

Chapter 16

State and Possibilities for Development of Livestock Production in the Republic of Serbia

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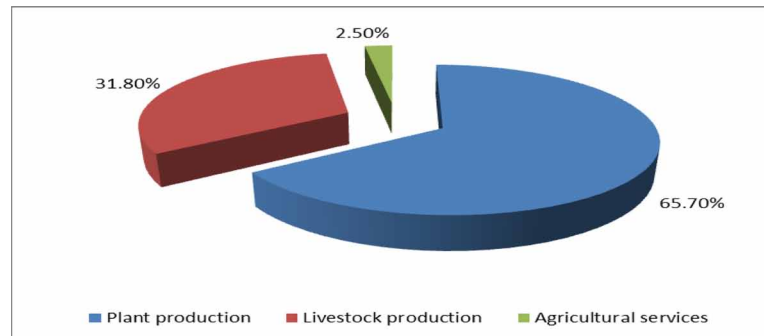
ABSTRACT

Basic features of the agricultural production in Serbia are small average farm size, small plots of land, low competitiveness, and problems with financing. An average farm size in Serbia is only 5.4 hectares of utilized agricultural area, while a majority of livestock farms have less than 5 livestock units. Livestock products do not have significant participation within structure of agricultural export, which indicates that a lot of resources in livestock breeding are not sufficiently used. This chapter perceives the present situation and analyzes development possibilities for livestock production in Serbia. To enhance livestock production, it is necessary to overcome obstacles such as investments and their financing, technology improvement, and marketing problems. State support is crucial in the entire process. Development of livestock breeding could reduce rural poverty and development of rural areas, primarily in hilly and mountainous regions.

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Figure 1. Structure of total value of agricultural production in the Republic of Serbia (%)

Source: RZS (2018): *Ekonomski računi poljoprivrede u Republici Srbiji, 2007 – 2017*. Republički zavod za statistiku, Beograd.



INTRODUCTION

According to the Agriculture Census 2012, in the Republic of Serbia there are a total of 3,437,423 hectares of used agricultural land. The Republic of Serbia has favorable natural conditions for livestock development, since it has over 1.4 million hectares of permanent lawns of high quality and significant capacities of non-used facilities. Nevertheless, this branch of agriculture has recorded negative trends for the third decade. Regional differences in trends and livestock production systems are high.

As stated in the Report on the state of agriculture in the Republic of Serbia in 2016, the annual value of total trade in agricultural and food products in 2016 is close to 4.3 billion euros. Of this value, 2.9 billion euros is the value of export of agricultural and food products, while the value of import is about 1.4 billion euros. The trend of surplus growth continued, while primary agricultural products remained dominant in export (73%).

Per the Census of Population, Households and Dwellings in the Republic of Serbia 2011, out of the total number of settlements located on the territory of the Republic of Serbia (6,158 settlements), only 3.1% are urban settlements (193 settlements), while all other settlements (5,965) are considered rural. In rural areas of the Republic of Serbia, demographic trends are becoming increasingly unfavorable, and income from agriculture is relatively low compared to wages from other sectors, which is a clear indicator of low productivity of the sector.

According to the Statistical Office of the Republic of Serbia for 2017, when it comes to the structure of the value of total agricultural production in the Republic of Serbia, the plant production has the dominant share, which in 2017 amounts 65.7%. The share of livestock in the value structure of agricultural production in 2017 is 31.8%, while the share of agricultural services is 2.5% (Figure 1). The low share of livestock in the total value of agricultural production points to its insufficient development and underutilization of the natural potentials that exist for its development.

When looking at the structure of the value (output) of plant production, it can be noticed that grains dominate with 31.9%, and all other plant species are by far the less important (Figure 2).

Such high participation of grain can be explained by the fact that grains (wheat and corn) are products that are easily sold for export and for industrial processing, while the other grains are used for feeding livestock. On the other hand, the participation of fodder plants in the total value of plant production of only 5.9% is the result of underdeveloped livestock production, which inadequately uses silage in the

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