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Serbia

Fresh Deciduous Fruit

Plum Production Update for Serbia and Montenegro 2003

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Report Highlights:

In 2003 plum production in Serbia reached the highest level since 1994 at 400,000 MT. Roughly 15 percent of the 2003 crop will be exported. Almost 80 percent of the Serbian crop is further processed, and fresh plum sales are weak due to quality problems.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Sofia [BU1]
[SR]

SERBIA AND MONTENEGRO**Plum Production Update****2003**

With 400,000 tons, Serbia hits a 7 year high production of plums this year. Local companies are processing plums into marmalades, jams and dried product. Companies producing frozen fruits have recently turned to raspberries and cherries since profits in exporting those products were higher than exporting plums. Thus, the plum processing industry is suffering financially and will have difficulties in marketing total plum output. The current price of plums (wholesale) is 8 dinars/kilo (\$ 0.14).

Around 44,000 plum trees are planted on some 150,000 HA in Serbia. Plums were one of the main export products in the ex-Yugoslavia. Most plums were grown in the Republic of Serbia in south central orchards. Over the last ten years Serbia had serious problems with disease (erwinia) that damaged and destroyed a large number of plum trees.

In 2002, Serbia harvested only 197,000 tons of plums. While in 2003, even with spring frost and drought, no damage was recorded. The 2003 plum crop is of excellent quality for both processing and consumption.

Due to the lack of finances and production technologies, some 80 percent of total fresh plum production is used for production of plum brandy. This is a typical Serbian drink produced in most villages. The Serbian Government has a plan to register "Serbian plum brandy" as a special geographical indicator or international brand name.

In 2002 the Serbian Government introduced subsidies for planting new plum trees. The government is paying 40,000 dinars (\$702) per hectare for four main sorts of plums: pozegaca, cacanska, valjevka and stenley. Subsidies are to be paid for new plum trees in the region of Nis, Pirot, Jablancki and Pcijski. Plum trees must be planted on an area larger than 0.5 hectares, with at least 400 trees per hectare. The government is paying in advance some 20,000 dinars per hectare if a farmer can prove that at least 90 percent of the new trees are in good condition, and not suffering from any disease.

With the new policy of paying subsidies the number of plum trees increased in 2003 to 44,000 and is now close to 1998 levels. Serbian companies are expecting to export around 15,000 tons of plums (fresh and processed) worth 6,555 million USD out of the 2003 crop of 400,000 tons. This is only 4 percent of the total production. In total, fresh plums account for up to 15 percent of overall plum exports, while processed plums (frozen, jams, dried) account for almost 85 percent of total exports. Problems in exporting include lack of new technologies for processing and drying plums, lack of solid and small packages and lack of recognized brand names.

In August 2003 Serbia exported 1,000 tones of fresh plums to Germany at a value of 500,000 EUR. Fresh plum exports are 1st quality, picked by hand and farmers are paid 8 dinars/kg (0.14 \$/kg) wholesale. Serbia's main competitors in the region are Poland, Czech Republic, and Hungary.

Year	No. of plum trees in '000	Production (tones)	Production per plum tree (kg)	Export (tones)	Export ('000 USD)
1996	45,662	609,163	13,3	5,980	2,957
1997	45,109	462,116	10,2	5,997	2,936
1998	44,589	477,537	10,7	7,143	3,463
1999	43,242	379,537	8,7	11,389	4,066
2000	43,103	351,307	8,2	11,785	4,519
2001	42,596	333,106	7,8	16,507	5,550
2002	42,393	197,486	4,7	9,434	4,123
2003	44,000	400,000	9,1	15,000	6,555

Source: Official Serbian Statistics.