



SERBIA
RURAL
DEVELOPMENT

SERBIA is rural area

In Serbia, “rural area” is defined as an area, whose main physical and geographical characteristic is the primary use of the land for agriculture and forestry.

Rural areas take up **85% of the territory of Serbia**, while rural population make up **55% of the total number of inhabitants**. Economic structure of rural areas of Serbia is highly dependent on agriculture.



Rural areas in Serbia are significantly different in social, economic and demographic characteristics. Basic problems and trends faced by almost all rural areas are:

- migration,
- poor diversification of economic activities,
- extensive agriculture as the dominant economic activity,
- high unemployment rate,
- lack of employment opportunities,
- poor and underdeveloped infrastructure,
- low GDP per capita compared with urban regions and
- unpolluted environment which is faced with potential threats.



In Serbia 363,642 farms were registered.

Most private farms are small farms consisting of several parcels.

In the structure of the created value of agricultural production 59% comes from the plant, and 41% from livestock production.

Productivity is below the EU average and natural predisposition due to lack of funds and low input use on farms. The production structure is dominated by grains, and most productive culture is corn.

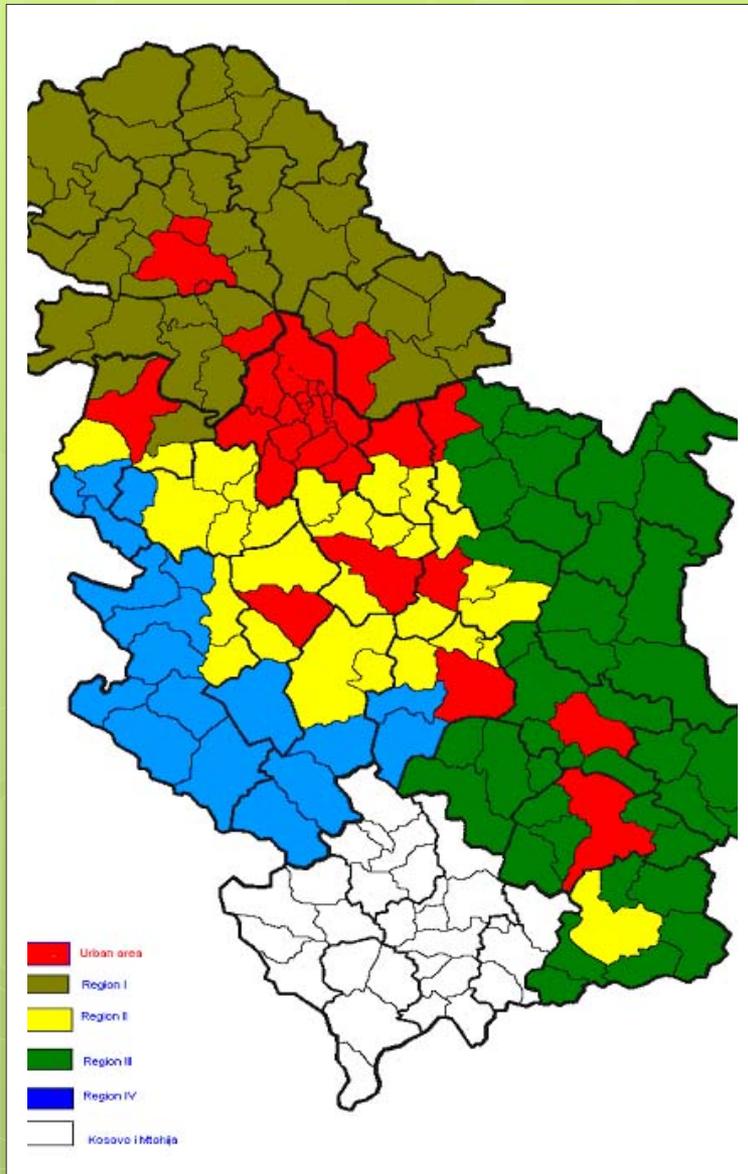
In order to identify similarities and differences between rural areas in Serbia, as well as their strengths and weaknesses, through cluster analysis developed a typology of rural areas. Four different types of rural areas that can be used to identify specific strengths and weaknesses of these areas as well as for making appropriate strategies and effective policies and measures for their development, are as follows:

Type 1: Highly productive agriculture and integrated economy.

Type 2: Small urban economies with intensive agriculture

Type 3: Economies oriented towards natural resources, mainly mountainous area

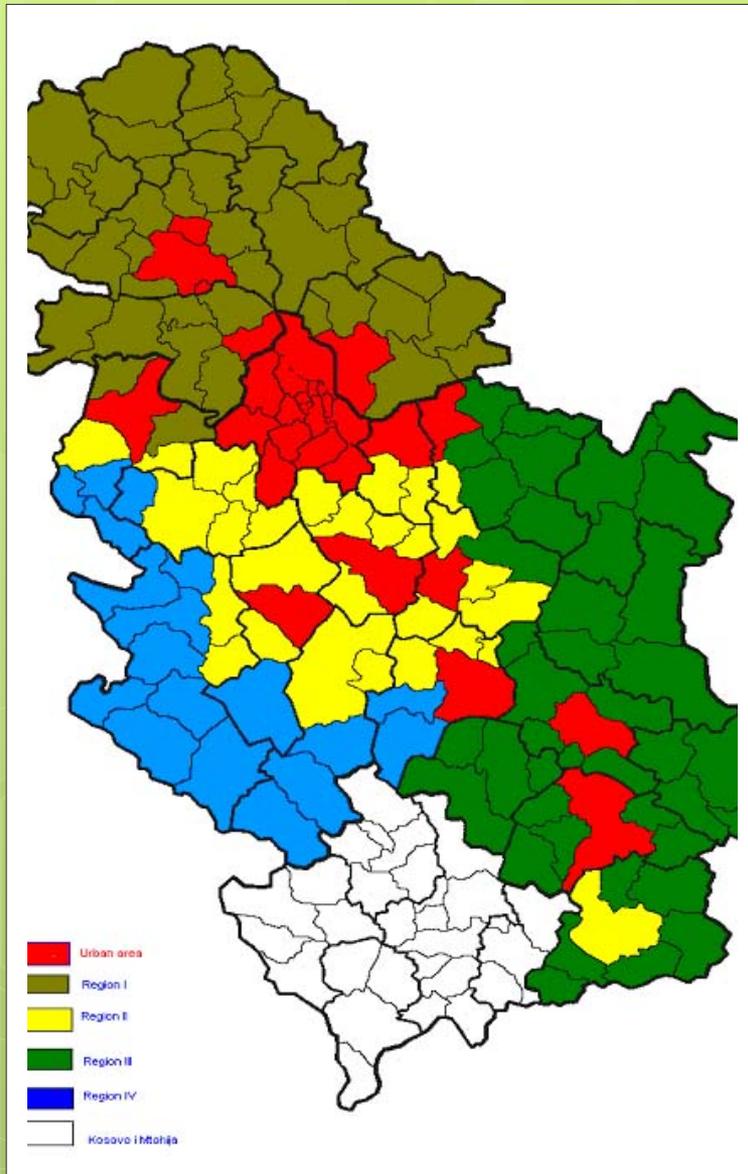
Type 4: Large tourist facilities and poor agricultural structure



Type 1: Highly productive agriculture and integrated economy.

This group of rural municipalities includes municipalities in northern parts of Serbia.

In these areas a highly productive agriculture is present with better structure of farms (larger farms with higher productivity of land) and vertical integration with agricultural and food sector. Compared to the level of the Republic of Serbia, services and industrial sector are better developed



Type 2: Small urban economies with intensive agriculture

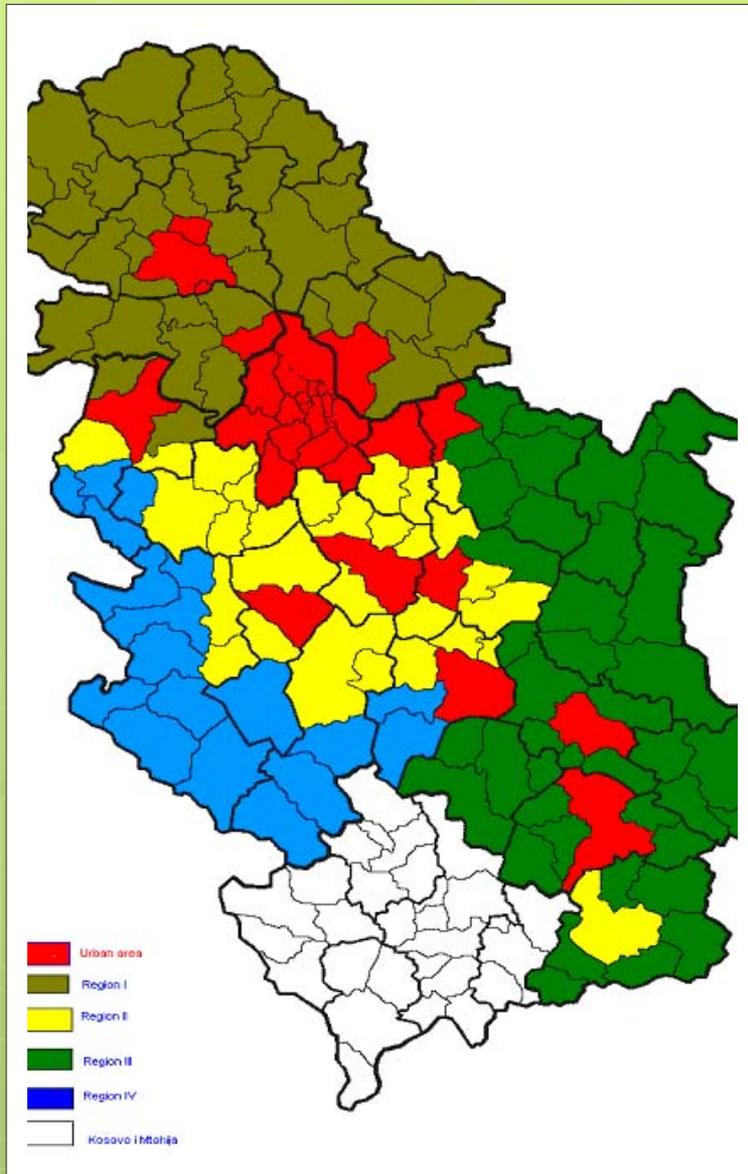
This region includes the municipalities in rural areas that are located

along the river valleys and major regional roads in central Serbia.

In these areas the agricultural production is intensive (vegetables, vineyards and orchards) and market oriented, while their rural economy is diversified, with different services

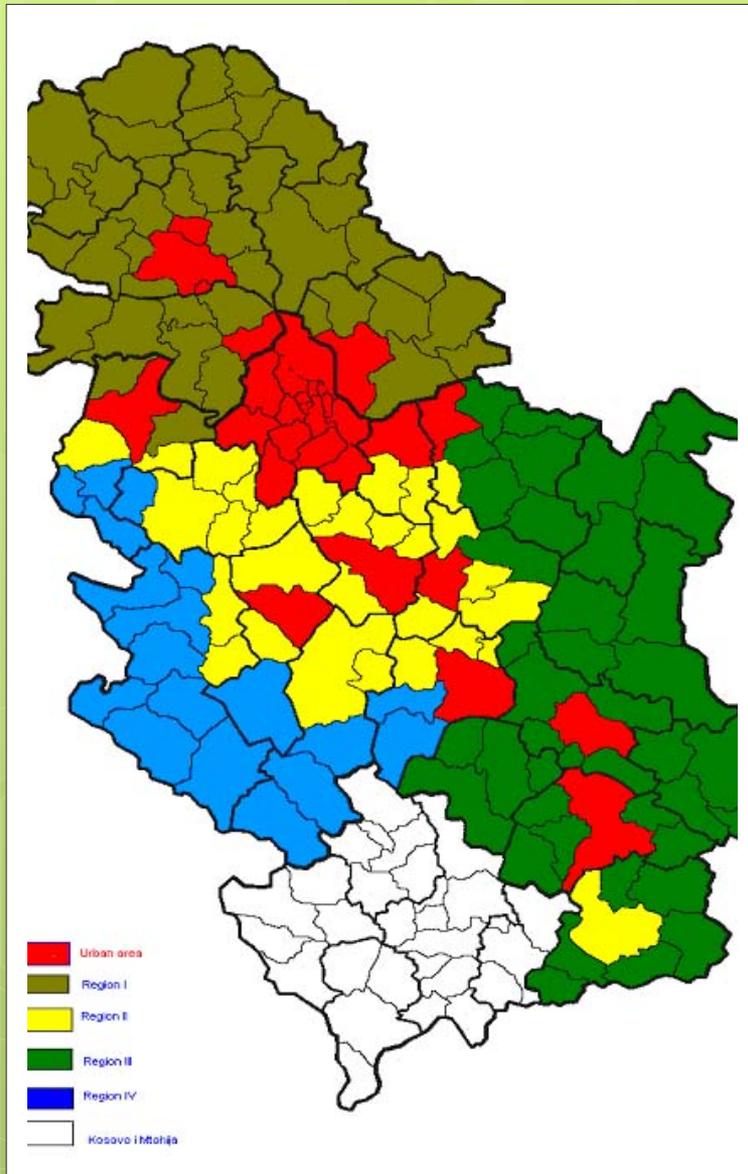
and the presence of small and medium enterprises. Productivity of

agricultural land is at a similar level as in the rural areas of Vojvodina



Type 3: Economies oriented towards natural resources, mainly mountainous area

This region includes the municipalities in of the south-eastern part of Serbia. GDP per capita is significantly lower than the national average .This economic structure is associated with low productivity agriculture, a small number of industrial activities, the presence of a higher level of services and tourist potentials. This is essentially a rural area oriented towards natural resources and tourism potential with the possibility of using advantages of rural areas (natural resources, countryside surroundings, cultural heritage).



Type 4: Large tourist facilities and poor agricultural structure

The cluster of municipalities in a rural area located in the western part of Serbia with large tourist facilities. Percentage of agricultural land and labour productivity is twice lower than the national level. This type of rural area has one of the lowest shares of GDP per capita in rural areas which is 54% of the national average per capita GDP.

Rural development policy in the Republic of Serbia

Rural development policy of the Republic of Serbia is under the jurisdiction of the **Ministry of agriculture, forestry and water management.**

Law on Agriculture and Rural Development was adopted in May 2009.

This law regulates the objectives and implementation of agricultural policies, forms of incentives in agriculture and rural areas, the conditions for eligibility for incentives, incentive beneficiaries, Registry of farms, recording and reporting in agriculture, as well as monitoring of this law.



Министарство пољопривреде,
трговине, шумарства
и водопривреде

Rural development at the local level in Serbia

The local governments in Serbia mainly have active Offices that assist the village and / or the Offices to support agriculture in different organizational forms. However, there is no correlation between the degree of development of LG and the existence of the office to help the village. After adopting the Law on the agriculture and rural development, local governments have begun with the establishment of local funds for agricultural development, which usually have some measures to support rural development. Most local governments in Serbia have strategic plans for development in which agriculture and rural development is recognized as a priority

Rural Development Support Network

- For the purpose of uniform and accelerated development of rural areas in Serbia, through recruitment, development and improving the capacity of local communities, as well as providing two-way flow of information between the local and central level, the Ministry of Agriculture, Forestry and Water Management 2007a. establish a Rural Development Support Network. The network currently consists of 15 regional centers, within which it operates 140 regional offices.



Rural
development in
Serbia

Potentials

Agricultural production



Agriculture in Serbia has extremely strong economic power, it is the basis for economy and engine for development of rural areas. Agriculture is also the only sector in Serbia with a positive foreign trade balance, which means that it is the backbone of foreign trade development of our country. Serbian agriculture has great potential and provides positive results due to its advantageous geographical position (Central Balkans, centre of Southeastern Europe), beneficial climate conditions and high quality soil, significant processing capacities, as well as favourable trading conditions – preferential access to major markets (CEFTA, EFTA, EU, Russia, Belarus, Turkey, Kazakhstan, USA).

Livestock production

Over 700.000 households are engaged in livestock production, which is over 55% of total number of households, and it is important branch of economy which participates in the gross domestic product with 41%. Livestock production provides necessary products (milk, meat, eggs) for nutrition of domestic population. Also, livestock production provides raw materials for food industry. Livestock production is expected to provide high quality products for export, primarily beef and lamb meat. Chance/opportunity for export exists also for cheeses of high quality (especially sheep and goat cheeses) of defined origin and quality.



Agritourism

Significant support to sustainable development of rural areas is provided through diversifying rural economy, where most importance is attributed to development of rural tourism.



Unpolluted natural environment with diverse ecosystems, clean water, healthy food and preserved original style of life fostering traditional values, all of these make the villages of Serbia authentic and attractive for the visitors. There are numerous opportunities for enriching the tourist offer through various sports and recreational activities: hunting, fishing, horseback riding, mountain climbing, as well as other related activities: trekking, trips to nearby caves, waterfalls and springs, foraging for wild fruits, wildcrafting, etc. Production and demand for certified organic products as well as specific local produce have seen a steady rise, which contributes to strengthening offer in rural tourism. In Serbia currently there are about 500 rural households operating in rural tourism.

Waters of Serbia

The importance of water led to it being named the most fundamental strategic resource of 21st century.

According to the United Nations data, Serbia ranks 47 of all the countries in the world when it comes to reserves of healthy and potable waters.

The Ministry of Agriculture, Trade, Forestry and Water Management is currently developing the Water Management Plan and the related Programme of Measures that are to ensure improvements in the water status in the Republic of Serbia.

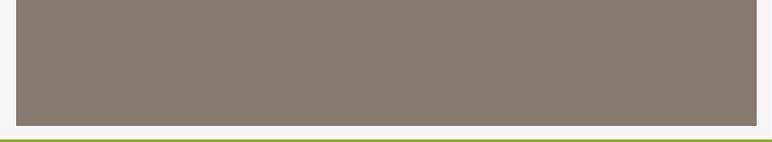


Forests of Serbia

Serbia is considered to be a medium-forested country. Out of the total area of Serbia's territory, 30.7% is covered by forests (2.7 million ha). The state-owned area is 1.4 million ha (51%), while the remaining 49% (1.3 million ha) is privately owned. The forests are managed by two Public Enterprises for Forest Management, "Srbijašume" and "Vojvodinašume", and also by 5 National Parks (Fruška Gora, Kopaonik, Tara, Đerdap, Šar Planina).

The forestry sector is a very important one for the development of country, and together with other complementary sectors (wood industry, agriculture, environmental protection, tourism, energy management), it significantly contributes to the country's gross national income through inter-sectoral aspects.





Serbia is a country with great
potential for rural
development

Thank you for your attention