Contract Number: 169-C-00-11-00102

Project: Sustainable Local Development Project in Serbia

Contractor: Chemonics Inc.

USAID COR: Mr. Sinisa Cadjo

Issuance Date: June, 2014

Document Title: Economic Potentials of Sandzak Region – Food Industry

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This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc. The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

FOOD INDUSTRY

ECONOMIC POTENTIAL OF SANDZAK REGION

Made in Serbia food products are present all over the world. The suitability of the soil, great climate, the lowest pesticide and fertilizer usage in Europe, a multiple-century long tradition in food production are what makes Serbian food unique and distinguishable in all continents.

The opportunity of exporting to a market of over one billion people with no customs whatsoever, competitive prices for products and services of high quality, delivery dates and quantity flexibility, quick and reliable delivery of goods adjusted to meet the needs of buyers and business partners, favourable international trading agreements, qualified and quality workforce that holds the experience good enough to satisfy the most selective world buyers, controlled manufacture expenses - these are only some of the reasons for which you should do business in Serbia. One of the key sectors of Serbian industry is the production of textile and clothing. The export of almost 800 million dollars in the past year speaks in favour of the quality of textile and clothing. The fact that companies such as Salford, Rauch, Meggle, Nestle, ABInBev, which are all world renowned brands, found their strategic interest in doing business in Serbia is proof that Serbia and its food industry are worth knowing and exploring.

We wish to turn your focus particularly on the food which is, for the most part, produced in Sandzak. The Sandzak region has the potential of becoming the leader in the production of halal products and take a significant place in the production of food for the Arabian and Asian market due to a large percentage of Muslim population. The market for halal products is estimated to hold over five million potential buyers.

Making of this publication is made possible by the support of the American People through the United States Agency for International Development (USAID). The contents of this publication are the sole responsibility of Regional Development Agency of Sandzak (SEDA) and do not necessarily reflect the views of USAID or the United States Government.

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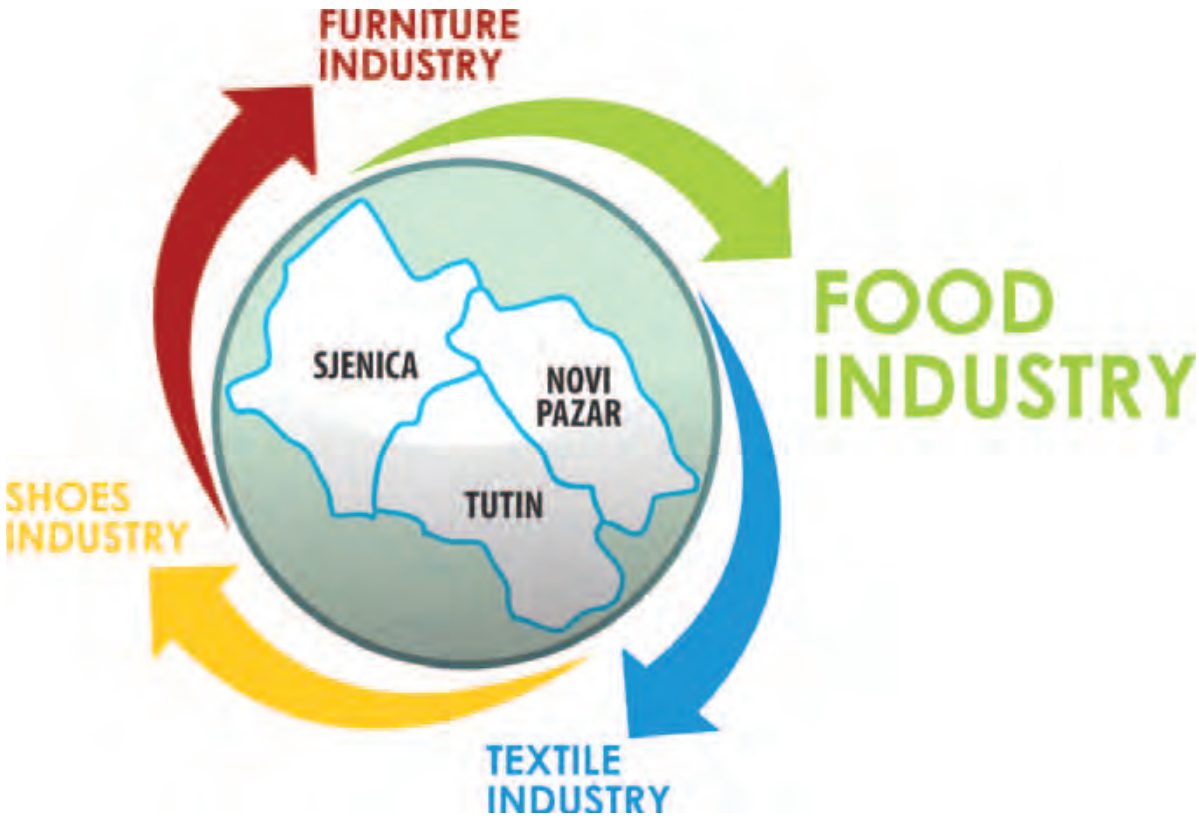
SECTOR OF FOOD INDUSTRY



4 WHY SERBIA?

FIAT, Johnson Controls, Siemens, Michelin, United Colors of Benetton, Geox, Ball Packaging and National Cash Register have all recognised the potentials of Serbia. With 7.4 million citizens, a favourable geographic position, customs-free access to 15% of world market, Serbia is the largest market on the Western Balkans and it is a very interesting partner for developed countries of the West as well as the East.

A LIST OF INTERNATIONAL TRADING AGREEMENTS:

- **Trading agreement with the European Union**
  (70% of all textile products and clothing is exported to EU
  Market size: 509 million potential buyers)

- **Agreement of free trade with Turkey**
  (over 90% of all materials for textile industry is imported from Turkey
  Market size: 82 million potential buyers)

- **A special trade agreement with the United States of America**
  (for products "entirely made in Serbia"
  Market size: 319 million potential buyers)

- **An agreement of free trade with the Russian federation**
  (market size: 165 million potential buyers)

- **The Madrid protocol**
  (offers protection for Serbian companies doing business in the EU)

- **CEFTA member**
  (market size: 22 million potential buyers)

- **EFTA member**
  (market size: 13 million potential buyers)

Cooperation with some of the world's most renowned brands, available and qualified workforce, competitive price of labour, flexibility of delivery times as well as facilitated access to different markets are the factors contributing to Serbia being one of the most attractive countries to do business with in Europe.

Favourable trade agreements have enabled Serbian food producers to grow more competitive on the international market and have also made them more appealing to foreign partners in the sense of making deals and doing business together.

6 FOOD FROM SANDZAK

If you have made the decision of doing business in Serbia and you are in need of quality food - Sandzak, the region with rich arable land, pastures and meadows, is the place to find it.

In the very centre of this region is where Pester is located. Pester is a fertile VISORAVAN which connects Sjenica and Tutin with Novi Pazar.

The food products from Pester (prosciutto, cheese, cream, sour cream with paprika, lamb, litter or the famous "sudzuk" (sausage)) are traditional specialties of prime quality and a unique flavour.

The Sandzak region has the potential of becoming the leader in the production of halal products and taking a significant place in the production of food for the Arabian and Asian market due to a large percentage of Muslim population. The market for halal products is estimated to hold over five million potential buyers.

The versatility of the food products is another very specific feature of Sandzak. However, when it comes to the scope of production, market presence and processing capacity, this region is known for:

- milk and dairy
- meat and meat products
- traditional specialties - mantije and pita

Coordinates:
43°8'9"N 20°30'40"E
Geographical location:
Southwest Serbia
Time zone: UTC +1

Belgrade: 275 km
Nis: 190 km
Pristina: 130 km

Belgrade: 275 km
Podgorica: 220 km
Pristina: 130 km
Sarajevo: 295 km
Skoplje: 190 km

MILK AND DAIRY

There are around ten companies in Sandzak that are in the business of raw milk processing. Most dairy plants have new manufacturing facilities, modern technology, transportation equipment, competent and educated workforce, implemented quality system standards, and all the necessary conditions for continued growth and development.

The total capacity of these producers is 75.000 liters of milk daily. Dairy plants have a complete production process: the reception of milk, pasteurization, homogenization, line expansion, the production of yogurt and sour milk, packaging of fresh milk and other products, refrigerated storage and transport.

The production program includes all types of dairy products. The best known is Sjenicki cheese, made according to traditional recipes from sheep's or cow's milk. In addition to Sjenicki cheese, other well-known are feta cheese, cream cheese and sour cream, ovcavina (peppers in sour cream), yellow cheese, metanica (butter), and fresh and sour milk and yogurt. All products are made from sheep or cow's milk. The raw milk used for production is usually cow's sheep's fresh milk.

These products are directly placed in big supermarket chains Delhaize/ Maxi, Tempo, Metro, DiS, Merkator/ Roda. Some companies are expanding their buyer network towards the former Yugoslavian republics. The market as well as the sale are in constant growth.

MEAT AND MEAT PRODUCTS

The quality of beef and lamb meat that comes from Sandzak is far better than the meat quality of fattened animals. The animals are raised in a traditional way, they use the most high-quality pasture, hay and grain for nutrition. The most commonly grown are Simmental cattle and Sjenica sheep called Pramenka and they provide milk and meat of exceptional quality.

In the area of Sandzak there are 5 slaughterhouses that can process about a million and a half kilograms of meat per month. They have modern production facilities and technology, HACCP, and HALAL standards of quality and a production program that includes all types of meat products. The most traditional products of the region are: prosciutto, sausage(sudzuk), fresh meat, lamb, beef and barbecue meat.

Slaughterhouses, in addition to primary treatment and meat processing, cold storage, proper packaging and transportation, also have their own retail network. Meat products are sold through major supermarket chains, as well as milk products.

PRODUCTION OF TRADITIONAL SPECIALTIES

In the Sandzak region, there are over ten companies, all with certified HACCP and HALAL standards of quality, whose daily production capacity is 5,000 kilograms of frozen mantija, pies and meat pies. In addition to their own retail stores and supermarket chains, these companies place their products on foreign markets, especially the Middle East. The production program includes all types of traditional dough products that are stuffed with different ingredients: meat, cheese, spinach, potatoes.

Mantije are, as a traditional dish made according to specific recipes, prepared only in this region. Pies and cheese pies, exist in different forms across the region, but the preparation process in Sandzak is different from that in other regions and that is what makes them unique in the market.

The frozen foods and frozen ready meals industry has quickly adapted to market needs. Frozen products prepared according to traditional recipes offer the new generation of buyers a simple solution for preparing delicious and nutritious meals.

WORKFORCE

Sandzak food production companies are mainly small and medium-sized family businesses. Their competitive advantage is that they are flexible and can quickly adapt to change and are able to satisfy the demands of the market. The individual production capacity is very efficient when compared to international standards.

Employees of companies in food production acquire the knowledge and skills required in the Tourism School in Novi Pazar and Technical Agricultural School in Sjenica.

Upon the completion of secondary school, study programs in the field of food technology and agricultural production are an option provided to these young people.

PESTER FOOD

The association Pester Food gathers food producers from Novi Pazar, Tutin and Sjenica. The Association works to create a unique brand that will be recognizable to consumers as well as on getting certain products the registered trademark, as a guarantee of quality. The desire of the association is to preserve the products as well as traditional methods in the production of the old recipes of our ancestors.

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PESTER AGRO KLASTER

Association Pester agro cluster was established at the initiative of the producers of milk and dairy products in the territory of Novi Pazar, Tutin and Sjenica. The founders and members of the cluster are agricultural entrepreneurs engaged in primary production and processing of milk. They work together on improving the production of milk and dairy products as well as on the protection of geographical origin of the unique products of this area.

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HALAL SHOP

Several companies producing food from the region of Sandzak have formed a cluster called "Guardians of Tradition - Pester, Golija and Kopaonik." The result of cooperation between the cluster and Halal Agency of Serbia has been the opening of the first store specialized in halal food products in Serbia. The first store of this type has been opened near Bajrakli mosque, Lord Jevremova Street in Belgrade. It offers meat and meat products, milk and dairy products produced in the Pester, Golija and Kopaonik.

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REGIONAL DEVELOPMENT AGENCY OF SANDZAK - SEDA

The support to the furniture industry of Novi Pazar is also provided by the Regional Development Agency of Sandzak (SEDA) which deals with the regional economic development of the region. Thanks to the knowledge of the local economic ambiance, a cooperation with local governments and companies, SEDA is capable of offering:

- Business promotion (organization of trade fairs, B2B meetings, business forums and business missions at home and abroad)
- Assistance in the preparation of documents for tenders for incentives with national and international institutions
- Consulting services in the field of introduction and implementation of quality systems - ISO 9000, ISO 14000, ISO 18000 and HACCP
- Training and seminars in various fields of economics and business - marketing, finance, tax policy, company organization, human resource management.

SEDA is certified according to ISO 9001:2008 standard for project cycle management and the provision of training for SMEs (small and medium entrepreneurship)

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