods, Marni, and Agrounik. They firms exhibited products such as organic wild mushroom, frozen and dried fruits, medicinal herbs, and organic fertilizers. The Serbian pavilion attracted many buyers, whose primary interest was in raw materials available for further processing. The potential sales from this trade fair equaled \$2.5 million, while more than \$600,000 in sales contracts were finalized during the event. The picture shows the pavilion with one of the Serbian company representatives.



The picture shows the pavilion with one of the Serbian company representatives.

### **Other Project Activities:**

- **Berry Fruit:** As part of a program of Technical Assistance for Vertically Integrated Operators, two local consultants delivered four technical training seminars for farmer suppliers. Prof. Mihailo Nikolic's seminars were held on February 22<sup>nd</sup> and 23<sup>rd</sup> in Ivanjica and Uzice, and were attended by 41 participants, who are part of the raspberry, blackberry, and currant supply chains. Mr. Milutin Karas's introductory training seminar on strawberry production was held in Leskovac on February 25<sup>th</sup> and 26<sup>th</sup>, with a total of 26 farmer suppliers, along with technical employees from Fungojug and Strela, participating.
- **Gender/Grants:** During the week of February 21<sup>st</sup>, the Agribusiness Project awarded certificates to a total of 105 women who have successfully completed the Entrepreneurship skills and Business plan writing training. The award ceremonies were held in Leskovac, Vranje, Kragujevac, and Kraljevo, and they represent a significant milestone in the ongoing training program for women in agribusiness.
- **Collaboration:** In a significant breakthrough the mayors of Leskovac, Vranje, and Bujanovac have agreed to provide grant funding for women's business plans from their municipal resources. In addition the Vranje municipality has agreed to pay the interest costs on bank loans provided for business plan implementation. This is the clearest possible indication that the Project is providing an important local service.
- **Youth:** In cooperation with the Agribusiness Project, Junior Achievement Serbia (JAS) organized Business Challenge, a one-day event for promoting entrepreneurship education in Nis. This event gathered about 100 students who worked in teams with 20 business mentors. JAS also held training sessions for new teachers in agricultural high schools this past week. These sessions are designed to train teachers to take a different approach, and to prepare them to use sequential lesson guides, discussion points, and hands-on materials.
- **Marketing & Sales/ABDS:** Project staff met with the Tsomokos company, a potential buyer of food products for Greek retail chains. Based on their interests, they were introduced to Foodland and Nectar, and negotiations will begin next week. Tsomokos will also become the agent for Culinaria in Greece.
- **Grants:** The Agribusiness Project grant review panel reviewed the grant applications received in response to the RFA for Marketing Grants. Out of 44 grant applications, 29 applicants were invited to participate in individual consultations with marketing STTA Jeff Spear. As part of his assignment, Jeff will meet with the grant applicants and their recommended service providers to assess their marketing and promotional ideas.
- **Herbs & Mushrooms/Producer Organizations:** As part of the grant project to improve the capacity of the herb sector in Southern Serbia, the "Jovan Tucakov" association has been preparing handbooks for collectors and growers of medicinal plants. A two-day lecture program will be held on the cultivation of medicinal plants as part of the upcoming Eighth Tea Festival in Nis (on March 3<sup>rd</sup>-6<sup>th</sup>). As part of their cost-share, the Association's web site has been completed and posted at [www.lekovito-bilje.net](http://www.lekovito-bilje.net).



## **USAID Serbia Agribusiness Project – Weekly Report**

Week of February 28<sup>th</sup> 2011

CTO: Djordje Boljanovic

**ENVIRONMENT:** On February 28<sup>th</sup>, in cooperation with the Ministry of Agriculture, the Agribusiness Project organized a two-day training of trainers titled “Compulsory Testing of PPP Application Equipment, Certification of Operators & Distributors, and Access to Certification for Trainers II-Field Exercises, EU vs. Serbia Practice.” The aim of the event was to ensure that new knowledge and skills are provided to trainers on Plant Protection Product (PPP) application. The seminar was attended by over 30 agricultural and mechanical engineers likely to undergo a competence certification for Pesticides Safety & Environmental Education service delivery. A guest lecturer from Belgium, Mr. Jan Lengerekens, introduced the workshop participants to the latest EU requirements regarding certification of sprayers and other PPP application equipment.



### **Other Project Activities:**

- **Environment:** On February 24<sup>th</sup>, the Project’s Environmental Team presented the conclusions from the feasibility studies for Cleaner Production (CP) application in Bujanovac for clients Sampi Co. and Agro-Adria. The Mayor of Bujanovac has agreed to support these companies for implementation of their CP options. In addition, a presentation on the management of pesticide packaging as hazardous waste material was held in Grza on February 25<sup>th</sup>. This presentation was a part of an environmental conference organized jointly by the Standing Conference of Towns & Municipalities, and the UNECO office in Serbia.
- **Vegetables:** A training seminar on Contemporary Vegetable Production in Closed Environments was held on March 3<sup>rd</sup> for clients in the Leskovac and Vranje municipalities. More than 80 participants attended the first, of four, trainings planned for the next six weeks. The second training session is scheduled for March 17<sup>th</sup>, when topics related to seedling material preparation and assortment selection will be covered.
- **Tree Fruit:** On February 28<sup>th</sup>, the Fruitland Association presented a draft study at an event attended by Mr. Teofanov, Assistant Minister of Agriculture, and various companies involved in apple production and export. The study analyzes the most economically efficient apple value-added products, target markets for these products, and recommendations on types of apple processing, as a means to address the problem of the large quantities of low class apples these producers have. At the event, both the Ministry and the companies present expressed their interest in investing in the construction of a new apple processing facility.
- **Berries:** As part of the training program on the use of high tunnels for berries, Agribusiness STTA Gina Fernandez (a professor from North Carolina State University) delivered three training sessions in Serbia. The trainings were conducted from March 2<sup>nd</sup> to 4<sup>th</sup>, in Cacak, Leskovac, and Belgrade. These events were attended by more than 200 producers, ABDS providers, and students interested in advancing their knowledge and practices to successfully enter, or expand, production of berries for the fresh market.
- **Herbs & Mushrooms/Producer Organizations:** The association for medicinal plants “Jovan Tucakov” organized the 8<sup>th</sup> Nis Tea Festival from March 2<sup>nd</sup> to 5<sup>th</sup>. This event included two-day lectures on the collection and cultivation of medicinal plants, and a presentation of two handbooks for collectors and growers. The handbooks were developed as part of an Agribusiness Project grant to the association to help them improve the capacity of herb collectors and growers in Southern Serbia.
- **Ag Info & Policy:** The Agribusiness team, together with the USAID representatives Mr. Metzler and Mr. Boljanovic, met with Sulejman Ugljanin, the Minister without Portfolio and his team from the Office for Sustainable Development of Underdeveloped Regions. The Agribusiness Project has agreed to share with the Minister’s office an overview of current Project activities related to cold stores in the berry fruit sector, the use of small-scale dryers, and a full report on the women’s business plan competition.

**USAID Serbia Agribusiness Project – Weekly Report**

Week of March 7<sup>th</sup>, 2011

CTO: Djordje Boljanovic

**GENDER/GRANTS:** Between March 7<sup>th</sup> and 11<sup>th</sup>, the Agribusiness Project gender team awarded completion certificates to 73 rural women who have successfully completed the Project supported training program in Entrepreneurship Skills and Business Plan Writing. The award ceremonies were part of a program of presentations of the objectives, and the results achieved, through the training program for women in agribusiness. The certificates were awarded to women from the Zajecarski, Pirotski, and Borski districts, with ceremonies being held in Zajecar and Pirot on March 8<sup>th</sup> and 9<sup>th</sup>, respectively. Both events received significant attention from the local media and municipality officials, as well as women who are interested in the second round of trainings.



**Other Project Activities:**

- **ABDS/Marketing/Nis Office:** Between March 7<sup>th</sup> and 9<sup>th</sup>, the Agribusiness Project team organized “Road to Culinaria” and Business Training presentations for South Serbia companies in six locations: Novi Pazar, Leskovac, Vranje, Nis, Zajecar, and Uzice. More than 100 people attended these events, and an additional three locations (Kraljevo, Valjevo, and Krusevac) will be covered next week.
- **ABDS/Marketing:** The Zizgin company, with support from the Agribusiness Project, organized promotions of the Culinaria Fair at Jadranski Sajam in Budva on March 10<sup>th</sup>. Culinaria was presented at a booth at the fair, and a press conference, organized jointly with the management of Jadranski Sajam. In addition, advertisements for Culinaria, paid for by Zizgin, will be published in seven issues of Progressive and Wine & Style magazines (distributed to hotels, caterers, retailers, and distributors).
- **Environment:** The Project organized a two-day technical/professional training event for Pesticides Safety & Environmental Education (PSEE) in Banja Vrujci, on March 12<sup>th</sup> & 13<sup>th</sup>. The event was attended by 38 PSEE service providers, who completed the first part of the basic course on Safe Pesticide Use & Environmental Protection. The workshop was implemented as one of the sub-activities of the Coaching Program for Institutionalization of Market-Led PSEE Services.
- **Tree Fruit:** As a direct result of the Conference on Sweet & Sour Cherry Production, and STTA Gregory Lang’s lecture, advisors from the Agricultural Extension Service in Krusevac organized an additional training on this subject. As such, the event represents a direct, and unexpected, impact of Agribusiness Project activities. The training was attended by 80 cherry producers from Southern Serbia.
- **Berries:** From March 7<sup>th</sup> to 11<sup>th</sup>, STTA Andriy Yarmak and the Berry Sector Lead met with selected berry fruit producers, processors, and associations. During these visits, Mr. Yarmak gathered information relevant to further research, and compared the Serbian berry fruit offer with the market requirements in the Russian Federation. The consultant also used the opportunity to introduce clients to the specifics of the Russian berry fruit market, and advise them on steps needed to become competitive.
- **Grants:** This past week Marketing Grant STTA Jeff Spear completed individual consultations with grant applicants who meet the formal RFA criteria. During these consultations, the STTA thoroughly reviewed the grant applicants’ marketing plans, and assessed their recommended service providers. As a result, Mr. Spear has recommended 18 grant applicants for further consideration and approval.
- **Producer Organizations/Berry Fruit:** The Serbian Blueberry Association finalized activities for Milestone 1 of their grant for promotional material and handbooks for growers and advisors. The Association also developed educational/promotional video material on proper growing procedures for blueberries. As part of the activity to strengthen the network of ABDS providers, the Association prepared a specialized manual for field service providers covering all aspects of growing blueberries.



**USAID Serbia Agribusiness Project – Weekly Report**

Week of March 14<sup>th</sup>, 2011  
CTO: Djordje Boljanovic

**DAIRY/COMMUNICATIONS:** On March 14<sup>th</sup> the USAID Agribusiness Project and Sabac Dairy organized a joint press conference and a tour of the company’s production facility in Sabac. The press conference was organized to publicize the recent success of Sabac in establishing regular exports to the US, and the assistance the USAID Agribusiness Project and the USDA office in Belgrade provided in making this possible. In addition, a container load of Sabac products, including Serbian kajmak, was loaded and sent off to the US importer for the first time on the 14<sup>th</sup> – making this event even more significant. More than 25 media representatives were present for the event, and this resulted in excellent and extensive local and national media coverage. Over 55 media clippings were identified and collected – including segments on B92, Prva TV, and RTS News. The photo shows the container being loaded with one of the last pallets of product for the US market.



**Other Project Activities:**

- **Dairy/Livestock/Policy:** Last week, in cooperation with the Veterinary Administration of the Ministry of Agriculture, the Project organized a two-day seminar titled “Approval, Licensing and Certification of Export Facilities and Meat & Dairy Products for Export” in Kraljevo. The aim of the training was to ensure that companies, and regional inspectors, know the certification and control procedures for the dairy and livestock sectors. Four officials from the Veterinary Administration, responsible for inspection, international cooperation, certification and public health, conducted the seminar. Over 80 participants from the meat & dairy industries, and the regional inspectors, attended, and due to the high level of interest, the Project will organize two additional training seminars in Vojvodina in April & May.
- **Vegetables:** Last week three training sessions for closed environment vegetable producers in southern Serbia were delivered to groups of producers and processing firms. In cooperation with the Extension services of Vranje and Leskovac, and the Chamber of Commerce of Krusevac, more than 120 producers attended this second round of these training sessions. Besides the producer groups from these regions, ABDS providers and municipal representatives also participated. The next round of these training seminars will be held between March 31<sup>st</sup> and April 2<sup>nd</sup>.
- **Tree Fruit:** In cooperation with the Danish Fruits & Berries Program, and cold stores from southern Serbia, the Agribusiness Project has organized a series of training events on the use of IPM in Sour Cherry production. Two of these training events took place this week in Prokuplje & Leskovac, and they were conducted by STTA Novica Miletic. These events were attended by more than 90 participants, all of whom are suppliers of the cold stores from southern Serbia. The main goal of training was to educate producers on more effective methods of protecting their sour cherry crop against pests and diseases, which will allow them to achieve greater product safety and quality.
- **Berries:** During this week STTA consultant Andriy Yarmak completed Phase One of his assignment – an assessment of Serbian berry fruit industry capacities and main products, and provision of advice to selected clients regarding the steps needed to establish export sales in the Russian market. The consultant also began implementation of Phase Two – conducting comprehensive research on the Russian market for fresh and processed berry fruit products. A formal presentation of his conclusions & recommendations for the Serbian berry fruit industry will take place in May.
- **Producer Organizations/Grants:** This past week Agribusiness Project client “Fruits of Serbia” submitted their final report on the organization of a joint exhibition of association members at the FruitLogistica trade show in Berlin. A total of twelve member companies exhibited at one booth under the umbrella “Fruits of Serbia”, and these companies contributed 37% of the total cost of the exhibit as their cost share under the grant program. As a result of this activity, the Association has reported that eight new members have joined the association, and the firms at FruitLogistica reported sales of \$800,000, while an additional \$5.5 million of potential sales are still under negotiation.

➤ **Upcoming Project Activities:**

Mar 24	IPM in Sour Cherry Production	Knjazevac	Villa Katarina
Mar 25	Maximizing Dairy Farm Profit through Feeding	Lapovo	Kuc Dairy
Mar 25	Presentation of PSEE Training Program Conclusions & Recommendations	Belgrade	AgBiz Office
Mar 29	Berry Fruit Production Diversification Training	Udovice	Assoc. Zlatno Brdo
Mar 31	Contemporary Vegetable Production in a Closed Environment	Vranje/Leskovac	Extension Off
Apr 01	Contemporary Vegetable Production in a Closed Environment	Krusevac	Chamb of Comm
Apr 02	Contemporary Vegetable Production in a Closed Environment	Negotin	TBD
Apr 7-9	Dairy/Meat Export Requirements Training Seminar	Kraljevo	TBD



**USAID Serbia Agribusiness Project – Weekly Report**

Week of March 21<sup>st</sup> 2011

CTO: Djordje Boljanovic

**DAIRY:** On March 25<sup>th</sup>, 2011, the Kragujevac Center for Information and Education (CIE) organized a technical training session titled "Feeding Cows for High Productivity and Metabolic Disorder Prevention Program" in the Dairy Training Center in Lapovo. This event represents one part of the joint support program agreed to by the USAID Agribusiness Project and the Serbian Ministry of Agriculture, Forestry and Water Management to assist the Kuc and Mladost Dairies to improve the quality, quantity, and logistics of their raw milk supply. The training was implemented by Taurus AC, Maxi Farma, and Guca Vet ABDS Providers. A total of 40 farmers participated in the training event, and expressed a high level of interest in receiving continuous education. In addition, the Lazar Dairy Farm Manager has shown a concrete intent to acquire additional information about support opportunities for setting up a similar dairy farmer training center in southern Serbia.



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**Other Project Activities:**

- **Tree Fruit:** On March 24<sup>th</sup>, Agribusiness Project STTA Novica Miletic held a lecture organized by the Project on Integrated Pest Management (IMP) in Sour Cherry plantings in Knjazevac. The training session targeted suppliers of the Desing company, members of the ZZ Napredak cooperative, and ABDS providers from Zajecar, Knjazevac and Krusevac. Out of the 22 individuals present, 15 were representatives of local extension services and ABDS providers.
- **Berries:** As part of the Training Program to Support Berry Fruit Diversification, local consultant Jasminka Milivojevic delivered the first in a series of seminars on March 25<sup>th</sup> in Guca. Together with the Berry Fruit Sector Lead, the consultant delivered a presentation on modern strawberry production on plastic mulch film, and in tunnels, to 10 members and partner-farmers of the "Agro-Dragevo" Cooperative from Guca. All attendees received a copy of the berry fruit diversification guidebook as training materials produced by the consultant for this purpose.
- **Policy/Grants:** Pursuant to Agribusiness Project guidelines, the National Alliance for Local Economic Development (NALED) submitted a grant application to support their agricultural related activities on March 24<sup>th</sup>. These activities include the establishment of the national agribusiness organization NALED-Agri, as well as the organization of a series of educational seminars on the utilization of European Union pre-accession funds. In addition, NALED plans to organize conferences on woman's entrepreneurship, regional aspects of agricultural development, and the key food export markets for Serbian products, as well as the preparation of professional and educational publications.
- **Policy/Producer Organizations:** Agribusiness Project staff have initiated consultations with the German Agency for International Aid (GIZ) to organize joint trainings on access to the instruments of pre-accession assistance (IPA) funds, and fund raising issues for national associations. The goal of these trainings would be to enhance the capacities of national associations to access available financing and to implement projects which would enable the further development and expansion of their capabilities, and to provide additional benefits to the sectors they represent.
- **Environment:** On March 25<sup>th</sup>, the Agribusiness Project organized an exit presentation for an STTA Consultant (conclusions and recommendations) in the conference room at the Project's Belgrade office. The participants at this session included representatives from the Ministry of Agriculture, the Ministry for Protection of the Environment, and the Tamis Institute. The exit presentation presented the Project's Pesticide Safety and Environmental Education (PSEE) certification program, and the design of a program of compulsory testing of PPP application equipment.

➤ **Upcoming Project Activities:**

Mar 29	Berry Fruit Production Diversification Training	Udovice	Assoc. Zlatno Brdo
Mar 31	Contemporary Vegetable Production in a Closed Environment	Vranje/Leskovac	Extension Off
Apr 01	Contemporary Vegetable Production in a Closed Environment	Krusevac	Chamb of Comm
Apr 02	Contemporary Vegetable Production in a Closed Environment	Negotin	TBD
Apr 7-9	Dairy/Meat Export Requirements Training Seminar	Kraljevo	TBD
TBD	Advisory Assistance to Vertically Integrated Operators - First cycle of field visits and advisory assistance by local consultants Nikolic and Karas	Leskovac, Kraljevo, Ivanjica, Arilje, Pozega, Uzice, Valjevo	Participating clients premisees



**USAID Serbia Agribusiness Project – Weekly Report**

Week of March 28<sup>th</sup>, 2011  
CTO: Djordje Boljanovic

**GRANTS/M&E:** The USAID Agribusiness Project has completed the quarterly results survey for the period January 1<sup>st</sup> – March 31<sup>st</sup>, and the full results report will be included in the Quarterly Report which will be submitted to the Mission in April. According to the preliminary results, a total of 43 agribusiness client firms participated in the survey and reported impact as a result of Project assistance. The impact results for this quarter included delivered sales valued at \$3.45 million, as compared with a total of \$9.62 million in signed contracts for the quarter. An additional \$3.2 million of potential contracts are still under negotiation. A total of 72 agribusinesses received assistance of some form during the past quarter. Project-funded workshops, training programs, and conferences have attracted significant interest this past quarter, with a total of 2,582 participants being reported. In addition, during this quarter, the Project assisted clients to participate at three major fairs, FruitLogistica Fair in Berlin, Biofach in Nuremberg, and the 8<sup>th</sup> Annual Tea Festival in Nis.

**Other Project Activities:**

- **Ag Info/Policy:** The Agribusiness Project has facilitated the printing of the “Guide for Application, Self-Control, and Control of GMP, GHP and HACCP System.” The Guide provides essential information to food processors related to compliance with quality & safety requirements for products of plant origin, which are applicable as of June 11, 2011. The Ministry of Agriculture, and the Chamber of Commerce, are publically disseminating the guide, while its electronic version is available on the web sites of the Agribusiness Project and the Ministry of Agriculture.
- **Vegetables:** During the week of March 28<sup>th</sup>, five training sessions were held for vegetable producers in Southern Serbia specialize in closed environment (ie tunnels and/or greenhouses) vegetable production. Training sessions were organized in Vranje, Leskovac, Krusevac, Knjazevac, and Negotin, in cooperation with local extension services, RARIS, and other partners. This was the third round of trainings, while the fourth & final round is scheduled for the coming week. These sessions have covered a wide variety of technical topics, including harvesting, post-harvest handling, storing, packaging, as well as cost-calculations and efficiency measures.
- **Youth:** On March 31<sup>st</sup>, Junior Achievement Serbia (JAS) organized a Business Challenge Day for young entrepreneurs in Pozega. This event represents one part of the Youth Entrepreneurship activities supported by the Project, which were designed in cooperation with JAS to improve the entrepreneurial skills of agricultural high school students. Close to 100 students participated in this event. At the same time, Training for New Teachers was also held in Pozega, which is aimed at achieving sustainability of the entrepreneurial programs for high school students.
- **Marketing & Sales/Berry Sector:** The Project’s Marketing & Sales and Berry Fruit teams organized a visit for a German fresh fruit buyer from Pickenpack, as a follow-up activity to Agribusiness Project involvement with the Fruit Logistica Trade Fair. Even though the company has had negative experiences with Serbian suppliers in the past, Project staff convinced Pickenpack to return to Serbia again. The buyer met with the Belanovica cooperative and the National Blueberry Association and expressed interest in finalizing deals on their next visit, scheduled for next week.
- **Grants:** On March 28<sup>th</sup>, the USAID/COTR provided final technical concurrence for the unsolicited grant proposal submitted by the Halal Agency of Serbia (HAS). According to the grant application, HAS plans to utilize grant funds of \$32,555 to conduct educational seminars on halal standard requirements and Halal market potential and opportunities for Serbian agribusinesses, and to organize a joint exhibition of Halal-certified Serbian food products from Serbia at the Malaysia International Halal Showcase (MIHAS), to be held in Kuala Lumpur from April 6<sup>th</sup>-9<sup>th</sup>.
- **Producer Organizations:** The Serbia Organica National Association, and the Novi Sad Agricultural Fair, have signed a Protocol on business cooperation regarding exhibitions at the upcoming Agricultural Fair in Novi Sad. Serbia Organica will organize food producers, while the Fair will provide exhibition space and booths. This development is a clear indication that the Association is recognized as the representative of the sector and that it is a fully viable organization. This is a direct result of support the Project has provided through a grant and technical assistance.



➤ **Upcoming Project Activities:**

Apr 7-9	Dairy/Meat Export Requirements Training Seminar	Kraljevo	TBD
Apr 15-17	Agribusiness Trade Fair	TC Delta City	Students
TBD	Advisory Assistance to Vertically Integrated Operators - First cycle of field visits and advisory assistance by local consultants Nikolic and Karas	Leskovac, Kraljevo, Ivanjica, Arilje, Pozega, Uzice, Valjevo	TBD
TBD	Establishment of NALED Agri	Belgrade	TBD
TBD – end of April	Presentation of the Study on Impact of Weather Conditions on Agriculture in Serbia and Modalities of Anti-Hail Protection	Belgrade	TBD



**USAID Serbia Agribusiness Project – Weekly Report**

Week of April 4<sup>th</sup>, 2011  
CTO: Djordje Boljanovic

**VEGETABLES:** As part of the Vegetable Sector training activity “Contemporary Vegetable Production in Closed Environments”, the last round of these training sessions was held in Vranje, Leskovac, and Krusevac on April 7<sup>th</sup> and 8<sup>th</sup>. This, the fourth session, included topics related to harvest, packing, and storing of vegetables, as well as cost calculations for all four vegetable types covered by the training. Producers in all of the five locations where this training took place expressed the need for a handbook related to these topics, which they would use during the production season as a guide. Based on the requests from the trainees, the Agribusiness Project will begin work on preparing and printing this material, which will encompass all the relevant information presented in the seminars, and others, related to technology, protection, and packaging of the vegetable products which are significant for the producers in this region of southern Serbia.



**Other Project Activities:**

- **Berry Fruit:** Between April 7<sup>th</sup> and 8<sup>th</sup>, the Project STTA Jasminka Milivojevic delivered training sessions to berry fruit growers and association members in Southern Serbia as part of the program “Support for Berry Fruit Diversification”. Participants included “Vilamet”, “Jastrebacki biseri”, and representatives of local extension services. Main topics were modern production of raspberry, blackberry, chokeberry, cranberry, & strawberry.
- **Marketing&Sales/Berries:** As a follow-up to FruitLogistica, and an inward buyer visit with Serbian blueberry producers, the Project organized visits to pack-houses and a second round of meetings between the German company “Wilhelm Kopke” and fresh berry sector clients. Based on preliminary agreements, exports of fresh blueberries & raspberries will begin from Arilje, while currants & plums will be shipped from the Topola region.
- **Nis Regional Office:** On April 5<sup>th</sup>, a pre-departure orientation was held in the Agribusiness Project office for participants of the Meat Processor’s Study Tour to the USA. World Learning and Project representatives reviewed the tour schedule, expected behavior, regulations, and principles regarding the trip. Participants include livestock and meat sector client companies from Paracin, Leskovac, Prokuplje, Vlasotince, Sjenica, Nis, and Bujanovac.
- **Grants/Marketing:** On April 5<sup>th</sup>, Project staff accompanied the USAID/COTR to a meeting with the Halal Agency of Serbia (HAS). At the meeting, participants discussed sustainability of HAS, and a grant agreement with the Halal Agency was signed on April 8<sup>th</sup>. This agreement will facilitate access the Indonesian market by halal-certified Serbian food processors. Furthermore, HAS plans to deliver eight educational seminars in Belgrade, Novi Sad, Subotica, Kragujevac, Novi Pazar, Nis, Sabac, Leskovac/Vranje, with support from the Agribusiness Project.
- **Tree Fruit/Policy:** On April 8<sup>th</sup>, the Agribusiness Project Chief of Party, and technical staff representatives, met with the manager of the Danish Fruit & Berries Program in Nis in order to exchange ideas for future cooperation and collaborative activities. Based on the discussions and conclusions from the meeting, the Tree Fruit Sector Lead presented suggestions for joint activities to be included in an MoU between USAID and the Embassy of Denmark.
- **Gender:** Gender program representatives met with the Danish Fruit & Berries program for southern Serbia to discuss cooperation with the Agribusiness Project’s program “Women in Agribusiness”, and business plan writing. The parties agreed to pass all relevant business plans to the F&B program for review and potential financing.

➤ **Upcoming Project Activities:**

Apr 12-14	TA to Vertically Integrated Operators – field advisory assistance to clients in Valjevo	TBD	Participating clients
Apr 14	Training Program to Support POs’ Berry Fruit Diversification: Strawberry growers association “Jagoda”	Gredetin near Aleksinac	Participating clients
Apr 15-17	Agribusiness Trade Fair	TC Delta City	Students
	Three-day training in blueberry production technology for field advisors – National Association Serbian Blueberry	Arilje	Participating clients
TBD	Establishment of NALED Agri	Belgrade	TBD



**USAID Serbia Agribusiness Project – Weekly Report**

Week of April 11<sup>th</sup>, 2011  
CTO: Djordje Boljanovic

**LIVESTOCK/MEAT:** The meat processors visiting the USA have completed the first phase of their visit, participation at the American Meat Institute (AMI) convention, meeting with the Serbian Consul in Chicago, and making contacts with importers of Balkan food products in the Chicago area. On Apr 14<sup>th</sup>, the group spent nearly two hours at the Serbian Consulate office in Chicago, meeting with Desko Nikitovic, the Consul, and Milomir Ognjanovic, the Economic Advisor. Each of the participants had a chance to describe his or her business to the Consul, and following that there was a lively exchange between the participants and the Consul. The Consul was very pleased with the visit and he encouraged the Project to organize more study tours for Serbian groups to the USA. Another highlight of the first two days was a meeting with Aleksandar Zigic, a U.S. Correspondent for RTS. He met the group at the convention, and conducted video interviews of each processor, for a program to be broadcast on RTS sometime in the near future. The photos at the right show the meeting at the Consular office, and the interviews at the AMI convention.



**Other Project Activities:**

- **Berry Fruit:** Within its grant program, the National Association Serbian Blueberry organized a three-day training seminar April 15<sup>th</sup> to 17<sup>th</sup> on blueberry production technology in Arilje for local advisors working with growers and NASB members. The main topics included production technology, pest & disease control, quality standards, harvesting, and-post-harvest operations. The seminar was delivered by a number of local experts – representatives of the NASB, and ABDS providers. The activity was supported by Arilje Municipality and was covered by a wide range of local media.
- **Youth:** On April 16<sup>th</sup>, as part of its grant program, Junior Achievement Serbia (JAS) organized the Students' Agribusiness Trade Fair at Delta City in Novi Beograd. The goal of the Fair was to promote entrepreneurship among agricultural high school students. The trade fair's competition engaged businesses, education and policy leaders, as well as the national media. At the event, around 70 agricultural students from around Serbia, other European countries, and from JA partners, presented the results of their enterprise and learning experience, and appeared before a panel of independent judges who assessed the performance of 20 student companies relative to the competition criteria.
- **ABDS/Marketing and Sales:** The "Road to Culinaria" program has begun with training seminars being completed in six locations: Krusevac, Zajecar, Nova Varos, Nis, Kraljevo, and Uzice. A total of 81 companies sent individuals to take part in this innovative business training program for the south of Serbia. The sessions will continue this week at four more locations, followed by a three week break for Easter and other local holidays. The entire training program will end in June, when all 50 training sessions will be complete at the 10 selected locations, for more than 130 companies.
- **Marketing and Sales:** At the request of the EU funded Serbia Economic Competitiveness and Export Promotion Project (SECEP), and in coordination with the Ministry of Economy, the Marketing & Sales team provided Export Training for all of their Cluster Partners to support the Exporters Network. Participating Sectors included the BIPOM Cluster for Agricultural Machinery, Apparel, Furniture, Advanced Technology, Automotive, Metals, ICT, Electronics and Pharma. This cross-project coordination will build sustainable mechanisms to address support for exporters.
- **Grants:** The Agribusiness Project reimbursed a total of \$10,457 to the following grantees: *Aroma 1990* (for introduction of the ISO 22000 standard), and *Frost Line* (for introduction of the ISO 22000 standard). Due to the introduction of these new international standards, these two agribusinesses have generated additional sales totaling \$512,000, and generated 11 new jobs. The Project also procured equipment valued at \$1,501 for two youth grantees.

➤ **Upcoming Project Activities:**

Apr 19-20	Training Program to Support Producer Organizations Berry Fruit Diversification efforts	Zablance, Brodarevo	Farmer coop, & fruit growers association
Apr 19, May 4	Sumadija Sustainable Dairy Development Project Workshop	Lapovo and Kragujevac	Client firms
TBD – end of April	Presentation: Study on Impact of Weather Conditions on Agriculture in Serbia & Modalities of Anti-Hail Protection	Belgrade	TBD



**USAID Serbia Agribusiness Project – Weekly Report**

Week of April 18<sup>th</sup>, 2011  
CTO: Djordje Boljanovic

**LIVESTOCK/MEAT:** The meat processors US Study Tour is nearly complete, and the group has had an interesting variety of visits in Wisconsin. The week began with a reception for the group at the home of Mike Bittle (meat processing consultant) where the group met with the Mayor of Manitowoc. The group visited Maplewood Meats, a small family-owned and operated meat processor in Kewaunee, as well as Usinger’s Sausages, a relatively large family-owned company that has been operating in Milwaukee since 1880. Both visits provided the group with some good examples of efficient organization, and with excellent branding, packaging, and promotion. On April 20<sup>th</sup>, the group was interviewed by a reporter from the Herald Times of Manitowoc, and an article on the group’s visit to Wisconsin will appear in the paper on April 23<sup>rd</sup>. An unexpected impact of the Study Tour has been the interest the group has shown in beef jerky, a dried meat product that is very common in this part of the US, but which is not available in Serbia. Many among the group will be taking samples back to Serbia to show their meat technologists with the idea of developing a similar product they could make and sell in Serbia. The group also visited a GHD designed anaerobic digester which processes meat processing waste, and this installation was of great interest to the group. A digester such as this would help them greatly in dealing with their own waste issues. The picture shows the group at the end of the tour at Usinger Sausages, with the owner and President, Mr. Fritz Usinger (with the yellow hard hat).



**Other Project Activities:**

- **Berry Fruit:** As part of the implementation of the Training Program to Support Berry Fruit Diversification, local consultant Jasminka Milivojevic delivered four training seminars between April 19<sup>th</sup> and 20<sup>th</sup> in Rosci, Zablace, Prijepolje, and Brodarevo. In addition to more than 90 growers of currants, strawberries, and raspberries, the training seminars were attended by local extension service providers from Cacak and Priboj. The event was organized in cooperation with the EU-funded cross-border cooperation project implemented by Agronomski Centar from Priboj.
- **Marketing and Sales:** With support from a Project grant, and the Marketing & Sales Team, the Halal Agency of Serbia organized an exhibition of Serbian products for the second time at the MIHAS fair in Malaysia. Participating companies received positive feedback, and noticeable interest, for their products on the Malaysian, and other Halal markets. The companies reported signing contracts for sales of \$300K of product, and are negotiating an additional \$900K.
- **Dairy:** Continuing implementation of Sumadija Sustainable Dairy Development Project, the Center for Information and Education (CIE) from Kragujevac coordinated implementation of a "Milk Hygiene and Microbiology" workshop on the Training Farm Center at Lapovo on April 19<sup>th</sup>. The training was performed jointly by Taurus AC and Maxi Farma, who are local ABDS providers. Based on a request from the Municipality of Kragujevac, the CIE is planning an additional training session for a broader audience on May 4<sup>th</sup> in the Kragujevac Municipal Building.
- **Tree Fruit:** The Economic Analysis of Sweet and Sour Cherry Production in Serbia has been completed by STTA Zorica Sredojevic. The goal of the study was to provide relevant information on the current status of production, processing and sales, and to identify problems in the functioning of these two commodity value chains. The study was publically presented at the Conference on Sweet and Sour Cherry Production in Belgrade, and the document has now been distributed to Project clients involved in sweet and sour cherry production and processing.
- **Grants:** The USAID Agribusiness Project reimbursed a total of \$30,049 to the grantees who completed the certification process, and has also procured equipment valued at \$6,615 for three youth grantees.

➤ **Upcoming Project Activities:**

April 26	Training program to support POs' Berry Fruit Diversification	Loznica, Sabac	Fruit growers associations
May 4	Sumadija Sustainable Dairy Development Project Workshop	Kragujevac	Client firms
May 5	Berry Fruit Conference	Belgrade	Fruit producers
TBD – end of April	Presentation of the Study on Impact of Weather Conditions on Agriculture in Serbia and Modalities of Anti-Hail Protection	Belgrade	TBD



**USAID Serbia Agribusiness Project – Weekly Report**

Week of April 25<sup>th</sup>, 2011  
CTO: Djordje Boljanovic

**ABDS/Finance:** From April 26<sup>th</sup> to the 28<sup>th</sup> the Agribusiness Project organized a Farm Management training seminar for 33 service providers in Nis, in Southern Serbia. The training sessions were delivered by Project consultant Rick Costin, who has been to Serbia previously for similar training events. This train-the-trainers program aims to support and enhance the management capabilities of Project client firms, particularly ABDS service providers, and production & farm managers. Rick presented practical techniques to the selected training participants which should result in reduced production costs and improved crop quality and quantity for client companies. Considering that the 30 participants in this program provide assistance to many of their clients, more than 1,000 farms and/or agribusiness companies should benefit from this event.



**Other Project Activities:**

- **Berry Fruit:** As part of the implementation of the Training Program to Support Berry Fruit Diversification, local consultant Jasminka Milivojevic delivered the two final training sessions on April 26<sup>th</sup> in Krupanj and Sabac. In addition to 74 raspberry and strawberry growers, the training seminars were attended by local extension service providers from Loznica and Sabac. During the implementation of this program, a total of 11 training seminars were organized in Southern Serbia for berry fruit processors, and 304 of their suppliers.
- **Gender:** On April 28<sup>th</sup>, at the Conference on “Rural Development from the Women’s Perspective,” the Project presented its program which focuses on “Women in Agribusiness.” This event was organized by Femina Creativa, and financed by USAID/ISC in Subotica. The Agribusiness Project’s presentation represented an excellent example of good field practice for gender-related activities. Participants included members of local NGOs, agencies, the Ministry of Agriculture, and the Autonomous Province Vojvodina.
- **Vegetables:** Biotrend has signed a contract with the Orbico group for the export of their products to Slovenia, starting in May. Their products will be offered in 120 Merkator stores, 15 Inter Spar stores, 35 Tus stores, and 5 Leclerc stores. This contact was initiated at the Anuga Fair in 2009, where Biotrend exhibited their products with Agribusiness Project support. During a three-month trial period (May – July), promotional activities will also be underway. Biotrend has adapted their packaging and labeling to fit the buyers requirements.
- **Policy:** Project staff continue preparations for the upcoming berry fruit conference scheduled for May 5<sup>th</sup>, 2011. This past week the Berry Fruit Sector Lead and the Policy Specialist met with representatives of the co-organizers – the Serbian Coldstores Association and the Serbian Chamber of Commerce, to finalize the program and presentations, and to arrange last minute details for the conference. The goal of the conference is to initiate discussions, and exchange information, related to the impact of trade liberalization and the latest berry fruit market developments. The conference also aims to identify needed changes in the Serbian berry fruit industry, and to address the issue of more stringent requirements in export markets and supermarkets.
- **Grants:** The Agribusiness Project reimbursed a total of \$25,220 to Tisacoop under their grant agreement, and they have reported additional sales of \$10,000 based on grant related activities. The National Association “Serbian Flora”, has also reported additional sales of \$120,000, and the creation of two new jobs.

➤ **Upcoming Project Activities:**

May 5	National Agribusiness Conference – The Serbian Berry Fruit Industry – a time for change?	Belgrade – Serbian Chamber of Commerce	Berry Fruit producers, Govt officials, importers
May 9	Presentation of Agribusiness Project research findings and recommendations – the Russian market for berry fruit	Arilje SME Association	Client firms, other interested parties, local officials
TBD - May	Formal inauguration of NALED-Agri	Belgrade – TBD	Agribusinesses, farmers, sector associations, local self-governments, NGOs
TBD - May	Presentation of findings from the Study on Impact of Weather Conditions on Agriculture in Serbia and the use of Anti-Hail Measures	TBD	Agribusinesses, service providers, government representatives, etc.

**USAID Serbia Agribusiness Project – Weekly Report**

Week of May 2<sup>nd</sup>, 2011  
CTO: Djordje Boljanovic

**Berry Fruit/Policy:** On May 5<sup>th</sup> the USAID Agribusiness Project organized a conference titled “Serbian Berry Fruit Industry – A Time for Change” in cooperation with the Serbian Chamber of Commerce and the Coldstores Association of Serbia. The conference covered topics related to latest berry fruit market developments and perspectives, the potential for Serbian exporters to penetrate the Russian berry fruit market, the impact of trade liberalization, and changes in policies and practices related to quality and standards in the berry fruit industry. Key speakers at the conference included Slobodan Zunic, President of the Coldstores Association, Agribusiness Project consultants Andriy Yarnak (from Ukraine) and Goran Zivkov, Project Marketing staff member Jovana Ducic-Savic, Kolinda Hrehorovic from the Ministry of Agriculture, and representatives of the leading export companies in the sector. The conference gathered more than 100 representatives from berry fruit producers and processors, extension services and ABDS providers, national producer organizations and government representatives. The conference also attracted significant media attention



**Other Project Activities:**

- **Policy:** The Agribusiness Project has received COTR technical concurrence to organize a public presentation of the findings from the Study on the Impact of Weather Conditions on Agriculture in Serbia and Modalities of Anti-Hail Protection. The study was completed in the previous quarter by a group of five local expert consultants. This study analyzes the status of existing systems for hail protection, and provides potential solutions for improvements to the system, as well as recommendations for the introduction of new technologies.
- **Dairy:** On May 4<sup>th</sup>, the President of Serbia, Mr. Tadic, and the Minister of Agriculture, Mr. Petrovic, visited the Sumadija region to focus on the dairy sector. Mr. Tadic stressed that the dairy industry has been neglected and that the government plans to revitalize this sector. Both Mr. Tadic and Mr. Petrovic met with Kuc Dairy, which recently signed a \$1M supply contract with a Russian buyer. The Agribusiness Project is addressing these issues through a joint Sumadija Dairy campaign with Kuc and the Ministry. The focus of the campaign is a training program for efficient farm management and improved dairy supply logistics.
- **Gender:** On May 5<sup>th</sup>, the Agribusiness Project made a presentation of its "Women in Agribusiness" program, for the USAID Mission Director, the Deputy Mission Director, the Economic Growth Office Director and other USAID representatives. The presentation provided them with a detailed explanation of the approach and methodology being used, as well as the impact that the program has already had on 300 women entrepreneurs in southern Serbia. The USAID representatives had an opportunity to make comments and ask questions about the process of developing business skills among women, the process of selecting unemployed but experienced women, program success stories, and the next steps planned for the program.
- **Grants:** The USAID Agribusiness Project reimbursed a total of \$4,148 to *PFI (Polimark Food Industry)*, which has generated additional sales as a result of the Project grant totaling \$585,000, and \$8,060 to *XAOSolutions* for reimbursement of costs related to the grant agreement EG-FY-3-89, *Entrepreneurship Training Program for Women in Agribusiness in the regions of Užice, Valjevo and Šabac.*

➤ **Upcoming Project Activities:**

May 9	Russian market research: Presentation of research findings	Arilje	Client firms
May 10	Study tour to Italy – pre-departure orientation training	Belgrade Project Office	Client firms
May 11	USAID Mission Director visit to Project clients	Ivanjica, Arilje, and Cacak	Client firms
May 12	Sumadija Sustainable Dairy Development Project Workshop	Knjic	Client firms, producers
May 16	National WHR Conference	Novi Sad	Warehouse operators, service providers, agribusinesses



**USAID Serbia Agribusiness Project – Weekly Report**

Week of May 9<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**Herbs/ Producer Orgs/ Marketing & Sales:** For the first time ever, a Serbian pavilion was set up at the world’s largest and most important annual event in the herb business – the Vitafoods 2011 Fair in Geneva, Switzerland. The Agribusiness Project supported the Serbian Flora Association, and six of its members, to display their products at the fair which is a must-attend event for this industry. The participating companies, Herba, Macval, Melisa Farm, Kirka Pharma, Adonis and Fructus, exhibited herb based finished products, raw materials and ingredients such as teas, essential oils, dried and liquid botanical extracts, dietary supplements and nutricosmetics. The Serbian pavilion attracted many professional buyers and suppliers from all over the globe, whose primary interest was in semi final products and raw materials available for further processing. The potential sales from this trade fair equaled \$820,000, while more than \$300,000 in sales contracts was finalized during the event.



**Other Project Activities:**

- **Environment:** To address the fact that up to 90% of natural materials, whether they are ingredients, energy or services, may be wasted during the making, delivering and use of goods, the Agribusiness Project is organizing Cleaner Production in Agribusiness trainings for project clients. The first out of three new workshops for agro processors on cleaner production was organized in Kraljevo. Besides the project clients, the training was attended by participants from Dairy school in Pirot and Agricultural Faculty in Cacak.
- **Women’s Entrepreneurship:** The Agribusiness Project is negotiating leveraging funds with the Office for Sustainable Development of Underdeveloped Regions (OSDUR) within the Ministry without Portfolio for activities to be implemented in underdeveloped regions. The immediate opportunity is cooperation on the Women’s Entrepreneurship Program in Sandzak, where funds invested by the Project on training may be matched by OSDUR for training and business plan funding. This is part of an initiative by the Agribusiness Project to cooperate with all agricultural development projects in the underdeveloped regions.
- **Marketing/Tree Fruit:** The Agribusiness Project organized an inward buyer mission to visit fresh fruit exporters with Axfood, the second largest Swedish retail food chain. The activity is a follow-up to a successful exhibition at the Fruit Logistica trade fair in Berlin. The potential buyers visited a dozen Serbian companies and were especially impressed with the quality of Serbian apple orchards. They have expressed interest in peaches and plums and any potential sales will be negotiated after the season starts.
- **Policy:** The communication center established with support of the Agribusiness Project under the Healthy Economy initiative will continue to be active without Project funding. Starting from May 2011, the Indemnity Fund will continue to support the center, proving the importance of this activity and ensuring its sustainability. Since July 2010 when the center was established, trained operators provided timely and relevant information to farmers, bankers and warehouse operators on various topics. Over 4,500 incoming and outgoing calls were performed to date.
- **Grants:** The Agribusiness Project reimbursed a total of \$19,022 as final payments to two grantees dealing with ISO 22000 and Organic standards. Based on the introduction of these international standards, these two client agribusinesses generated additional sales totaling \$350,000 and created 28 new jobs.

➤ **Upcoming Project Activities:**

May 16	National WHR Conference	Novi Sad	Warehouse operators, service providers, agribusinesses
May 16-20	Berry Producer Study Tour to Italy	Verona, Italy	Client firms
June 16	Presentation: Study on Impact of Weather Conditions on Agriculture in Serbia & Modalities of Anti-Hail Protection	Belgrade	Agribusinesses, service providers, government representatives, professional community
TBD	Formal inauguration of NALED Agri	Belgrade – TBD	Agribusinesses, farmers, sector associations, local governments, NGOs

**USAID Serbia Agribusiness Project – Weekly Report**

Week of May 16<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**Berry Fruit:** In compliance with the Agribusiness Project Berry Fruit Sector shift from processed to fresh products, a total of 16 representatives of Southern and Central Serbian producers, ABDS providers & vertically integrated strawberry producers, participated in a study tour to Italy, a world leading region in modern berry fruit production for the fresh market. Guided by the Project's Sector Lead, and the local technical consultant for strawberry production, the group visited Apo Scaligera and SantOrsola cooperatives, Mazzoni Vivai nursery, and a number of commercial berry farms in both the hilly-mountainous and flat areas of northern Italy. The participants learned about implementation of modern technologies, varieties developed for the fresh market and the organizational and marketing strategies of Italian cooperatives and businesses dealing with fresh berry fruits. As a result, the study tour participants have already begun negotiations for strawberry plant imports and are making plans modernize their production and revise their marketing strategies for fresh products.



**Other Project Activities:**

- **Marketing & Sales:** An informal survey of the companies supported by the Agribusiness Project for exhibitions at international trade fairs showed that at least 10 of the Project's client companies have continued to exhibit at international trade fairs without Project support. The major trade shows they have exhibited at include: PLMA Amsterdam, World Food Moscow, Fancy Food, Organic Fair London, etc.
- **Dairy Products:** The Agribusiness Project is developing a framework to make quality genetic, veterinary and management services accessible for Serbian Dairy clients, especially in Southern Serbia. To support this effort, the Project organized numerous meetings with client companies at the Novi Sad Agricultural Fair. Of particular importance was the meeting with the Artificial Insemination Center from Krizevci, in Croatia, a company recently privatized by the biggest German genetic group Bayer-Grub. This has made Krizevci the most important animal genetic center in located South-Eastern Europe. Serbian dairies have already expressed their interest in linking with the AI Center Krizevic, and to benefit from improved AI services.
- **ABDS Finance/Marketing & Sales:** In cooperation with the Ministry of Agriculture and Trade, and the network of agricultural journalists *Agropress*, the Project organized a presentation of the upcoming 2011 Culinaria Fine Food Show for 45 foreign and 5 local journalists on May 18<sup>th</sup>. The event was organized as part of the Balkan Tour 2011 for agricultural journalists, organized by the International Federation of Agricultural Journalists. The Project will continue to maintain contact with the participating journalists, as they have expressed significant interest in promoting the Culinaria Fine Food Show in their home countries.

➤ **Upcoming Project Activities:**

May 27-28	III Conference of the Association of Female Entrepreneurs of Serbia. I International Conference of the Business Women of the Region.	Predejane	Women's Association from Southern Serbia region, representatives of International Women organizations
Jun 7-9	Training on Tree Fruit Harvest and Postharvest Practices	Backi Vinogradi, Tavankut, Selenca	Farmers from Subotica region
Jun 16	Presentation: Study on Impact of Weather Conditions on Agriculture in Serbia & Modalities of Anti-Hail Protection	Belgrade	Agribusinesses, service providers, government representatives, professional community
May 23-31	Training: Business Training Seminars for southern Serbia businesses, producer organizations & ABDS providers	Krusevac, N.Pazar, N.Varos, Vranje, Zajecar, Uzice, Nis, Valjevo	Agribusinesses, local service providers, producer orgs.

**USAID Serbia Agribusiness Project – Weekly Report**

Week of May 23<sup>rd</sup>, 2011

COTR: Djordje Boljanovic

On May 27, Susan Fritz, USAID Serbia Mission Director and Mette Kjuel Nielsen, the Ambassador of Denmark to Serbia, signed an MoU to provide a framework for future cooperation between USAID and the Danish Embassy. The alliance will contribute to the collective goal of expanding and improving Serbia's berry and fruit sectors. In a joint effort, assistance will be provided to Serbian Government institutions, private businesses, and farmers to prepare them for EU accession. The assistance will also foster private sector development, increased exports, improved income generation, reduced rural-urban migration, and rural job creation, particularly among youth and women. Assistance will be specifically targeted at producers, processors and exporters of raspberry, sour cherry, strawberry, blueberry and plums in the southern Serbian districts of Jablanica, Nisava, Pcinja and Toplica. The areas of cooperation between the two parties will include marketing & promotion locally and internationally, training and capacity development.



**Other Project Activities:**

- **Women's Entrepreneurship:** Under the slogan 'United women of the region will bring us to the EU sooner' a Conference dedicated to women's entrepreneurship and their active involvement in business was held in Predejane on May 27-28. Close to 200 women from the region participated, shared their experiences, and worked on strengthening their network. The Conference, organized by the Regional Chamber of Commerce, received partial supported from the USAID Agribusiness Project and the Danish Fruits and Berries Project. A special focus of the conference was women in agribusiness, and many of the presenters spoke about organic production and rural development.
- **Gender Program:** The Project is receiving positive feedback from various cooperators on their commitment to fund the women's business plan program. For example, the city of Nis will fund at least two plans, and the German HELP organization will fund an additional group of plans. Nis requests that the Project organize a new round of business training and commit to funding additional business plans from this new training. Also, the Ministry without Portfolio will fund first round business plans, and has requested a second round of training. We expect additional commitments to follow from other organizations.
- **Producer Organizations:** The Serbia Organica association organized a *National Conference on Organic Production in Serbia* on May 26<sup>th</sup> in Belgrade. This large national conference on organic production brought together a total of 250 stakeholders who are all involved in the organic movement in some way. The association presented what it has achieved in the last year and what are the next steps. During the conference the group also discussed: a new legal framework, incentive funds and loans, EU funds available for members, developing a curriculum for organic farming for use in Serbian schools, etc.
- **Producer Organizations/Communications:** The Serbia Organica association has continued to publish its monthly electronic news bulletin "Organic News" as part of its association grant program. The April issue, the 6<sup>th</sup> to date, has been created and distributed via email to over 1,200 organic stakeholders and interested agribusinesses. Of note in this edition is the fact that this issue includes paid advertising from the organic food companies, and these sponsors will insure the sustainability of future editions of bulletin.

➤ **Upcoming Project Activities:**

05/30 - 06/10	Training: Professional Selling Skills	Leskovac, Novi Pazar, Kraljevo	Agribusinesses, local service providers, producer orgs.
June 2	Training: Design and Marketing Competitiveness	Nis	So. Serbia D&M service providers
June 6 - 10	Training: Integrated Marketing Communication	Krusevac, Valjevo	Processors & Producer orgs.
June 7 - 10	Training: Business Networking and Trade Shows	Nova Varos, Uzice	Processors & Producer orgs.
June 7 - 10	Training: Finance for non-finance managers	Zajecar, Nis	Processors & Producer orgs.
June 7 - 10	Training: Strategic and business plan development	Vranje, Leskovac	Processors & Producer orgs.
June 7 - 10	Training: Tree Fruit Harvest and Post Harvest Practices	Backi Vinogradi, Tavankut, Selenca, Fruska Gora, Topola, Cacak	Tree fruit suppliers

**USAID Serbia Agribusiness Project – Weekly Report**

Week of May 30<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**ABDS/Finance:** On June 2<sup>nd</sup> a Workshop for Marketing ABDS providers was conducted in Nis with a total of 21 participants. This workshop was presented by Jeff Spear, an AgBiz project marketing & design consultant who has been coming to Serbia on a regular basis since 2008. The individuals who attended the workshop represented 11 local independent marketing and PR agencies, 1 marketing freelancer, and 4 design students. The topics presented during the workshop included: Brands and Branding Strategies that Work – Leave Competition behind You; HOW HUNGRY ARE YOU... FOR BUSINESS; and Enhancing Competitiveness - Strategies for Success. The photo at the right shows the participants at the workshop, which took place at the Hotel Tami Trade in Nis.



**Other Project Activities:**

- **Environment:** The USAID Agribusiness project has reached an agreement with the Ministry of Agriculture on the final PSEE practicum exams and farmer on-the-job training schedule. Both parties have been negotiating this past week regarding the final training schedule due concerns raised by the MoA regarding the unstable social situation in Vojvodina among agricultural producers during the strike. The practicum exams are scheduled to re-start as of June 13, 2011.
- **Communications:** The Agribusiness Project continues to generate excellent media coverage. A total of 120 press clippings were reported during the month of May in both the national and international media. The best coverage was generated through the press release regarding the Memorandum of Understanding signed between USAID and the Government of Denmark, followed by PR activities around the National Organic Production Conference, implemented by our grantee Serbia Organica, and then the Berry Sector activities.
- **Marketing & Sales:** The Agribusiness Project gave presentation on the CULINARIA Fine Food trade fair at the 6<sup>th</sup> conference on Private Labels and Branding, organized by Progressive Magazin at the Hotel Izvor, in Arandjelovac, on June 2<sup>nd</sup> 2011. The conference was attended by more than 230 participants, all of them key players in Serbian food and agricultural industries.

➤ **Upcoming Project Activities:**

05/30 - 06/10	Training: Professional Selling Skills	Novi Pazar (June 7-8), Kraljevo (June 9-10)	Agribusinesses, local service providers, producer orgs.
June 6 - 10	Training: Integrated Marketing Communication	Krusevac (June 6-7), Valjevo (June 9-10)	Processors & Producer orgs.
June 7 - 10	Training: Business Networking and Trade Shows	Nova Varos (June 7-8), Uzice (June 9-10)	Processors & Producer orgs.
June 7 - 10	Training: Finance for non-finance managers	Zajecar (June 7-8), Nis (June 9-10)	Processors & Producer orgs.
June 7 - 10	Training: Strategic and business plan development	Vranje (June 7-8), Leskovac (June 9-10)	Processors & Producer orgs.
June 7, 4 pm	Training: Tree Fruit Harvest and Post Harvest Practices	Backi Vinogradi, premises of ZZ Prima Cooperative	Tree fruit suppliers (a total of 40 anticipated participants)
June 8, 3 pm	Training: Tree Fruit Harvest and Post Harvest Practices	Tavankut, premises of elementary school	Tree fruit suppliers (a total of 30 anticipated participants)
June 9, 11 am	Training: Tree Fruit Harvest and Post Harvest Practices	Selenca, premises of Zdravo Organic Company	Tree fruit suppliers (a total of 25 anticipated participants)
June 10 at 11 am	Training: Tree Fruit Harvest and Post Harvest Practices	Fruska Gora, premises of Atos Vinum Company	Tree fruit suppliers (a total of 15 anticipated participants)
June 13 at 11 am	Training: Tree Fruit Harvest and Post Harvest Practices	Topola, restaurant 'Staro Vino'	Tree fruit suppliers (a total of 25 anticipated participants)
June 14 at 11 am	Training: Tree Fruit Harvest and Post Harvest Practices	Cacak, premises of ZZ Cacanska jabuka	Tree fruit suppliers (a total of 25 anticipated participants)
June 16	Conference: Impact of Weather Conditions on Agriculture in Serbia and Modalities of Anti-Hail Protection	Belgrade, Chamber of Commerce (Resavska Str.)	Tree fruit sector representatives, institutions engaged in anti-hail protection, banks, insurance companies, academia, etc



**USAID Serbia Agribusiness Project – Weekly Report**

Week of June 6<sup>th</sup>, 2011

CTO: Djordje Boljanovic

**Marketing/ABDS:** Business training seminars aimed at improving business skills of participating companies were held last week in Krusevac and Valjevo (Integrated Marketing Communications), Zajecar and Nis (Finance for Non-finance Managers), Vranje and Leskovac (Strategic & Business Planning), Novi Pazar and Kraljevo (Professional Selling Skills), and Nova Varos and Uzice (Business Networking and Trade Fairs). The participants were mostly small and medium scale producers and processors seeking to improve their business skills and to participate in the Culinaria 2011 trade fair. Upon completion of these trainings, the Project will select up to 50 companies based on evaluations completed by the service providers, field visits by Project staff, and a satisfactory product portfolio and companies’ sales expectations at the fair. Selected companies will be assisted, and supported to exhibit at the Culinaria fair. So far, more than 100 participants have attended the trainings at the above mentioned locations throughout Southern Serbia.



**Other Project Activities:**

- **Tree Fruit:** During the week of June 6<sup>th</sup>, STTA Christopher Watkins from Cornell University conducted four training sessions on the best tree fruit harvest and postharvest practices for suppliers of cold stores, as well as members of cooperatives involved in exporting fresh fruit from Serbia. During the week, 80 farmers and ABDS providers from the region of Vojvodina were trained on these subjects. It is expected that these training sessions will have a broader impact on an additional 100 farmers who will be trained by consultants trained through these events prior to harvest period.
- **Dairy:** The Dairy Sector Lead and Marketing Specialist Tatjana Mrvaljevic provided assistance to Serbian goat milk processors by organizing meetings with Dutch goat milk buyer Herco Hekking. Hekking Kaas BV is one of the most renowned organic goat cheese producers, and goat milk buyer from the Netherlands, whose representative arrived in Belgrade to discuss business opportunities with Beocapra (Kukujevc), Select Milk (Indjija) and Capris (Kucura). He is also interested in locating a long term supplier for the production of organic goat cheese for the western market.
- **Berry Fruit:** The Agribusiness Project COP and the Berry Fruit Sector Lead attended the Strawberry Festival on June 4<sup>th</sup>, in Gredetin near Aleksinac. In addition to exhibiting a number of varieties of fresh strawberries, the program included best grower awards, and a presentation of video material and findings from a study tour to Italy (recently organized by the Project). The event was organized by the Strawberry Growers Association “Jagoda”.
- **Policy:** The Agribusiness Project took part in the Western Balkans conference “Best Practices in Managing Changes in Rural Areas and Agriculture in the Process of EU Integration”, organized by the City of Nis, GIZ, the Ministry of Agriculture, and the Standing Working Group for Rural Development, on June 8<sup>th</sup>. Lecturers from Croatia, Germany, Serbia, Bulgaria, Albania and Macedonia shared their experiences and presented practical examples of their policies in rural areas. This process is designed to facilitate adjustment to the changes from the EU integration process.

➤ **Upcoming Project Activities:**

June 13 at 11 am	Training: Tree Fruit Harvest and Post Harvest Practices	Topola, restaurant ‘Staro Vino’	Tree fruit suppliers (a total of 25 anticipated participants)
June 13 at 9 am	Training: PSEE Practicum	Arilje, Sabac, Sombor	PSEE service providers
June 14 at 11 am	Training: Tree Fruit Harvest and Post Harvest Practices	Cacak, premises of ZZ Cacanska jabuka	Tree fruit suppliers (a total of 25 anticipated participants)
June 14 at 9 am	Training: PSEE Practicum	Pozarevac	PSEE service providers
June 15 at 9 am	Training: PSEE Practicum	Backa Topola, Subotica, Vrbas, Zajecar	PSEE service providers
June 16 at 9 am	Training: PSEE Practicum	Vranje, Vrbas	PSEE service providers
June 16 at 9:30 am	Conference: Impact of Weather Conditions on Agriculture in Serbia and Modalities of Anti-Hail Protection	Belgrade, Chamber of Commerce (Resavska Str.)	Tree fruit sector representatives, institutions engaged in anti-hail protection, banks, insurance companies, academia, etc
June 17 at 9 am	Training: PSEE Practicum	Pancevo, Pirot, Sm. Palanka, Vrsac	PSEE service providers
June 18 at 9 am	Training: PSEE Practicum	Pancevo	PSEE service providers
June 20 at 9 am	Training: PSEE Practicum	Prokuplje	PSEE service providers
June 21 at 9 am	Training: PSEE Practicum	Loznica, Ruma, Senta	PSEE service providers
June 22 at 9 am	Training: PSEE Practicum	Kraljevo	PSEE service providers
June 23 at 9 am	Training: PSEE Practicum	Jagodina, Sm. Palanka	PSEE service providers
June 24 at 9 am	Training: PSEE Practicum	Kovin, Nis, Valjevo	PSEE service providers
June 22-23	Training: CP for agro-processors	Nis, Leskovac area TBD	Agro-processors
June 25 at 9 am	Training: PSEE Practicum	Knjic, Mladenovac, Negotin, Nis	PSEE service providers



**USAID Serbia Agribusiness Project – Weekly Report**

Week of June 13<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**Policy/Tree Fruit:** More than 80 representatives of national institutions, ABDS service providers, insurance companies and fruit & berry sector companies participated in the presentation of a study titled “Impact of Weather Conditions on Agriculture of Serbia and Modalities of Anti-Hail Protection” on June 16<sup>th</sup>, in cooperation with the Serbian Chamber of Commerce. The Study analyzes the status of existing systems for hail protection, and provides potential solutions for improvements to the system. The efficiency of the existing system is around 20%, which is much lower than the 50% achieved in developed countries. The study provides the basis establishing an efficient market driven system of providing anti-hail protection, and can serve as a guide for agribusinesses wishing to install anti-hail nets, and for ABDS providers willing to become suppliers of equipment and services to the producers.



**Other Project Activities:**

- **Sales & Marketing:** In line with the sustainability plan for Culinaria, the Zizigin Company organized media brunch last week where they promoted the upcoming second edition of the Culinaria Fine Food show. The event was also supported by the Ministry of Agriculture and Mr. Milos Milovanovic, the assistant minister, emphasized the importance of the Culinaria show and its impact on the sales of value added products. Mr. Remer Lane from the Agribusiness Project also addressed the audience. The event had great media coverage, with a total of 35 journalists participating.
- **Environment:** In close cooperation with the Ministry of Agriculture, the Project commenced implementation of a large national program of certification training seminars on Pesticide Safety and Environmental Education. The seminars, aiming at developing private market driven services in the area of safe pesticide use and environmental protection, will also serve as a tool to evaluate the competencies of newly qualified PSEE trainers. During the week more than 500 trainees participated in a total of 13 training events in the cities of Vrsac, Smederevska Palanka, Sabac, Arilje, Sombor, Pozarevac, Zajecar, Vrbas, Subotica, Backa Topola, Vranje, and Pirot.
- **Herb & Mushrooms/Producer Organizations:** The final milestone in the grant program with the “Dr. Jovan Tucakov” Association was completed for Improved Promotion, Education and Marketing Capacity of the Herbs Sector in Southern Serbia. This activity has reached 160 beneficiaries, and contributed to increased sales of \$345,000.
- **Dairy:** In continuing implementation of the Sumadija Sustainable Dairy Development Project, the Center for Information and Education (CIE) from Kragujevac coordinated the implementation of Logistic Supply Activities to help dairies in Kragujevac restructure farmer suppliers and collection centers to get more, and better quality, milk from shorter distances. This field activity was performed jointly by CIE, Taurus AC, and Maxi Farma, who are local ABDS providers for the dairy industry. The results, recommendations, and further capacity building training will be incorporated into “In-house Training” for milk collection centers and the technical staff of Kuc and Mladost dairies.

**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly report from the Staff*

June 24	In-house Training for milk collection centers and technical staff for Kuc and Mladost Dairy	Kragujevac, Kuc Dairy Premises	Technical staff from Kuc and Mladost Dairies
June 20	Promotion of Training Program for Agriculture students	Belgrade, Faculty of Agriculture	University students
June 22	Cultivated blueberry promotion: Recipe competition	“Mala fabrika ukusa”, Belgrade	NASB, media
June 26	10 <sup>th</sup> ISHS International Rubus and Ribes Symposium – Producers Day	Zlaltibor	producers, processors and extension service providers
June 22-23	Cleaner Production Training, Module III	Nis, hotel Aleksandar	Agro-processors
June 21-25	Training: PSEE Practicum	Loznica, Ruma, Senta, Kraljevo, Jagodina, Smederevska Palanka, Kovin, Nis, Valjevo,	PSEE service providers
June 20 – 24	Business Skills Seminars	Krusevac, Zajecar, Vranje, Novi Pazar, Nova Varos, Valjevo, Nis, Leskovac, Kraljevo, Uzice	Client companies
July 4-5	Training for associations: IPA	Belgrade	Associations representatives
July 12-13	Training for associations: PCM and PLM	Belgrade	Associations representatives



**USAID Serbia Agribusiness Project – Weekly Report**

Week of June 20<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**Berry Fruit:** As part of the 10<sup>th</sup> International Rubus & Ribes Symposium, held in Zlatibor, the Project organized a Berry Producers Day on June 26<sup>th</sup> 2011. The aim of the event was to facilitate the information flow, improve the access for Serbia’s berry industry to new technologies, and increase their awareness of global changes in the industry. Under the theme: “From Science into Practice and vice-versa” the event gathered Serbian berry fruit industry stakeholders, and international experts, from the world’s leading berry producing countries to share their knowledge on the current status of new technologies applied in the industry. Besides international experts and Serbian producers, processors and extension service providers, a number of their counterparts from Montenegro attended the event as well. The producers Day was organized in collaboration with the ISHS – International Society for Horticultural Science, Faculty of Agriculture, University of Belgrade, and the Pesticide and Environment Research Institute from Belgrade.



**Other Project Activities:**

- **Enabling Environment/Producer Organizations:** The Agribusiness Project has completed the procurement process for a training program on EU Instruments of Pre-Accession Assistance for associations which will be implemented in cooperation with the German organization GIZ during July 2011. The main goal of the training is to introduce participants to the principles and methodology of managing European Union funds, and enabling them to acquire the basic skills necessary to design projects within the framework of the defined priorities, and financial opportunities. The Project has selected the vendor “European Project Center” to conduct two modules training in July 2011.
- **Berry Fruit:** As part of the Agribusiness Project’s grants program for national associations, the National Association Serbian Blueberry organized a national media event, which took place in the “Mala fabrika ukusa” restaurant on June 22<sup>nd</sup> in Belgrade. The goal of the event was to increase public awareness of the health benefits and nutritional values of cultivated blueberries, as well as to increase local consumption. The event was extensively covered by the national electronic and print media, and as a result in the following days a number of very positive reports were broadcast on blueberry as a new crop for Serbia, with mention of the NASB and USAID assistance to producers in Serbia.
- **Environment:** The Project continued implementation of the national program of certification training seminars on Pesticide Safety and Environmental Education. The seminars, designed to foster the development of private, market driven, service providers in the area of safe pesticide use and environmental protection, will also serve as a tool to evaluate the competencies of newly qualified PSEE trainers. During the week more than 500 trainees participated in 13 events in Loznica, Senta, Kraljevo, Ruma, Pancevo, Jagodina, Smederevska Palanka, Kovin, Nis, Knic, and Negotin.
- **Dairy:** In continuing implementation of the Sumadija Sustainable Dairy Development Project, the Center for Information and Education (CIE) from Kragujevac coordinated the implementation of capacity building training for milk collection centers, and the technical staff of the Kuc and Mladost dairies on Friday, June 24<sup>th</sup> 2011. In addition to this training, CIE coordinated two teams, and organized six farm management training sessions in the field, focusing on the farms along the purchasing lines of Kuc and Mladost dairies. The purpose of field trainings was to provide direct training to farmers, and eliminate mistakes they make in delivering the poor quality milk to the dairies.

**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

July 1	Mentoring/Advisory assistance to blueberry growers in Crna Trava – National Association Serbian Blueberry	Crna Trava	Blueberry growers
July 4-5, 2011	Training of associations for the preparation of projects in the agricultural sector that will be financed from the EU funds - Module I: Instrument for Pre-accession Assistance	Belgrade	representatives of national and regional associations in agribusiness,
July 12-13, 2011	Training of associations for the preparation of projects in the agricultural sector that will be financed from the EU funds - Module II: Project Cycle Management and LFM.	Belgrade	representatives of national and regional associations in agribusiness
July 2011	Initiation of the Program on International Food Safety and Quality Standards	National	agribusinesses, service providers
June 27 – July 13	Training: PSEE Practicum	Various locations in Serbia	PSEE service providers

**USAID Serbia Agribusiness Project – Weekly Report**

Week of June 27<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**ABDS/ Finance:** In response to the City of Leskovac initiative to establish a fresh products distribution center in the city, the Agribusiness Project organized a coordination meeting with the USAID's Sustainable Local Development Project and UNOPS's PROGRES Project. The three parties agreed upon the share of responsibilities and the next steps for moving this initiative forward. It has been agreed for the Agribusiness Project to consider the development of pre-feasibility study and to organize a study visit to the Netherlands for the Leskovac distribution center working group. The multi-million dollar activity will be funded by funds from the Ministry of Environment (1/2 million Euros), a loan obtained by the city (180,000 Euros), funds from the PROGRES project (1/2 million Euros) and investments from private companies.

**Other Project Activities:**

- **Berry Fruit:** As part of the USAID Agribusiness Project's grants program for national associations, National Association Serbian Blueberry continued mentoring program for its members. On July 1st two NASB's experts and the berry fruit sector lead travelled to Crna Trava and visited the largest blueberry farm in south Serbia, which has been partly damaged by a forest fire in May. During the visit the association's experts advised the grower and demonstrated pruning, fertigation, weed control and other techniques needed to enable blueberry field recovery and ensure good plant development and yields in future years.
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- **Youth:** Entrepreneurship education within USAID Agribusiness Project helps promote an entrepreneurial and innovative culture by changing mindsets and providing the necessary skills. The Junior Achievement program that was being carried out in the Ag high-schools throughout Serbia is now finished. It trained 31 new teachers from 25 agricultural and 10 schools with agricultural departments for entrepreneurship (trainings held in Novi Sad, Pozeza and twice in Belgrade) and involved 714 students in its educational programs in those 35 schools.
  - **Youth:** Not everyone needs to become an entrepreneur to benefit from entrepreneurship education, but all members of society need to be more entrepreneurial. University schools systems are traditionally being focused on providing basic skills and ensuring students to secure future jobs – not on teaching students to become entrepreneurs. In that regard, on Monday 27, USAID Agribusiness Project has started with its Business training programs for the Ag University students in Novi Sad and Cacak. The third University in Belgrade will start with its program as of mid of July, after the exams' period. At the moment, around 100 students attend the training programs at Novi Sad and Cacak Universities.
  - **Marketing and Sales:** Preparations for CULINARIA trade fair are under way - 7 regional distributors (2 from Montenegro, 2 from Bosnia, 1 from Croatia, 1 from Slovenia and 1 from Bulgaria), the biggest Bosnian retail chain and one of the biggest Swedish retail chains have already confirmed their participation.
  - **Dairy:** In continuing implementation of the Sumadija Sustainable Dairy Development Project, the Center for Information and Education (CIE) from Kragujevac coordinated the implementation of capacity building training for milk collection centers, and the technical staff of the Kuc and Mladost dairies on Friday, June 24<sup>th</sup> 2011. In addition to this training, CIE coordinated two teams, and organized six farm management training sessions in the field, focusing on the farms along the purchasing lines of Kuc and Mladost dairies. The purpose of field trainings was to provide direct training to farmers, and eliminate mistakes they make in delivering poor quality milk to the dairies.

**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

July 4-5, 2011	Training of associations for the preparation of projects in the agricultural sector that will be financed from the EU funds - Module I: Instrument for Pre-accession Assistance	Belgrade	representatives of national and regional associations in agribusiness,
July 12-13, 2011	Training of associations for the preparation of projects in the agricultural sector that will be financed from the EU funds - Module II: Project Cycle Management and LFM.	Belgrade	representatives of national and regional associations in agribusiness
June 27 – July 13	Training: PSEE Practicum	Various locations in Serbia	PSEE service providers
July 4-7	The Herb Picker Festival	Sokobanja	Herb collectors
July 13	Planning Session for the Board of Directors of Serbian Flora Association to develop Strategy, Business and Activity Plan and the association Budget	Belgrade	Member companies from herb sector



**USAID Serbia Agribusiness Project – Weekly Report**

Week of July 4<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**Policy/Producer Organizations:** The Agribusiness Project, in cooperation with the German organization GIZ, organized a two-day training program on the EU Instruments of Pre-Accession (IPA) assistance for associations on July 5<sup>th</sup> and 6<sup>th</sup>, 2011. The main goal of this training was to introduce the participants to the principles and methodology of accessing and managing European Union funds which will be available to candidate countries for EU membership. The 22 participants, all from agribusiness associations, were thoroughly trained in all five components of the IPA, focusing in particular on currently available cross-border programs and the future IPARD program. Experts from the consulting company “European Project Center” implemented the training, together with guest lecturers from the SEIO, the Ministry of Economy and the Ministry of Agriculture responsible for IPA programming.

**Other Project Activities:**

- **Producer Organizations/ Herbs:** The association of collectors and SME processors of medicinal herbs “Dr. Jovan Tucakov” received an amendment to extend the activities under their current Agribusiness Project association grant. As a result, the association organized a four day practical training program for 47 herb collectors from southeastern Serbia, and awarded certificates for herb collecting to those trainees who passed the training. The training took place during St. Jovan, The Herb Picker’s Festival, on July 4-7, in Sokobanja. The event was attended by over 300 people from Serbia, visiting Sokobanja, and the Rtanj Mountain.
- **Producer Organizations/Associations:** Based on Agribusiness Project support for Serbian agribusiness associations, these associations have raised their capacity to continue to independently provide services to their members, to organize joint activities for their members, and to use available state funds. Three Project client associations responded to a public call for grants from the Serbia Investment and Export Promotion Agency (SIEPA), and were awarded a total of \$90,000 to organize exhibitions at international trade fairs. “Serbia Organica”, “Serbian Flora”, and “Fruits of Serbia” will organize Serbian pavilions at **Fruit Logistica** in Berlin, **Biofach** in Nurenberg, and **Vitafoods** in Geneva.
- **Marketing & Sales:** The Marketing & Sales team visited the Novi Pazar and Nova Varos regions to identify and select CULINARIA exhibitors for the 2011 fair. The final conclusion is that eight companies (four from each municipality) satisfy the selection criteria, and are ready and able to exhibit. There will be a joint pavilion for companies from Novi Pazar, while companies from the Nova Varos area are ready to exhibit separately. The Project team continues to work on attracting regional buyers to visit the CULINARIA fair, in addition to the distributors and retail chains that have already confirmed their participation. There are HoReCa sector representatives from Croatia coming to the fair.
- **Project wide:** On July 8<sup>th</sup>, the activities of the Agribusiness Project were presented at meeting of local and international development organizations in the Nis area, organized by the Cluster Club of Nis. These organizations included LEDIB, HELP, the Danish Fruit & Berry Project, the City of Nis Agriculture Department, the Nis Regional Start Up cluster, Agrozem Advisory service, and the Association of Agricultural producers “Trećak”. The Agribusiness Project was represented by Bratislav Stamenkovic from the Project’s field office in Nis.



**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

July 12-13, 2011	Training of associations for the preparation of projects in the agricultural sector that will be financed from the EU funds - Module II: Project Cycle Management and LFM.	Belgrade, Art Hotel (Knez Mihajlova 27)	Representatives of national and regional associations in agribusiness
July 13, 2011	Planning Session for the Board of Directors of Serbian Flora Association to develop Strategy, Business and Activity Plan and the association Budget	Belgrade, Agribusiness Project Office	Serbian Flora Association Board of Directors
July 11-13, 2011	Training: PSEE Practicum	Zagubica, Kucevo, Veliko Gradiste	PSEE service providers
July 14-17	Business Training for the University Students of Ag Faculty in Belgrade	Belgrade Ag Faculty	University students
July 14, 2011	Pre-Show Orientation for South Serbia Companies	Belgrade, Hotel Zira	South Serbia Companies
July date TBC	MoU signing ceremony with OSDUA	Belgrade, Media center TBC	OSDUA, Media representatives
July date TBC	Initiation of the Program on International Food Safety and Quality Standards	Belgrade, venue TBC	Agribusinesses, ABDS service providers

## USAID Serbia Agribusiness Project – Weekly Report

Week of July 11<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**Marketing & Sales:** A one day pre-show training seminar was organized in Belgrade as a final preparation for companies from southern Serbia that will participate in the 2011 Culinaria Fine Food Show. A total of 41 participants, from 39 companies, received final preparation instructions, decided on the final booth layout and design, and discussed other issues related to participation in Culinaria. The Southern Serbia initiative ‘Road to Culinaria’ was created to assist companies from the South make contact with local and foreign food and beverage buyers. Interested companies, in order to improve their business performance and sales, attended five training modules in: (1) Strategic and business plan development; (2) Finance for non-finance managers; (3) Professional selling skills; (4) Integrated marketing communications; and (5) Business Networking and Trade Fairs.



### **Other Project Activities:**

- **Producer Organizations/Herbs:** American consultant, Peter Furth, held a second and final Strategic Planning session with the Serbian Flora Board. Based on this assistance, the Serbian Flora strategic plan for 2011-2013 (mission statement, strategic goals and objectives, activities needed to support goals, governance & by-laws, management and budget) has been completed and approved. In addition, the consultant made a presentation on trade associations in the US and the EXPO EAST Natural products Fair. A short training session on the fundamentals of exporting to the US (FDA & customs requirements), a herb market overview, and the organization of the US market was conducted as well.
- **Policy/Producer Organizations:** The Agribusiness Project, in cooperation with the German development organization GIZ, organized a two-day training program for associations on Project Cycle Management (PCM) and Project Logic Matrix (PLM), which are required by EU Funded Projects. This was the second of two modules, and it was attended by 17 participants from agribusiness associations. Following completion of the four-day training of associations in preparation for EU funded projects, the training participants were awarded with the attendance certificates.
- **Berry Sector:** Local consultant Mihailo Nikolic, completed delivery of the second cycle of Advisory Assistance to Vertically Integrated Operators in Serbia. With the Project’s technical assistance, seven participating clients in south-western Serbia have successfully established a total of 14ha of new raspberry, and 2ha of blackberry fields, during the season, and they have applied proper management techniques in their existing berry fruit fields of about 25 ha in total.
- **Environment:** More than 1,200 participants have been trained over the past month, and during this past week a total of 154 agricultural producers from Eastern Serbia attended PSEE Practicum training events in the Zabari, Zagubica, Kucevo and Branicevo municipalities. As a part of these training workshops, best practice examples of the transfer of Sustainable Pesticides Use policy within the Serbian legislation were provided to the participants, by the Head of the Administration for Plant Protection Products within the Ministry of Agriculture, Ms. Savcic Petric.
- **Youth:** All three service providers for the Business training program for Agricultural University Students have completed the first milestone of their programs, and selected participants for their training sessions. CEFE Serbia delivered a business training module for the first group of student at Belgrade’s Agriculture University. The curriculum was specifically designed to meet the needs of young agricultural entrepreneurs, and to cover the following topics: business planning and risk analysis, making a business plan and starting an individual business, creation of a marketing/sales and financial plan, company registration procedures, real life examples and interactive approach, government subsidies and bank loans. The training sessions will be continuing over the course of the following weeks.

### **Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

July 21-25; July 28-31	Business Training for the University Students of Agricultural Faculty Zemun	Ag Faculty Zemun	University students
July 25-29	Business Training for the University Students of Agricultural Faculty Cacak	Ag Faculty Cacak	University students
July 25-29	Linear Scoring and Evaluation workshop for ABDS providers	Nis, Hotel Tami	ABDS providers
July 25-30	Study Tour for apple growers cooperatives to North Italy	North Italy – South Tyrol	Producer organizations
Week of July TBC	MoU signing ceremony with OSDUA	Belgrade, Media center TBC	OSDUA, Media representatives
July date TBC	Initiation of the Program on International Food Safety and Quality Standards	Belgrade, venue TBC	Agribusinesses, ABDS service Providers

## USAID Serbia Agribusiness Project – Weekly Reports from Staff

Week of July 18th, 2011

COTR: Djordje Boljanovic

**Youth:** The Agribusiness Project expanded its youth program to target the students of Agriculture Universities. In addition to the Annual Business Plan Competition, an extra curriculum program was developed. As of June 2011, the training courses are being provided to students of the Agriculture Universities in Belgrade, Novi Sad and Cacak. Eligible training participants are all students with business ideas that include production and/or processing of fresh and processed vegetables, tree and berry fruits, meat products, dairy products, forest fruits, herbs and mushrooms.

To date, approximately 120 students have attended the training program and by the end of July the total number of participants will exceed 150. At the end of the program, all training participants will have their business ideas presented in the format of profitable and bankable business plans.



### Other Project Activities:

**Berry Fruit** - On July 20, 2011 the USAID Mission Director visited the Project client - Berry fruit growers association "Boras" in Raska. Accompanied by the Project's Operation Coordinator and USAID Novi Pazar, the MD met blueberry growers of the association, observed the mentoring activities and the harvest and discussed the client's goals, activities and development. The MD also learned about assistance provided by the Agribusiness Project, which were largely advisory, training assistance and a national promotional campaign for cultivated blueberries. The association also discussed their future plans of installing an anti-hail nets and advocating for more blueberry producers in the region, especially Novi Pazar and Raska.

**Grants/M&E** - On July 19, the Chief of Party and the Grants Manager attended the lunch event organized by the OSDUA and hosted by the Minister w/o Portfolio Ugljanin where he informed International donors, as well as the Government and nongovernmental organizations about their plans to support development of Sandzak. It includes the opening of the Regional Center for Agricultural and Rural Development in Sjenica which will serve as an ABDS provider to farmers, food producers and other businesses in Sandzak. The official opening will take place on September 5, 2011, in Sjenica with the Conference "Partners for Development".

**Producer Organizations/Tree Fruit:** The PO Specialist and the Tree Fruit Sector Lead conducted the orientation meeting for 13 participants of the coming study tour to South Tyrol. It is targeted towards coop's involved in apple production, storage and marketing and with main goals to increase their organizational capacities and apple production, postharvest and storage technologies in accordance with practices of coop's and associations in the northern Italy.

**Berry Fruit/Tree Fruit** - The Project hosted Mr. Steve Wellinghoff from Southwest Research Institute and discussed a potential food preservation project using Modified Atmosphere Packaging – MAP. He presented innovative technical solution for providing extension of shelf-life and explained interests in Serbian market. It was concluded that more partners from Serbia's side would need to be involved. We will recommend capable institutions to organize trials and as well propose local businesses to use the technology.

**Sales & Marketing / Tree Fruit** – The Tree Fruit Sector Lead visited three companies from Valjevo that have applied to exhibit at Culinaria fair with Project's support, of which one processes tree and berry fruit into jams and marmalades. All three companies perform their production in accordance to the HACCP standards and their main goal while exhibiting at Culinaria is to establish contacts and business relations with distributors and supermarkets from ex Yugoslav republics.

**Marketing/Grants:** Halal Agency Serbia held 7 educational seminars to inform food processors about the halal market requirements and potentials. Seminars attracted close to 90 food producers, ABDS providers and other local stakeholders in Serbia. Last week's seminar was held in Kragajevac, in cooperation with the Regional Development Agency and the Municipality of Kragujevac. It included various topics about aspects of the halal-certified products and market opportunities. Halal B2B Portal was reviewed.

**Dairy** - Sector Lead met with EDA (European Dairy Association) Secretary General, Mr. Kleinbeuker, to discuss cooperative efforts in supporting the development of the Dairy sector in Serbia. Mr. Kleinbeuker spoke about Serbian Dairy Sectors Prospects and offered allied membership to the EDA - EU Dairy Umbrella Organization along with a range of technical assistance programs. USAID Agribusiness Program and EDA agreed to intensify communication from September, where Mr. Kleinbeuker invited Serbian dairies to participate on EDA Annual Congress in Luxembourg.

➤ **Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

July 25-29, 28-31	Business Training for the University Students of Agricultural Faculty	Ag Faculty Cacak and Zemun	University students
July 25-29	Linear Scoring and Evaluation workshop for ABDS providers	Nis, Hotel Tami	ABDS providers
July 25-30	Study Tour for apple growers cooperatives to North Italy	North Italy – South Tyrol	Producer organizations
July 26	MoU signing ceremony with OSDUA	Belgrade, Media center TBC	OSDUA, Media representatives
July 27	Final Serbia Halal Market Training	Leskovac	Producers



**USAID Serbia Agribusiness Project – Weekly Report**

Week of July 25<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**Gender** - On July 26 the USAID Agribusiness Project and the Office for Sustainable Development of Underdeveloped Areas signed a Memorandum of Understanding to jointly provide assistance to women in agribusiness. This alliance will combine USAID's and the Office for Sustainable Development of Underdeveloped Areas' expertise and resources to promote entrepreneurship among women living in rural areas and to encourage them to improve their economic standing through self-employment in agribusiness. Two parties agreed to co-fund projects related to women entrepreneurship including business training and start-up grants for rural women in Sandzak and eastern Serbia and a National Conference on Women Entrepreneurship in Agribusiness, which will take place in September, 2011. The MoU has been signed by the Agribusiness Program Chief of Party, Louis Faoro and the Minister without Portfolio of the Government of Serbia, Sulejman Ugljanin.



**Other Project Activities:**

- **Producer Organizations/Tree Fruit** - In cooperation with the PO component, the Tree Fruit Sector organized a Study Tour to South Tyrol for representatives of Fruitland Association and apple growers' cooperatives from around Serbia. Serbian representatives of the cooperatives had the opportunity to visit associations and cooperatives in this part of Italy, whose organization and production technologies of fresh apples are considered the most developed in the world. Tour participants had an opportunity to get insight into details of models and principles of organization of apple growers' cooperatives from South Tyrol, related to over 5,000 members, as well as quality control, storage, and marketing that they perform through their secondary organizations, associations of cooperatives. Group members were able to learn about the most advanced items of apple production, postharvest and storage practices, with the focus on benefits of application SmartFresh technology and moreover, integrated fruit production (IFP) methods applied by each member of each cooperative that is under control of the Association. In order to improve efficiency of their cooperatives, study tour participants will use the cooperative models of organization and marketing that are applicable in Serbia, as well as production and storage technologies.
- **ABDS/Finance** – A four day Farm Management Training for service providers in South Serbia gathered 24 participants. In this second round of trainings the participants advanced to the next level of financial calculations, with the consultant delivering lectures on theory and providing the trainees with practical examples. The purpose remains the same - to support and enhance the management capabilities of ABDS companies and its advisors. The consultant presented practical, usable techniques to the training participants, which will allow them to implement new ideas and techniques quickly, which should allow them to improve it's service delivery. Farm management practices taught in this seminar will provide participants with the information and tools to increase their efficiency and competitiveness in the market place as service providers.
- **Policy** - The Agribusiness Project and Agropress have reached the initial agreement to organize jointly the third National Conference in Agribusiness. The conference is tentatively planned for October 18, 2011. The main topics will be the new agrarian policy for 2012, the draft agricultural strategy, irrigation program initiated by the Ministry of Agriculture, and other topics important for future development of the agricultural sector. It is to gather high-ranking officials from the Serbian Government and diplomatic corps. The intensive work on the conference preparation is planned for the end of this quarter.
- **Environment** - On July 27, the Project organized a PSEE Practicum for Belgrade area farmers and PSEE service providers, in Grocka. Twenty participants completed training exit exams during this event. Delivery of competence certificates to farmers and trainers is planed for the end of month of August.
- **Berry Fruit** - On July 29, the Sector Lead met with Evica Mihaljevic, technical secretary of the Cold Store Association, and finalized the draft for the upcoming Trade Mission to Poland, which will include visits to Polish berry fruit producers and processors and negotiations with suppliers of inputs, such as planting material and harvesting equipment. This week the final program, list of participants and budget breakdown will be completed, as well as Project Activity Overview submitted for approval.

**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

Aug 8 – Aug 12	Business Training for the University Students of Ag Faculty Cacak	Cacak	University students
August, TBD	Initiation of the Program on International Food Safety and Quality Standards	National	agribusinesses, service providers
End of August	Delivery of PSEE competence certificates to farmers and trainers	TBD	Farmers and trainers



**USAID Serbia Agribusiness Project – Weekly Report**

Week of August 1<sup>st</sup>, 2011

COTR: Djordje Boljanovic

**Tree Fruit:** Based on Project support for the introduction of *SmartFresh* in apple postharvest treatment, the compound has been officially registered in Serbia for application on four apple varieties. *ProFruit*, the selected service provider responsible for *SmartFresh* in Serbia, has started selling the product to apple industry stakeholders. The first applications will start with the 2011 harvest season, and a total of 15,000 tons of apples have been contracted for application. Representatives of *ProFruit* have passed through an intensive training program on the use of *SmartFresh* conducted by the producer of *SmartFresh*, the Agrofresh company. Their first visit to Serbia, in March 2011, was organized by the Project. These will be the first commercial applications of *SmartFresh* on apples in Serbia, and the results of the use of *SmartFresh* will have on apple quality, and producer incomes, will be publically presented in the spring of 2012.



**Other Project Activities:**

- **Grants/M&E** - On August 5<sup>th</sup>, USAID/COTR provided technical concurrence to the grant program for the introduction of international food safety & quality standards. This program is a continuation of assistance provided over the past two years to support interested agricultural households, agriculture-related firms, and cooperatives in the process of introducing one or more international food safety & quality standards. The main goal of this assistance is to facilitate access to domestic and international markets for Serbian agribusinesses, which will lead to income generation and new jobs in their production and processing facilities. This year the program has been upgraded: the list of grant-supported standards has been expanded to include HACCP, Halal, Kosher and other market specific international standards, while grant funds will only be available for certification. The total grant budget for this activity is estimated at \$100,000, to support approximately 30 grant applicants, with a special focus on underdeveloped areas and southern Serbia. Following the technical concurrence, a public call will be released which will be open until March 31, 2011.
- **Youth/Grants** - The final round of the Youth Business Plan Competition was launched on August 1<sup>st</sup>. Eligible grant applicants are students from the agricultural faculties in Belgrade, Novi Sad and Cacak, who have passed the Project-funded business training program, as well as secondary school students from the agricultural schools included in the Junior Achievement Serbia entrepreneurship training program. The Project's Review Panel will select the twenty best business plans and award start-up grants to each of them of up to US\$15,000. In this grant category the award may finance up to 100% of the total required investment. The due date for grant applications is August 31<sup>st</sup>.
- **Livestock** – On August 5<sup>th</sup>, a Meat Industry Key Client Farmers (Livestock Producers) seminar was held in the Regional Chamber of Commerce office in Leskovac. This training was organized with the active participation of the Marinkovic meat processing company. Twenty-five livestock producers, five representatives from the PSS institute, the Simmenthal livestock breeders association, and Union of Cooperatives also participated. The seminar itself was reported on by all of the local media. It included lectures in Selection, Animal feeding, Animal Health, Animal Welfare and EU regulations in area of Livestock production and it was implemented by Agrar Kontakt.
- **Berry Fruit** - The Project has finalized a Project Activity Overview for the Berry Sector Trade Mission to Poland, and this has been submitted for COTR approval. The trade mission is scheduled for late August/early September 2011, and it is being organized by the Project in close collaboration with the Danish Fruit & Berries Project and the Serbia Coldstores Association. In addition to visits to Polish berry fruit producers and processors, the activity also includes visits to input suppliers, such as planting material and harvesting equipment. Besides helping improve the production and marketing operations of Serbia's berry fruit industry, the trade mission will also contribute to better planning and collaboration along the value chain and help avoid the issues related to purchase prices seen this year.

**Upcoming Project Activities:** \*please see detailed list of trainings in the Weekly reports from the Staff

Aug 8 – Aug 12	Business Training for the University Students of Ag Faculty Cacak	Cacak	University students
August 9	Livestock production seminars for key client farmers	Agrorazvoj, Leskovacka 4. Nis	Farmers
August, TBD	Initiation of the Program on International Food Safety and Quality Standards	National	agribusinesses, service providers
End of August	Delivery of PSEE competence certificates to farmers and trainers	TBD	Farmers and trainers



**USAID Serbia Agribusiness Project – Weekly Report**

Week of August 8<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**Youth/Grants** – During the week of August 8, Youth Program finalized the Business Training Program for Agriculture Faculty Students. Last training was held on the Cacak Faculty, for the last group of 12 students. In total, more than 170 students, at all three Faculties, attended the training program. By the end of August, the Service Providers will continue with individual consultations with the students whose business ideas include production and/or processing of fresh and processed vegetables, tree and berry fruits, meat products, dairy products, forest fruits, herbs and mushrooms, helping them to finalize their business plans and apply for Agribusiness Youth Best Business Plan Competition, which is open due August 31, 2011.



**Other Project Activities:**

**Grants/M&E** - Halal Agency of Serbia received the final payment in the amount of \$7,617 upon completion of the grant agreement EG-FY-4-6, that included promotion of the Halal products from Serbia at the World Halal Expo MIHAS 2011 held in Kuala Lumpur, Malaysia, in the period April 6 – 9, as well as 8 one-day educational seminars that included topics such as standardized procedures and requirements in the process of obtaining “Halal” certificate; economic aspects of the Halal-certified products and market opportunities, as well as an overview of the Halal B2B Portal ([www.b2bhalal.com](http://www.b2bhalal.com)) for interested companies in Belgrade, Kikinda, Sjenica, Novi Sad, Niš, Valjevo, Kragujevac and Leskovac. During the project, Halal Agency of Serbia registered additional contracted sales by their clients in a total amount of \$900,000 with additional \$300,000 under negotiation, while 119 participants attended educational seminars. Further, Halal Agency of Serbia provided matching contribution from their revenues in a total amount of \$17,514.36 towards implementation of this grant program.

**Livestock** – On August 9<sup>th</sup>, Fourth Livestock training in cooperation with meat companies has been held in Nis Agriculture extension service premises. Fifteen representatives of livestock producers and ABD service providers participated. This training was last in series of four and 85 participants in total passed the lectures in four cities and municipalities : Nis, Leskovac, Kragujevac and Sjenica. Seminars included lectures from – Selection, Animal feeding, Animal Health, Animal Welfare and EU regulations in area of Livestock production. Seminar was implemented by Agrar Kontakt livestock consulting and expert organization.

**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

August 17-18	Meetings with Agrozanjanje and PSS	Nis and Leskovac	
August, TBD	Initiation of the Program on International Food Safety and Quality Standards	National	Agribusinesses, service providers
August 22-26	Dairy Artificial Insemination Training	Lucar-Holstein Farms, PKB	Livestock technicians and farmers
End of August	Delivery of PSEE competence certificates to farmers and trainers	TBD	Farmers and trainers

**USAID Serbia Agribusiness Project – Weekly Report**

Week of August 15<sup>th</sup>, 2011

COTR: Djordje Boljanovic

**Grants/M&E:** On August 15<sup>th</sup>, the Agribusiness Project announced the program for the final round of grants for the introduction of international food safety & quality standards. The public call for applications will remain open until March 31<sup>st</sup> 2012, or until all of the grant funds for this activity (approximately US\$100,000) have been obligated. Grants will be awarded on a “first-come, first-served” basis. This grant program is a continuation of assistance provided over the course of the past two years which provided partial financial support to all interested agricultural households, agriculture-related firms, and cooperatives operating in the Project’s six focus sub-sectors to support the process of introducing one or more international food safety & quality standards. The list of grant-supported standards has been expanded from prior years to include HACCP, Halal, Kosher and other market specific international standards, while the grant funds will only be available for certification. Grant applicants may receive up to \$5,000 per standard, to cover up to 70% of the total certification costs. The picture at the right shows Mr. Aleksandar Jakovljevic, the owner and manager of ABD Prom, speaking to the local press regarding assistance his firm received from the Agribusiness Project. ABD Prom was an early recipient of international standards assistance, and following receipt of GlobalGAP certification this allowed them to export more than \$1.4M worth of sour cherries in 2009.



**Other Project Activities:**

- **Vegetables:** The Deputy Chief of Party, and the Vegetable Sector Lead met with agricultural extension service managers in Nis and Leskovac, as a part of the preparations for the development of the Project’s Year Five Workplan. Since this region is mainly oriented to closed environment production (ie greenhouses or tunnels) joint activities were discussed which will address the key production challenges producers are facing in the region, and assistance to help them improve their production technology. This assistance will improve their competitiveness, as they are facing serious competition on the local market with imported products from Macedonia and Turkey. During the meeting with the national laboratory for vegetable crops, in Nis, a new approach for plant protection, called "scouting", was discussed as an approach that could be very useful for Serbia. Since the US is the leader in this methodology, the engagement of an American STTA for this program is likely.
- **Dairy:** During this past week the Center for Information and Education (CIE) from Kragujevac organized four farmers' workshops, as a part of the Sumadija Dairy Development Campaign. Having in mind that this is a busy season for farmers, the project implementing partner (CIE), organized these trainings in the field around the region of Sumadija. The reasoning for holding the trainings in the field, rather than at one central location, was to make this training available to as many farmers as possible. The CIE trainers organized trainings in Stragari, Mrsinci, Takovo and Slatina, and a total of 66 farmers were able to participate this past week. A particular highlight of the week was the workshop in Takovo, organized on August 19<sup>th</sup>, which attracted the attention of Agro Banka and Rural Network representatives from the Ministry of Agriculture. Both institutions are interested in strengthening their relationship with the Center for Information and Education to deliver other service packages to farmers, including training, technical information, and information on loan programs.

**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

August 22	Sumadija Dairy Campaign - Dairy Farm Management	Batocina	Farmers
August 22	Sumadija Dairy Campaign - Dairy Farm Management	Rekovac	Farmers
August 23	Sumadija Dairy Campaign - Dairy Farm Management	Gruza	Farmers
August 23	Sumadija Dairy Campaign - Dairy Farm Management	Toponica	Farmers



**USAID Serbia Agribusiness Project – Weekly Report**

Week of August 22<sup>nd</sup>, 2011

COTR: Djordje Boljanovic

**Dairy/Environment:** Agribusiness Project staff paid a visit to the Lazar Dairy farm site and assessed the progress of the bio-digester which is under construction at the farm. Excellent progress is being made on the construction activities, and the concrete work on both the digester tank and the generator building should be completed by early September. The DCoP also made a call to GHD in Wisconsin, and spoke to Steve Dvorak regarding the status of the equipment being supplied from the US. GHD has already sent two containers with parts for the digester, and a third and final container will leave their facility in the near future. GHD is planning to send a team to Serbia around September 20<sup>th</sup> to supervise and manage the equipment installation and to provide training to the Lazar employees that will be operating the digester. Lazar has already procured the generator for the digester, and it is in Blace ready to be installed once the generator building is complete. Steve Dvorak is also planning to visit Serbia in early to mid-October to be here for the dedication ceremony for the digester. The picture at the right shows the interior of the digester tank, with the interior walls under construction.



**Other Project Activities:**

- **Policy/Grants:** Following the successful launch of the final round of grants for international food safety & quality standards on August 15<sup>th</sup>, the Agribusiness Project has begun to receive inquiries about the program. In order to ensure wide visibility and promotion of the program, the Project will organize several workshops around Serbia. The first presentation for the Rasinski district will take place at the regional Chamber of Commerce in Krusevac on August 31<sup>st</sup>. Also, the Project has informed all regional development agencies, chambers of commerce, the Ministry of Agriculture and local service providers to facilitate and enhance dissemination of program information. The Project also invited the Ministry of Agriculture to take part in the review committee as a nonvoting member. The public call for applications will remain open until March 31<sup>st</sup>, and grants will be awarded on a “first-come, first-served” basis.
- **Berry Fruit:** In with the Project schedule, a Pre-Departure Orientation training for participants of the Berry Sector Trade Mission to Poland was conducted on August 26<sup>th</sup>. The orientation was attended by vertically integrated companies that produce and process berry fruit, as well as by their national umbrella organization, the Serbia Coldstores Association. At the training, the program goals and objectives were discussed, participant documentation was completed, and a stakeholder agreement was signed by the participants and the organizers. In Poland the group will visit berry fruit producers and processors, and suppliers of planting material and harvesting equipment, and the participants will have an opportunity to negotiate future cooperation. Besides improvements in the production and processing operations in Serbia’s berry fruit industry, and expanding market opportunities for the sub-sector, the trade mission will contribute to better planning and collaboration in the sector. This activity is being co-organized by the Project in collaboration with the Danish Fruit & Berries Program and the Serbia Coldstores Association.
- **Gender:** The Agribusiness project continues to coordinate its activities in underdeveloped regions of Serbia with the Office for Sustainable Development of the Underdeveloped Regions (OSDUA). The conference on Women Entrepreneurship in Agribusiness planned for September 21<sup>st</sup> will be co-organized with the OSDUA. The speakers at the conference will include women entrepreneurs who have received Project training, and whose business plans will be financed by the OSDUA. This, and other details related to the conference and women’s entrepreneurship, were discussed at a coordination meeting held at the OSDUA office on August 25<sup>th</sup>.

**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

Aug 31	Presentation of the Grant Program on International Food Safety & Quality Standards	Regional Chamber of Commerce of Krusevac	Agribusinesses and farmers from Rasinski district, regional service providers
Aug 31 – Sep 4	Berry Sector Trade Mission to Poland	Poland	Service providers
Sep 15-16	Meat Industry Round Table – discussion about current situation and future challenges of meat sector and potential activities for support of industry and livestock sector itself.	TBD	Agribusiness project



**USAID Serbia Agribusiness Project – Weekly Report**

Week of August 29<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**Gender:** The successful cooperation between the Agribusiness Project and The City of Niš’ Department for Agriculture & Rural Development has been re-confirmed by the signing of a Memorandum of Understanding between the two entities. The purpose of this MoU is to establish an alliance between the Project and the Department to support the “Women in Agribusiness” program which represents an important activity for both parties. Joint activities aimed at strengthening and developing the Women in Agribusiness program, as defined by the MoU, will include: 1) Funding of business plans, by the City of Niš, from the first round of women’s entrepreneur training, and 2) Organization of a second round of women’s entrepreneurship training for at least 30 rural women from the Niš municipality. This training will be organized and delivered by the USAID Agribusiness Project, and the Niš Department for Agriculture will select and fund five business plans that are developed during this second round of training. The picture at the right shows Ms. Aleksandra Brzakovic, Head of the Niš Department for Agriculture and Rural Development, and Mr. James Herne, the AgBiz DCoP, following the signing the Memorandum of Understanding.



**Other Project Activities:**

- **Berries:** In collaboration with the Danish Fruit & Berries Program, and the Serbia Coldstore Association, the Project implemented a Berry Sector Trade Mission to Poland. During the mission 13 companies, and one umbrella association, visited some of the leading Polish berry fruit producers and processors, as well as suppliers of planting material and machine harvesters. As result, the participants improved their knowledge of a strong competitor in the frozen berry business, and production, harvesting and processing technologies. Negotiations regarding future cooperation with Polish companies has begun, as well as plans for return visits to Serbia. From the visit it was obvious that Poland has managed to drastically increase their volume of production and even surpass Serbia, while achieving good quality with lower production costs.
- **Tree Fruit:** After obtaining a license for the commercial distribution of SmartFresh, the first shipment of this compound has been imported into Serbia. The first application on early harvest varieties is scheduled to take place during the coming week. However, the import encountered significant difficulties because of the inability to apply the existing phytosanitary regulation requiring testing of pesticides imported into Serbia. Since this situation may disrupt the import of the second shipment of SmartFresh, intended for application on Granny Smith apples, the official importer for SmartFresh has requested assistance from the Project to overcome this problem and enable apple exporters use SmartFresh on their crop from the coming harvest.
- **ABDS/Finance:** Representatives of the Culinaria Fine Food met with the Center for Youth Integration (CYI) and agreed to support this organization at the upcoming fair. The income from all tickets sold at the CFF will be transferred to CYI as a donation. CYI is non-governmental, non-profit, organization founded in Belgrade in 2004. In 2005 CYI started a program which includes work with street children and youth. During the last four years CYI has been working on the development, implementation and improvement of their program which could be used as model for future programs of protection for street children.

**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

Date	Activity	Location	Beneficiaries
Sep 14	Presentation of the Grant Program for International Food Safety and Quality Standards	Regional Chamber of Commerce of Nis	Agribusinesses and farmers from the Nisavski district, Regional service providers, including employees of the regional chamber of commerce
Sep 13-16	World Food 2011, Moscow	Moscow, Russia	Serbian fruit & vegetables producers and processors; Livestock sector companies



**USAID Serbia Agribusiness Project – Weekly Report**

Week of September 5<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**Policy/Grants:** The Office for Sustainable Development of Underdeveloped Areas (OSDUA) hosted the ‘Partners for Sustainable Development’ conference in Sjenica on September 5<sup>th</sup>. The Agribusiness Project presented its activities, at the invitation of the OSDUA, to the audience of over 400 participants including government representatives (Mr. Sulejman Ugljanin, Minister without portfolio; Mr. Dusan Petrovic, Minister of Agriculture, and Rasim Ljajic, Minister of Labor, Employment and Social Affairs), the mayors of 48 underdeveloped municipalities, and representatives of international organizations active in Sandzak. The goal of the conference was to present the challenges agricultural producers in underdeveloped areas are facing, and to establish connections between them and the donor community. The purpose of holding the conference in Sjenica was the opening of the Regional Center for Rural Development, which will support development of five underdeveloped municipalities from the region: Sjenica, Tutin, Prijepolje, Priboj, Nova Varos and Novi Pazar.



**Other Project Activities:**

- **Berry:** Preparations for the berry fruit sector lead’s participation at the World Food 2011 Trade Fair in Moscow were successfully completed. This year Serbia will have the largest group of companies exhibiting in Moscow, and between Sep 13 and Sep 16 a total of 20 companies will present their products at two booths – in the Fruits & Vegetables and the Meat & Confectionery pavilions. The participation of these companies is jointly organized and co-funded by the Project and SIEPA whose staff will be there to provide support and facilitate the presentation of Serbian food products.
- **Grants Program/M&E:** Following completion of the Youth Business Plan Competition, the Project’s grants evaluation committee conducted a formal review of all 20 grant applications which were received. Based on the preliminary review results, 18 grant applications, with total requested funding of \$220K, will be considered for further review and possible funding. Where needed, grant applicants will be contacted to further elaborate their business ideas and plans, and to provide greater detail regarding the budget, technical specifications of the requested equipment, and performance indicators, as well as other information deemed necessary for the final review.
- **Producer Organizations/Associations:** The September issue of “EUROFRUIT”, an international marketing magazine for fresh produce buyers in Europe, has published an article about the Serbian fresh fruit industry. A special part of the text is devoted to the promotion of fruit exports from Serbia. Associations established with help from the Agribusiness Project (Fruits of Serbia & Serbia Organika) were mentioned in the article as private producer organizations that are organizing joint pavilions for members at upcoming trade fairs in 2012 - Fruit Logistica Berlin and Nuremberg Biofach. Another Project assisted association, Serbian Blueberry, was covered in great detail in the article as well. The full text of the article is attached to this Agribusiness Weekly Report.



**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

Date	Activity	Location	Beneficiaries
Sep 14	Presentation of the Grant Program on International Food Safety & Quality Standards	Regional Chamber of Commerce Nis	Agribusinesses and farmers from Nisavski district, regional service providers, including employees of the regional chamber of commerce
Sep 21	National Conference on Women in Agribusiness	Sava Centar, Belgrade	Women entrepreneurs and government officials involved in the promotion of gender equality
Sep 24-25	Dairy Industry Round Table meeting	TBD	Dairy processors and Ministry of Agriculture officials concerned with the dairy & livestock industries
Sep 28-30	Culinaria 2011 Fine Food Show	Expo Center	Food processors from Serbia wishing to meet with national & international food buyers
Sep 29-30	Meat Industry Round Table meeting	TBD	Meat processors and Ministry of Agriculture officials concerned with the livestock & meat industries



**USAID Serbia Agribusiness Project – Weekly Report**

Week of September 12<sup>th</sup>, 2011

COTR: Djordje Boljanovic

**Marketing & Sales:** Serbia's Livestock, Fruit and Vegetables and Confectionery sectors have successfully presented their products to Russian market at the World Food Trade Fair held in Moscow from September 13 thru Sep 16, 2011. At two booths jointly funded and organized by SIEPA and USAID Agribusiness Project, a total of 20 companies promoted their products and worked together towards increasing supplies to this demanding and among fastest-growing markets in Europe. As reported by the exhibitors, a total of US\$ 17.5 million of exports has been contracted and another \$ 8.1 million is being negotiated by Serbian participant companies and their Russian partners coming from Russian largest cities and inner market. Besides further growth of fresh and frozen fruit export, especially successful was exhibition of Serbian meat processing sector which achieved significant sales agreements and yet there is more room for additional expansion in this market should certain pre-conditions would met, such as raw material supplies and necessary market-specific certification. Several factors contributed to these very good results from the fair, i.e. good preparations for the fair by participant companies, continuous presence of Serbian food sector at the fair, good location of Serbian booths, and well structured, coordinated and lasting assistance provided by SIEPA and USAID Agribusiness Project



**Other Project Activities:**

- **PO/Tree Fruit:** As a follow up activity of the study tour to South Tyrol that was organized for managers and members of cooperatives in the tree fruit sector, ZZ Prima has organized the presentation of this activity for their members. In this way cooperative members were introduced with the most important experiences acquired during this study tour such as organization of production processes within cooperatives and relations between cooperatives and their members. ZZ Cacanska jabuka cooperative is also planning to organize similar presentation for their members that will be followed by explanations on production technologies provided by an expert who also took part in this activity.
- **Grants Program/Policy:** On September 14, the Grants Program for Introduction of Food Safety and Quality Standards was presented to agribusinesses from the region of Nis. The presentation was organized in cooperation with the Regional Chambers of Commerce of Nis and it covered the importance of food safety and quality standards, as well as administrative details associated with the grant application and review process. Next presentation is tentatively scheduled for the week of September 26 in Pancevo. The goal of the presentations is to bring the grants program closer to the potential grant applicants and educate them about the importance of the food safety and quality standards in today's market.
- **Producer Organizations/Policy:** The project met with the Ministry of Economy and UNDP representatives to discuss the upcoming activities related to the strengthening of cooperatives in Serbia. During year 2011, the Ministry of Economy has finalized the draft Law on Cooperatives and completed the public debate on the draft giving opportunity to representatives of cooperatives and cooperative unions to contribute to finalization of the text of the Law. If the draft Law on Cooperatives is adopted in accordance with the current schedule, the will help disseminate information and train the cooperatives on how to adjust their operations to the requirements of the new law. In addition, the parties agreed to organize a two-day regional conference on cooperatives in May-June 2012. The conference will strive to promote the importance of cooperatives, transfer the knowledge on good business practices of cooperatives worldwide, as well as to introduce the upcoming changes resulting from the new legislation.

**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

Date	Activity	Location	Beneficiaries
Sep 21	National Conference on Women in Agribusiness	Sava Centar, Belgrade	Women entrepreneurs and government officials involved in the promotion of gender equality
Sep 28-30	Culinaria 2011 Fine Food Show	Expo Center	Food processors from Serbia wishing to meet with national & international food buyers
Sep 29-30	Meat Industry Round Table meeting	TBD	Meat processors and Ministry of Agriculture officials concerned with the livestock & meat industries
Week of Sep 26 (date TBD)	Presentation of the Program on International Food Safety and Quality Standards	Pancevo ED Agency	Agribusinesses and farmers from the city of Pancevo, regional service providers, including employees of the regional chamber of commerce



**USAID Serbia Agribusiness Project – Weekly Report**

Week of September 19<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**Women Entrepreneurship:** More than 170 participants attended National Conference on Women in Agribusiness, held on September 21. The conference was organized in cooperation with the Office for Sustainable Development of Underdeveloped Areas (OSDUA). The goal was to present successful women entrepreneurs and encourage other women to start and advance their own agribusinesses, encourage governmental and financial institutions in Serbia to support women entrepreneurship in agribusiness and present results of the Agribusiness Project and other donor projects supporting female entrepreneurship. The Conference participants were addressed by two ministers: Dusan Petrovic and Sulejman Ugljanin, as well as by numerous representatives of all governmental and financial institutions which encourage and influence the entrepreneurship environment in Serbia. The conclusion was that women-owned businesses have a high development potential and partnerships between all relevant stakeholders should be encouraged.



**Other Project Activities:**

- **PO/Tree Fruit:** Trade mission to the Netherlands for 11 members of Srbija kalem association of tree fruit planting material producers took place last week with Project's support. This trade mission was a very valuable opportunity for this Association to get into direct contact with partners from Holland and start communication on joint production and learn about applied technologies. While visiting production sites of the most advanced nurseries in Holland, participants were presented with available high quality virus free tree fruit rootstocks that need to be imported into Serbia and used for further propagation. Verbeek nursery has expressed interest to cooperate with the Association in joint production and sales of planting material. Negotiations are expected to continue in Serbia in the coming two months
- **Policy/ Tree Fruit /PO:** Following several rounds of consultations, the Phytosanitary Directorate of the Ministry of Agriculture agreed to allow the pending imports of SmartFesh necessary to complete the scheduled treatments of apples during this season. The Agribusiness Project has supported introduction of SmartFresh to Serbia, as new technology for maintaining quality of treated apples in storage thus allowing the export season to be extended for at least 5 months. The two shipments of the products imported in this year will be used for treatment of around 10,000 tons of apples this year. Since the imports were undertaken under the temporary license, the importer will undertake all the necessary steps to fulfill the requirements from the temporary license (decision) for placing into circulation, and thus obtain the permanent license. The process is expected to be completed by early 2012 to be ready for the following season. Taking into consideration the price of Granny Smith in the late season, the estimated added value of the apples that could be exported from Serbia in the late season is \$3,600,000.
- **Dairy:** Project team facilitated the Dairy Round Table workshop on September 23-24. The goal of the workshop was to identify the challenges for forming an association and discuss different roles the association might have. The eight participating dairy companies (Nis, Mladost, Leskovac, Kuc, Sabac, Granice, Muza, Lazar) agreed that industry association is a must, but in order to overcome mutual disagreements, dairies requested transitional support of the project in managing the activities of an association. During the Round Table, the participants discussed bylaw for association and potential of using external funds and sector's organizations and events for capacity building during 2011-2012. The meeting was concluded with agreed operational plan for officially registering the association.
- **Environment:** A total of 50 'core' national Pesticides Safety and Environmental Education trainers have participated in training organized during the week of September 19. with the objective to ensure the improvement of professional PSEE training environment. The two deliveries of the Vocational Training on Teaching Methodologies and Communication have been organized in Kragujevac and Palic whereas the final training delivery will take place in Nis on September 26-27. The PSEE Program is set up in order to prevent any negative impacts on the export supply chain resulting from the ongoing pesticides regulatory changes in Serbia as well as to strengthen the sustainability of the agribusinesses and to protect the Environment.

**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

Date	Activity	Location	Beneficiaries
Sep 26-27	Vocational Training on Teaching Methodologies and Communication	Nis, hotel Tami	PSEE Service providers
Sep 28-30	Culinaria 2011 Fine Food Show	Expo Center	Food processors from Serbia wishing to meet with national & international food buyers
Sep 30	Presentation of Meat Market Study	Belgrade, project office	Meat sector stakeholders
Oct 8-12	ANUGA Trade Show	Cologne, Germany	Client companies



**USAID Serbia Agribusiness Project – Weekly Report**

Week of September 26<sup>th</sup>, 2011  
COTR: Djordje Boljanovic

**ABDS/ Marketing & Sales:** The Second international food fair CULINARIA was held in Belexpocenter on September 28-30. A total of 104 exhibitors from Serbia, Montenegro, Bosnia and Herzegovina, Croatia, Slovenia, Italy, Romania, Hungary and Germany participated at the fair, established contacts and negotiated with more than 400 professional buyers. USAID Agribusiness Project hosted 50 professional buyers from 16 countries in the region, Europe and Eurasia. The Fair was organized by Zizgin Company, while Project ensured participation of client companies from South Serbia and Sandzak. The event was opened by the US and German Ambassadors, Assistant Minister of Agriculture and Vice-President of Serbian Chamber of Commerce. According to preliminary and unofficial results more than \$110.000 were contracted at the fair and more than \$7.500.000 remained in negotiations after the fair exceeding significantly last year's results. These results are yet another indicator that CULINARIA is well on its way to sustainability and growth.



**Other Project Activities:**

- **Producer Org/ Associations/ Herbs & Mushrooms:** The Trade Mission to US for herbs and mushrooms and organic food industry was successfully conducted with a total of eight companies, representatives of these sectors, participating. The participants had a firsthand view of the U.S. natural products (herbs and organics) market and established linkages with U.S. buyers. In addition, they learned about the workings of the natural products and the specialty food trades in the United States. The delegation met with representatives of several US Trade Associations and toured Wegmans regional family-owned supermarket chain. They also met with individual herbs and spice brokers, importers, agents, grinders, and processors at the Products Expo East, one of the world's largest trade shows for healthful products.
- **PO/Tree Fruit:** Following efforts of Fruitland Association of apple producers to find ways for investing into apple processing facility, they have started negotiating with a Russian company ready to enter into joint investment with Fruitland. The processing facility will be located in Slankamen, where one of the Association members, ZZ Slankamenka cooperative has leased the land for building. Decision of the Association to enter into specific type of processing came after the study on potentials for apple processing that was supported by Project's grant program for associations of agribusinesses.
- **Livestock/ Meat:** The Meat Market Study conducted over the past 3 weeks was successfully completed and its results were presented to the Project and SIEPA representatives. The study was conducted by expert STTAs Mathias Jacob and Zoran Janjatovic.
- **Grants/Tree Fruit:** During the past week Fortis and Desing companies have submitted documentation for the first reporting period in accordance to Grant Agreements for support to marketing activities. Desing company has completed the market research that will provide directions for entering into large retail chains, while Fortis has completed design of company's new visual identity, brochures and additional promotional material.

**Upcoming Project Activities:** *\*please see detailed list of trainings in the Weekly reports from the Staff*

Date	Activity	Location	Beneficiaries
October 3-5	Animal Welfare Training	Palic, hotel Park	Dairy sector representatives
October 17-27	Presentation of the Program on International Food Safety and Quality Standards	Pancevo (Oct 17), Smederevo (Oct 21), Novi Sad (Oct 25), Sombor (Oct 27)	Agribusinesses and farmers, regional service providers, including employees of the regional chamber of commerce
October 18	National Agribusiness Conference	Belgrade, Serbian Chamber of Commerce	Government officials, industry representatives
October 20-21	Meat Industry Roundtable	Vrnjacka Banja	Livestock/ Meat Sector representatives



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# **USAID Serbia Agribusiness Project**

## **Annual Report – Project Year Four**

October 1, 2010 – September 30, 2011

### **Annex V – Project Training Events**

- I. Training Seminars
- II. Workshops
- III. Conferences
- IV. Trade Fairs
- V. Study Tours/Trade Missions

## **I. TRAINING SEMINARS**

- 1) Marketing & Sales Training for Export Promotion for Trade Show Participation was held in Belgrade on 6 October, 2010 for 5 SIEPA representatives.
- 2) SIAL Trade Fair Marketing & Sales for Export Promotion Training was organized in SIEPA, Belgrade on 7 October, 2010 for 12 company representatives participating at SIAL Trade Fair 2010.
- 3) Negotiation training was held in Belgrade Project Office from 18-22 October, 2010 for 12 participants. The training was delivered by the Project's STTA Peter Swanson.
- 4) Negotiation training was organized at Hotel Zira, Belgrade from 25-29 October, 2010 for 14 participants. The training was delivered by the Project's STTA Peter Swanson.
- 5) Entrepreneurship Training Program for Women in Agribusiness, a part of Grants EG-FY-3-87, EG-FY-3-88, EG-FY-3-89, EG-FY-3-90 and EG-FY-3-91 were organized in Kragujevac, Nis, Prokuplje, Gadzin Han, Uzice, Sabac, Leskovac, Valjevo, Vranje, Pirot, Kraljevo, Zajecar, Sokobanja, Majdanpek, Donji Milanovac for 692 participant in the period of October 1 – December 31, 2010.
- 6) Marketing of Serbia Lecture Series was held in NALED Project Office in Belgrade on 24 November, 2010 for 15 participants.
- 7) Training for food producers in Southern Serbia - "Turbo Charge Your Marketing Program - Proven Strategies for Success" was organized on 7 December, 2010 in Leskovac Regional Chamber of Commerce for 17 participants. The training was delivered by the Project's STTA Jeffrey Spear.
- 8) Training "Brands and Brand Strategies that Work" was held in Nis Project Office on 8 December, 2010 for 7 participants. The training was delivered by the Project's STTA Jeffrey Spear.
- 9) Training for food producers in Southern Serbia - "Turbo Charge Your Marketing Program - Proven Strategies for Success" was organized on 8 December, 2010 in Hotel My Place, Nis for 10 participants. The training was delivered by the Project's STTA Jeffrey Spear.
- 10) ITC Trade Map Training was organized in Belgrade Project Office from 13-16 December, 2010 for 24 participants.
- 11) Training for food producers in Sandzak region - "Turbo Charge Your Marketing Program - Proven Strategies for Success" was organized on 14 December, 2010 in Novi Pazar for 5 participants. The training was delivered by the Project's STTA Jeffrey Spear.
- 12) Training on Successful Trade Fair Organization for Associations was organized on 23 December, 2010 in the Belgrade Project Office for 8 participants.
- 13) Sales & Marketing Training for Export Promotion - Biofach Trade Fair 2010 was organized on 27 December, 2010 in the Belgrade Project Office for 7 participants.
- 14) Entrepreneurship Training Program for Women in Agribusiness, a part of Grants EG-FY-3-87, EG-FY-3-89 and EG-FY-3-91 were organized in Nis, Sokobanja, Zajecar, Prokuplje, Gadzin Han, Pirot, Uzice, Valjevo and Sabac for 295 participants in the period of January 1 – March 31, 2011.

- 15) Marketing, Sales and Media Training was held in Belgrade on 24 January, 2011 for 8 participants.
- 16) Vertically Integrated Operators - Raspberry, Blackberry and Currant Production - Introductory training were held on 28 January, 2011 for 12 employees and suppliers of company Agrana in Belgrade, on 7 February, 2011 for 17 employees and suppliers of company Strela in Leskovac, on 8 February, 2011 for 23 employees and suppliers of company Fungojug in Leskovac, on 17 February, 2011 for 32 employees and suppliers of company Laki in Arilje, on 18 February, 2011 for 19 employees and suppliers of company Mondi Serbia in Kraljevo, on 22 February, 2011 for 10 employees and suppliers of company Flora in Ivanjica and on 23 February, 2011 for 31 employees and suppliers of company Yugent in Uzice. The trainings were delivered by the Project's STTA Mihailo Nikolic.
- 17) Introductory Trainings on Strawberry Production were held by the Project's STTA Milutin Karas on 25 and 26 February, 2011 for 26 representatives of companies Fungojug and Strela in Leskovac.
- 18) Training - High-Tunnels for Berries was delivered by the Project's STTA Gina Fernandez on 2 March, 2011 to 67 university students, professors, local producers and ABDS providers in Cacak
- 19) Training - High-Tunnels for Berries was delivered by the Project's STTA Gina Fernandez on 3 March, 2011 to 58 berry fruit producers and ABDS providers in Leskovac.
- 20) Closed environment vegetable production trainings were organized in Vranje and Laskovac on 3 March, 2011 for 69 greenhouse producers.
- 21) Training - High-Tunnels for Berries was delivered by the Project's STTA Gina Fernandez on 4 March, 2011 to 75 university students, professors, local producers and ABDS providers in Belgrade, Faculty of Agriculture.
- 22) Improved Promotion, Education and Marketing Capacity of Herbs Sector in Southern Serbia by Association "Dr. Jovan Tucakov", the series of lecturing on collecting medicinal and aromatic plants, a part of Grant IC-FY-3-93 were organized from 2-6 March, 2011 for 130 participants of the 8th Tea Festival in Nis.
- 23) Introductory Training on Strawberry Production was held by the Project's STTA Milutin Karas on 14 March, 2011 for 10 representatives of company Agrana in Belgrade.
- 24) Export procedures, Standards and legal Framework for Export Certification training was organized from 14-15 March, 2011 in Kraljevo for 67 milk and meat processors.
- 25) Integrated Pest Management Trainings in Sour Cherry were organized on 17 March, 2011 in Prokuplje for 43 suppliers of Frigonais cold-store and members of Oblacinska visnja cooperative and ABDS providers; on 18 March, 2011 in Leskovac for 49 suppliers of Fortis and Strela companies and on 24 March, 2011 for 22 suppliers of Desing company, members of ZZ Napredak cooperative and ABDS providers. The trainings were delivered by the Project's STTA Novica Miletic.
- 26) Contemporary vegetable production in closed environment trainings were delivered by the Project's STTAs Milutin Karas and Andjelko Miskovic in the period of March 17-31, 2011 in Vranje, Leskovac and Krusevac for 112 greenhouse producers.

- 27) Sumadija Dairy Campaign - Center for information and Education organized training in Lapovo on 25 March, 2011 for 37 participants.
- 28) Training Program to Support POs Berry Fruit Production Diversification was organized on 25 March, 2011 in Guca and on 29 March, 2011 in Udovice for 38 participants.
- 29) Contemporary Vegetable Production in Close Environment Trainings were provided by the Project's STTA Andjelko Miskovic on 01-08 April, 2011 in Krusevac, Knjazevac, Negotin, Vranje, Leskovac and Krusevac for 113 participants.
- 30) Training Program to Support POs' Berry Fruit Diversification was delivered by the Project's STTA Jasminka Milivojevic in Babicko near Leskovac on 07 April, 2011 for 27 participants, in Buce near Krusevac on 08 April, 2011 for 22 participants, in Gredetin near Aleksinac on 14 April, 2011 for 28 participants, in Rosci near Cacak on 19 April, 2011 for 25 participants, in Zablace near Cacak on 19 April, 2011 for 26 participants, in Brodarevo on 20 April, 2011 for 40 participants, in Prijepolje on 20 April, 2011 for 24 participants, in Sabac on 26 April, 2011 for 34 participants and in Krupanj on 26 April, 2011 for 40 participants.
- 31) Business Trainings: Strategic and Business Plan Development - two-day trainings were organized in Krusevac, Valjevo, Novi Pazar, Kraljevo, Zajecar, Nis, Vranje, Leskovac, Nova Varos and Uzice in the period of 01 April – 30 June, 2011 for 128 participants.
- 32) Business Trainings: Finance for Non Finance Managers - two-day trainings were organized in Nova Varos, Uzice, Vranje, Leskovac, Krusevac, Valjevo, Zajecar, Nis, Novi Pazar and Kraljevo in the period of 01 April – 30 June, 2011 for 129 participants.
- 33) Business Trainings: Profesional Selling Skills – two-day trainings were organized in Zajecar, Nis, Nova Varos, Uzice, Vranje, Leskovac, Novi Pazar, Kraljevo, Krusevac and Valjevo in the period of 01 April – 30 June, 2011 for 136 participants.
- 34) Business Trainings: Integrated Marketing Communication - two-day trainings were organized in Kraljevo, Novi Pazar, Zajecar, Nis, Nova Varos, Uzice, Krusevac, Valjevo and Vranje in the period of 01 April – 30 June, 2011 for 106 participants.
- 35) Business Trainings: Business Networking and Trade Shows - two-day trainings were organized in Vranje, Leskovac, Krusevac, Valjevo, Novi Pazar, Kraljevo, Nova Varos, Uzice, Zajecar and Nis in the period of 01 April – 30 June, 2011 for 118 participants.
- 36) Serbia and Halal Market Trainings were organized by the grantee Halal Agency Serbia on 12 April, 2011 in Belgrade for 10 participants, on 11 May, 2011 in Kikinda for 7 participants, on 23 May, 2011 in Sjenica for 10 participants, on 25 May, 2011 in Novi Sad for 30 participants and on 29 Jun, 2011 in Nis for 13 participants, as part of grant EG-FY-4-6.
- 37) Training Program for Field Advisory Service Providers – a three-days training was organized by the National Association Serbian Blueberry in cooperation with leading local experts in berry fruits organized lectures on blueberry production, field management and post-harvest practices for a network of field advisors. It took place on 14-16 April, 2011 in Arilje for 14 participants, as part of grant IC-FY-4-4.
- 38) Strategic Exporting Training was provided by Remer Lane in support of the Exporters Network being developed by the Ministry of Economy and the EU SECEP Project under the cluster program. It was held on 14 April, 2011 in Belgrade for 36 participants.

- 39) Farm Management Training – two-day training was organized by the Project’s STTA Rick Costin on 26-28 April, 2011 in Nis for 33 participants.
- 40) Pre-departure Training was organized on 10 May, 2011 in the Project office in Belgrade for 15 participants of the Study Tour to Italy.
- 41) Design and Marketing Competitiveness Training for Service Providers was organized by the Project’s STTA Jeffrey Spear on 02 June, 2011 in Nis for 21 participants.
- 42) Tree Fruit Harvest and Postharvest Practices trainings were provided by the Project’s STTA Chris Watkins from 07-15 June, 2011 in Backi Vinogradi, Tavankut, Selenca, Mala Remeta, Topola and Novi Slankamen for 127 participants.
- 43) PSEE Practicum Trainings were organized in Sombor, Arilje, Sabac, Pozarevac, Backa Topola, Vrbas, Subotica, Zajecar, Vranje, Pirot, Vrsac, Smederevska Palanka, Senta, Loznica, Ruma, Kraljevo, Alibunar, Jagodina, Opovo, Kovin, Nis, Valjevo, Knic, Negotin, Topola, Surcin, Velika Plana, Cenej, Kikinda, Zrenjanin, Leskovac and Pozega in the period of 01 April – 30 June, 2011 for 1362 participants.
- 44) Improved Farm Management for High Yield and Profit on Dairy Farms - two-day trainings were organized in Lapovo, Knic, Kragujevac, Bare, Toponica, Topola, Gornji Milanovac and Mrcajevci in the period of 01 April – 30 June, 2011 for 103 participants.
- 45) Business Trainings for the University Students of Agriculture Faculty Novi Sad were held in the period of 01 July – 30 September, 2011 in Novi Sad for 58 students, as part of grant EG-FY-4-25. The training program was aimed to provide students with assistance in developing the business plans suitable for starting, developing and managing their private businesses in agriculture.
- 46) Business Trainings for the University Students of Agriculture Faculty Cacak were held in the period of 01 July – 30 September, 2011 in Cacak for 58 students, as part of grant EG-FY-4-26. The training program was aimed to provide students with assistance in developing the business plans suitable for starting, developing and managing their private businesses in agriculture.
- 47) Business Trainings for the University Students of Agriculture Faculty Zemun were held in the period of 01 July – 30 September, 2011 in Zemun for 120 students, as part of grant EG-FY-4-24. The training program was aimed to provide students with assistance in developing the business plans suitable for starting, developing and managing their private businesses in agriculture.
- 48) PSEE Practicum Trainings were organized in Sombor, Sremska Mitrovica, Zabari, Zagubica, Kucevo, Branicevo and Grocka in the period of 01 July – 30 September, 2011 for 230 participants.
- 49) Four-day Training for Herb Collectors from Southeast Serbia was organized by the Association “Dr. Jovan Tucakov” for 47 herb collectors. The training took place on 4-7 July, 2011 in Sokobanja, as part of grant IC-FY-3-93.
- 50) Two-day training of associations for the preparation of projects in the agricultural sector that will be financed from the EU funds - Module I: Instrument for Pre-accession Assistance, was organized on 05-06 July, 2011 in Belgrade for 21 participants.

- 51) Two-day training of associations for the preparation of projects in the agricultural sector that will be financed from the EU funds - Module II: Project Cycle Management and Project Logic Matrix, was organized on 12-13 July, 2011 in Belgrade for 17 participants.
- 52) Serbia and Halal Market Trainings were organized by the grantee Halal Agency Serbia on 12 July, 2011 in Valjevo for 12 participants, on 21 July, 2011 in Kragujevac for 9 participants, on 27 July, 2011 in Leskovac for 18 participants, as part of grant EG-FY-4-6.
- 53) Preparatory training for CULINARIA 2011 exhibitors from Southern Serbia was held on 14 July, 2011 in Belgrade for 40 participants.
- 54) Farm Management Training - a three-days training was organized by the Project's STTA Rick Costin on 26-29 July, 2011 in Nis for 25 participants.
- 55) Livestock production seminars for meat industry key client farmers - Beef/Cattle Breeding, were organized in the period of 01 July – 30 September, 2011 in Kragujevac, Sjenica, Leskovac and Nis for 85 participants.
- 56) Dairy Farm Management Trainings – Sumadija Dairy Campaign were organized in the period of 01 July – 30 September, 2011 in Stragari, village Mrsinci, Slatina, Takovo, Rekovac, Batocina, Gruza and Toponica for 94 participants.
- 57) Pre-departure training was organized on 26 August, 2011 in the Project office in Belgrade for 20 participants of the Berry Sector Trade Mission to Poland.
- 58) Improved Farm Management for High Yield and Profit on Dairy Farms, two-day training was organized on 26-27 August, 2011 in Kragujevac for 18 participants.
- 59) Pre-departure training on requirements for food exporting to the US was delivered by the Project's STTA Peter Furth on 15 September, 2011 for 13 participants of the Trade Mission to US.

## **II. WORKSHOPS**

- 1) Workshop / Presentation of Women in Agribusiness Training program for Zlatiborski region by XAOSolutions, a part of Grant EG-FY-3-89 was held on 15 October, 2010 in Uzice for 50 participants.
- 2) Workshop on post harvest in vegetable production was organized on 19 October, 2010 in Chamber of commerce of Vojvodina, Novi Sad for 29 participants. The workshop was delivered by the Project's STTA Lorenzo Wilson.
- 3) Workshop / Presentation of Women in Agribusiness Training program for Jablanicki region by Ekonomski Institut, a part of Grant EG-FY-3-88 was held on 19 October, 2010 in Leskovac for 100 participants.
- 4) Workshop / Presentation of Women in Agribusiness Training program for Niski region by Udruzenje poslovnih zena Nis, a part of Grant EG-FY-3-87 was held on 19 October, 2010 in Nis for 20 participants.
- 5) Entrepreneurship Training Program for Women in Agribusiness in Niš, Gadžin Han and Prokuplje was organized on 20 October, 2010 in Prokuplje by Udruzenje poslovnih zena Nis, a part of Grant EG-FY-3-87 for 30 participants.
- 6) Entrepreneurship Training Program for Women in Agribusiness in Niš, Gadžin Han and Prokuplje was organized on 21 October, 2010 in Gadzin Han by Udruzenje poslovnih zena Nis, a part of Grant EG-FY-3-87 for 30 participants.
- 7) Workshop on Clean Production in Agribusiness for food processing companies from South Serbia was organized on 30 October, 2010 in Svilajnac for 28 participants.
- 8) Workshop Info-days on Cleaner Production in Agribusiness was joint effort of Ministry of Environment and Spatial Planning, USAID Agribusiness Project and Department for Agriculture of municipality Sjenica under the System of Sustainable Cleaner Production Development and Implementation in Agribusiness Activity. Workshop was aimed to enhance the awareness and knowledge of owners of primarily food processing companies from Sandzak Region about the Cleaner Production in Agribusiness program and, more importantly, the available CP technological and process options in enhancing energy efficiency and mitigating emissions. It took place on 23 November, 2010 in Sjenica for 26 participants.
- 9) Presentation of Women in Agribusiness training program at business forum "My product-my business" organized by Women Association Eve, was held on 26 November, 2010 in Valjevo for 70 participants.
- 10) A two-day workshop on Cleaner Production in Agribusiness food processing companies from Sandzak and South Serbia was held on 22-23 December, 2010 in Ivanjica for 26 participants.
- 11) Two-day workshop - Professional Service Improvement (Pesticides Safety and Environmental Education Support Activity) for new practicing agronomists and engineers who are likely to take the PSEE qualification and certification for PSEE was held on 26-27 December, 2010 in Vrujci for 36 participants.

- 12) Workshop Road to Culinaria fine food and promotion of Southern Serbia training program was held in the period of January 1 – March 31, 2011 for 236 participants.
- 13) Cleaner Production in Agribusiness II – a two-day workshop for food processing companies from Southern Serbia and Sandzak was held on 8-9 February, 2011 in Boljevac for 28 participants.
- 14) Export procedures, Standards and Legal Framework for Export Certification - Workshop for milk and meat processors, organized together with Veterinarian Directorate in Nis on 9-11 February, 2011 for 41 participants.
- 15) ToT- Compulsory testing of PPP application equipment, certification of operators and distributors, and access to certification for trainers II - A Workshop was provided in cooperation with the Ministry of Agriculture, to ensure that new knowledge and skills are offered to trainers on plant protection product (PPP) application. It was held on 28 Feb – 1 March, 2011 in Panonija for 35 participants.
- 16) Workshop / Presentation of business plans delivered during the training of Women in Agribusiness by Be Your Own Boss, a part of Grant EG-FY-3-91 was held on 8-9 March, 2011 in Zajecar and Pirot for 150 participants.
- 17) Two-day workshop - PSEE technical-professional development training to gain a competence certificate for new trainers- part I was organized on 12-13 March, 2011 in Banja Vrujci for 38 participants.
- 18) Workshop / Presentation of business plans delivered during the training of Women in Agribusiness by Udruzenje poslovnih zena Nis, a part of Grant EG-FY-3-87 was organized on 17 March, 2011 in Nis for 70 participants.
- 19) Cleaner Production in Agribusiness III – a two-day workshop for private agribusiness sector was held on 31 March – 01 April, 2011 in Kragujevac for 26 participants.
- 20) Project's STTA Andriy Yarmak held presentation of research results/recommendations and appropriate strategies for entering Russian berry fruit market. The workshop was organized in Arilje, SME Association on 09 May, 2011 for 13 participants.
- 21) Cleaner Production Training I – a two-day workshop for agro-processors was held on 13-14 May, 2011 in Kraljevo for 15 participants.
- 22) Workshop/Planning Session with National Association Serbian Flora and Project's STTA Peter Furth was held to review the SWOT report and determine the important elements of the strategic plan. During the meeting, the Board established the Association's primary objectives for 2011-2013 and discussed the necessary budgeting for the activities. The workshop was organized in Belgrade Project office on 25 May, 2011 for 12 participants.
- 23) Cleaner Production Training II – a two-day workshop for agro-processors was held on 07-08 June, 2011 in Golubac for 16 participants.
- 24) Cleaner Production Training III – a two-day workshop for agro-processors was held on 22-23 June, 2011 in Nis for 14 participants.
- 25) Producers Day within 10th International Rubus & Ribes Symposium was held on 26 June, 2011 in Zlatibor for 68 participants. During the workshop the international and local experts presented and shared their knowledge with Serbian berry industry about current status and trends in production and applied technology in their countries.

- 26) Workshop/Planning Session with National Association Serbian Flora and Project's STTA Peter Furth was held to review the SWOT report and determine the important elements of the strategic plan. During the meeting, the Board established the Association's primary objectives for 2011-2013 and discussed the necessary budgeting for the activities. The workshop was organized in Belgrade Project office on 13 July, 2011 for 8 participants.
- 27) Wild mushroom sector workshop/presentation was organized on 16 September, 2011 in Belgrade to present the results of the Soil and Mushroom Chemical Testing on Presence of Heavy Metals Study and discuss other issues relevant to the mushrooms sub-sector in Serbia for 17 participants.
- 28) Vocational two-day workshops under Coaching Program for Institutionalization of Market Led PSEE Services Activity were held on 21-21 September, 2011 in Kragujevac, on 23-24 September, 2011 in Palic and on 26-27 September, 2011 in Nis for 73 participants.
- 29) A two-day Dairy Round Table was organized on 23-24 September, 2011 in Sopot to inform and educate dairy companies to create representative industry association. The Project provided a framework for its development that would lead to second round table with European Dairy Association and creation of representative body. There were 13 participants present.

### **III. CONFERENCES**

- 1) National Conference "Agribusiness Serbia: Development Priorities 2011" was organized on 26 October, 2010 in National Bank of Serbia, Belgrade for 200 participants.
- 2) Vegetable study for Timok region was presented on 5 November, 2010 in Zajecar for 40 participants. The presentation was delivered by the Project's STTA Andjelko Miskovic.
- 3) National Conference on State of Environment in Serbia – Annual Report 2009 was held from 25-26 November, 2010 in Belgrade for 154 participants.
- 4) Conference: Effects of Tariff Liberalization on Agriculture of the Republic of Serbia was organized on 18 January, 2011 in Belgrade for 220 representatives of Ministry of Agriculture, USAID, and agribusiness community.
- 5) National Conference on Sweet and Sour Cherry production in Serbia was organized in cooperation with the University of Agriculture in Zemun on 10 February, 2011 for 483 participants.
- 6) Biogas/Digesters Conference on renewable energy - opportunity for food industry and dairy farms was organized on 18 February, 2011 in Novi Sad for 31 participants.
- 7) Serbian Berry Fruit Industry Conference was organized on 05 May, 2011 in Serbian Chamber of Commerce for 87 participants.
- 8) National Conference on Organic Production in Serbia was organized in Belgrade on 25 May, 2011 for 126 participants.
- 9) Presenting findings from the Study on Impact of Weather Conditions on Agriculture in Serbia and Modalities of Anti-Hail Protection was organized at the conference on 16 June, 2011 in Belgrade Chamber of Commerce for 61 participants.
- 10) Conference "Women in Agribusiness" was organized on 21 September, 2011 in Belgrade for 167 participants.

#### **IV. TRADE FAIRS**

- 1) SIAL Trade Fair in Paris, France was organized from 17-21 October, 2010. USAID Agribusiness Project supported 11 companies to take part on it.
- 2) Salone del Gusto-Terra Madre in Turin, Italy was organized from 21-25 October, 2010. USAID Agribusiness Project supported 6 companies to take part on it.
- 3) A grantee Dr.Jovan Tucakov - Association for Medical and Aromatic Plants organized Belgrade Tea Festival from 24-28 November, 2010 as part of grant IC-FY-3-93 where 21 companies took part on it.
- 4) A grantee National Association Fruits of Serbia and their members exhibit at the Fruit Logistica Trade Fair 2011 in Berlin, Germany that was organized from 09-11 February, 2011, as part of grant IC-FY-4-3.
- 5) A grantee Serbia Organica Association and their 7 members visited Biofach Organic Trade Fair 2011 that was organized from 16-19 February, 2011, as part of grant IC-FY-4-1.
- 6) A grantee Dr.Jovan Tucakov - Association for Medical and Aromatic Plants organized educational seminar as part of 8th Tea Festival in Nis from 02-06 March, 2011, as part of grant IC-FY-3-93.
- 7) A grantee Halal Agency Serbia and three companies attended the MIHAS Trade Fair 2011 in Kuala Lumpur, Malaysia that was organized from 06-09 April, 2011, as part of grant EG-FY-4-6.
- 8) A grantee Serbian Flora Association and their six members, herb processors attended the Vitafoods Trade Fair 2011 in Geneva, Switzerland from 10-12 May, 2011, as part of grant IC-FY-3-94.
- 9) Moscow World Food Trade Fair 2011 was organized from 13-16 September, 2011. USAID Agribusiness Project supported 7 companies to take part on it.
- 10) Culinaria Fine Food Show 2011 was organized from 28-30 September, 2011 in Belgrade where 104 companies took part.

**V. STUDY TOURS/TRADE MISSIONS**

- 1) Trade Mission to Albania was organized from 25-28 November, 2010 for 20 members of Serbian Flora Association, as part of grant IC-FY-3-94.
- 2) Meat Processors Study Tour to US was organized from 13-23 April, 2011. The Project supported 6 companies to take part on it.
- 3) Berry Producers Study Tour to Italy was organized from 16-20 May, 2011. The Project supported members of 11 POs and 3 companies to take part on it.
- 4) Study Tour for Cooperatives Involved in Apple Production to South Tyrol was organized from 25-29 July, 2011. The Project supported 8 cooperatives, 1 company and 1 farmer to take part on it.
- 5) Berry Sector Trade Mission to Poland was organized from 31 August - 04 September, 2011. The Project supported 13 Pos and 1 company to take part on it.
- 6) Study Tour to Slovenia was organized from 08-10 September, 2011 for 7 members of the Agroindustry Cluster, as part of grant EG-FY-4-25.
- 7) Trade Mission to US for 9 members of the Associations Serbian Flora, Forest Fruits of Serbia and Serbia Organica was organized from 18-25 September, 2011.
- 8) Trade Mission to Netherlands was organized from 19-23 September, 2011 for 12 members of Srbija Kalem – Association of growers of planting material.



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# **USAID Serbia Agribusiness Project**

## **Annual Report – Project Year Four**

October 1, 2010 – September 30, 2011

### **Annex VI – Project Inventory over \$500**

**A. Project Assets**

**B. Assets with Grantees**

## USAID Serbia Agribusiness Project

Project Assets with value greater than \$500 as of September 30, 2011

Prop.#	Description	Serial or ID #	Date	Qty.	Unit Cost LC	Unit Cost \$	Total Cost LC	Total Cost \$	Condition	Source Origin Code	Supplier	USAID Marking
350	Computer Equipment Server: "AVALA", (HP ProLiant ML31TD4 3050 + 4x8GB HDD + RDP + ILO + Ultrium 488 Internal DAT)	MX2720033T	10/22/2007	1		\$4,366	467,650.01	\$131,592	Working		Home Office	No
351	Server: "PLUG", HP ProLiant ML31TD4 3050 + 4x8GB HDD + RDP + ILO + Ultrium 488 Internal DAT	MX27310030	10/22/2007	1		\$4,366		\$4,366	Working		Home Office	
352	Server: HP ProLiant ML31TD4 3050 + 4x8GB HDD + RDP + ILO + Ultrium 488 Internal DAT	MX2735010L	10/22/2007	1		\$4,366		\$4,366	Working		Home Office	
357	Notebook 6930p + BackPack + Mouse + USB FlashDrive + Surge Protector + Kensington Lock	2CE941BTHB	4/30/2008	1	0	\$1,177		\$1,177				Yes
358	UPS PW9125 + 48 EBM Battery + ENV/R probe + CUPS Xslot Web Card	TA35200277; BAT: TY335A0008	10/22/2007	1		\$1,881		\$1,881	Working		Home Office	
362	DAT Tapes Ultrium 400GB Storage Media Kit + Universal Cleaning Cartridge	n/a	10/22/2007	1		\$704		\$704	Working		Home Office	
363	DAT Tapes Ultrium 400GB Storage Media Kit + Universal Cleaning Cartridge	n/a	10/22/2007	1		\$704		\$704	Working		Home Office	Yes
364	DAT Tapes Ultrium 400GB Storage Media Kit + Universal Cleaning Cartridge	n/a	10/22/2007	1		\$704		\$704	Working		Home Office	Yes
366	Desktop DC 5700 + 1GB USB Flash	MXM7380B3J	10/22/2007	1		\$807		\$807	Working		Home Office	
367	Desktop DC 5700 + 1GB USB Flash	MXM7380B3N	10/22/2007	1		\$807		\$807	Working		Home Office	
368	Desktop DC 5700 + 1GB USB Flash	MXM7380B3Y	10/22/2007	1		\$807		\$807	Working		Home Office	
369	Desktop DC 5700 + 1GB USB Flash	MXM7380B45	10/22/2007	1		\$807		\$807	Working		Home Office	
370	Desktop DC 5700 + 1GB USB Flash	MXM7380B3V	10/22/2007	1		\$807		\$807	Working		Home Office	Yes
371	Desktop DC 5700 + 1GB USB Flash	MXM7380B3D	10/22/2007	1		\$807		\$807	Working		Home Office	
382	UPS PW9125 + 48 EBM Battery + ENV/R probe + CUPS Xslot Web Card	TA35200278; BAT: TY335A0007	10/22/2007	1		\$1,881		\$1,881	Working		Home Office	Yes
383	UPS PW9125 + 48 EBM Battery + ENV/R probe + CUPS Xslot Web Card		10/22/2007	1		\$1,881		\$1,881	Working		Home Office	
387	Notebook 6510b + Mouse + 2GB USB FlashDrive + Surge Protector + Kensington Lock+Travel Battery Pack	CNU8121BTZ	4/30/2008	1	0	\$1,177		\$1,177	Working		Home Office	
392	InFocus DLP Projector	ATM733A0607	10/22/2007	1		\$867		\$867	Working		Home Office	Yes
393	InFocus DLP Projector	ATM733A0668	10/22/2007	1		\$867		\$867	Working		Home Office	Yes

## USAID Serbia Agribusiness Project

Project Assets with value greater than \$500 as of September 30, 2011

Prop.#	Description	Serial or ID #	Date	Qty.	Unit Cost LC	Unit Cost #	Total Cost LC	Total Cost #	Condition	Source Origin Code	Supplier	USAID Marking
394	InFocus DLP Projector	ATMV733A0370	10/22/2007	1		\$867		\$867	Working		0 Home Office	Yes
395	InFocus DLP Projector	ATMV733A0514	10/22/2007	1		\$867		\$867	Working		0 Home Office	Yes
401	Scanner HP ScanJet 8350	CN69DA0601	10/22/2007	1		\$870		\$870	Working		0 Home Office	Yes
402	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734ORKQ	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
403	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734OR5B	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
404	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734ORK2	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
405	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734OV59	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
406	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734ORD3	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
407	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734OTZJ	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
408	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734ORJL	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
409	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734ORHC	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
410	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734OR6H	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
411	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734ORF9	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
412	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734ORMN	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
413	Notebook 6510b + BackPack + Mouse + Surge Protector + Kensington Lock	CNU734ORJX	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
414	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734ORJG	10/22/2007	1		\$1,460		\$1,460	Working		0 Home Office	Yes
416	Notebook 6510b + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734OTZY	10/22/2007	1		\$1,411		\$1,411	Working		0 Home Office	Yes

## USAID Serbia Agribusiness Project

### Project Assets with value greater than \$500 as of September 30, 2011

Prop.#	Description	Serial or ID #	Date	Qty.	Unit Cost LC	Unit Cost \$	Total Cost LC	Total Cost \$	Condition	Source Origin Code	Supplier	USAID Marking
417	Notebook 6510b + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734DRMZ	10/22/2007	1		\$1,411		\$1,411	Working		Home Office	Yes
418	Notebook 6510b + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734DRJF	10/22/2007	1		\$1,411		\$1,411	Working		Home Office	Yes
419	Notebook 6510b + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock+Travel Battery Pack	CNU734DRJN	10/22/2007	1		\$1,411		\$1,411	Working		Home Office	Yes
420	Notebook 6510b + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock	CNU734DV66	10/22/2007	1		\$1,411		\$1,411	Working		Home Office	Yes
444									Not Working/Repairable			
445	HP LaserJet M3027 MultiFunction Printer	JPM1MF00393	10/22/2007	1		\$1,388		\$1,388	Working		Home Office	Yes
446	HP LaserJet M3027 MultiFunction Printer	JPM1MF00524	10/22/2007	1		\$1,388		\$1,388	Working		Home Office	Yes
447	HP LaserJet M3027 MultiFunction Printer	JPM1MF00528	10/22/2007	1		\$1,388		\$1,388	Working		Home Office	Yes
449	CISCO ASA 5505	JMX1128Z00U	10/22/2007	1		\$1,300		\$1,300	Working		Home Office	Yes
450	CISCO ASA 5505	JMX1131Y2DE	10/22/2007	1		\$1,300		\$1,300	Working		Home Office	Yes
452	CISCO ASA 5505	JMX1131ZDR3	10/22/2007	1		\$1,300		\$1,300	Working		Home Office	Yes
453	HP LaserJet M3027 MultiFunction Printer	JPM1MF00468	4/14/2008	1	0	\$1,608		\$1,608	Working		Home Office	Yes
454	HP LaserJet M3027 MultiFunction Printer	JPM1MF00469	4/14/2008	1	0	\$1,608		\$1,608	Not Working/Repairable		Home Office	Yes
455	HP LaserJet M3027 MultiFunction Printer	JPM1MF00463	4/14/2008	1	0	\$1,608		\$1,608	Working		Home Office	Yes
456	HP LaserJet 3600 DN Color Printer	JP2CX01497	4/14/2008	1	0	\$1,608		\$1,608	Working		Home Office	Yes
457	Notebook 6510b + Mouse + 2GB USB FlashDrive + Surge Protector + Kensington Lock+Travel Battery Pack	CNU8121BXQ	4/30/2008	1	0	\$1,177		\$1,177	Working		Home Office	Yes
458	Notebook 6510b + Mouse + 1GB USB FlashDrive + Surge Protector + Kensington Lock+Travel Battery Pack	CNU8121C5B	4/30/2008	1	0	\$1,177		\$1,177	Working		Home Office	Yes
472	CISCO ASA 5505 V5 (Replacement)	JMX1217Z185	5/23/2008	1	0	\$1,300		\$1,300	Working		Home Office	Yes
501	Notebook 6930p + BackPack + Mouse + USB FlashDrive + Surge Protector + Kensington Lock	2CE50550B6	3/20/2009	1	0	\$1,329		\$1,329	Working		Home Office	Yes
502	Notebook 6930p + BackPack + Mouse + USB FlashDrive + Surge Protector + Kensington Lock	2CE90330KD	3/20/2009	1	0	\$1,329		\$1,329	Working		Home Office	Yes

## USAID Serbia Agribusiness Project

### Project Assets with value greater than \$500 as of September 30, 2011

Prop.#	Description	Serial or ID #	Date	Qty.	Unit Cost LC	Unit Cost #	Total Cost LC	Total Cost #	Condition	Source Origin Code	Supplier	USAID Marking
503	Notebook 6930p + BackPack + Mouse + USB FlashDrive + Gurge Protector + Kensington Lock	2CE9032GKC	3/20/2009	1	0	\$1,329		\$1,329	Working	0		Yes
504	Notebook 6930p + BackPack + Mouse + USB FlashDrive + Gurge Protector + Kensington Lock	2CE9032GKH	3/20/2009	1	0	\$1,329		\$1,329	Working	0		Yes
509	Portech 2channels VoIP GSM Gateway	2V/097200140	3/20/2009	1	0	\$549		\$549	Working	0		Yes
534	Notebook: HP EliteBook 6390p + travel charger and TripLite surge protector + backpack	MXL9440CVB	11/18/2010	1	0	\$1,476		\$1,476	Working	935		Yes
535	Notebook 6930p + BackPack + Mouse + USB FlashDrive + Gurge Protector + Kensington Lock	2CE941BTH8	3/20/2009	1	0	\$1,410		\$1,410	Working	0		Yes
536	Notebook 6930p + BackPack + Mouse + USB FlashDrive + Gurge Protector + Kensington Lock	2CE941BTHM	3/20/2009	1	0	\$1,410		\$1,410	Working	0		Yes
537	Notebook 6930p + BackPack + Mouse + USB FlashDrive + Gurge Protector + Kensington Lock	2CE941BTH7	3/20/2009	1	0	\$1,410		\$1,410	Working	0		Yes
545	HP LaserJet P3005DN Monochrome Printer	JPGFY05380		1	0	\$879		\$879	Working	935		Yes
547	Server ProLiant ML350G4p	C3J65105TW		1	0	\$3,789		\$3,789	Working	935		Yes
577	HP LaserJet M3035 Multifunction Printer (CB414A)	CNRTC6WDC8	7/25/2011	1	186,719.41	\$2,579	186,719.41	\$2,579	Working	935	Golum doo	Yes
578	HP LaserJet M3027 Multifunction Printer (CB416A)	CNRTC7C0NV	8/4/2011	1	127,822.12	\$1,794	127,822.12	\$1,794	Working	935	Golum doo	Yes
583	UP-O Powerware PW9125 2000	TB01500187		1	0	\$1,112		\$1,112	Working	935		Yes
585	Notebook: HP EliteBook 6930p + travel charger and TripLite surge protector	MXL9440CVX	11/18/2010	1	0	\$1,440		\$1,440	Working	935		Yes
741	Notebook 6930p + BackPack + Mouse + USB FlashDrive + Gurge Protector + Kensington Lock	2CE941BTH1	3/20/2009	1	0	\$1,410		\$1,410	Working	0		Yes
743	Notebook 6930p + BackPack + Mouse + USB FlashDrive + Gurge Protector + Kensington Lock	2CE941BTH2	3/20/2009	1	0	\$14,100		\$14,100	Working	0		
745	Notebook 6510b + BackPack + Mouse + 1GB USB FlashDrive + Gurge Protector + Kensington Lock	CNU73504LY	10/22/2007	1		\$1,460		\$1,460	Working	0	Home Office	
755	DAT Tapes Ultrium 400GB Storage Media Kit + Universal Cleaning Cartridge	n/a	10/22/2007	1		\$980		\$980	Working	935		
757	Notebook: HP EliteBook 6390p + travel charger and TripLite surge protector + backpack	MXL9440CVK	11/18/2010	1	0	\$1,476		\$1,476	Working	935		Yes

## USAID Serbia Agribusiness Project

Project Assets with value greater than \$500 as of September 30, 2011

Prop #	Description	Serial or ID #	Date	Qty	Unit Cost LC	Total Cost LC	Total Cost \$	Condition	Source Origin Code	Supplier	USAID Marking
758	Notebook: HP EliteBook 6530p + travel charger and TriLite surge protector + backpack	MXL9440CVT	11/18/2010	1	0	\$1,475		Working	935		Yes
844	Notebook: DELL Precision M2400 2.53 VB+	4X05C-4J	9/27/2010	1	0	\$1,966		Working		List Solutions - Order No. D4C152 ( Item transferred from a BEB Project)	Yes
859	HP LaserJet M3027 Multifunction Printer	CNRTB29155	10/14/2010	1	153,108.48	\$2,035	\$2,035	Working	935	Milenum Sistemli d.o.o.	Yes
200	Foldable Door for conference room	wooden foldable door	3/9/2009	1	113,182.07	\$1,553	\$1,553	Working	935	BZTR Enterijer Balaz	Yes
880	Project Activity: Equipping of marketing/sales unit "Ducan" ground floor - Refrigeration unit for agriculture products storage; refrigeration cabinet 2m; opened refrigeration cabinet with shelves 1m.										
881	Project Activity - Rural Network of Serbia: Equipping of marketing/sales unit "Ducan" ground floor- furniture, shelves and sales pool for selling agribusiness products	PO# G-Bel-1341	8/10/2010	1	458,500	\$5,320	\$5,320	Working	935	Frigo Zika- Goko d.o.o.	Yes
Furniture											
274	Carpets for all office		11/15/2007	1	82,368	\$1,546	\$1,546	Working	935	MEGA POD	
812	Carpets for Nis Office	Tardan 49	3/29/2010	1	55,160	\$752	\$752	Working	935	Megapod doo	Yes
Vehicle											
	Chrysler 300M - 1C3AEB6551H51408 3; 1H514083 - YEAR 2001 - Color Black										
	Vehicle Dodge Grand Caravan SE 1D8HN44H988172573 ; 8B172573 - YEAR 2009 - COLOR RED No.BIG144E263		11/5/2010	1	0	\$4,725	\$4,725	Working	0	Mega Project	
	Vehicle Dodge Grand Caravan SE, VEHICLE PLATE NUMBER BG 144 E 049										
	Vehicle Jeep Cherokee 2.8 Diesel, VEHICLE PLATE NUMBER BG 144 E 042		4/3/2008	1	0	\$24,500	\$24,500	Working	0	Home office	

## USAID Serbia Agribusiness Project

Project Assets with value greater than \$500 as of September 30, 2011

Prop.#	Description	Serial or ID #	Date	Qty.	Unit Cost LC	Unit Cost \$	Total Cost LC	Total Cost \$	Condition	Source Origin Code	Supplier	USAID Marking
	Vehicle Jeep Cherokee 2.8 Diesel, VEHICLE PLATE NUMBER BG 144 E 058	Jeep Cherokee 2.8 Diesel, 1J8GE857W676150	4/3/2008	1	0	\$24,500		\$24,500	Working	0	Home office	
	Vehicle Jeep Cherokee Sport VEHICLE PLATE NUMBER BG 144 E 048	Jeep Cherokee Sport, 1J4FFB80XYL342566, 003MX10	12/24/2007	1	0	\$5,010		\$5,010	Working	0	Received from 0 IRD Project	
	Vehicle, Jeep Cherokee 2.8 Diesel, VEHICLE PLATE NUMBER BG 144 E 051	Jeep Cherokee 2.8 Diesel, 1J8GE857W676155	4/3/2008	1	0	\$24,500		\$24,500	Working	0	Home office	
<b>Total:</b>							1,430,492.08	<del>\$266,907</del>				
<b>Disposed:</b>												
<b>Prop.#</b>	<b>Description</b>	<b>Serial or ID #</b>	<b>Date</b>	<b>Qty.</b>	<b>Unit Cost LC</b>	<b>Unit Cost \$</b>	<b>Total Cost LC</b>	<b>Total Cost \$</b>	<b>Condition</b>	<b>Source Origin Code</b>	<b>Supplier</b>	<b>USAID Marking</b>
	DAT Tapes Ultrium 400GB Storage Media Kit + Universal Cleaning Cartridge		10/22/2007	1		\$704		\$704	Disposed	0	Home Office	No
	Server: HP ProLiant ML31T04 3050 + 4x6GB 146GB HDD + RDP + ILO + Ultrium 488 Internal DAT	MX27340006	10/22/2007	1		\$4,366		\$4,366	Disposed	0	Home Office	No
	UPS PW9125 + 48 EBIM Battery + ENVIR probe + CUPS Xslot Web Card	TY335A0002 + TA35200279	10/22/2007	1		\$1,881		\$1,881	Disposed	0	Home Office	No
	Vehicle Chrysler Town & Country plates No.BG144E011	Vehicle Chrysler Town & Country 1C4GP45R85B221799 : 5B221799 - YEAR 2004 - COLOR WHITE	11/5/2010	1	0	\$4,675		\$4,675	Disposed	0	Mega Project	
	Vehicle Chrysler Town & Country Vehicle plates No.BG144E039	Vehicle Chrysler Town & Country 1C4GP45R05B183016 : 5B183016 - YEAR 2004 - COLOR WHITE	11/5/2010	1	0	\$4,675		\$4,675	Disposed	0	Mega Project	
<b>Total Disposed:</b>								<b>\$16,301</b>				

## USAID Serbia Agribusiness Project

Project Assets with Grantees with a value greater than \$500 as of September 30, 2011

Description	Qty.	Unit Cost \$	Total Cost \$	Unit Cost LC	Total Cost LC	Grantee	Serial or ID #	Date	Office	Condition	Source Origin Code	Supplier	USAID Marking
YG-FY-2-1 Equipment			8,910.00		588,077.45								
			8,910.00		588,077.45								
Type - Commodities / In-Kind Grant YG FY-2-1 Danijela Mucenski Agriculture Farm - purchase of equipment: green house	1	\$4,840.00	4,840.00	323,878.28	323,878.28	Danijela Mucenski, Ag Farm	POE G-Bel-1107	12/18/2009	Ag Farm	Working	935	G TRADE	Yes
Type - Commodities / In-Kind Grant YG FY-2-1 Danijela Mucenski Agriculture Farm - purchase of equipment: material for irrigation	1	\$4,070.00	4,070.00	264,199.17	264,199.17	Danijela Mucenski, Ag Farm	POE G-Bel-1094	12/9/2009	Ag Farm	Working	935	SZR SALAT CENTAR-PLASTENICI	Yes
YG-FY-2-2 Equipment			13,210.27		857,458.11								
			13,210.27		857,458.11								
Type - Commodities / In-Kind Grant No YG-FY-2-2 Sasa Cosic Equipment: Electrical water pump for irrigation system	1	\$3,014.01	3,014.01	130,737.29	130,737.29	Sasa Cosic, Ag Farm	POE G-Bel-1084	12/7/2009	Ag Farm	Working	935	Best & Co International	Yes
Type - Commodities / In-Kind Grant No YG-FY-2-2 Sasa Cosic Equipment: Aluminum pipes	1	\$4,790.15	4,790.15	310,249.73	310,249.73	Sasa Cosic, Ag Farm	POE G-Bel-1081	12/7/2009	Ag Farm	Working	935	Best & Co International	Yes
Type - Commodities / In-Kind Grant No YG-FY-2-2 Sasa Cosic Equipment: Drip Irrigation System	1	\$1,418.75	1,418.75	91,890.00	91,890.00	Sasa Cosic, Ag Farm	POE G-Bel-1083	12/7/2009	Ag Farm	Working	935	Unibaost AGN d.o.o.	Yes
Type - Commodities / In-Kind Grant No YG-FY-2-2 Sasa Cosic Equipment: Supporting material for outdoor irrigation system (valves and pipes)	1	\$2,778.64	2,778.64	181,536.00	181,536.00	Sasa Cosic, Ag Farm	POE G-Bel-1093	12/9/2009	Ag Farm	Working	935	Magnetic plus d.o.o.	Yes
Type - Commodities / In-Kind Grant No YG-FY-2-2 Sasa Cosic Equipment: Water pump for the well (diesel)	1	\$2,208.72	2,208.72	143,055.09	143,055.09	Sasa Cosic, Ag Farm	POE G-Bel-1092	12/7/2009	Ag Farm	Working	935	DMMB Agrotehnika	Yes
			11,178.89		722,472.46								
			11,178.89		722,472.46								
Type - Commodities / In-Kind Grant No. YG-FY-2-3 Srdjan Stojkovic Equipment: Electrical water pump	1	\$935.26	935.26	54,220.00	54,220.00	Bogdan Dubljanin, Sampil Centar 09	POE G-Bel-1078	12/11/2009	Centar 09	Working	935	Pisar d.o.o.	Yes
Type - Commodities / In-Kind Grant YG FY 2 3 Srdjan Stojkovic Agriculture Farm - purchase of equipment - green house	1	\$4,970.00	4,970.00	315,324.63	315,324.63	Srdjan Stojkovic, Ag Farm	POE G-Bel-1072	11/27/2009	Ag Farm	Working	935	SZR SALAT CENTAR-PLASTENICI	Yes
Type - Commodities / In-Kind Grant No YG-FY-2-3 Srdjan Stojkovic purchase of equipment: Drip Irrigation System and PVC pipes	1	\$3,953.63	3,953.63	263,250.00	263,250.00	Srdjan Stojkovic, Ag Farm	POE G-Bel-1110	12/19/2009	Ag Farm	Working	935	Zeleni int d.o.o.	Yes



## USAID Serbia Agribusiness Project

Project Assets with Grantees with a value greater than \$500 as of September 30, 2011

	Description	Qty.	Unit Cost \$	Total Cost \$	Unit Cost LC	Total Cost LC	Grantee	Serial or ID #	Date	Office	Condition	Source Origin Code	Supplier	USAID Marking
YG-FY-3-29 Equipment	Final payment for in kind grant YG-FY-3-29 PG Marko Manojlovic Milk production - equipment: Milk pipeline for milking cows (self)	1	\$13,337.05	13,337.05	1,065,040.80	1,065,040.80	Marko Manojlovic Milk production	PO# G-Bel-1602	12/24/2010	Marko Manojlovic Milk production	Working	935	GEAagro service d.o.o.	Yes
			14,811.78	14,811.78	1,184,804.82	1,184,804.82								
	In kind grant YG-FY-3-29 Fruit Drying MV Marko Vasic: Equipment - mini dry mill for fruits and vegetables	1	\$13,681.25	13,681.25	1,105,804.82	1,105,804.82	Marko Vasic Farm	PO# G-Bel-1566	12/3/2010	Marko Vasic Farm	Working	935	Termopin	Yes
	In kind grant YG-FY-3-29 Fruit Drying MV Mila dry mill for fruit and vegetable drying Equipment: scale for measuring	1	\$1,130.53	1,130.53	0	79,000.00	Marko Vasic Farm	G-Bel-1762					Samostana zanatlija radnja "SERVIS VAGA"	
YG-FY-3-30 Equipment			8,005.21	8,005.21	603,889.84	603,889.84								
	In kind grant YG-FY-3-30 PG Nikola Mlic: Equipment for milk production farm	1	\$7,635.44	7,635.44	0	578,050.84	Nikola Mlic	G-Bel-1673					Agro SNN d.o.o.	
	In kind grant YG-FY-3-30 PG Nikola Mlic: Equipment for milk production farm	1	\$369.77	369.77	0	25,639.00	Nikola Mlic	G-Bel-1764					Plavi Kamien d.o.o.	
YG-FY-3-31 Equipment			14,434.13	14,434.13	640,687.17	640,687.17								
	In kind grant YG-FY-3-31 SZR Saviour - Nikola Srdanov: equipment for manual soap production from herbs	1	\$6,254.80	6,254.80	0	0	Nikola Srdanov	G-Bel-1430					Willow Way LLC	
	In kind grant YG-FY-3-31, PO 1428, Lot 2, SZR Saviour Nikola Srdanov - equipment distiller for production of ethereal oil - phase II installing equipment on site	1	\$8,139.33	8,139.33	640,687.17	640,687.17	Nikola Srdanov, Nikola Srdanov-SZR Saviour	PO# G-Bel-1428	12/3/2010	Nikola Srdanov-SZR Saviour	Working	935	Inovacioni preduzetnicki centar - procesno inzenjeringo	Yes
YG-FY-3-32 Equipment			11,592.88	11,592.88	600,690.00	600,690.00								
	In-Kind Grant YG-FY-3-32 Predrag Nesovic: Equipment: Mushroom slicing device	1	\$1,083.19	1,083.19	87,550.00	87,550.00	Predrag Nesovic, Nesovic Farm	PO# G-Bel-1562	12/3/2010	Nesovic Farm	Working	935	SZTR Sedan	Yes
	In kind grant YG-FY-3-32 PG Predrag Nesovic: Shitake mushroom production Equipment: Drymill for mushrooms /Third payment	1	\$4,334.88	4,334.88	350,000.00	350,000.00	Predrag Nesovic, Nesovic Farm	PO# G-Bel-1436	12/23/2010	Nesovic Farm	Working	935	Worker SZR	Yes
	In kind grant YG-FY-3-32 PG Predrag Nesovic: Shitake mushrooms production Equipment: Cold chamber for fresh mushrooms storage	1	\$3,842.69	3,842.69	0	0	Predrag Nesovic	G-Bel-1430					Frigo Zitar-Soko d.o.o.	

