Republika e Kosovës - Republika Kosova - Republic of Kosovo
Ministria e Bujqësisë, Pylltarisë dhe Zhvillimit Rural
Ministarstvo Poljoprivrede, Šumarstva i Ruralnog Razvoja
Ministry of Agriculture, Forestry and Rural Developement

GREEN REPORT
2019

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Kosovo Green Report 2019

Ministry of Agriculture, Forestry and Rural Development, Prishtina 2019

Foreword

The Ministry of Agriculture, Forestry and Rural Development, through the Green Report 2019, considers important the need to inform interested readers about the reforms, initiatives, activities and results achieved during 2018, where readers will have the opportunity to be informed about all relevant data generated or collected by MAFRD for the agricultural sector in Kosovo.

The agricultural sector is a sector of great importance in the overall economic development of the country. The purpose of implementing facilitative policies for farmers is among our priorities, in order to provide them security and facilitation in their development processes. Among our priorities is also the job creation, thereby contributing to poverty alleviation and improved living conditions.

MAFRD, in compliance with applicable laws as well as implementing agreements in accordance to EU objectives and policies, aims to provide citizens with a secure and more sustainable environment by paying attention to the food quality and safety, welfare of animals as well as standardization of products that are produced in our country. It is also important that Kosovar producers are becoming more and more aware that applying EU rules will add value to their production and also enable their participation as equal producers in the common market of EU countries.

Each year, the Green Report is becoming more important and valuable to everyone, so with the support of our experts, partners and all officials, this report will be more completed and will provide more and more information that will be served to identify data about the agricultural sector.

I thank all the contributors who made this report take the form of a highly regarded document and will continue to work closely together to provide an overview of the state of the agricultural sector in the country.

Dijana Zivic

Minister

Introduction

The Green Report is published for the 7th year in a row, and it represents the year-to-year agriculture statistics situation of the country. Through this report readers will be able to get informed on the agriculture sector development strategies and policies of our country, as well as they will have a clear overview on the investment possibilities in this sector, based on the presented results and data.

As in previous years, in drafting of this Green report we have been cooperating with all MAFRD departments and agencies, as well as with other governmental and non-governmental organizations to bring the data as comprehensive and unified as possible, always closely cooperating with the Steering Committee, which has a very important role in drafting the report.

Contrary to the previous editions of the Green Report, in this edition you will find changes or expansions of the list of prices of agricultural products, as requested by readers, in this year's report were also added FADN (Farm Accounting Data Network) results are also added to this year's report. It is worth noting that the 2014 data (wherever the source is Agriculture Census 2014) does not include data for the four northern municipalities that did not participate in the Agriculture Census.

The report was prepared with a great dedication by the Department of Economic Analysis and Agricultural Statistics, composed of **Delvina Hana Bakija, Hakile Xhaferi, Adelina Maksuti, Edona Mekuli, Skender Bajrami, Belgin Dabiqaj, Shkëlqim Duraku, Shqipe Tërshnjaku and Agnesa Blakaj-intern,** whereby all have shown a great commitment for the realization of the Green Report 2019 in the best possible way. We also express our gratitude to everyone who provided us data and supported us to the finalization of a sustainable report for the public.

Delvina Hana Bakija

Acting Director of the Department of Economic Analysis and Agriculture Statistics

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List of abbreviations

HBS	Agricultural Holdings Survey
AFK	Agency for Finance in Kosovo
LFS	Labour Force Survey
PAK	Privatization Agency of Kosovo
KFA	Kosovo Forestry Agency
KAS	Kosovo Agency of Statistics
FVA	Food and Veterinary Agency
AAD	Agency for Agriculture Development
EU	European Union
BPB	Private Bank for Business
GDP	Gross Domestic Product
CBK	Central Bank of the Republic of Kosovo
CEFTA	Central European Free Trade Agreement
CNVP	Connecting Natural Values and People
DEAAS	Department of Economic Analysis and Agriculture Statistics
DCA	Development Credit Authority
CD	Coordinating Directories
DBH	Diameter of Brest Height
DMWAE	Directorate for management of wild animals and ecotourism
DAPM	Department of Agriculture Policies and Markets
DRDP	Department of Rural Development Policy
DTAS	Department of Technical Advisory Services
DFT	Department of Food Technology
EC	European Commission
FADN	Farm Accountancy Data Network
FAO	Food and Agriculture Organization
FAV	Faculty of Agriculture and Veterinary
KCGF	Kosovo Credit Guarantee Fund
KSF	Kosovo Security Force
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
LAG	Local Action Groups
HACCP	Hazard Analysis and Critical Control Point
I&R	Identification and Registration
IADK	Initiative for Agriculture Development of Kosovo
KAI	Kosovo Agriculture Institute
NPISH	Non-profit Institutions Serving Households
NIPHK	National Institute of Public Health of Kosovo
MFI	Micro Finance Institutions
PFI	Partner Financial Institutions
IPPC	International Plant Protection Convention
ISO	International Organization for Standardisation
COA	Commission for Organic Agriculture
EC	European Commission
KEP	Kosovo Enterprise Program
KRC	Kosovo Rural Crediting
FVL	Food and Veterinary Laboratory
EAA	Economic Accounts for Agriculture
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MLSW	Ministry of Labour and Social Welfare
SAA	Stabilisation and Association Agreement
MTI	Ministry of Trade and Industry

TNB	Total Number of Bacteria
SOE	Socially-Owned Enterprise
SME	Small and Medium Enterprises
LU	Livestock Unit
FMU	Forest Management Unit
AWU	Annual Work Unit
BO	Business Operators
WTO	World Trade Organisation
FAF/FBO	Food Agricultural Facilities/Food Business Operators
OIE	World Organization for Animal Health
NGO	Non-Governmental Organization
ARDP	Agriculture and Rural Development Plan
PCB	Procredit Bank
BIP	Border Inspection Points
PPP	Plant Protection Products
PPSE	Promoting Private Sector Employment
IAC	Information and Advisory Centre
SC	Somatic Cells
RBKO	Raiffeisen Bank
KRDN	Kosovo Rural Development Network
ALU	Agricultural Land Used
OS	Output Standard
SE	FADN variables
HUCSK	Hospital and University Clinical Service of Kosovo
LDS	Local Development Strategy
TAIEX	Technical Assistance and Information Exchange
TBC	Tuberculosis Disease
TEB	Türk Ekonomi Bankasi
AI	Administrative Instruction
USAID	United States Agency for International Development
WEO	World Economic Outlook

1 Overall economic environment

Based on the KAS[1] statistics, the Gross Domestic Product with the current prices of 2018 was EUR 6,725.9 mil. Real growth in 2018 compared to 2017, was 3.82%. The GDP per capita in 2018 was EUR 3,746.

Real growth for 2018 was marked in the following economic activities: financial and insurance activities with 17.9%, public administration and protection, as well as compulsory social insurance with 9.5%, construction with 9.3%, health and social welfare activities with 8.1%, wholesale and retail trade, repair of vehicles and motorcycles with 7.6%, information and communication with 5.1%, extractive industry with 4.2%, transport and storage with 4.1%, education with 3.9%, administrative and support activities with 3.9%, processing industry with 3.4%, hotels and restaurants with 2.9%, real estate activities with 2.8%, professional, scientific and technical activities with 2.7%, art, entertainment and leisure with 2.3%, other services with 1.4% and water supply with 0.6%.

Decrease was marked in the following activities: agriculture, hunting, forestry and fishing with 10.6%, electricity and gas supply with 3.4%.

[1] Gross Domestic Product 2008 – 2018

Table 1: Gross Domestic Product by economic activities at current prices (in '000 EUR)

	Economic activities	Gross Value Added (GVA)				
		2014	2015	2016	2017	2018
A	Agriculture, hunting, forestry and fishing	661,820	599,608	635,044	586,136	481,997
B	Extractive industry	116,411	118,447	126,698	146,914	145,462
C	Processing industry	575,830	625,841	665,852	700,160	761,545
D	Energy and gas supply	156,739	191,221	211,821	230,777	233,085
E	Water supply	47,078	48,344	44,870	48,380	47,091
F	Construction	335,153	397,314	395,438	513,474	584,952
G	Wholesale and retail; repair of vehicles and motorcycles	688,580	712,234	746,731	801,309	877,222
H	Transport and storage	197,360	209,275	220,501	237,855	266,381
I	Hotels and restaurants	52,093	60,094	71,861	80,517	85,981
J	Information and communication	109,251	108,965	111,556	115,841	125,063
K	Financial and insurance activities	221,158	212,086	175,836	197,336	237,817
L	Real estate activities	499,116	499,305	483,836	489,038	500,128
M	Professional, scientific and technical activities	76,593	90,861	93,868	96,113	97,762
N	Administrative and support activities	34,082	33,859	37,189	43,212	47,254
O	Public administration and protection; mandatory social insurance	499,169	454,493	465,893	476,617	522,208
P	Education	217,134	234,071	242,634	244,741	254,570
Q	Health and social welfare activities	97,600	107,790	112,584	115,566	124,973
R	Art, entertainment and leisure	22,932	23,653	24,955	26,395	27,563
S	Other services	9,353	12,744	12,871	13,000	13,130
T	Activities of households as employers; Undifferentiated goods and services produced by activities of households for own use	-	-	-	-	-
	GVA at basic prices	4,617,451	4,740,205	4,880,038	5,163,379	5,434,184
	Taxes on products	971,540	1,097,282	1,220,098	1,300,192	1,341,373
	Subsidies on products	-21,497	-30,479	-30,023	-49,710	-49,644
	Gross Domestic Product	**5,567,494**	**5,807,009**	**6,070,113**	**6,413,861**	**6,725,913**

Source: KAS – Gross Domestic Product 2014–2018

According to the GDP's main elements, with an expenditure approach, the real growth for 2018 was as follows: import of services 22.5%, final consumption cost of the Government 8.9%, import of goods 6.5%, gross fixed capital 6.1%, export of services 5.5%, final consumption costs of households 4.8%, and final consumption expenditures of NPISH 4%. There was a decrease in the activity of goods export activity by 2%.

Table 2 below contains data on Gross Domestic Product, with an expenditures approach, for the period 2014-2018, at current prices.

Table 2: Gross Domestic Product at current prices 2014-2018, (in million EUR)

	2014	2015	2016	2017	2018
GDP at current prices	5,568	5,808	6,070	6,414	6,726
Final consumption expenditure	5,731	5,859	6,146	6,254	6,704
Final consumption expenditure of Households	4,802	4,943	5,268	5,370	5,738
Final consumption expenditure of the Government	910	894	854	863	943
Government of Kosovo	724	772	730	752	807
Donors (salaries)	187	122	124	111	136
Final consumption expenditures of NPISH	19	22	24	22	23
Gross capital formation	1,435	1,601	1,650	1,820	1,982
Gross fixed capital formation	1,294	1,499	1,550	1,729	1,888
Inventory changes	141	102	100	91	94.7
Net export	-1,599	-1,652	-1,726	-1,660	-1,960
Imports of goods and services	2,852	2,926	3,072	3,369	3,738
GDP per capita (EUR)	**3,084**	**3,277**	**3,386**	**3,566**	**3,746**

Source: KAS – Gross Domestic Product 2014-2018

During 2018, the external economic environment was characterised by numerous uncertainties, and consequently this has caused a slower economic growth in the Eurozone by 1.8%, compared to 2.4% growth in 2017. In 2018, the average inflation rate in the Eurozone marked an increase by 1.7%, mainly as a result of the expansionary monetary policy.

In the Western Balkan countries, unlike the Eurozone, the growth in economic activity was generally accelerated during 2018, albeit at a different pace in different countries. The average economic growth rates in the countries of the region are estimated to have reached 3.4% in 2018, mainly driven by increased domestic demand.

In 2018, the slowdown in the increase of import prices is also reflected with the slowdown in the increase of prices in the Kosovo economy. The average annual inflation rate, expressed through the Consumer Price Index, was 1.1%. The fiscal sector was characterized by a higher increase in budget expenditures compared to revenues. Budget expenditures amounted to EUR 1.92 billion, representing an annual increase of 10.3%, while budget revenues reached a net value of EUR 1.76 billion, representing an annual increase of 4.5%.

An important contribution to the increase of investments is estimated to have been the increase of bank lending, which has been characterized by a double-digit increase throughout the year. In 2018, only new investment loans recorded an annual increase of 20.9%. Also, changes in tax policy over the past years are estimated to have influenced in stimulation of investments. The value of export of services has increased by 5.4%, amounting to EUR 1,401.9 million.

The primary income account was characterized by an increase of 26.2%. Employee compensation incomes increased by 11.2%. The balance of secondary incomes has increased by 8.5%, which is mainly attributed to the higher remittances. Remittances received in Kosovo, which also represent the largest category within the secondary income account, amounted to EUR 800.5 million, thus representing an annual increase of 5.4%.

In 2018, the value of Kosovo's total financial system assets amounted to EUR 6.32 billion, corresponding to an annual growth of 6.9%.

Table 3: Balance of payments (non-cumulative), in million (EUR)

Year	Current account	Goods and services	Out of which goods	Revenues	Current transfers	Capital and financial account	Out of which capital	Net errors and non-disclosures
2014	-384.6	-1,598.7	-2,058.6	113.8	1,100.3	-123.8	21.2	218.4
2015	-497.3	-1,652.2	-2,109.3	92.6	1,062.4	-286.5	25.8	159.1
2016	-481.4	-1,652.0	-2,290.8	74.5	1,096.1	-184.9	14.2	268.1
2017	-383.2	-1,670.7	-2,464.2	126.6	1,161.0	-296.1	-11.8	110.7
2018	-540.6	-1,960.3	-2,730.9	159.7	1,260.0	-278.3	-11.1	284.5

Source: CBK, Annual Report 2018

1.1 Socio-economic development rate

The agriculture policy has become more and more one of the main factor in development policies of the Republic off Kosovo, considering the importance and share of agriculture in the gross domestic product by economic activities at current prices, where in 2018, the agriculture participated with 7.2%.

Kosovo has prepared long-term and medium-term strategic documents, such as ARDP 2014-2020, Medium Term Expenditure Framework, Kosovo Agriculture and Rural Development Program and ERP, setting out objectives and priorities for agriculture and rural development, aiming gradual approximation of our agricultural policies with the EU Common Agricultural Policy (CAP).

Also the total allocation of agricultural support is approximate with direct producer support and rural development support. The budget allocated for support to the agricultural sector in 2018 has increased to EUR 48 million. The amount of payments for the first pillar of the ARDP for direct payments was EUR 29.6 million, while EUR 19 million were allocated for the implementation of the rural development program, or the second pillar of the investment grants program.

A special measures scheme has been developed with the aim at supporting the four municipalities in northern Kosovo.

With regards to organic farming, Kosovo has adopted an action plan for the period 2018-2021 for organic farming, which identifies the key areas of work to support and develop the organic farming sector. This plan is now being implemented.

A major obstacle for the MAFRD is the lack of the official data on agricultural land loss during each year and lack of a strategy or action plan to address this issue. In cooperation with the

Ministry of Environment and Spatial Planning, the Ministry of Agriculture should take urgent measures to prevent further agricultural land losses by implementing a legislation that regulates the spatial planning.

The Kosovo Advisory System for Agriculture and Rural Development aims to achieve the objectives set out in the ARDP 2014-2020 focusing on increasing agricultural revenues on farms by improving competitiveness. Activities have been organized to support farmers with technical advice in the livestock, beekeeping, viticulture, orchard and vegetable sectors, as well as in organic production.

Agricultural producers continue to be dissatisfied with the interest rates on bank loans, which are quite high and not favourable, thus not helping the development dynamics of this sector. The maturity of agricultural loans varies from 12 to 39 months, depending on the destination of the loan, and also the interest rate varies from 6.2% to 28.5%, depending on the amount of the loan and maturity.

In 2018, the average interest rate on loans to enterprises decreased to 6.0%. Within this category, the interest rate on investment loans has decreased, while the interest rate on non-investment loans showed an upward tendency at the end of the year. According to specific sectors of the economy, loans to the agricultural sector were characterized by increase of interest rates after many years of decline.

Despite continued support, no significant desirable changes have yet been made in the area of agriculture and rural development. These supports continue to be provided through various measures to modernize farms and food processing facilities.

The level of funding remains low, both in terms of investment in farms, main food processing, job creation in rural areas, construction and in empowering local communities, land consolidation, and access to irrigation systems, etc.

Despite the investments made in various fields, based on the KAS statistics, and in particular the labour market statistics in Kosovo for 2018 show a high unemployment rate, which compared to the previous year, results to have marked a slight decrease. The average unemployment rate in 2018 was 29.6% or 0.9% lower than in the previous year.

1.2 Work and employment

Data on the labour market indicators were obtained from the 2018 Labour Force Survey, where among the main indicators are included: detailed data on employment and unemployment by age, sex, employment status, economic activities, occupations and other issues related to the labour market.

Table 4: Key labour market indicators by 2016-2018, in %

Indicators	2016			2017			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Rate of participation in the labour force	58.3	18.6	38.7	65.3	20.0	42.8	63.3	18.4	40.9
Inactivity rate	41.7	81.4	61.3	34.7	80.0	57.2	36.7	81.6	59.1
Employment-to-population ratio (employment rate)	43.0	12.7	28.0	46.6	12.7	29.8	45.3	12.3	28.8
Unemployment rate	26.2	31.8	27.5	28.7	36.6	30.5	28.5	33.4	29.6
Unemployment rate among young people (15-24 years of age)	47.2	65.4	52.4	48.4	63.5	52.7	51.5	64.7	55.4
Percentage of young people NEET among youth population (15-24 years of age)	26.5	34.2	30.1	23.8	31.4	27.4	30.2	30.0	30.1
Percentage of unstable employment to total employment	24.1	18.8	22.9	24.4	18.3	23.1	20.3	17.1	19.6

Source: KAS – Labour Force Survey (LFS) '16,' 17, '18

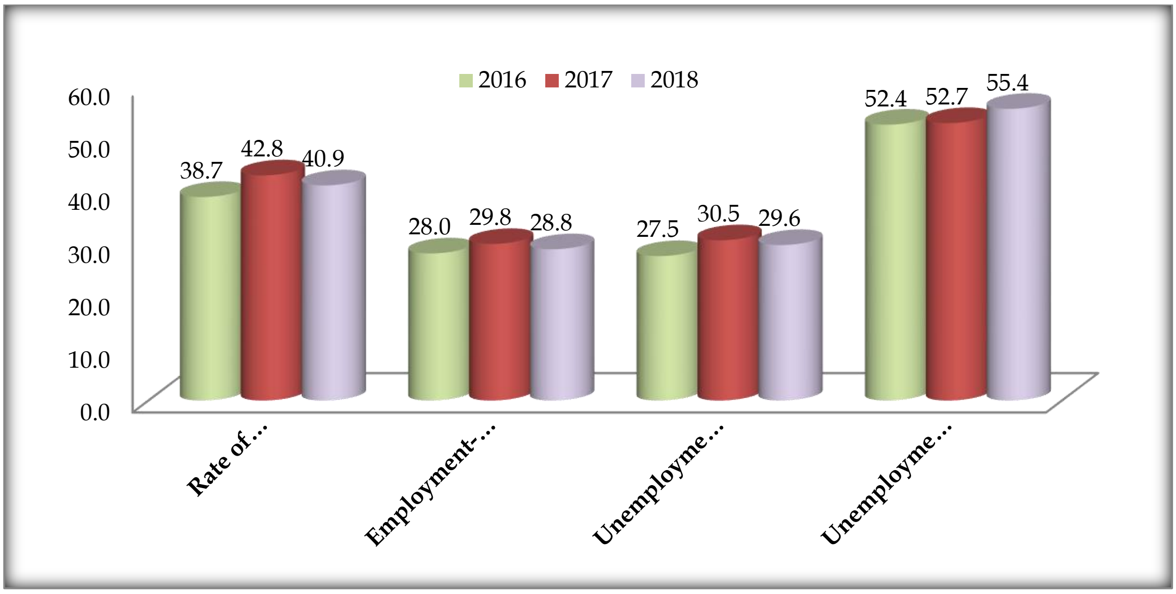
In accordance with the results presented in this publication, it turns out that two-thirds of Kosovo's population are working-age population. The working age population is defined as those aged 15 to 64.

Within the working age population, the rate of participation in the labour force is 40.9%. The employment rate for 2018 is 28.8%.

The highest employment rate is among men (45.3%), while among women is 12.3%. Women are employed mainly in the sectors of education, health care and trade with 52.9%, while men are mostly employed in the sectors of construction, trade and manufacturing with 43%.

The economic sectors with the largest employment continue to be: trade with 17%; construction with 11.9%; education with 11.3% and production with 13.2%. Meanwhile, other sectors participate with a lower percentage of employment.

Figure 1: Key labour market indicators by variables, in %



Source: KAS - Labour Force Survey (LFS) '16,' 17, '18

Unemployment is more pronounced among women with 33.4%, compared to men with 28.5%. The unemployment rate is more pronounced among the group age 15-24 with 55.4%.

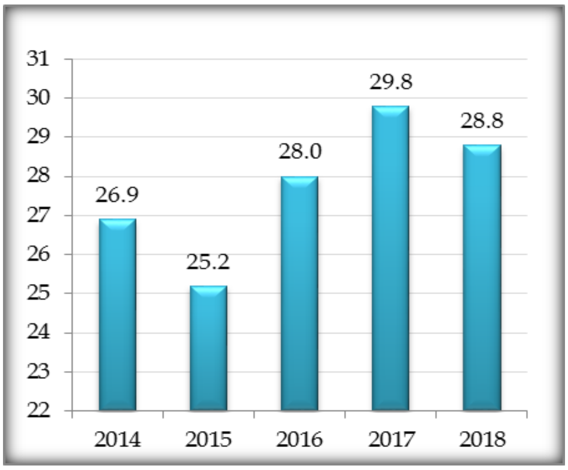
Table 5: Unemployment rate (%) for 2013-2018

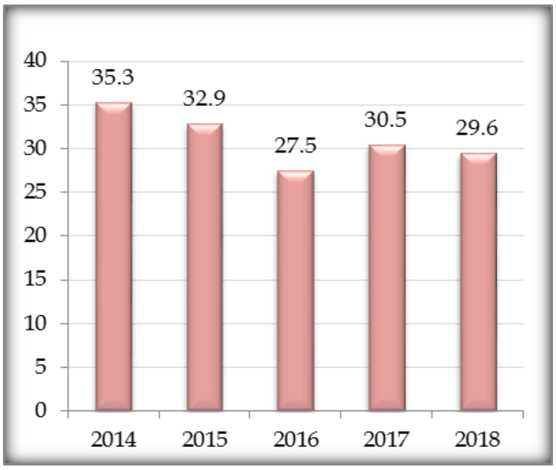
Age	2013	2014	2015	2016	2017	2018
15-24	56	61	58	52	53	55
25-34	33	40	40	34	41	39
35-44	26	31	27	21	24	23
45-54	19	24	21	15	18	16
55-64	10	15	13	12	11	10
15-64	**30**	**35**	**33**	**28**	**31**	**30**

Source: KAS - Labour Force Survey (LFS) '16,' 17, '18

Compared to the LFS 2017 results, the employment rate in Kosovo has dropped by 1 point percentage, whereby this decrease was 3.6 point percentage in the employment rate for men, while this decrease was 0.4 point percentage for women.

Figure 2: Employment rate (left) and unemployment rate (right), by year (%)





Source: KAS - Labour Force Survey (LFS) '14, '15, '16, '17, '18

Employment by age group and education level was the highest among people aged 35-44 (39.1%) and the lowest among young people (15-24 years) (10%).

The employment rate for women in the age group 25-54 ranges from 14.5% to 16.7%. The employment rate for the age group 25-34 is 16%, for the age group 35-44 years it is (16.7%) whereas for the age group 45-54 it is 14.5%. The employment rate for women in the age group 15-24 was only 4.9% whereas for the age group 55-64 it was 11.8%.

The employment rate for men was the highest among the age group 45-54 (65.9%), and lowest among young people (14.6%).

If we analyse employment data by activity, it can be said that the sectors of trade, education, construction and production, have employed more than half of the people employed in 2018.

With regards to net monthly salary, most of them were between EUR 400 and EUR 500, among those who responded. Very small gender differences were noted, with a slight tendency of men receiving higher salaries.

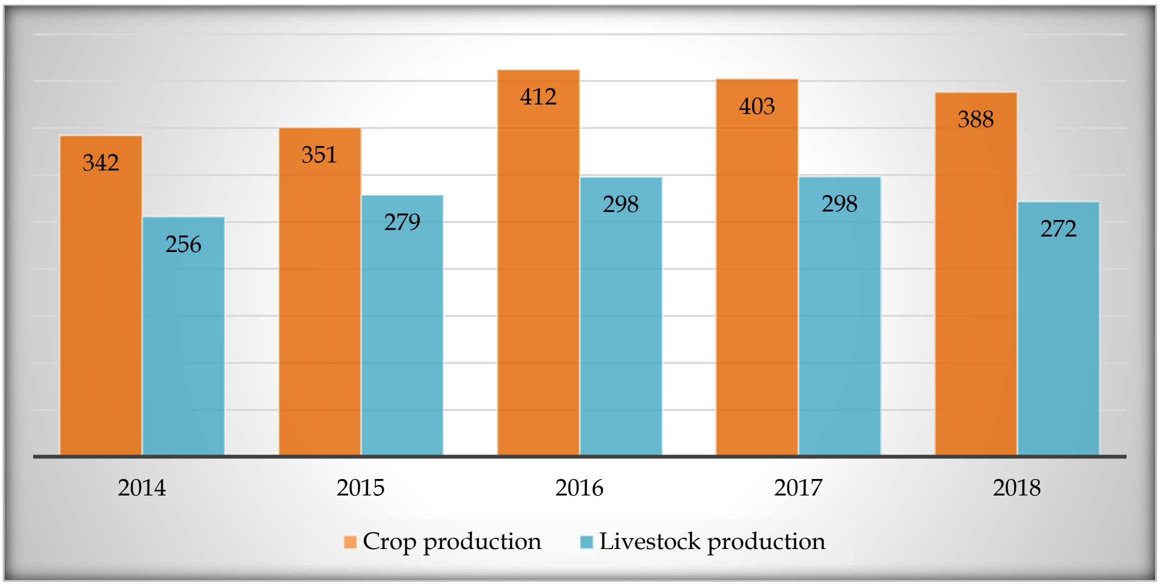
1.3 Economic accounts for agriculture

The economic accounts for agriculture (EAA) provide a detailed overview of income from agricultural activities. They represent a wide range of indicators related to economic activities in the field of agriculture and aim to analyse the agricultural production process and the primary income generated from this production. Data from EAA serve as means to show the economic development in the national agricultural sector and may serve as the basis for the evaluation of changes to agriculture policies of the agricultural sector. The economic accounts for agriculture, at basic prices, include direct payments (subsidies), which are not included in the economic accounts for agriculture at production prices. The EAA data are compiled according to the methodology set out by Eurostat: Manual on the economic accounts for agriculture and forestry EAA/EAF 97 (Rev.1.1) and Commission Regulation (EC) No. 306/2005.

1.3.1 Crop production

In 2018, crop production, same as livestock production declined in value, compared to the previous year where crop production declined by 3.7%, while livestock production declined by 8.7%. If we analyse the value of crop and livestock production for the period 2014-2018, we notice that there was fluctuation during this period, where the highest value was noticed in 2016.

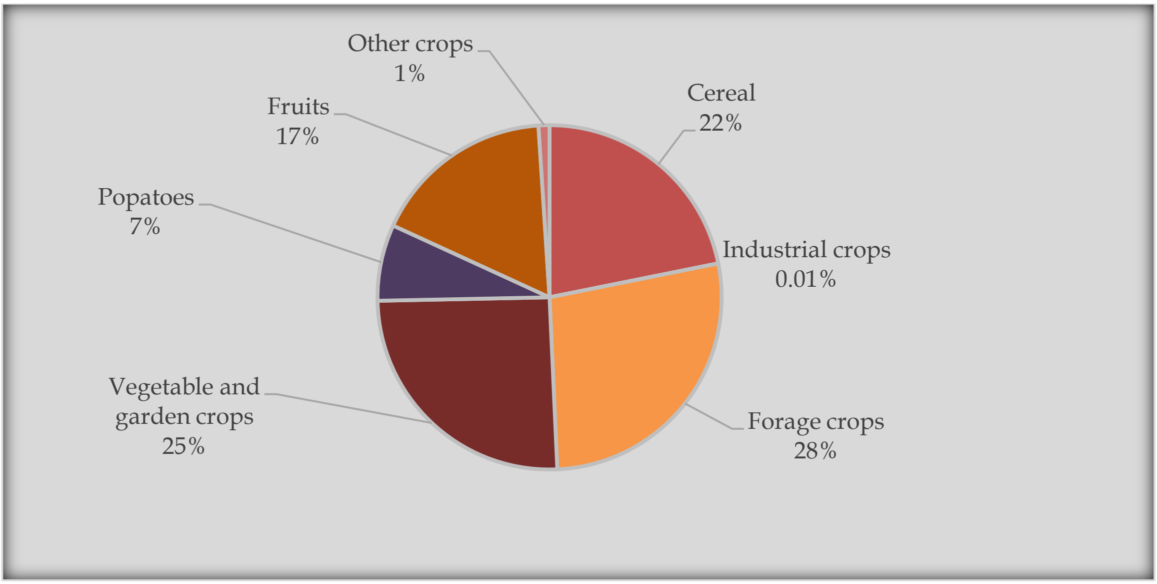
Figure 3: Crop and livestock production for 2014-2018, in million (EUR)



Source: KAS – Economic Accounts for Agriculture '14,'15,'16,'17,'18, compiled by DEAAS – MAFRD

If we analyse the figure below, we notice that in 2018, forage crops have a higher participation in crop production by 28%, followed by vegetables and garden crops by 25%, cereals by 22%, fruits by 17% and others by lesser participation. In 2017, vegetables and orchards have had the highest participation in vegetable production, but in 2018, this category declined by 18%, and was ranked behind forage crops.

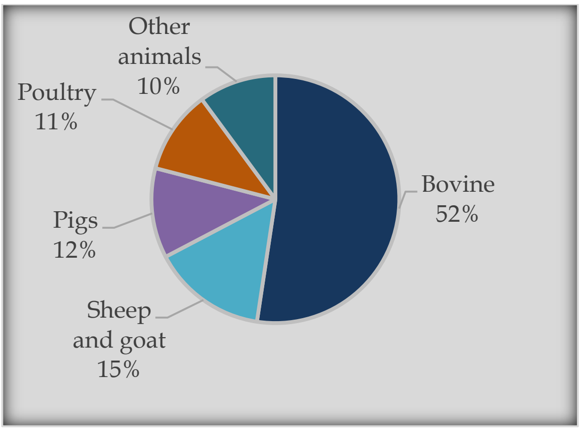
Figure 4: Share of agriculture crops in total crop production, 2018

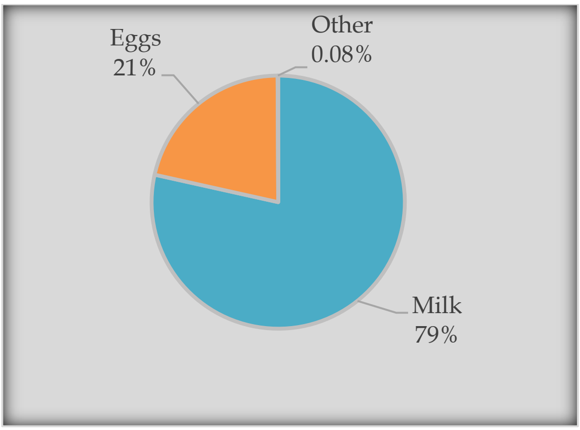


Source: KAS – Economic Accounts for Agriculture 2018

The following figure shows the structure of animals by production value in percentage, and the types of livestock products in percentage. Regarding livestock, beef and veal meet sales lead with the largest share of 52%, followed by sheep and goat meat (15%), pork meat (12%), poultry (11%) and other animals (10%). Regarding livestock products, milk has the highest share of 79%, followed by eggs (21%) and other (0.08%).

Figure 5: Structure of animals (left) and livestock production (left), 2018



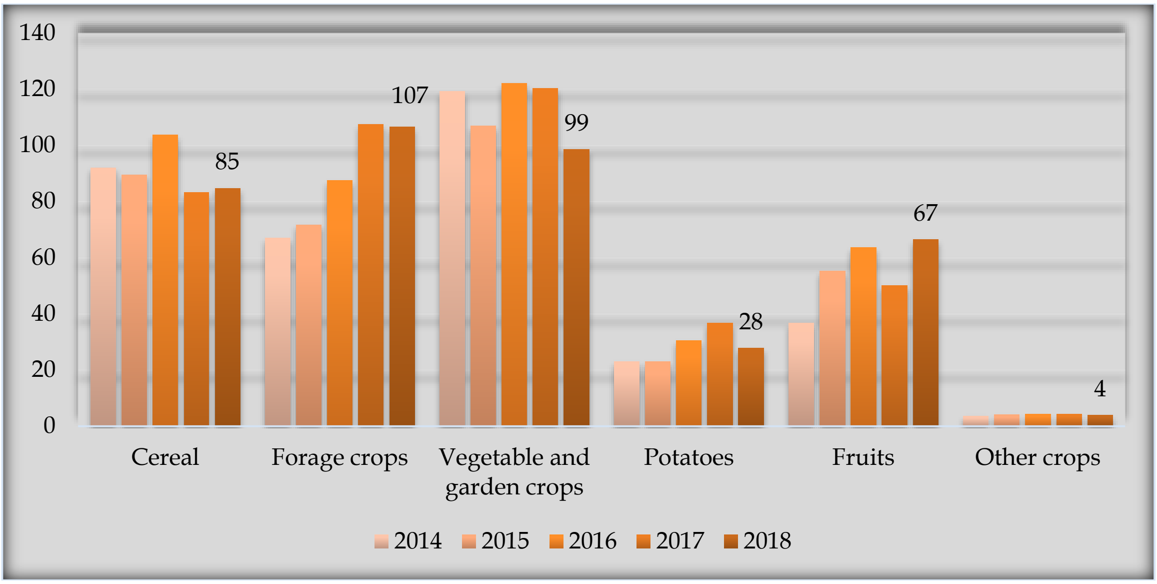


Source: KAS – Economic Accounts for Agriculture 2018, compiled by DEAAS – MAFRD

If we analyse the trend of the crop products value for the period 2014-2018, one can notice that there were fluctuations of the crop categories. The cereal recorded the highest value in 2016, while in 2017 it had the lowest value. Forage crops were characterized by steady increase until 2017, while in 2018 they decreased slightly. The vegetable category had fluctuations during the concerned period, and the highest value of EUR 122 million was recorded in 2016, while the lowest value of EUR 99 million was recorded in 2018. Potatoes, same as forage crops, continued to grow from 2014 until 2017, but in 2018 their value was reduced to EUR 28 million.

Fruits, unlike the aforementioned categories, reached the highest value of EUR 67 million in 2018. Other crop products did not have any significant change in production value.

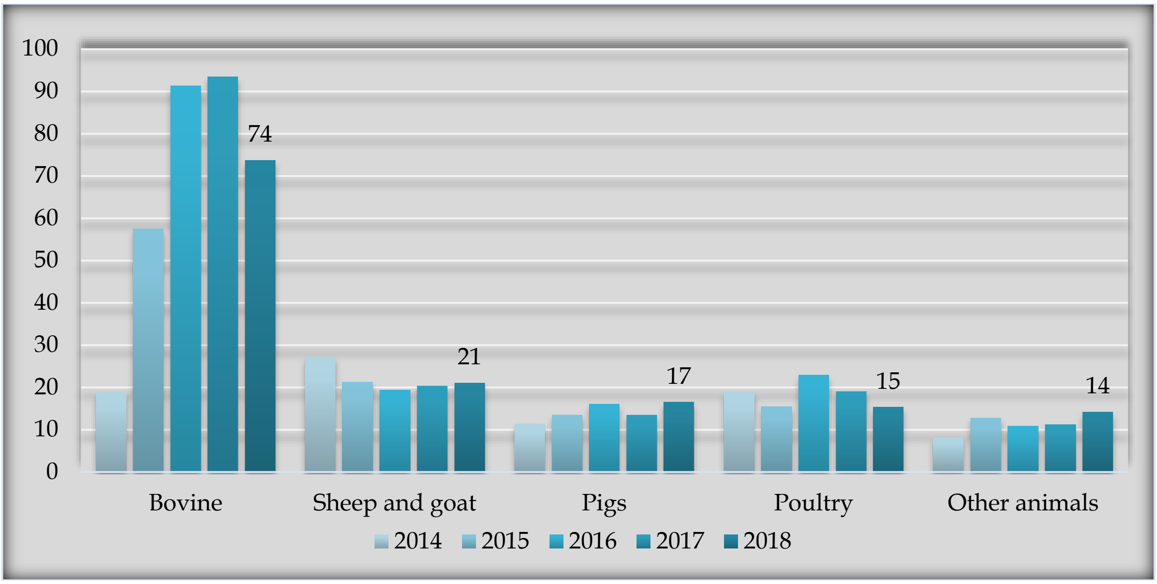
Figure 6: Crop production for 2014-2018, in million (EUR)



Source: KAS – Economic Accounts for Agriculture '14,'15,'16,'17,'18, compiled by DEAAS – MAFRD

With regards to EAA calculations, in value by livestock (excluding livestock products: milk, eggs, raw wool and other livestock products) for the period 2014-2018, the categories that recorded a growth in 2018 were: pigs, sheep and goats and other animals. Bovine from 2014 had a steady growth, whereby in 2017 they recorded the highest value of EUR 93 million, while in 2018 this value dropped by 20%. There were no significant fluctuations in sheep and goats, where the highest value of EUR 27 million was recorded in 2014, while the lowest of EUR 19 million was recorded in 2016. Poultry reached its highest value (EUR 23 million) in 2016, while the lowest value (EUR 15 million) was recorded in 2018.

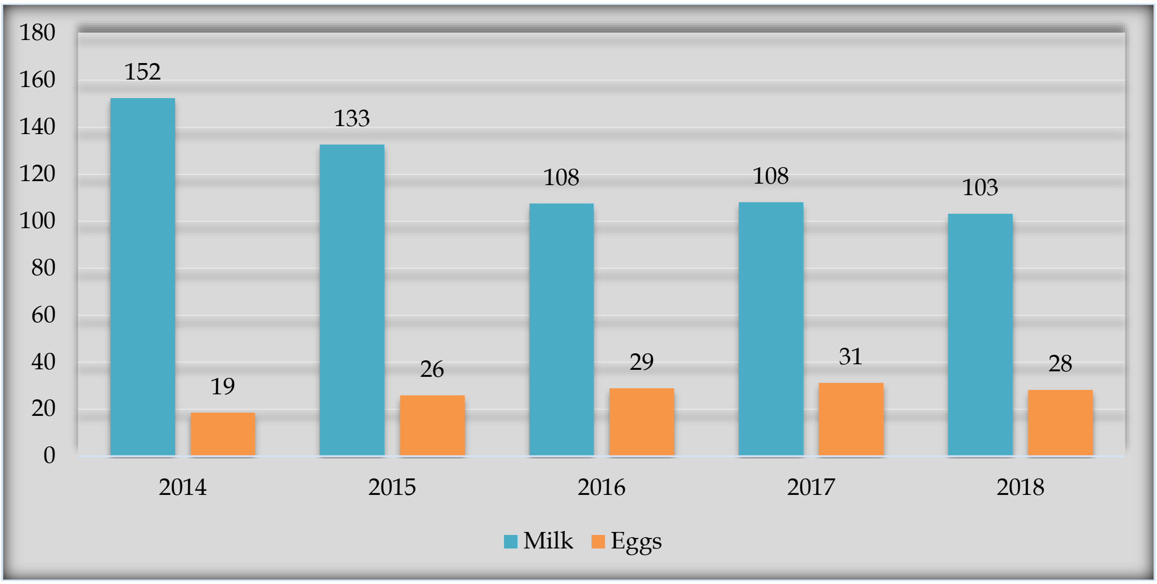
Figure 7: Livestock production for 2014-2018, in million (EUR)



Source: KAS – Economic Accounts for Agriculture '14,'15,'16,'17,'18, compiled by DEAAS – MAFRD

The following figure shows the value of livestock products. The value of milk decreased steadily from 2014 to 2016, and then slightly increased in 2017, to decline again in value in 2018 by 5%. On the other hand, eggs had the opposite trend from milk, as they recorded a steady growth from 2014 to 2017, but in 2018 this livestock product declined by 10%.

Figure 8: Livestock products for 2014-2018, in million (EUR)



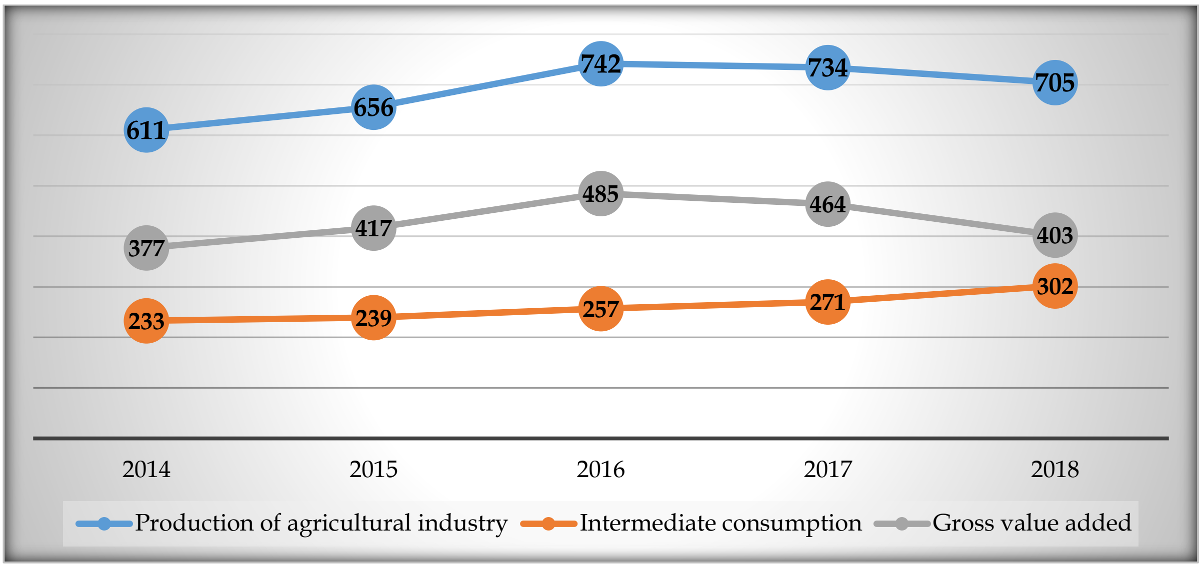
Source: KAS – Economic Accounts for Agriculture '14,'15,'16,'17,'18, compiled by DEAAS – MAFRD

1.3.2 Entrepreneurial revenues

In the figure below are given data on agricultural production, intermediate consumption and gross added value for period 2014–2018. Production of agricultural industry[2] in 2018 decreased by 4% compared to the previous year. During the period 2014-2018, the highest value was recorded in 2016. Regarding intermediate consumption, the highest value was recorded in 2018, where compared to 2017, it marked an increase of 11%.

The gross added value, which represents the difference between the agricultural industry production value and the value of intermediate consumption, in 2018 was EUR 403 million, where compared to the previous year it recorded a decrease of 13%. During 2018, the gross added value was equal to 57% of production value, which is 6 point percentage lower than in 2017.

Figure 9: Agricultural production, intermediate consumption and gross value added for 2014-2018, in million (EUR)



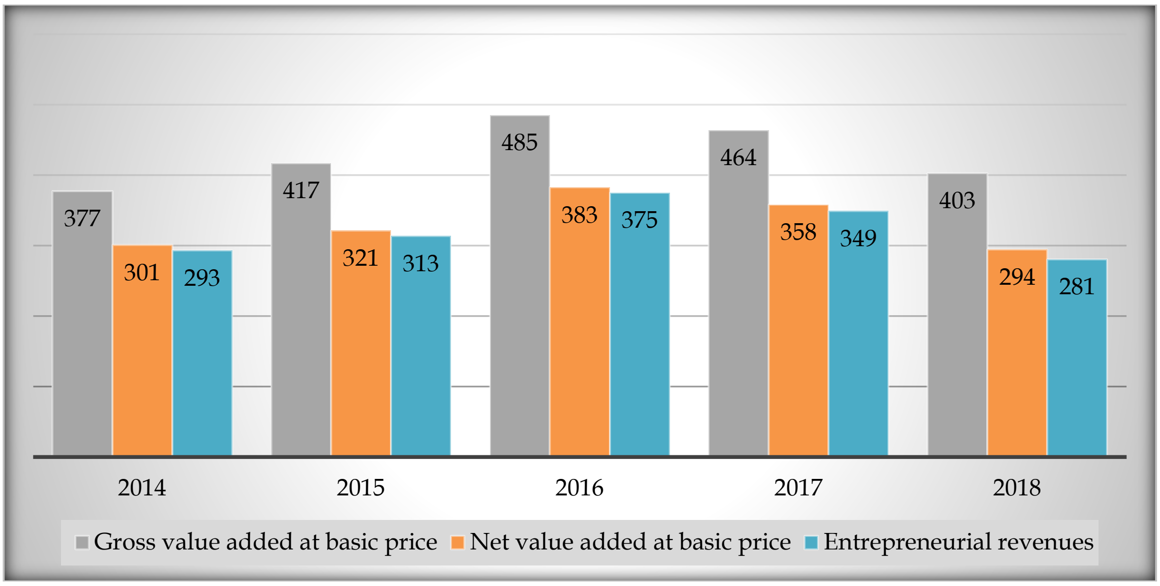
Source: KAS – Economic Accounts for Agriculture '14,'15,'16,'17,'18, compiled by DEAAS – MAFRD

Regarding the value of agricultural revenues, there were fluctuations during the period 2014-2018. The following figure contains data on gross added value, net added value and entrepreneurial revenues. The net added value represents the aggregate production of agricultural industry minus the intermediate consumption costs and fixed capital consumption. Therefore, the net added value of primary agricultural production represents the value generated by all agricultural units after consumption of fixed capital. The entrepreneurial revenues represent the amount of net added value plus production subsidies, minus employee compensation, production taxes, rents and loan interest.

[2] Within the EAA, production of agricultural industry include: the value of crop products, the value of livestock products, the value of agricultural services and the value of non-agricultural secondary activities that are inseparable from agriculture.

As shown in the figure below, the highest value of agricultural revenues was in 2016. Entrepreneurial revenues in 2018 amounted to EUR 281 million, and this value was 19% lower than in 2017, and was also the lowest value during the period 2014-2018.

Figure 10: Aggregated agricultural revenues for 2014-2018, in million (EUR)

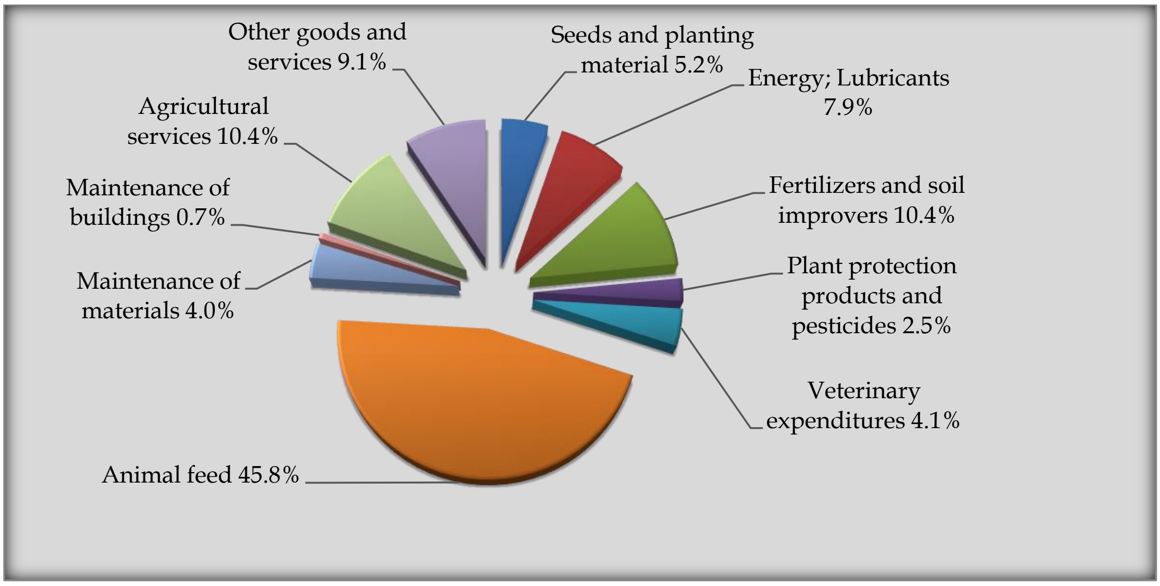


Source: KAS – Economic Accounts for Agriculture '14,'15,'16,'17,'18, compiled by DEAAS – MAFRD

1.3.3 Agriculture inputs

In the figure below is presented the structure of agricultural intermediate consumption for 2018. According to the figure below, the animal feed which includes feed material that the farmer buys from other farmers or raw materials and feed that farmer produces on the farm, contributes with 46%, representing almost half of the intermediate consumption. Fertilizers and soil improvers and agricultural services participate with 10% in intermediate consumption, goods and other services 9%, energy expenditures with 8%, seeds and planting materials with 5%, veterinary services with 4%, maintenance of materials with 4%, products for plant protection, pesticides and maintenance of buildings have lower participation.

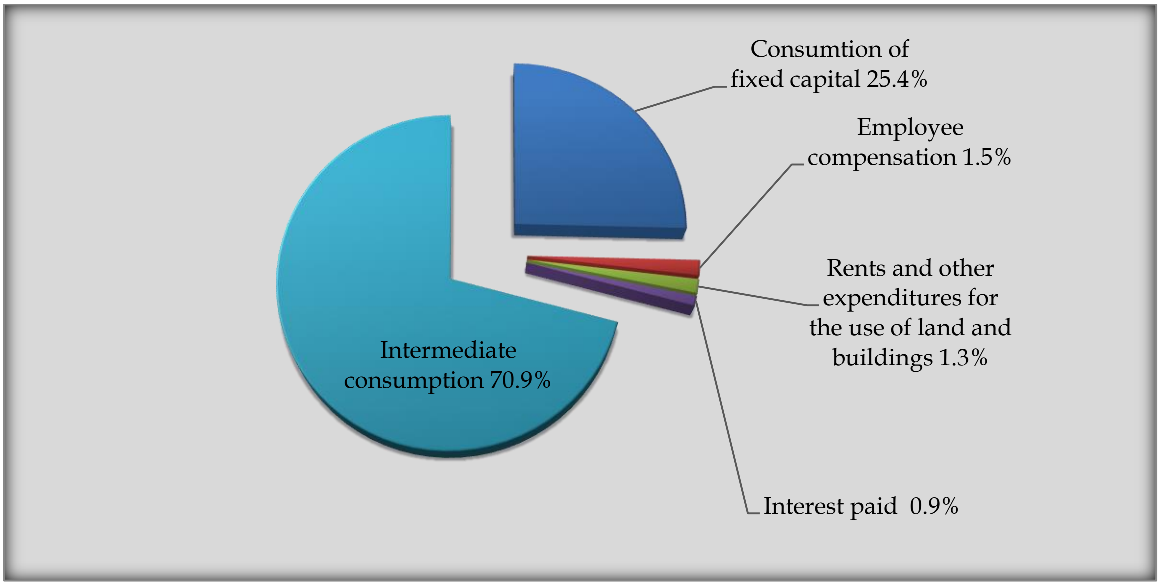
Figure 11: Structure of intermediate consumption for 2018



Source: KAS – Economic Accounts for Agriculture 2018

With regards to agriculture inputs, in the figure below are presented expenditures in the agricultural sector for 2018. Intermediate consumption is the main category with a participation of 71%, followed by consumption of fixed capital with 25%, while employee compensation, rents and other expenditures for the use of land and buildings and interest paid have a very small participation.

Figure 12: Inputs in agriculture by category for 2018



Source: KAS – Economic Accounts for Agriculture 2018

1.4 Prices of agricultural inputs and products

1.4.1 Agricultural inputs prices

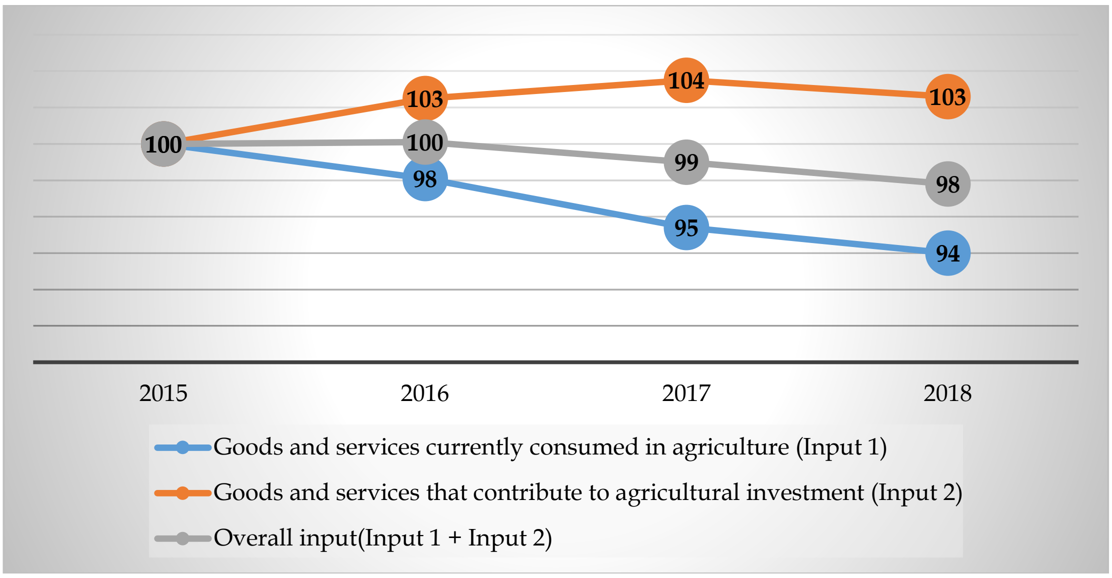
The agricultural input's price index measures the price changes in actual production costs within the economy. Moreover, the input price index measures the difference in the purchase basket costs included as inputs in the production process, but not including primary inputs such as land, work or capital.

The following table of the annual agricultural input price index includes data on Kosovo price index for the period 2015-2018. The prices of agricultural inputs are collected at agricultural pharmacies, veterinary pharmacies, companies, markets and other places where prices of agricultural inputs are available. Some agricultural input prices were obtained from consumer prices by KAS.

The products that form the basis of the input price index fall into one of two main groups: Goods and services currently consumed in agriculture (intermediate consumption) as well as Goods and services contributing to agricultural investment (formation of capital). Out of all the categories shown in the following table, prices that have increased the most in 2018 compared to 2017 are the fuels by 10% within the category "Energy; lubricants" of this category generally increased by 6%. Price declines in 2018 were in the Seeds and planting material category (10%), followed by Fertilizers and Soil Improvers by 4%, while in the other categories there were no major changes from 2017.

The annual input index in 2018 is down 1.5% for Input 1 compared to the same period in 2017. The index for Input 2 is down 0.9% between 2018 and 2017. Overall input index (Input 1 + Input 2) compared to the year 2017 decreased by 1.2%.

Figure 13: Annual price index of agricultural inputs 2015-2018, (2015 = 100)



Source: KAS - Input price index and prices in Agriculture 2015-2018, developed by DEAAS - MAFRD

Table 6: Annual price index of agricultural inputs 2015-2018, (2015=100)

Description	2015	2016	2017	2018	Difference 2018/2017 in %
Goods and services currently consumed in agriculture (Input 1)	**100**	**98.1**	**95.4**	**94.0**	**-1.5**
Seeds and planting material	100	98.9	87.2	78.1	-10.4
Energy; lubricant	100	93.7	100.9	106.5	5.6
-Electricity	100	98.8	106.1	97.6	-8.0
-Fuel	100	92.3	100.2	109.9	9.7
-Lubricants	100	93.8	92.6	92.6	0.0
Fertilizers and soil improvers	100	97.6	89.5	85.9	-4.0
-Simple fertilizers	100	93.9	87.7	83.5	-4.8
-Compound fertilizers	100	99.7	90.6	87.3	-3.6
Plant protection products and pesticides	100	104.2	103.8	105.4	1.5
Veterinary expenses	100	98.7	98.0	97.5	-0.5
Animal feed	100	109.5	103.7	103.2	-0.5
-Simple raw food	100	111.5	103.4	103.0	-0.4
-Compound raw food	100	97.9	104.9	104.7	-0.2
Maintenance of materials	100	100.1	99.9	99.8	-0.1
Maintenance of buildings	100	98.2	98.8	98.6	-0.2
Other goods and services	100	100.0	100.8	100.9	0.1
Goods and services contributing to agricultural investment (Input 2)	**100**	**102.5**	**103.5**	**102.6**	**-0.9**
Tractor	100	106.9	107.7	105.2	-2.3
Other	100	98.5	99.8	100.3	0.5
Overall input (Input 1 + input 2)	**100**	**100.1**	**99.0**	**97.8**	**-1.2**

Source: KAS – Input price index and prices in agriculture 2015-2018, processed by DEAAS – MAFRD

Table 7: Annual prices for electricity and fuel oil in €, 2015–2018 (2015 = 100)

Product groups	Productions	2015	2016	2017	2018
Energy and Lubricants	Electricity Price for 100 kwh	6.3	6.1	6.4	5.8
	Fuel oil - Price per 100 litres	102.5	93.5	102.1	112.7

Source: KAS - Input price index and prices in agriculture 2015-2018

1.4.2 Prices of agricultural products

In Kosovo's economy, domestic agricultural production is failing to fulfil consumer needs, with a large proportion of products being imported from other countries. Although exports have increased, the high amount of imports is adversely affecting the country's economic development.

Through grants and subsidies, the Ministry of Agriculture, Forestry and Rural Development aims to increase productivity, increase the quality of agricultural products, reduce imports, which also affect the prices of local products.

Prices of some agricultural products are presented in the tables below and a comparison is made between producer prices, import prices, unit value of imported products as well as wholesale and retail consumer prices for the period 2014–2018.

Farm prices of agricultural products

Table 8: Annual average prices of agricultural products on the farm, €/kg

Products	2014	2015	2016	2017	2018	Difference 2018/2017 (%)
Wheat	0.26	0.28	0.27	0.21	0.23	10
Corn	0.15	0.14	0.11	0.13	0.16	23
Potatoes	0.31	0.27	0.32	0.30	0.33	10
Tomatoes	0.55	0.43	0.64	0.54	0.62	15
Onions	0.32	0.28	0.24	0.32	0.37	16
Cabbage	0.32	0.25	0.19	0.19	0.40	111
Cucumber	0.39	0.41	0.55	0.42	0.46	10
Bean	2.64	2.59	2.45	2.29	2.27	-1
Pepper	0.55	1.08	1.12	0.59	0.91	54
Spinach	0.63	1.03	0.95	0.71	0.94	32
Watermelon	0.21	0.22	0.18	0.10	0.23	130
Maize pumpkin	1.42	1.55	0.78	0.94	0.90	-4
Walnut	2.21	2.43	2.32	2.64	2.72	3
Table grapes	0.68	0.51	0.48	0.74	0.78	5
Apple	0.49	0.49	0.47	0.49	0.40	-18
Pear	0.94	0.71	0.62	0.80	0.79	-1
Plum	1.04	0.48	0.48	0.70	0.73	4
Strawberry	1.01	0.91	0.88	1.08	1.03	-5
Raspberry	1.48	2.01	2.90	2.94	1.67	-43
Bulls and heifers	2.76	2.73	2.02	1.88	2.14	14
Laying hens	2.15	1.77	1.39	1.47	1.80	22
Fresh milk	0.22	0.25	0.23	0.27	0.25	-7
Eggs *	2.60	2.18	2.55	2.45	2.10	-14
Honey	8.12	8.22	8.80	7.10	9.20	30

Source: DEAAS-MAFRD; * unit 30 pieces

The first table shows the prices of agricultural products at the farm. Based on the data from the above table, prices in 2018 compared to 2017 have had quite a fluctuation. Slightly more pronounced declines in price have been raspberries, apples, eggs and fresh milk. The highest increase in prices from the products listed in the table was marked: watermelon, cabbage and peppers, while the prices of other products did not change significantly compared to the previous year.

Consumer prices of agricultural products

In order to better reflect consumer prices for the last five years, the retail and wholesale market prices are shown below.

Table 9: Annual average wholesale market prices, € / kg

Products	2014	2015	2016	2017	2018	Difference 2018/2017 (%)
Wheat	0.27	0.29	0.28	0.22	0.24	9
Corn	0.17	0.16	0.12	0.15	0.17	13
Potatoes	0.34	0.31	0.38	0.31	0.35	13
Tomatoes	0.71	0.46	0.66	0.58	0.67	16
Onions	0.34	0.30	0.25	0.34	0.38	12
Cabbage	0.45	0.43	0.20	0.25	0.43	72
Cucumber	0.41	0.50	0.59	0.46	0.49	7
Bean	2.72	2.62	2.50	2.33	2.42	4
Pepper	0.65	1.25	1.21	0.71	0.97	37
Spinach	0.70	1.13	1.02	0.78	1.02	31
Watermelon	0.23	0.24	0.21	0.14	0.34	143
Maize pumpkin	1.60	1.78	0.88	1.06	1.04	-2
Walnut	2.32	2.53	2.39	2.71	2.79	3
Table grapes	0.73	0.56	0.52	0.96	0.89	-7
Apple	0.50	0.51	0.52	0.53	0.44	-17
Pear	0.97	0.74	0.67	1.12	0.83	-26
Plum	1.08	0.52	0.50	0.75	0.78	4
Strawberry	1.14	1.23	0.91	1.81	1.64	-9
Raspberry	1.60	2.17	3.15	3.09	2.09	-32
Bulls and heifers	3.30	3.27	3.13	3.20	3.25	2
Laying hens	2.40	1.80	1.87	1.76	1.91	9
Fresh milk	0.42	0.42	0.43	0.41	0.45	10
Eggs *	2.75	2.23	2.63	2.52	2.26	-10
Honey	8.92	9.10	9.20	8.60	9.40	9

Source: DEAAS-MAFRD; * unit 30 pieces

The table above shows the wholesale prices of some agricultural products. Increased prices have been noted for watermelons, cabbage and peppers, while products that have declined in price are: raspberries, pears, apples and eggs compared to 2017.

Table 10: Annual average retail market prices, € / kg

Products	2014	2015	2016	2017	2018	Difference 2018/2017 (%)
Wheat	0.30	0.31	0.29	0.26	0.28	8
Corn	0.20	0.19	0.16	0.18	0.23	28
Potatoes	0.43	0.37	0.45	0.38	0.43	13
Tomatoes	0.86	0.55	0.80	0.71	0.84	18
Onions	0.43	0.35	0.29	0.41	0.47	15
Cabbage	0.60	0.55	0.24	0.32	0.59	84
Cucumber	0.52	0.60	0.73	0.56	0.61	9
Bean	2.89	2.83	2.76	2.56	2.64	3
Pepper	0.82	1.48	1.41	0.89	1.17	31
Spinach	0.83	1.28	1.21	0.84	1.12	33
Watermelon	0.30	0.25	0.26	0.19	0.40	111
Maize pumpkins	1.81	1.96	1.08	1.38	1.33	-4
Walnut	2.57	2.61	2.57	2.92	2.89	-1
Table grapes	0.85	0.66	0.63	1.10	1.09	-1
Apple	0.63	0.61	0.62	0.63	0.53	-16
Pear	1.05	0.77	0.71	1.24	0.94	-24
Plum	1.28	0.63	0.61	0.90	0.84	-7
Strawberry	1.36	1.66	1.00	2.02	1.89	-6
Raspberry	1.80	2.36	3.47	3.48	2.60	-25
Bulls and heifers	3.60	3.80	3.65	3.70	3.80	3
Laying hens	2.86	2.18	2.24	2.26	2.37	5
Fresh milk	0.49	0.47	0.48	0.47	0.49	4
Eggs *	2.84	2.32	2.79	2.58	2.45	-5
Honey	9.10	9.27	9.79	10.14	10.27	1

Source: DEAAS-MAFRD; * unit 30 pieces

The table above contains retail prices, whereby one can notice the apparent differences in prices, with an increase of prices in vegetables such as: watermelon, cabbage, spinach, and a decline of prices in fruits such as: raspberries, pears, apples, plums and strawberries.

Local market retail prices are usually higher than production and consequently wholesale prices.

Agricultural products' import prices

Wholesale prices are usually higher than production prices. In the case of import prices for products with high participation of imports, this rule may not apply because some products have high production costs domestically, and thus farm production prices may be higher than those of the import.

Table 11: Import prices of agricultural products, € / kg

Products	2014	2015	2016	2017	2018	Difference 2018/2017 (%)
Wheat	0.28	0.29	0.27	0.24	0.31	29
Corn	0.18	0.19	0.17	0.18	0.18	0
Potatoes	0.72	0.61	1.06	0.77	0.66	-14
Tomatoes	0.86	0.98	0.93	0.90	0.91	1
Onions	0.34	0.34	0.38	0.36	0.39	8
Cabbage	0.38	0.35	0.40	0.33	0.39	18
Cucumber	1.02	0.97	1.04	1.06	0.94	-11
Bean	2.50	1.89	2.19	2.32	2.03	-13
Pepper	1.28	1.31	1.46	1.28	1.18	-8
Spinach	0.91	1.07	1.48	1.14	1.15	1
Watermelon	1.43	1.73	0.77	1.03	0.96	-7
Pumpkin	1.20	1.04	1.15	1.14	1.50	32
Walnut	2.48	2.55	2.05	2.38	2.44	3
Table grapes	2.01	2.38	2.14	2.66	2.45	-8
Apple	0.80	0.86	0.69	0.68	0.83	22
Pear	1.20	1.19	0.94	1.30	1.28	-2
Plum	3.39	3.68	3.36	2.92	2.83	-3
Strawberry	3.19	3.49	3.78	4.33	2.96	-32
Raspberry	-	-	-	-	-	-
Bulls and heifers	2.73	2.84	2.62	2.77	2.90	5
Laying hens	2.45	2.24	2.20	1.90	2.60	37
Milk	-	-	-	-	-	-
Eggs *	2.30	1.70	1.90	2.25	2.10	-7
Honey	7.00	6.80	7.90	8.85	8.60	-3

Source: DEAAS - MAFRD; * unit 30 pieces

When it is not the season for domestic agricultural products, we can find exported products in our market.

According to the table above, the most noticeable increase in price is pumpkin, followed by wheat and apples. On the other hand, some products have declined in price, such as strawberries, potatoes, beans and cucumbers while other products prices have not changed significantly compared to the previous year.

Table 12: Unit value of imported agricultural products, € / kg

Products	2014	2015	2016	2017	2018	Difference 2018/2017 (%)
Wheat	0.31	0.33	0.31	0.32	0.33	4
Corn	0.16	0.16	0.15	0.16	0.16	0
Potatoes	0.29	0.28	0.32	0.26	0.27	4
Tomatoes	0.31	0.36	0.34	0.34	0.36	6
Onions	0.45	0.47	0.41	0.42	0.38	-9
Cabbage	0.17	0.17	0.19	0.16	0.18	12
Cucumber	0.29	0.36	0.35	0.35	0.35	1
Bean	1.16	1.13	0.91	0.86	0.86	0
Pepper	0.42	0.47	0.39	0.43	0.46	6
Spinach	0.32	0.43	0.53	0.42	0.41	-2
Watermelon	0.13	0.15	0.15	0.13	0.17	34
Pumpkin	0.44	0.57	0.61	0.56	0.47	-15
Walnut	2.82	1.13	2.91	1.43	1.85	29
Table grapes	0.55	0.44	0.48	0.51	0.49	-4
Apple	0.29	0.33	0.32	0.35	0.38	8
Pear	0.55	0.64	0.66	0.68	0.68	0
Plum	0.48	0.64	0.43	0.38	0.37	-2
Strawberry	0.95	1.28	1.07	1.01	0.72	-29
Raspberry	-	2.65	1.96	0.93	1.49	61
Bulls and heifers	1.45	1.40	1.45	1.11	1.07	-4
Laying hens	2.31	-	2.00	-	2.40	-
Milk	0.60	0.57	0.52	0.52	0.54	3
Eggs *	-	2.70	-	-	3.11	-
Honey	5.01	4.99	5.47	5.63	5.20	-8

Source: KAS - Kosovo Customs; * unit 30 pieces

The above table shows the import unit value of agricultural products. The most noticeable increase was with raspberries by 61%, followed by watermelons by 34% and nuts by 29%. On the other hand, some products have declined, such as strawberries by 29%, pumpkin by 15%, onions by 9% and honey by 8%.

As in previous years, this year, imported agricultural products were available at prices lower than the price of locally produced products in Kosovo, which may be due to differences in quality, delivery times and policies of exporting countries and companies.

Comparison of local prices with prices in the region and EU countries

The comparison of prices with some European Union states and Kosovo, which is shown in the table below, where prices of agricultural products are presented. Since imports to Kosovo are very high, price differences in the international market and regional countries have an impact on market prices in Kosovo. Given low incomes, rising prices, especially for basic commodities, it has a negative impact on the standard of living of the Kosovo population.

Table 13: Prices of some products in Kosovo and of some EU countries in 2018, € / kg

Countries	Wheat	Corn	Potatoes	Cabbage	Apple	Eggs*	Honey
Bulgaria	0.15	0.14	0.21	0.22	0.28	2.18	2.34
Czech	0.16	0.16	0.19	0.27	0.43	2.17	-
Greece	0.18	0.21	0.51	0.34	0.65	5.60	5.92
Hungary	0.15	0.14	0.23	0.30	0.26	1.75	2.60
Austria	0.14	0.14	0.21	0.26	0.60	4.43	7.40
Romania	0.15	0.15	0.29	0.42	0.58	2.32	3.58
Kosova	0.23	0.16	0.33	0.40	0.40	2.10	9.20

Source: Eurostat and DEAAS - MAFRD, * 30 pieces per unit

According to the above table, we can conclude that Kosovo has relatively high prices compared to other EU states, and as stated earlier, this is due to the low amount of domestic production, high production cost and the high amount of imports.

If we analyse the price of wheat, it is noted that compared to other countries Kosovo has a relatively higher price than Austria, Romania, Hungary and Bulgaria. It is worth noting that in the previous year the same countries mentioned above had the lowest price of wheat, while for 2018, there is an approximation of prices for corn and wheat in most EU countries. The highest price for corn is in Greece compared to other countries, while the lowest is in Hungary, Bulgaria and Austria at a price of 0.14 €/kg.

The price of potatoes in Kosovo is not satisfactory. When compared to the Czech Republic and most other countries, Kosovo has a higher price, and a lower price when compared to Greece. The price of cabbages in Kosovo was very competitive to the price in EU countries during the previous years, but this year it is much higher than Bulgaria, Austria, and Czech Republic and slightly lower than Romania.

Based on the data in the table, we can see that the price of apples in Kosovo is stable compared to other countries. Bulgaria leads with the lowest price for apple followed by Hungary, while other countries have a higher price for apples than Kosovo.

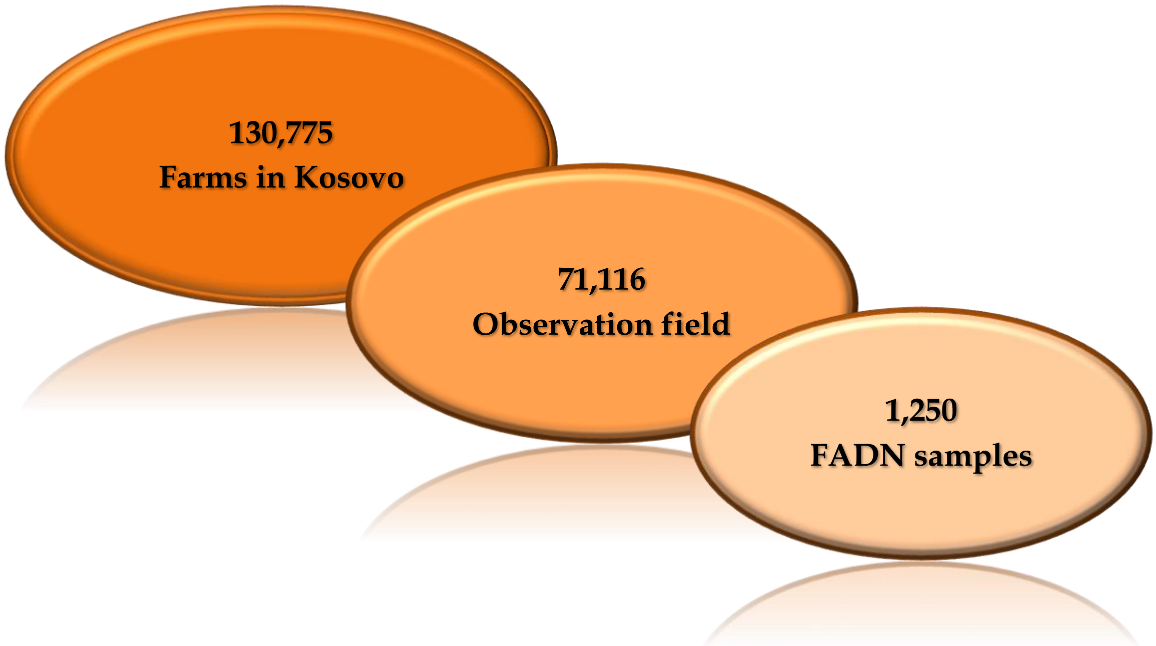
The price of eggs in Kosovo is stable compared to other countries. The price of honey in 2018, similar to 2017, was higher in Kosovo than in other countries, with only Austria having an approximate price of honey to that of Kosovo, while other countries have a significantly lower price.

We can conclude that prices in Kosovo are quite high, when considering the standard of living. Kosovo as a small market with low domestic production is highly dependent on imports, and as a result, prices are dictated by imports. For this reason, there is a need to develop agricultural policies that allow increased local productivity, improved quality, increased competitiveness, and general greater promotion and support for local products.

1.5 FADN - Farm Accountancy Data Network

The Farm Accountancy Data Network (FADN) is a system for collecting annual data on the farm's economic outcomes. Recently, the European Union has developed a range of instruments for assessing the development of the agricultural sector. One of the instruments that has helped the EU in collecting economic performance information on revenues is the FADN.

FADN in Kosovo started in 2004 with a pilot project that involved 50 farms. This network expanded to 159 farms in 2005, continuing to increase the number of farms to 402 in 2013 and 2014. By 2015, the FADN sample increased to 1,250 farms, and this sample is representative and close to 2% of farms in the observation field.



Data collected through this instrument include, but are not limited to: crop production value, sales and purchase, production costs, assets, liabilities, subsidies and grants. These data enable the MAFRD to develop recommendations that contribute to the creation of favourable policies for the development of the agricultural sector.

The concept of FADN was first used in 1965. In that year, Council Regulation 79/65 came into force to establish the legal basis for establishing an accountancy network in agriculture. Since then, legislation has been constantly adopted in order to address new developments in EU member states. Although there is a universal FADN methodology, each country modifies it taking into account the specifics of their country. That being said, the agricultural units that become part of the network are selected on the basis of a sampling plan that is determined by the nature of the agricultural sector. The methodology developed in Kosovo is in line with Council Regulation (EC) No 1217/2009, although simplified based on country specifics.

FADN farms in Kosovo are classified by size and type of farm, in accordance with EU regulation. The following table shows the type or sort of farm as well as the economic sizes by which farms are classified in FADN. There are a total of 8 types of farms and 7 economic sizes.

Table 14: Type and size of farm

No.	Type of farm	No.	Size of farm (SO[3] in €)
1	Specialized in arable crops	1	2,000-4,000
2	Specialized in horticulture (greenhouses)	2	4,000-8,000
3	Specialized in perennial crops	3	8,000-25,000
4	Specialized in grazing cattle	4	25,000-50,000
5	Specialized with granivores [4]	5	50,000-100,000
6	Mixed crops	6	100,000-500,000
7	Mixed livestock farms	7	> 500,000
8	Mixed farms with crops and cattle		

Source: FADN-MAFRD

1.5.1 FADN Standard Results in Kosovo

The following table contains data on the structure and performance of the farm depending on its size category. The weighted average for all sizes is also presented. As can be seen in the table, as the economic size grows, so does land area, livestock units, productivity, farm income, as well as costs, liabilities, etc. If we are to analyse the data for the total sizes as a weighted average, we find that the agricultural area used is about 4 ha, and the livestock units about 3 LU (Livestock Unit is a standard unit of measurement, which enables aggregation of different categories of animals, through the use of specific coefficients, based on EU regulations).

The total output (production) value as average per farm in 2017 was € 7,834, the input value was € 5,732, and the ratio between them was 1.37. After we subtract the value of the intermediate farm consumption, depreciation, wages, etc. from the total output we get the household income on the farm where in 2017 the average per farm was € 2,457, which compared to other EU countries, are quite low.

[3] SO: The standard output is the total value of the farm output within one accounting year, calculated on the basis of the area and number of head of livestock multiplied by the estimated coefficients.

[4] Granivore: According to EC Regulation no. 1242/2008 (8 December 2008), regarding the definition of farm typology, specialized farms in granivore are farms that specialize in pig, poultry and other combinations.

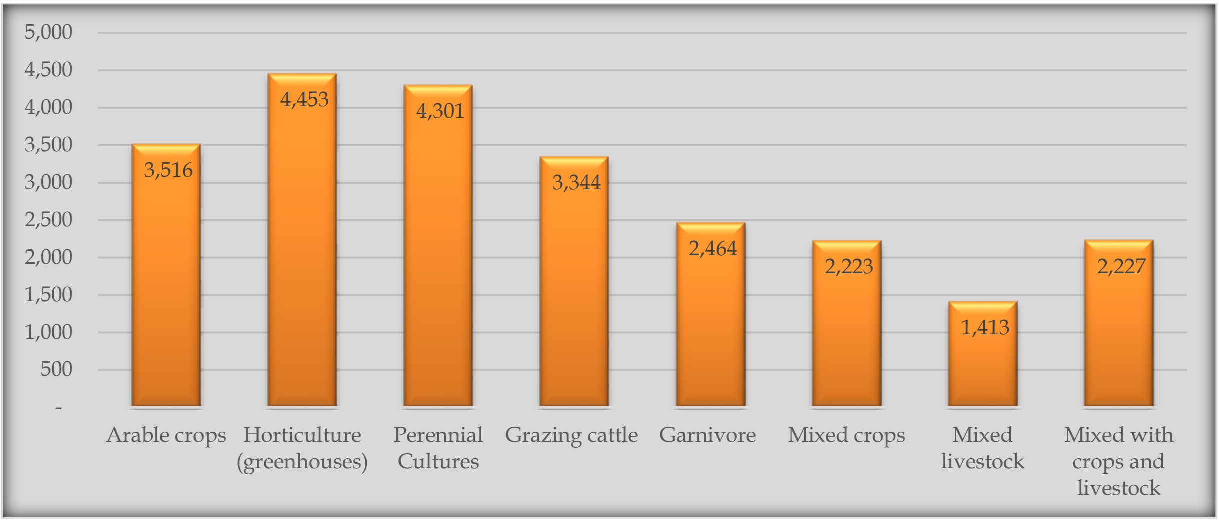
Table 15: Average standard results per farm, 2017

Variables	Unit	Economic Size							
		2,000 - 4,000	4,000 - 8,000	8,000 - 25,000	25,000 - 50,000	50,000 - 100,000	100,000-500,000	>500,000	Total**
Structure of the sample	%	10	19	35	15	11	9	1	100
Livestock units (SE080)	njb	1.10	1.89	4.56	8.41	13.07	41.77	140.57	2.83
Agricultural land used (SE025)	ha	1.92	3.15	5.80	9.35	17.05	38.21	166.07	3.92
Output (SE131)	€	2,944	5,447	11,735	22,893	39,081	112,050	902,628	7,834
Output of plant products (SE135)	€	1,217	2,618	4,962	11,161	22,957	56,582	369,388	3,603
Output of animal products (SE206)	€	1,727	2,826	6,767	11,644	16,078	54,118	85,867	4,074
Other outputs (SE256)	€	-	3	6	88	46	1,350	447,373	158
Inputs (SE270)	€	2,417	4,077	8,267	14,835	27,536	82,608	746,091	5,732
Intermediate consumption (SE275)	€	1,969	3,288	6,835	11,543	19,757	64,218	594,342	4,598
Total specific expenses (SE281)	€	1,592	2,730	5,795	9,815	16,644	55,762	520,467	3,859
Depreciation (SE360)	€	393	630	961	1,838	3,979	7,731	49,058	757
Gross farm income (SE410)	€	1,001	2,284	5,477	12,954	21,988	55,199	386,644	3,579
Farm net value added (SE415)	€	608	1,654	4,516	11,115	18,008	47,468	337,586	2,822
Net farm income (SE420)	€	553	1,495	4,045	9,662	14,533	38,427	234,895	2,457
Farm net value added /AWU (SE425)	€/awu*	1,026	1,580	3,244	4,976	5,721	10,341	15,797	2,702
Assets (SE436)	€	122,669	164,762	215,806	260,812	413,037	859,664	6,051,307	171,879
Liabilities (SE485)	€	45	100	229	515	669	7,762	103,950	200
Equity (SE501)	€	122,624	164,663	215,577	260,297	412,368	851,902	5,947,357	171,679

Source: FADN-MAFRD
* awu= Annual Work Unit equals 1,800 hours of work per year of a full-time employee
** Average weighted according to the number of farms in each economic size

The figure below shows the farm's net value added per annual work unit by farm type for 2017. According to data collected through FADN, it turns out that farms that specialize in horticulture and perennial crops have a higher net added value, followed by farms specialized in arable crops, grazing cattle, etc.

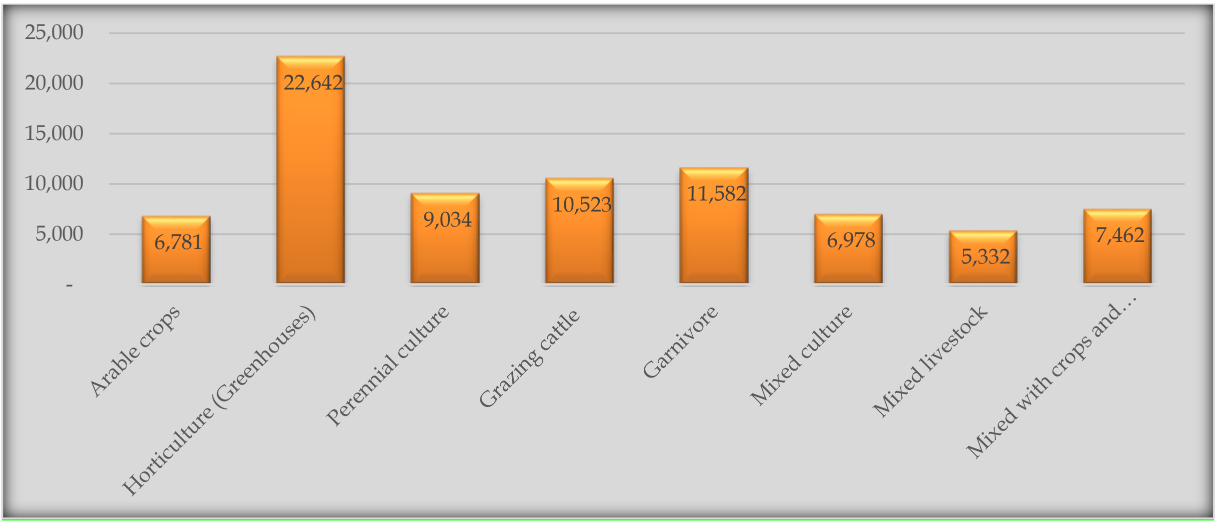
Figure 14: Farms' net added value per annual work unit, as average per farm, 2017



Source: FADN-MAFRD

Regarding the total output in the following figure we can see that the farms specialized in horticulture (greenhouses) and granivore have the highest value of output or production. After these farms, the highest value farms are listed those of specialized farms in grazing cattle, perennial crops and other types of farm shown in the figure.

Figure 15: Total output by farm type in € as average per farm, 2017



Source: FADN-MAFRD

The following table shows data on annual work units, used agricultural land (UAL), and livestock units by farm type. Farms specialized in horticulture (greenhouse) have higher annual work units because this activity requires greater workforce engagement. As for used agricultural land (UAL), it is higher in arable crops, followed by grazing cattle, mixed with crops and cattle, etc., while the number of livestock units per farm is higher in farms that specialize in granivores, followed by grazing cattle and more.

Table 16: Type and structure of the farm, 2017

Type of farm	Annual work units per farm	Agricultural land in use	livestock units per farm
Arable crops	0.92	5.06	0.73
Horticulture (greenhouses)	2.72	2.17	0.45
Perennial crops	0.96	3.10	0.33
Grazing cattle	1.05	4.17	5.57
Granivore	0.70	1.33	11.52
Mixed crops	1.40	3.71	1.37
Mixed livestock	0.87	2.63	3.01
Mixed with crops and cattle	1.10	3.93	2.78

Source: FADN-MAFRD

The following table contains weighted average data regarding farm income by region. In terms of total output, Mitrovica region leads with the highest value of € 10,085, followed by the region of Gjakova, Peja, Ferizaj and others. In terms of farm income, Mitrovica and Ferizaj region lead with the highest value of incomes, followed by other regions, while net value added per annual work unit is the highest in Mitrovica, followed by Peja, Gjilan and others.

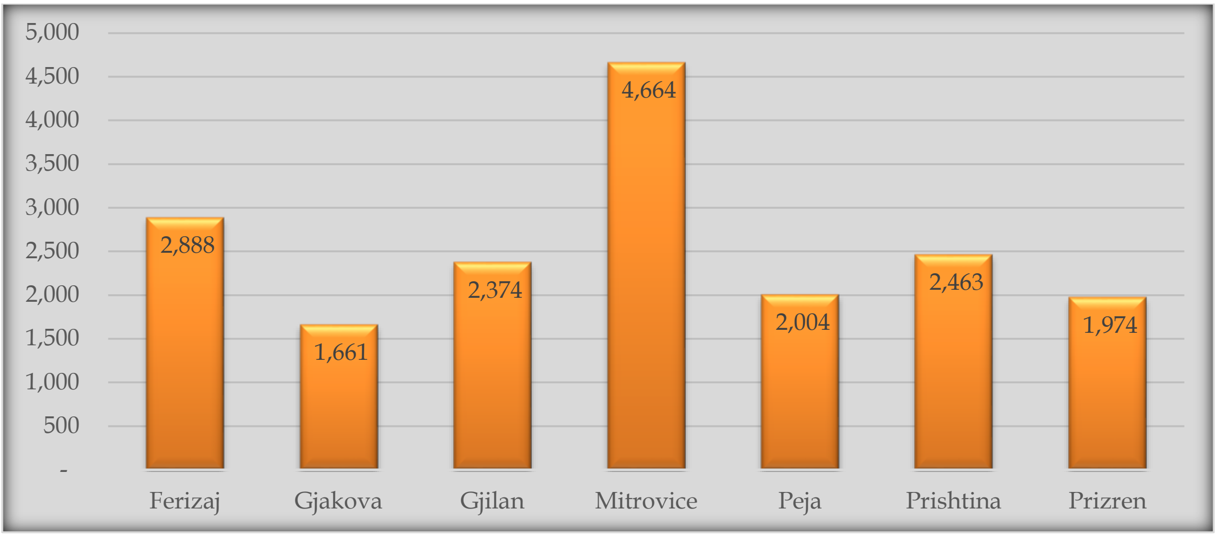
Table 17: Standard results by regions in €, 2017

Region	Total Output SE131	Farm gross income (SE410)	Farm net value added (SE415)	Farm net income (SE420)	Farm net value added / AWU (SE425)
Ferizaj	7,882	3,619	3,071	2,888	2,766
Gjakova	8,894	3,056	2,188	1,661	1,546
Gjilan	6,031	3,205	2,530	2,374	3,444
Mitrovica	10,085	6,016	5,137	4,664	3,995
Peja	8,147	3,128	2,423	2,004	3,453
Prishtina	7,379	3,593	2,744	2,463	3,044
Prizren	6,642	3,084	2,448	1,974	1,806
Kosovo	**7,834**	**3,579**	**2,822**	**2,457**	**2,702**

Source: FADN-MAFRD

The following figure presents the farm net income by region for 2017. According to this figure we can see that the Mitrovica region leads with the highest income, followed by the regions of Feriza, Prishtina, Gjilan, Peja, Prizren and Gjakova.

Figure 16: Farm net income by region in €, 2017



Source: FADN-MAFRD

1.5.2 Comparison with EU countries

In the European Union, FADN is currently gathering data from more than 80,000 farms representing some 5 million businesses in 28 member states. The FADN sample represents about 90% of the agricultural area used and agricultural production in these countries. The following tables serve as comparison tables between FADN data in Kosovo and EU countries.

Due to the large number of small farms, Kosovo has a minimum threshold of € 2,000, as does Romania and some other countries in the region that are characterized by large numbers of small farms. In terms of number of farms, the FADN sample in Kosovo is representative and represents about 2% of the observation area.

Table 18: Minimum threshold of economic size and the number of farms

Countries	Minimum threshold of economic size (SO)	Number of farms in the sample
Netherlands	25,000	1,500
Austria	15,000	1,800
Italy	8,000	11,106
Bulgaria	4,000	2,202
Croatia	4,000	1,251
Estonia	4,000	658
Poland	4,000	12,100
Slovenia	4,000	908
Hungary	4,000	1,900
Romania	2,000	6,000
Kosovo	**2,000**	**1,250**

Source: FADN – European Commission, FADN – MAFRD

The following table presents data on production value and farm income. If we compare Kosovo with EU countries, revenues in Kosovo are significantly lower and so is the value of total output. As for the countries in the region, they are approximated to Kosovo, but due to the lack of published data for those countries for 2017, the table shows only data for EU countries.

Table 19: Standard results in Kosovo and some European Union countries

Countries	Total output (SE131)	Total output/Total input (SE132)	Intermediate consumption (SE275)	Farm gross income (SE410)	Farm net value added (SE415)	Farm net income (SE420)	Farm net value added/awu (SE425)
Bulgaria	68,093	0.98	38,066	49,090	39,852	19,447	13,604
Estonia	127,538	0.93	94,612	61,402	43,698	20,508	23,284
Croatia	25,357	1.12	14,899	16,764	11,876	9,122	7,248
Hungary	79,138	1.08	52,521	42,573	35,833	22,055	22,828
Italy	68,589	1.57	30,530	45,237	39,994	32,355	30,388
Austria	97,316	1.12	58,829	60,760	40,211	30,643	23,924
Poland	29,094	1.16	17,746	16,863	11,813	9,629	7,388
Romania	13,088	1.43	6,596	8,533	7,109	6,014	6,437
Slovenia	24,586	0.96	16,964	14,778	7,009	6,213	5,957
Kosovo	**7,834**	**1.37**	**4,598**	**3,579**	**2,822**	**2,457**	**2,702**

Source: FADN – European Commission, FADN - MAFRD

1.6 Privatization of agricultural lands

The process of privatization of land and socially owned properties is still ongoing in Kosovo. The Privatization Agency of Kosovo is responsible for managing socially owned property. The main purpose of the privatization process in Kosovo was to ensure continuity of existing activities or change the type of agricultural activities of enterprises, in order to ensure a higher level of efficiency under contemporary conditions.

Privatization of socially owned enterprises in Kosovo has begun since 2003, for which it can be said that it had been largely associated with numerous problems and disruptions. This process is now in its final phase. Numerous difficulties have often affected the slowdown and the temporary interruption at certain stages of the process, by which the expected positive impacts of privatization have significantly reduced.

So far there has been ongoing privatization through the spin-off and liquidation method, where the remaining agricultural lands along with the underlying assets have been announced for privatization and investors have been invited through tendering and open competition.

The consolidated areas of these lands have enabled new investors to continue their commercial agricultural activities.

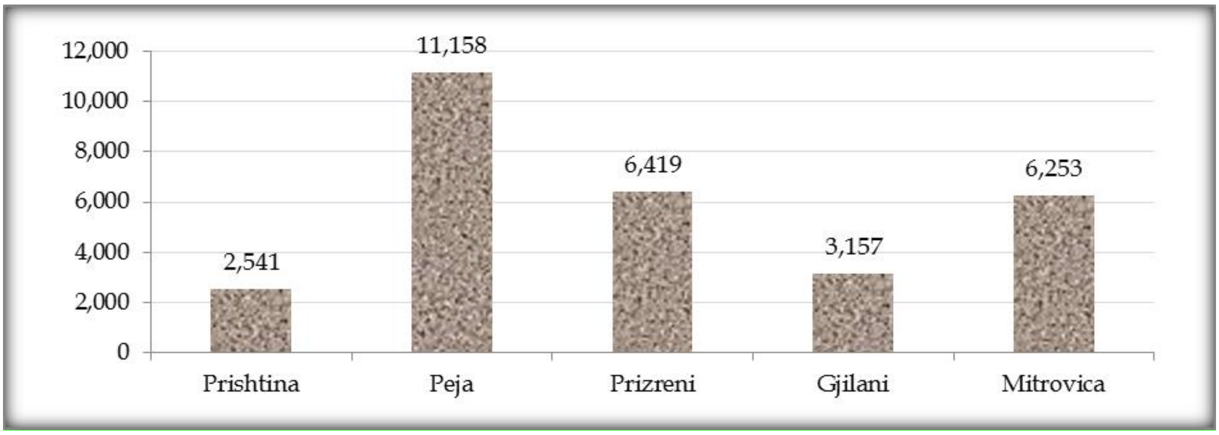
Table 20: Agricultural land sales in Kosovo, 2004-2018

Region	Surface in ares	Surface in ha	Surfaces sold (%)	The average selling price per €/Are	The average selling price per €/ha	Total sales value in €	Sales value (%)
Prishtina	254,093	2,541	9	180	17,964	45,644,997	39
Peja	1,115,766	11,158	38	22	2,205	24,602,611	21
Prizreni	641,913	6,419	22	34	3,433	22,039,720	19
Gjilani	315,704	3,157	11	50	4,978	15,715,383	13
Mitrovica	625,321	6,253	21	15	1,450	9,068,307	8
Total	**2,952,796**	**29,528**	**100**	**39.6**	**3,965**	**117,071,018**	**100**

Source: Privatization Agency of Kosovo (PAK)

The table above shows the surface area of agricultural land privatized for the period 2004-2018. Up until now, 29,528 ha have been privatized, with an average selling price per are of € 39.6, whereas the average selling price per ha was € 3,965. Most of the agricultural land was privatized in the Peja region (11,158 ha), followed by Prizren (6,419 ha), Mitrovica (6,253 ha), Gjilan (3,157 ha), and the least in the region of Pristina (2,541 ha).

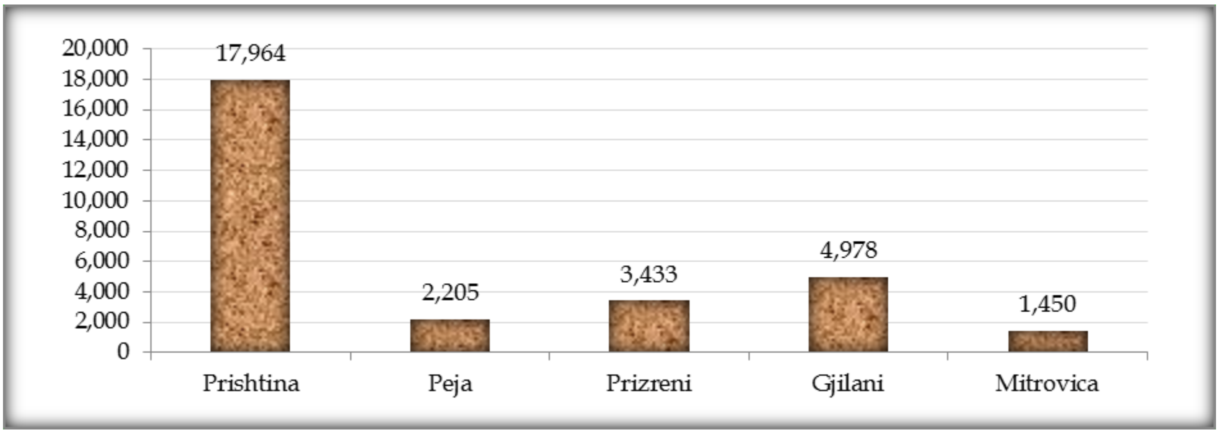
Figure 17: Agricultural land sales in ha



Source: Regional Coordination Department - PAK

The total sales for all privatized agricultural surfaces amounts to € 117,071,018. The average selling price for the period 2004-2018 per ha of agricultural land was € 3,965, the highest was in the region of Prishtina (€17,964), followed by the region of Gjilan (€4,978), Prizren (€3,433), Peja (€2,205) and Mitrovica (€1,450).

Figure 18: Average selling price by region, €/ha



Source: Regional Coordination Department - PAK

Table 21: Agricultural land sales in Kosovo,

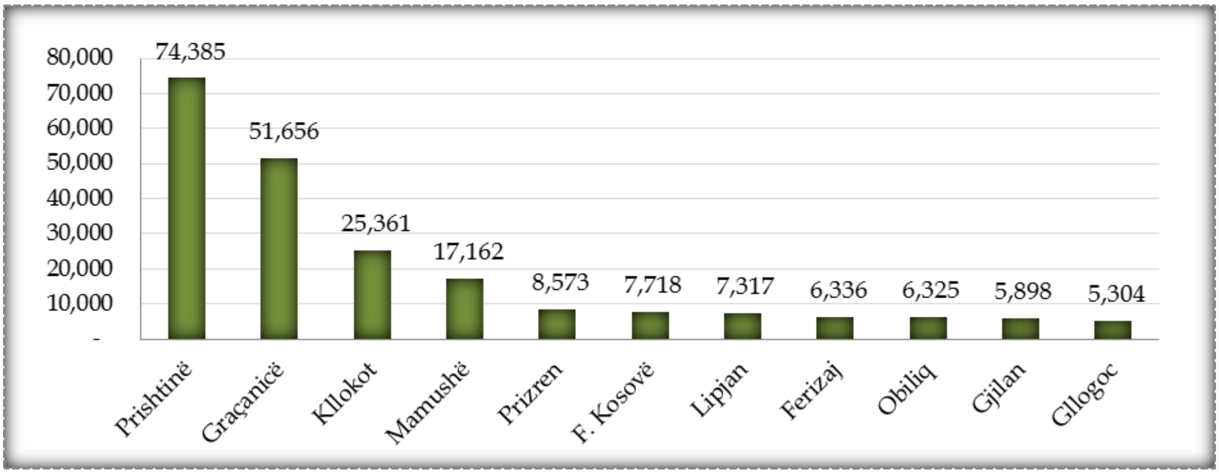
Years	No. of sales	Surface in Ares	Surface in ha	Total sales value in €	The average selling price per €/Are	The average selling price per €/ha
2014	49	139,613	1,396	5,502,417	39.4	3,941
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	51	19,944	200	4,996,121	250.5	25,043
2018	84	40,529	405	12,326,987	304.15	30,414

Source: Regional Coordination Department – PAK

In the period 2014-2018, the year 2017 was characterized with less privatization of agricultural lands or in total 200 ha, whereas in 2018, 405 ha have been privatized. As regards 2015 and 2016, there were no sales carried out by PAK to privatize agricultural lands.

Regarding agricultural land prices, there were numerous fluctuations, as one of the main factors was agricultural land bonitet. The highest price per hectare of agricultural land was marked in Prishtina municipality, namely € 74,385 per ha, followed by the municipality of Graqanica with nearly € 51,656 per ha and the municipality of Kllokot, with up to 25,361 per ha, whereas the lowest price per ha of agricultural land was in the municipality of south Mitrovica with a price of € 398.

Figure 19: Price of agricultural land by municipalities, €/ha, (municipalities with the highest price)



Source: Regional Coordination Department – PAK

1.7 Agricultural businesses – Agro-industry

Agriculture and industry are traditionally considered as two separate sectors, both by their characteristics and their role in economic growth. One of the sectors that can assist in promoting socio-economic development in the upcoming years is agriculture and agro-processing industries.

As in other countries, also in Kosovo, the development of agro-industry is given special attention through the Development Program Policies, considering it as an industry sector that creates new jobs, and on which a large number of people depend directly or indirectly for their wellbeing. This especially holds true for our country, where huge amount of investments, in other industry branches, have been carried out for their revitalization.

Investing in the agro-industry development does not only increase farmers' income, but also creates new employment opportunities in rural areas.

For this reason, many advances have been made in the agro-food industry technology, since out-dated technologies could not be used because of their destruction during the war but also due to them being worn out. Based on KAS data, it can be noted that starting from 2014 to 2015, the average share of agricultural activities registered in the business register against other activities was 8.3%. Starting from 2016, there was an increase in share of 10.4%, followed by a decrease in share of 8.9% in 2017. While, in 2018, this share was 6.4%.

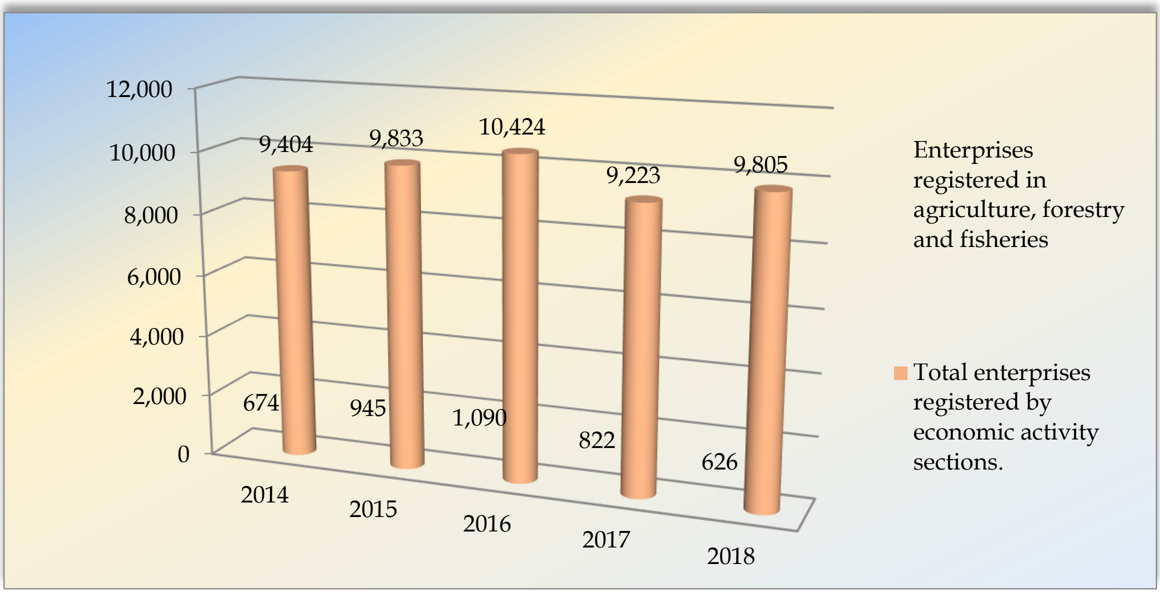
Table 22: Number of registered enterprises by economic activities

Years	Enterprises registered in Agriculture, Forestry and Fishery	Total Enterprises registered by sections of economic activities.	Participation (%)
2014	674	9,404	7.1
2015	945	9,833	9.6
2016	1,090	10,424	10.4
2017	822	9,223	8.9
2018	626	9,805	6.4
Average	831.4	9,738	8.5

Source: KAS

With regard to the increase of the number of agricultural activities, the most rapid growth was marked in 2015, with 945 agricultural activities or 40.2% more than in 2014, continuing with growth in 2016 to 1,090 activities, or 15.3% more than in 2015. While in 2018 there were 196 fewer businesses compared to 2017 or a decrease of 23.8%.

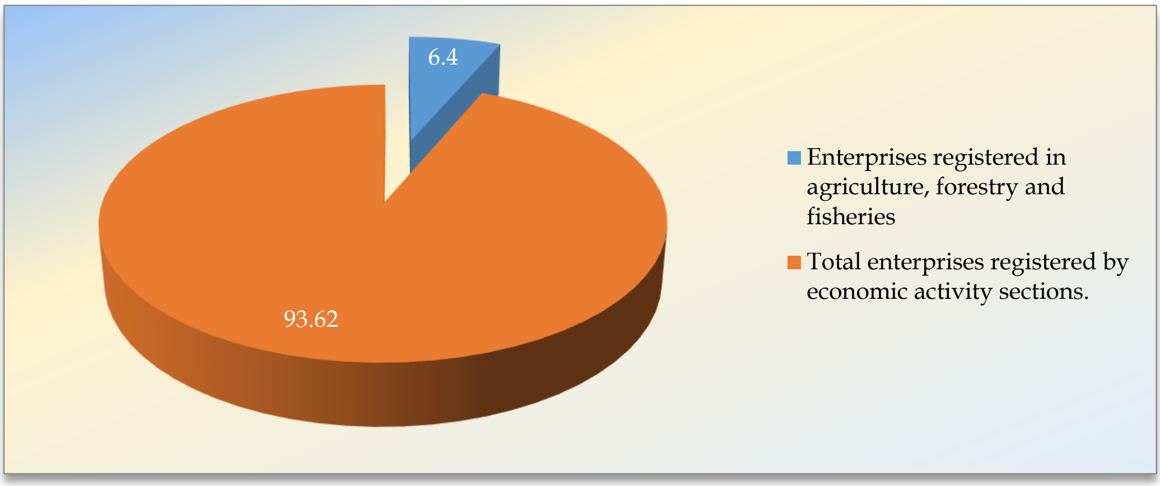
Figure 20: Number of registered enterprises by economic activity



Source: KAS, processed by DEAAS –MAFRD

There were 626 enterprises in 2018 registered in the economic activities section of agriculture, forestry, and fisheries, whereas the number of total enterprises registered by sections and activities was 9,805. Registered agricultural activities. Agricultural registered activities take part with 6.4% out of the total registered economic activities during the year, whereas 93.6\5 were other economic activities.

Figure 21: Participation of enterprises registered in Agriculture, Forestry, and Fishery activities (%), against other economic activities, in 2018



Source: KAS, processed by DEAAS –MAFRD

The table below presents the data on the monetary turnover in the registered agro-business enterprises for 2014-2018: annual monetary turnover, number of employees, as well as the number of active businesses.

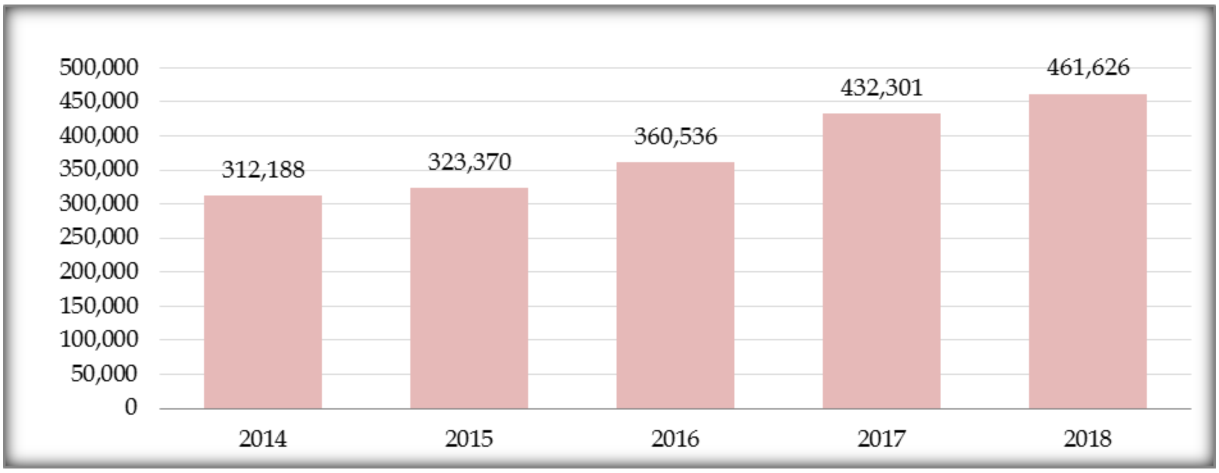
Table 23: Registered agribusiness enterprises, 2014-2018

Years	Turnover ('000 €)	Number of employees	Number of active businesses
2014	312,188	8,004	2,055
2015	323,370	8,790	2,130
2016	360,536	10,024	2,314
2017	432,301	10,449	2,398
2018	461,626	13,156	2,942
Average	**378,004**	**10,085**	**2,368**

Source: KAS, processed by DEAAS -MAFRD

Based on the data provided by the Kosovo Agency of Statistics, agro-businesses have marked an increase from year to year. From 2014-2017, overall turnover for these years was, on average € 357 million. The year 2018 marked an increase of 6.7%, or € 29.3 million total turnover when compared to 2017.

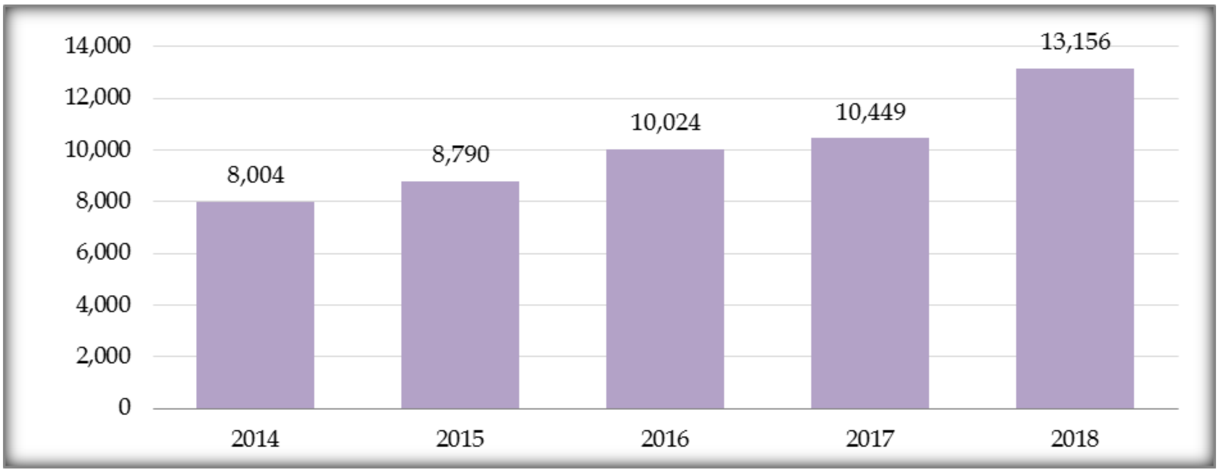
Figure 22: **Monetary turnover of enterprises registered in Agriculture, Forestry and Fishery activities, 2014-2018**



Source: KAS, processed by DEAAS –MAFRD

The average of employees in agriculture businesses in the period 2014-2018, was 10,085. In 2018 there was an increase of 25.9% unlike in 2017.

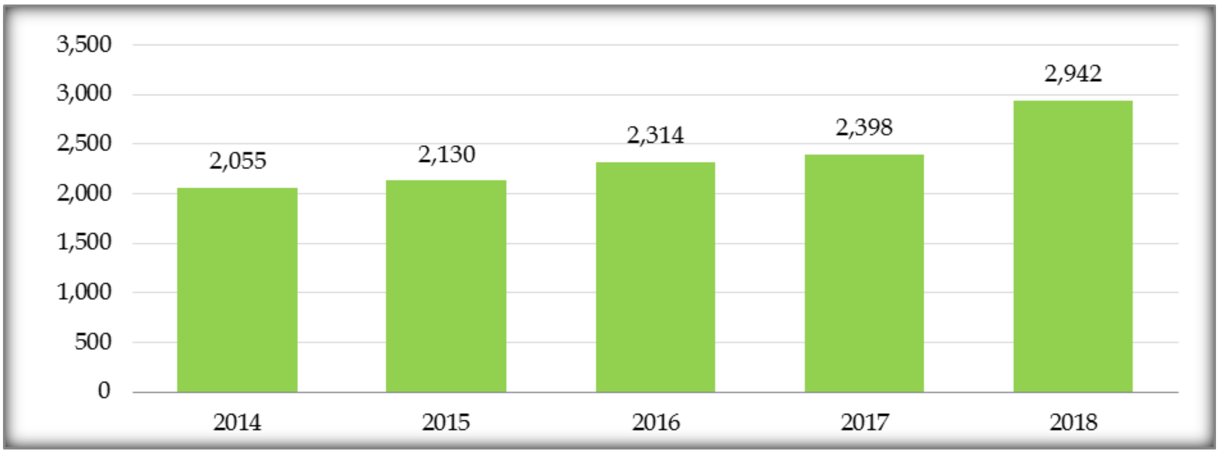
Figure 23: **Number of employees in agribusinesses for, 2014-2018**



Source: KAS, processed by DEAAS -MAFRD

With regard to active businesses, there has also been a gradual increase in those dealing with agricultural activities or those that use agricultural and forestry products as raw materials. The average number of these active businesses for 2011-2013 was 2,051.

Figure 24: Number of active businesses for 2014-2018



Source: KAS, processed by DEAAS -MAFRD

In the light of agricultural businesses or agro-industry activities in 2018, the largest turnover was marked in the processing of food products, amounting to € 231 million. From the other branches of agro-industry that are presented in the table, the production of beverages marked a turnover of € 108.1 million, followed by plant and animal products, hunting and related services, with a turnover of € 44.9 million. The industry of wood and wood products had an approximate annual turnover of € 39.8 million.

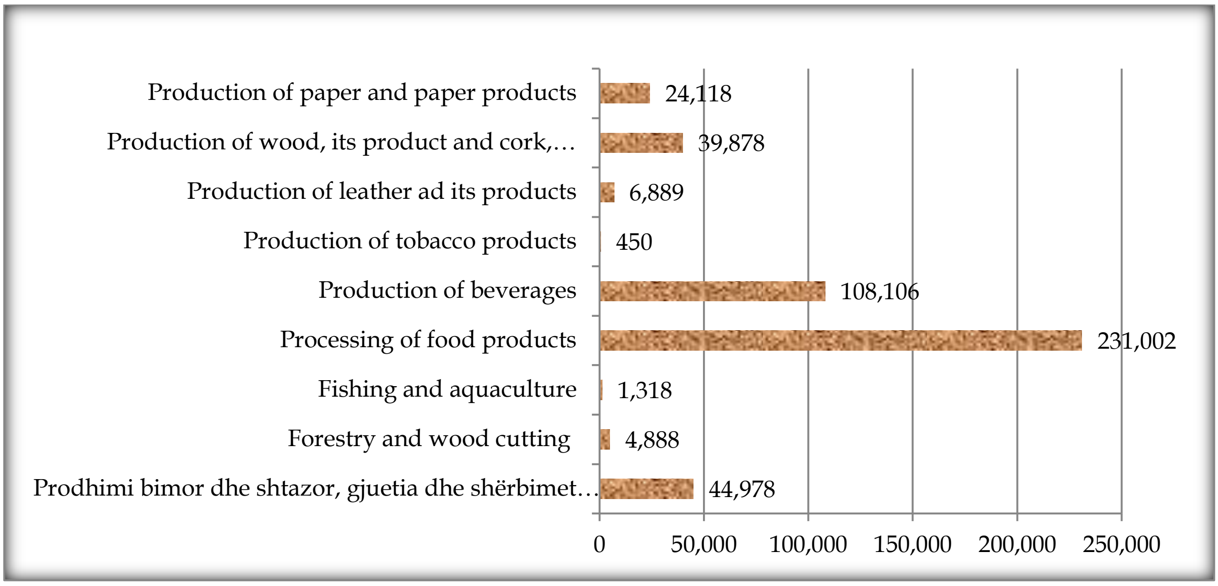
Table 24: Participation of enterprises registered in Agriculture, Forestry and Fishery activities

Activities	Turnover ('000 €)	Number of employees	Number of active businesses
Plant and animal products, hunting and related services	44,978	2,335	942
Forestry and wood cutting	4,888	94	43
Fishing and aquaculture	1,318	52	13
Processing of food products	231,002	6,470	1,271
Production of beverages	108,106	1,847	91
Production of tobacco products	450	25	1
Production of leather and its products	6,889	429	37
Production of wood, its products and cork, excluding furniture	39,878	1,473	445
Production of paper and paper products	24,118	431	99
Total	**461,627**	**13,156**	**2,942**

Source: KAS, processed by DEAAS -MAFRD

The low turnover was marked in the production of paper and paper products with € 24.1 million; leather and leather products with € 6.8 million, while forestry and tree cutting by € 4.8 million A much lower turnover is marked in the following activities: fishery and aquaculture € 1.3 million and production of tobacco products € 450.000.

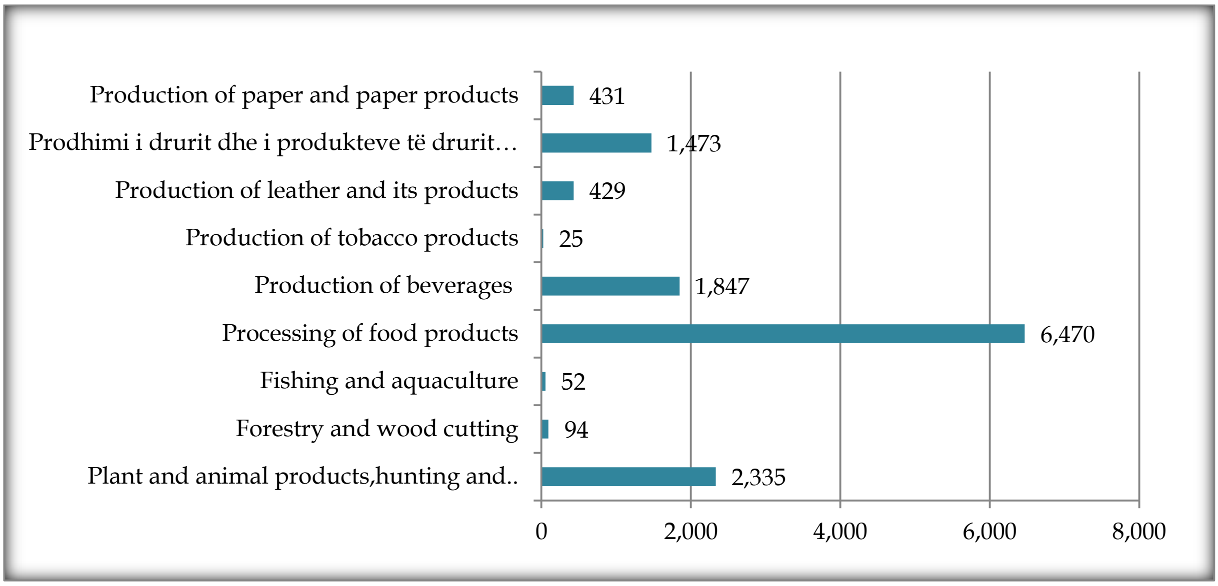
Figure 25: Turnover (000 '€) by agricultural activities, 2018



Source: KAS, processed by DEAAS –MAFRD

The largest number of employees belong to the food processing sector with 6,470 employees engaged, followed by the sector of beverage production with 2,335, plant and animal production industry, hunting and related services with 1,847 employees, production of paper and paper products with 1,473 employees and production of leather and its products with only 25 employee registered.

Figure 26: Number of employees by agricultural activities, 2018

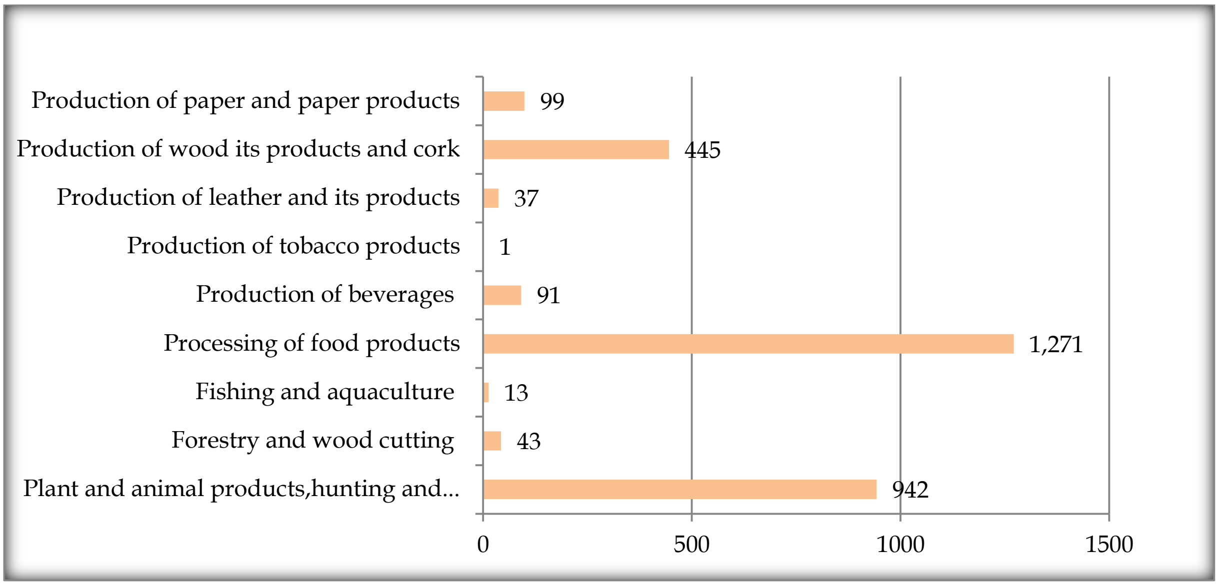


Source: KAS, processed by DEAAS –MAFRD

When referring to data on the number of active businesses, it can be noted that the largest number of such businesses were forestry and wood products sector with approximately 1,271 or 43% of businesses dealing with agricultural activities; the processing of food products is

942, businesses and fishing and aquaculture is 445, as well as other activities with a smaller number of businesses, presented in the figure below.

Figure 27: Number of active businesses registered by region, 2018



Source: KAS, processed by DEAAS -MAFRD

2 Agricultural production and its use

2.1 Use of agricultural land

The used area of agricultural land refers to the total area of arable land - fields, meadows and pastures, perennial crops and gardens used by the agricultural economy, regardless of the type of ownership. Data on forest land, unused agricultural land and non-agricultural land are not included.

Table 25: Used area of agricultural land 2016-2018, (ha)

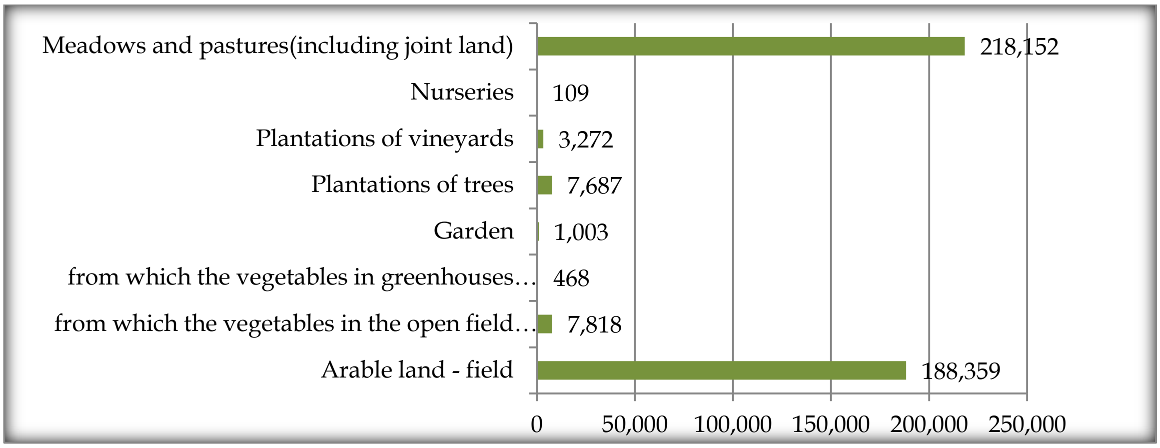
Agricultural land used	2016	2017	2018	Difference 2018-2017	Difference (%) 2018/2017	Participation (%) 2018
Arable land - field	187,223	186,954	188,359	1,405	0.75	45.00
- from which the vegetables in the open field (first crop)	7,864	8,033	7,818	-215	-2.67	1.87
-- from which the vegetables in greenhouses (first crop)	457	467	468	1.21	0.26	0.11
Garden	994	1,199	1,003	-196	-16.37	0.24
Fruit tree	5,493	6,247	7,687	1,440	23.06	1.84
Vineyard	3,112	3,199	3,272	73	2.27	0.78
Seedlings	196	159	109	-50	-31.72	0.03
Meadows and pastures (including common land))	218,808	218,314	218,152	-162	-0.07	52.12
Total area of agricultural land in use	**415,826**	**416,072**	**418,582**	**2,296**	**0.55**	**100**

Source: Results of the Agricultural Holding Survey (AHS) ,16,17, '18

* The statistics presented in this table are presented on the basis of grouping as in the AHS of KAS and there are differences with the data presented in the subchapters 2.3.2 and 2.3.3 due to change in grouping (e.g. strawberries in subchapter 2.1 according to KAS grouping is categorized under vegetables while in subchapter 2.3.3 it is presented under trees.

Based on the Agricultural Holding Survey 2018, the total surface area of used agricultural land is 419 thousand ha, whereby the majority are meadows and pastures (including common land) 218,152 ha or 52.1%, whereas arable land (excluding vegetables) is 188 thousand ha or 45%, including open field vegetables and greenhouse vegetables.

Figure 28: Surface area of used agricultural land, 2018 (ha)



Source: Results of the Agricultural Holding Survey (AHS), 2018

During 2018, arable land – fields (not including vegetables) stood at 180,073 ha, which marks an increase of 1,619 ha compared to 2017. Open field vegetables as a first culture cover an area of 7.8 thousand hectares, thus marking a decrease of 215 hectares, which is also a decrease of 2.7% in 2018 compared to the previous year. Vegetables cultivated in greenhouses as first culture marked an increase of surface area by 1.21 ha, or 0.3%.

The category of gardens went from a total of 1,199 ha in 2017, to 1,003 ha in 2018, thus marking a decline of 196 ha or 16.4% for this category.

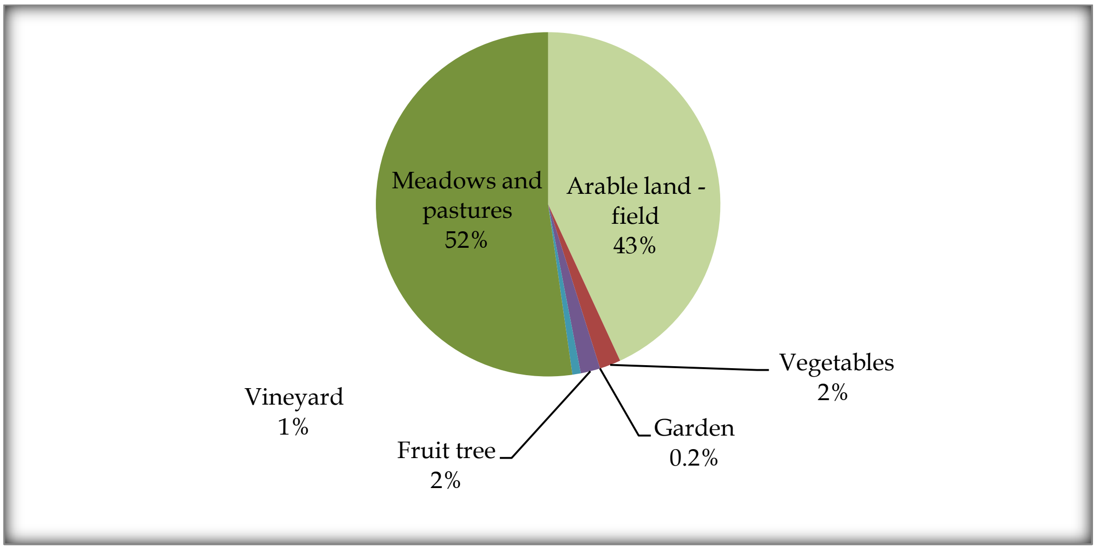
The fruit trees have a share of 7.6 thousand hectares, which compared to 2017 marked an increase of 1.440 ha, or 23.1%.

Vineyards participate in the total area of agricultural land used with around 1%. Also, the vineyards area in 2018 expanded for 73 ha, or of 2.3% more than in 2017.

The area planted with seedlings in 2018 was 109 ha, marking a decrease of 31.7% compared to 2017 when 156 ha were cultivated.

The category of land used as meadows and pastures (including common land) has a participation of 52%. In 2018, there was a reduction of area for 162 ha compared to 2017.

Figure 29: Used area of agricultural land 2018, %



Source: Results of the Agricultural Holding Survey (AHS 2018

2.2 Farm size

In this sub-chapter, data are presented in summary form on the use of agricultural land: Surface area (ha), participation in (%) and number of agricultural holdings, and their participation in (%). The results of the farm structure are obtained from the Kosovo Agency of Statistics (KAS) which conducts the Agricultural Holding Survey (AEB) on an annual basis.

In 2018, there were 187,007 ha of arable land - fields[5] in Kosovo. Land used by farms in our country in the year concerned accounted for about 45% of the total used surface of agricultural land, including the open field vegetables (first crop) and greenhouse vegetables (first crop).

Based on the size of the surface of arable land, the farm structure is classified into four main categories:

I. Farms with very small size of less than 1 ha constitute 9.9% of farms and had a surface of 18,519 ha.
II. Farms with a size of 1 of less than 5 ha had a share of 50.9%, and represent about 95,138 ha.
III. Farms with size ranging from 5ha to less than 20 ha, had a representation of 29.7% involving a surface area of 55,432 ha, and
IV. Farms with a size of 20ha and more participated with 9.5% covering the area of 17,918 ha.

Below is the table showing the data for the size of agricultural holdings in 2018 according to the surface of arable land, participation in (%), and the number of agricultural holdings and their participation in (%).

Table 26: Size of holdings by surface of arable land, 2018

Farm size	Surface (ha)	Participation (%)	No. of Agricultural economic	Participation (%)
0 and less than 0.5	5,801	3.10%	31,648	30.28%
0.5 to less than 1	12,718	6.80%	19,508	18.66%
1 to less than 2	32,096	17.16%	24,522	23.46%
2 to less than 5	63,042	33.71%	21,359	20.43%
5 to less than 10	38,085	20.37%	5,719	5.47%
10 to less than 20	17,347	9.28%	1,342	1.28%
20 to less than 30	5,717	3.06%	240	0.23%
30 and more	12,201	6.52%	194	0.19%
Total	187,007	100%	104,532	100%

Source: Agricultural Holding Survey, 2018

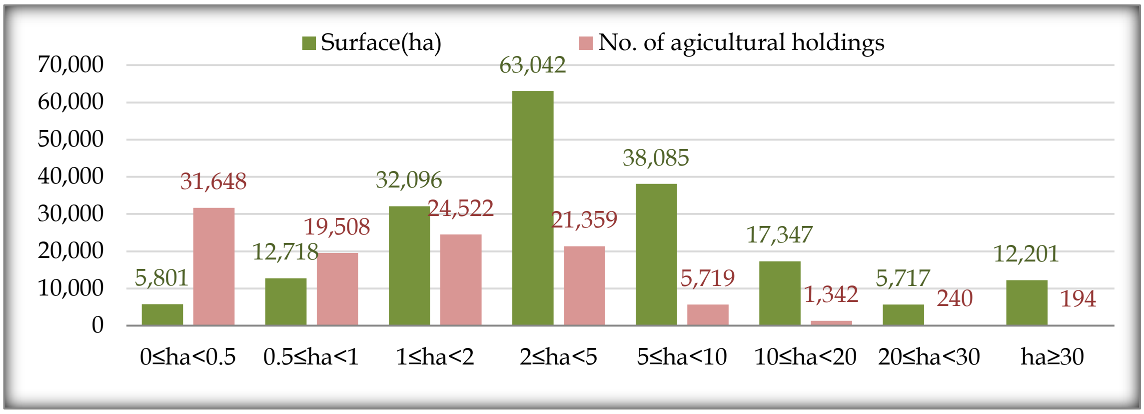
[5] Throughout the text, within the farm structure is not included the surface in the four municipalities in the northern part and thus differs from the surface presented in subchapter - Land Use

Based on the table presented above, it results that about 60.8% of all farms in Kosovo had less than 5 ha of utilized agricultural area and together these small farms account for 113,658 ha of utilized agricultural land.

Farms with a size of 5 ha and less than 10 ha, participated with only 38,085 ha or 20.04% of the used land area.

When talking about the largest farms ranging from 10 ha and more, they had only 17,918 ha of agricultural land with a participation of 9.6%.

Figure 30: Number of agricultural holdings by surface of arable land, 2018



Source: Agricultural Holdings Survey, 2018

Regarding the number of agricultural holdings, about 31,648 or 30.3%, of total agricultural holdings have farms with a size of 0 and less than 0.5 ha of arable land. The next largest group is represented by farm size from 0.5 to less than 1 ha and from 1ha to less than 2 ha consisting of 44,030 of agricultural holdings or 42.1% of the total number of agricultural holdings. 21,359 holdings or 20.4% have a size of 2 to less than 5 ha.

Based on the data analysed, it is noted that holdings in Kosovo 2018 could be presented in three main categories of farm sizes:

Approximately 92.8% of agricultural economic or 97,037 belong to farm size categories of less than 0.5 to less than 5 ha.

When it comes to farms with a larger size of the surface of arable land, it is found that only 5.5% or 5,719 agricultural economic have farms with a size of 5 to less than 10 ha.

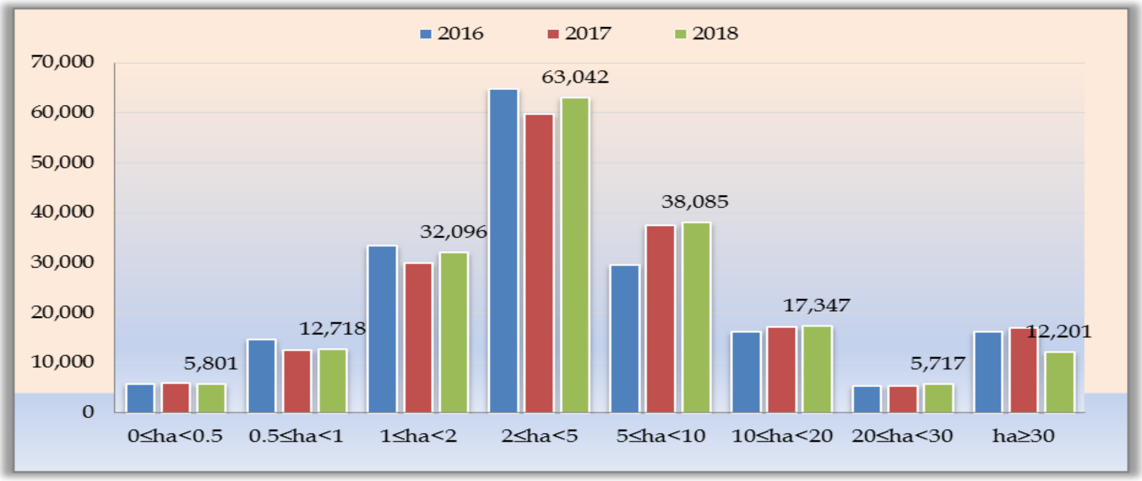
Only 1.7%, i.e. 1,776 agricultural holdings have farms with a size of 10 ha and more.

Table 27: Farm size by surface of arable land, 2017-2018

Farm size	2017	2018	Difference (2018-2017)	Difference 2018/2017 (%)
0 and less than 0.5	5,976	5,801	-175	-2.9
0.5 and less than 1	12,584	12,718	134	1.1
1 to less than 2	29,898	32,096	2,198	7.4
2 to less than 5	59,696	63,042	3,346	5.6
5 to less than 10	37,458	38,085	627	1.7
10 to less than 20	17,219	17,347	128	0.7
20 to less than 30	5,332	5,717	385	7.2
30 and more	16,967	12,201	-4,766	-28.1
Total	**185,130**	**187,007**	**1,877**	**1**

Source: Agricultural Holding Survey, 2018

Figure 31: Farm size by surface of arable land, 2016-2018

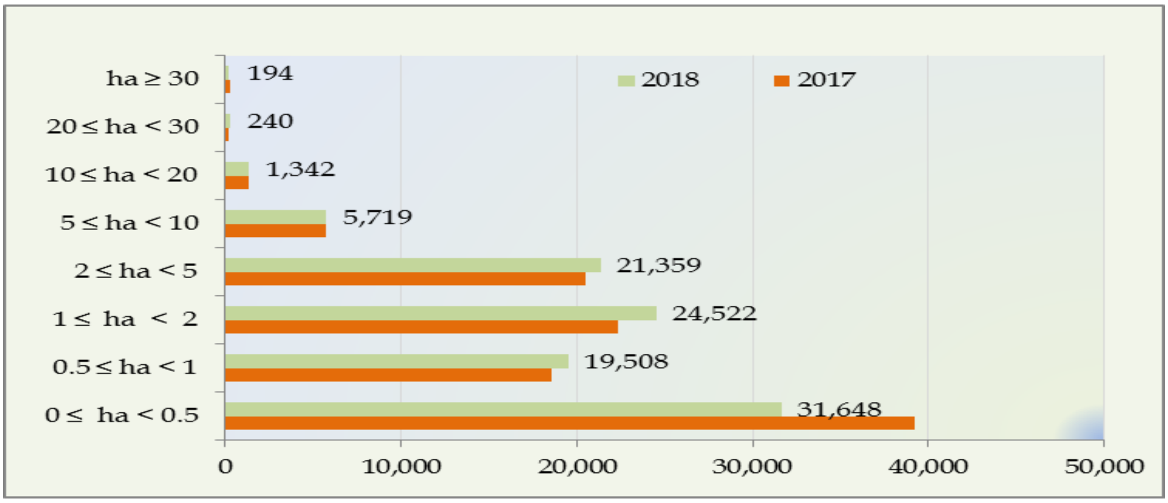


Source: Agricultural Holding Survey 2018

From the results of the AHS 2018, we see that the number of agricultural holdings in 2018 was almost similar to that of 2017, with a slight decrease from 108,803 in 2017 to 104,532 in 2018, namely a decrease of 3.9%.

The changes and movements that have occurred in the number of agricultural holdings in 2018 compared to 2017 are presented in the following figure.

Figure 32: Number of holdings by size of arable land 2017-2018



Source: Agricultural Economics Survey, 2018

2.3 Vegetables production

2.3.1 Cereals

The area cultivated with cereals in 2018 accounted for 66% of arable land. The crops that have the largest percentage of land cultivated with cereals are wheat with 65% and maize with 31%, while the remaining part is cultivated with oats, barley, rye and other cereals. In 2018, in addition to the oats whose area decreased by 23%, other crops increased. The highest growth was in the other cereals category, followed by rye with 37% and barley with 21%, while other crops such as wheat, maize had 1% and 7% growth, respectively.

Total cereal production decreased by 8%, despite the fact that the cereal area increased. This came as a result of the decline in yields of all crops, ranging from 4% maize to other grain crops that had a 32% decline in yield.

Table 28: Grain area, production and yield, 2014-2018

Crops	2014	2015	2016	2017	2018	Difference 2018/2017 in %
Area			**ha**			
Grain	*131,949*	*134,886*	*134,571*	*120,746*	*123,869*	*3*
Wheat	90,728	89,942	89,122	80,519	81,123	1
Maize	35,038	41,492	41,524	35,951	38,453	7
Barley	1,487	1,141	1,196	1,605	1,948	21
Rye	588	396	415	318	434	37
Oat	3,940	1,790	2,156	2,320	1,797	-23
Other cereals Grain	168	125	157	33	113	241
Production			**t**			
Cereals	*463,581*	*443,584*	*562,899*	*477,880*	*441,757*	*-8*
Wheat	331,296	304,443	365,651	320,136	280,616	-12
Corn	116,209	131,486	186,592	147,200	151,921	3
Barley	4,716	3,061	3,669	4,687	5,124	9
Rye	1,521	809	991	866	1,049	21
Oat	9,840	3,415	5,428	4,862	2,751	-43
Other cereals Grain		371	568	129	296	131
Yield			**t/ha**			
Wheat	*3.65*	*3.38*	*4.10*	*3.98*	*3.46*	*-13*
Corn	*3.32*	*3.17*	*4.49*	*4.09*	*3.95*	*-4*
Barley	*3.17*	*2.68*	*3.07*	*2.92*	*2.63*	*-10*
Rye	*2.59*	*2.04*	*2.39*	*2.72*	*2.41*	*-11*
Oat	*2.50*	*1.91*	*2.52*	*2.10*	*1.53*	*-27*
Other cereals Grain		*2.96*	*3.62*	*3.87*	*2.62*	*-32*

Source: KAS – Agricultural Census ('14); Agricultural Holdings Survey ('15,'16,'17,'18)

In 2018, out of the total area planted with cereal, 66% were planted with wheat. With a planted area of 81,123 ha, wheat production amounts to 280,616 tons, whereby Kosovo manages to cover around 63% of its consumption needs, whereas the remaining part is covered from import.

The production value was € 44.9 mil., which is 12% lower than in 2017, due to lower yields although the price was the same. The trade balance continues to be negative. The quantity of wheat imported, including wheat products, is lower in 2018 compared to 2017 by 2%.

Table 29: Supply balance for wheat, 2014-2018

	Unit	2014	2015	2016	2017	2018
Area with cereals	ha	131,949	134,886	134,571	120,746	123,869
Area with wheat	ha	90,728	89,942	88,122	80,519	81,123
Share of wheat	%	68.8	66.7	65.5	66.7	65.5
Yield	t/ha	3.65	3.38	4.15	3.98	3.46
Production	t	331,296	304,443	365,651	320,136	280,616
Import of wheat and wheat equivalent	t	178,782	204,015	188,497	179,593	175,252
Supply	t	510,078	508,458	554,148	499,729	455,868
Import of wheat and wheat equivalent	t	33,132	27,765	30,806	22,700	10,326
Domestic use	t	476,946	480,693	523,342	477,030	445,542
Level of self-sufficiency	%	69.5	63.3	69.9	67.1	63.0
Wheat seed	t	27,218	26,983	26,437	24,156	24,337
Losses	t	9,939	9,133	10,970	9,604	8,418
Feed	t	53,306	48,985	58,833	51,510	45,151
Industrial use	t	9,044	10,417	10,737	8,895	7,914
Processing	t	223,688	208,086	233,830	231,652	225,176
Human consumption	t	153,751	177,089	182,535	151,213	134,546
Producer prices (on farm)	€/kg	0.2	0.19	0.17	0.16	0.16
Production value	mil. EUR	66.3	57.8	62.2	51.2	44.9
Wheat trade balance	mil. EUR	-73.8	-81.9	-68.2	-72.8	-73.1

Source: KAS – Agricultural Holdings Survey ('12'13,'15,'16,'17); Agricultural Census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

Maize is the second most cultivated crop in the cereal group. In 2018, 31% of the total area planted with cereals was planted with maize. In 2018 the maize surface area was 7% higher than in 2017, while production increased only 3% as yields had fallen by 4%.

With this amount of production, Kosovo can cover 74% of the domestic needs, most of which is used as feed. Kosovo also imports maize in order to fulfil its needs, and the trade balance remains negative, with it being €10.8 mil in 2019 but still 9% lower compared to 2017.

Table 30: Supply balance for maize, 2014-2018

	Unit	2014	2015	2016	2017	2018
Area with cereals	ha	131,949	134,886	134,571	120,746	123,869
Area with corn	ha	35,038	41,492	41,524	35,951	38,453
Share of maize	%	26.6	30.8	30.9	29.8	31.0
Yield	t/ha	3.32	3.17	4.49	4.09	3.95
Production	t	116,209	131,486	186,592	147,200	151,921
Import of maize and its equivalents	t	45,921	56,760	55,044	58,329	54,071
Supply	t	162,130	188,246	241,636	205,529	205,992
Export of maize and its equivalents	t	312	221	275	277	303
Domestic use	t	161,818	188,025	241,362	205,252	205,689
Self-sufficiency rate	%	71.8	69.9	77.3	71.7	73.9
Maize seed	t	701	830	830	719	769
Losses	t	3,486	3,945	5,598	4,416	4,558
Feed	t	89,618	101,369	144,131	113,652	117,275
Industrial use	t	3,177	3,841	3,002	3,110	2,904
Processing	t	10,834	12,750	16,734	13,201	13,749
Human consumption	t	54,003	65,291	71,067	70,154	66,434
Producer prices (on farm)	€/kg	0.28	0.23	0.24	0.23	0.25
Production value	mil. EUR	32.5	30.2	44.8	33.9	38.0
Maize trade balance	mil. EUR	-10.4	-11.3	-10.4	-11.9	-10.8

Source: KAS – Agricultural Holdings Survey ('12'13,'15,'16,'17); Agricultural Census ('14); KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

2.3.2 Vegetables

The area cultivated with vegetable during 2018 was 17,886 ha. The crops that dominate the largest area in 2018 are potatoes 3,606 ha, peppers 3,038 ha, beans 2,845 ha, pumpkin 2,255 ha, onions 1,185, watermelon 1,182 ha, cabbage 832 ha, maize pumpkin 810 ha, tomato 757 ha, followed by other crops like melon, garlic, carrot, etc.

Table 31: Vegetable surface area, 2014 - 2018

Crops	2014	2015	2016	2017	2018	Difference 2018/2017 in %
Area			**ha**			
Vegetables	15,854	14,656	17,395	19,643	17,886	-9
Potatoes	3,695	3,353	3,795	4,290	3,606	-16
Tomato	558	791	866	862	757	-12
Eggplant	-	5	4	8	6	-19
Pepper	2,553	3,090	3,363	3,035	3,038	0
Pumpkin	1,354	551	1,017	2,270	2,255	-1
Maize pumpkin	232	229	490	684	810	18
Mushroom	1	-	-	-	-	-
Cucumber	193	317	259	305	273	-10
Watermelon	781	781	1,127	1,201	1,182	-2
Melon	167	193	301	388	298	-23
Cabbage	556	594	807	917	832	-9
Cauliflower	-	32	83	47	46	-4
Spinach	139	204	181	161	160	-1
Lettuce	-	59	96	92	78	-16
Beet	58	19	11	-	9	-
Radish	-	2	1	-	5	-
Parsley	-	9	13	10	11	6
Leek	44	78	70	73	72	0
Onion	1,041	1,079	1,228	1,465	1,185	-19
Garlic	85	114	140	138	146	6
Beans	3,959	2,945	3,317	3,406	2,845	-16
Peas	241	134	96	99	55	-44
Other legumes	59	19	30	54	69	28
Carrot	76	57	99	107	112	5
Other vegetables	64	-	-	32	37	15

Source: KAS – Agriculture Census ('14); Agricultural Household Survey ('15,'16,'17,'18)

The vegetable production during 2018 amounted to 265,420 tons. Compared to 2017, there was a decline of 26%, which resulted due to heavy rainfalls that have caused decay and reduced yields of vegetable crops.

Among the crops which lead with the highest amount of production in 2018, are potatoes 68,790 tons, pepper 49,907 tons, watermelon 22,918 tons, cabbage 21,997 tons, pumpkin 20,208 tons, maize pumpkin 18,376 tons, onion 16,317 tons, followed by other cultures such as cucumber, beans, melon, etc.

Table 32: Vegetable production, 2014 - 2018

Crops	2014	2015	2016	2017	2018	Difference 2018/2017 in %
Production			t			
Vegetable	**221,330**	**246,096**	**335,467**	**358,394**	**265,420**	**-26**
Potato	64,027	70,678	98,583	118,250	68,790	-42
Tomato	17,386	24,333	27,215	24,698	22,639	-8
Eggplant	-	165	123	204	107	-48
Pepper	57,921	55,469	68,849	62,934	49,907	-21
Pumpkin	14,363	6,141	14,894	25,564	20,208	-21
Maize pumpkin	4,604	4,811	13,670	16,220	18,376	13
Mushrooms	7	-	-	-	-	-
Cucumber	5,428	17,365	10,428	10,204	7,009	-31
Watermelon	16,669	17,404	29,997	28,740	22,918	-20
Melon	1,778	2,966	5,558	6,113	4,141	-32
Cabbage	14,426	16,694	25,957	25,184	21,997	-13
Cauliflower	-	218	1,571	911	725	-20
Spinach	1,199	1,892	2,031	1,546	1,348	-13
Salad	-	884	1,392	1,186	683	-42
Beet	678	240	276	-	73	-
Radish	-	12	12	-	39	-
Parsley		103	186	143	87	-39
Leek	640	1,942	1,831	1,671	1,303	-22
Onion	12,812	13,795	19,814	22,436	16,317	-27
Garlic	431	705	1,063	971	873	-10
Beans	5,831	9,018	10,267	8,687	5,688	-35
Peas	1,117	392	250	348	146	-58
Other legumes	353	124	119	219	254	16
Carrot	779	743	1,381	1,838	1,493	-19
Other vegetables	881	-	-	326	298	-9

Source: KAS – Agricultural Holdings Survey ('14); Agricultural Census ('15,'16,'17,'18)

With regard to crop yields for 2018, depending on the crop, there was a decline compared to 2017, always referring to climate conditions that have affected yields, which is also reflected in production.

Table 33: The yield of vegetables, 2014 - 2018

Crops	2014	2015	2016	2017	2018	Difference 2018/2017 in %
Yield			t /ha			
Potato	17.33	21.08	25.97	27.56	19.08	-31
Tomato	31.15	30.77	31.42	28.67	29.90	4
Eggplant	-	33.72	28.16	26.32	16.90	-36
Pepper	22.69	17.95	20.47	20.74	16.43	-21
Pumpkin	10.61	11.15	14.65	11.26	8.96	-20
Maize pumpkin	19.86	21.02	27.87	23.71	22.70	-4
Mushrooms	9.50	-	-	-	-	-
Cucumber	28.18	54.78	40.28	33.50	25.66	-23
Watermelon	21.35	22.27	26.61	23.93	19.38	-19
Melon	10.63	15.34	18.48	15.77	13.92	-12
Cabbage	25.96	28.11	32.15	27.46	26.44	-4
Cauliflower	-	6.84	18.97	19.19	15.93	-17
Spinach	8.65	9.26	11.23	9.59	8.44	-12
Lettuce	-	14.96	14.57	12.82	8.79	-31
Beet	11.70	12.49	24.16	-	-	-
Radish	-	7.07	9.77	-	-	-
Parsley	-	11.16	14.54	14.21	8.15	-43
Leek	14.39	25.03	26.30	23.05	18.00	-22
Onion	12.31	12.78	16.14	15.32	13.77	-10
Garlic	5.05	6.17	7.62	7.04	5.97	-15
Beans	1.47	3.06	3.10	2.55	2.00	-22
Peas	4.64	2.92	2.60	3.52	2.64	-25
Other legumes	5.97	6.42	3.97	4.02	3.67	-9
Carrot	10.28	12.96	13.96	17.21	13.35	-22
Other vegetables	13.80	-	-	10.23	8.12	-21

Source: KAS – Agricultural Holdings Survey ('14); Agricultural Census ('15,'16,'17,'18)

The total area of land planted with vegetables as second crop in 2018 was 233 ha, which includes: cabbage 99.2 ha, spinach 65.8 ha, lettuce 18.4 ha, onion 9.6 ha and other crops (tomatoes, peppers, cucumbers, cauliflower, parsley, leeks, etc.) with 40.5 ha. Compared to the previous year, the surface area of land planted with second crops has increased by 43%, while marking an increase of 19% in terms of production compared to 2017. Other second crops also marked an increase, with the exception of lettuce that showed a decline of yield.

Table 34: Area, production and yield of second crops after the first harvest

Crops	2017	2018	Difference 2018/2017 in %
Area	**ha**		
Vegetable	**208**	**233**	**12**
Cabbage	92	99	7
Spinach	80	66	-18
Lettuce	9	18	98
Onion	15	10	-35
Other	12	41	251
Manufacturing	**t**		%
Vegetable	**2,406**	**3,451**	**43**
Cabbage	1,987	2,362	19
Spinach	187	271	45
Lettuce	81	124	54
Onion	39	80	104
Other	113	614	446
Yield	**t/ha**		%
Cabbage	21.53	23.81	11
Spinach	2.34	4.12	76
Lettuce	8.67	6.75	-22
Onion	2.66	8.34	214
Other	9.75	15.16	56

Source: KAS – Agricultural Household Survey ('17,'18)

Out of the total area of 17,886 ha planted with vegetables in 2018, the area planted with tomatoes accounts for 4%. When compared to the previous year, the production and area planted with tomatoes in 2018 declined by 12% while production by 8%, thus covering 57% of total consumer needs. The rest is covered by imports with 16,900 tonnes, while exports amount to 166 tonnes. The production value was € 13.5 mil., while trade balance continues to be negative.

Table 35: Supply balance for tomatoes, 2014-2018

Balance items	Unit	2014	2015	2016	2017	2018
Area with vegetables	ha	15,854	14,656	17,395	19,643	17,886
Area with tomato	ha	558	791	866	862	757
Share	%	3.5	5.4	5.0	4.4	4.2
Yield	t/ha	31.15	30.77	31.42	28.67	28.67
Production	t	17,386	24,333	27,215	24,698	22,639
Import of tomato	t	16,814	15,110	16,687	15,564	16,900
Supply	t	34,199	39,444	43,902	40,262	39,539
Export of tomato	t	64	63	414	80	166
Domestic use	t	34,135	39,381	43,488	40,183	39,374
Self-sufficiency rate	%	50.9	61.8	62.6	61.5	57.5
Losses	t	695	973	1,089	988	906
Processing	t	167	234	261	237	217
Final own consumption	t	3,171	4,438	4,964	4,505	4,129
Total human consumption	t	33,440	38,408	42,399	39,195	38,468
Producer prices (on farm)	€/kg	0.55	0.41	0.50	0.45	0.62
Production value	mil. €	9.2	9.6	13.1	10.7	13.5
Tomato trade balance	mil. €	-5.2	-5.4	-5.5	-5.2	-6.0

Source: KAS – Agriculture Census ('14); Agricultural Household Survey ('15,'16,'17,'18); ASK, External Trade Statistics; calculations by DAESB - MAFRD

The Pepper crop accounts for 17% of the total area cultivated with vegetables. Production in terms of pepper crop for 2018 amounted to 49,907 tons and is 21% lower compared to 2017, thus satisfying 82% of consumption needs. The imported quantity of pepper was 11,524 tons, while that export amounted to 582 tons.

The value of pepper production for 2018 amounted to € 43.6 mil., while the trade balance remained negative. From the total domestic production of 60,850 tons, around 58,853 tons are used for total consumption, whereas 1,996 tons are considered as loss whereas 479 tons were destined for processing.

Table 36: Supply balance for pepper, 2014-2018

Balance items	Unit	2014	2015	2016	2017	2018
Area with vegetables	ha	15,854	14,656	17,395	19,643	17,886
Area with pepper	ha	2,553	3,090	3,363	3,035	3,038
Share	%	16.1	21.1	19.3	15.4	17.0
Yield	t/ha	22.69	17.95	20.47	20.74	16.43
Production	t	57,921	55,469	68,849	62,934	49,907
Import of pepper	t	10,489	9,246	11,734	9,692	11,524
Supply	t	68,409	64,715	80,582	72,626	61,431
Export of pepper	t	994	602	1,113	841	582
Domestic use	t	67,416	64,114	79,470	71,785	60,850
Self-sufficiency rate	%	85.9	86.5	86.6	87.7	82.0
Losses	t	2,317	2,219	2,754	2,517	1,996
Processing	t	556	533	661	604	479
Final own consumption	t	10,565	10,118	12,558	11,479	9,103
Total human consumption	t	65,099	61,895	76,716	69,267	58,853
Producer prices (on farm)	€/kg	0.65	0.70	0.60	0.35	0.91
Production value	mil. €	36.1	37.3	39.7	21.1	43.6
Pepper trade balance	mil. €	-4.1	-4.0	-4.2	-3.8	-4.8

Source: KAS – Agriculture Census ('14); Agricultural Household Survey ('15,'16,'17,'18); KAS, External Trade Statistics; calculations by DAESB - MAFRD

Potato accounts for 20% of the total vegetable area for 2018 with a total of 17,886 ha. The potato area has decreased by 16% compared to the previous year, and the potato production for 2018 is estimated to be 68,790 tons or 45% less than in 2017, but still this amount covers 100% internal consumption needs.

The trade balance continues to be negative in the amount of € 0.5 mil., as the price per unit imported is higher than the price per unit exported. Potato imports amount to 5,930 tons while export amounts to 11,988 tons.

Table 37: Supply balance for potatoes, 2014-2018

Balance items	Unit	2014	2015	2016	2017	2018
Area with vegetables	ha	15,854	14,656	17,395	19,643	17,886
Area with potato	ha	3,695	3,353	3,795	4,290	3,606
Share	%	23.3	22.9	21.8	21.8	20.2
Yield	t/ha	17.33	21.08	25.97	27.56	19.08
Production	t	64,027	70,678	98,583	118,250	68,790
Import of potatoes	t	4,503	4,822	4,868	5,530	5,930
Supply	t	68,530	75,500	103,451	123,780	74,721
Export of potatoes	t	12,673	12,294	14,629	12,822	11,988
Domestic use	t	55,858	63,206	88,822	110,958	62,733
Self-sufficiency rate	%	114.6	111.8	111.0	106.6	109.7
Loses	t	3,201	3,534	4,929	5,912	3,440
Processing	t	3,041	3,357	4,683	5,617	3,268
Final own consumption	t	18,248	20,143	28,096	33,701	19,605
Total human consumption	t	52,656	59,673	83,893	105,045	59,294
Producer prices (on the farm)	€/kg	0.31	0.33	0.35	0.35	0.33
Value of production	mil. €	18.9	22.2	32.8	39.3	21.6
Trade potato balance	mil. €	-0.2	-0.4	-0.2	-0.5	-0.5

Source: KAS – Agriculture Census ('14); Agricultural Household Survey ('15,'16,'17,'18); ASK, External Trade Statistics; calculations by DAESB - MAFRD

2.3.3 Fruits

In 2018, the area of fruits in Kosovo is 7,922 ha, marking an increase of 23% when compared to 2017. Among the fruits with the highest surface area are: apples with 2,559 ha, plums with 1,821 ha, raspberries with 1,537 ha, walnuts with 608 ha, followed by other crops such as pears, strawberries, sour cherries, etc., which compared to the previous year have marked a significant increase in surface area.

Regarding fruit production for 2018, there is an increase of 57% compared to the previous year where the total amount of production for this year is 53,606 tons. Almost all crops have marked an increase in productivity compared to the previous year, ranging from quinces, apples, pears, walnuts, hazelnuts, peaches, plums, etc. While if compared to 2017, there was a slight decrease in the following crops: apricot, cherry, sour cherry and strawberry.

Table 38: Area and production of fruits, 2014 - 2018

Crops	2014	2015	2016	2017	2018	Difference 2018/2017 in %
Area			**ha**			
Fruits	**3,720**	**4,930**	**5,668**	**6,422**	**7,922**	**23**
Apple	1,973	1,972	2,076	2,155	2,556	19
Pears	210	367	416	456	479	5
Quince	26	58	31	39	64	64
Medlar	21	-	43	41	50	21
Plums[6]	699	1,518	1,518	1,524	1,821	20
Apricot	23	12	15	11	14	21
Peach	28	12	26	26	34	32
Cherry	51	27	73	78	82	6
Sour cherry	125	147	148	149	167	12
Walnut	48	177	186	340	608	79
Hazelnut	88	65	91	95	119	26
Strawberries	201	203	175	175	234	34
Raspberries	141	324	797	1,231	1,537	25
Blackberries	15	19	20	21	24	17
Blueberries	14	14	15	33	37	13
Other fruits	56	14	39	48	94	97
Output			**t**			%
Fruits	**25,903**	**44,674**	**54,836**	**34,207**	**53,606**	**57**
Apple	13,519	18,352	27,485	13,159	26,093	98
Pears	1,363	3,189	3,966	2,083	3,500	68
Quince	224	294	329	255	925	264
Medlar	87	-	181	129	179	38
Plums	7,525	17,543	12,722	7,393	10,643	44
Apricot	110	75	85	59	38	-34
Peach	130	61	211	130	199	53
Cherry	211	99	405	298	410	-37
Sour cherry	793	810	696	599	427	-29
Walnut	229	323	470	405	761	88
Hazelnut	111	13	16	17	29	75
Strawberries	965	1,498	1,328	1,328	1,316	-1
Raspberries	529	1,748	6,250	7,747	8,267	7
Blackberries	107	284	237	181	246	36
Blueberries	-	276	189	271	306	13
Other fruits	-	109	268	153	265	73

Source: KAS – Agricultural Census ('14); Agricultural Holdings Survey ('15,'16,'17,'18)

The data above show that increase in the area and yield of fruit trees has also contributed to the increase in productivity. Compared to the previous year, crops such as quinces, apples and pears have marked an increase with over 50%, followed by other crops such as cherry (30%) and hazelnut (39%), while crops that have marked a decrease compared to the previous year are apricots, sour cherries, strawberries, raspberries and the category of other fruit trees.

[6] The difference in area 2014-2015 is due to the large plum area in the northern municipalities which did not participate in the 2014 Census. It is estimated that in 2014 there were 653 ha of plum in these municipalities. A general explanation for 2014 is provided at the beginning of this report.

Table 39: Yield of fruits, 2014 - 2018

Crop	2014	2015	2016	2017	2018	Difference 2018/2017 in %
Yield			**l/ha**			
Apple	6.85	9.30	13.24	6.11	10.21	67
Pears	6.49	8.69	9.53	4.56	7.31	60
Quince	8.50	5.04	10.50	6.51	14.47	122
Medlar	4.08	-	4.18	3.14	3.60	14
Plums	10.76	11.56	8.38	4.85	5.84	20
Apricot	4.77	6.21	5.82	5.13	2.79	-46
Peach	4.66	5.06	8.25	4.98	5.78	16
Cherry	4.16	3.68	5.57	3.83	4.98	30
Sour cherry	6.32	5.50	4.71	4.01	2.55	-36
Walnut	4.79	1.82	2.52	1.19	1.25	5
Hazelnut	1.27	0.20	0.17	0.18	0.25	39
Strawberries	4.81	7.38	7.58	7.58	5.62	-26
Raspberries	3.74	5.40	7.84	6.30	5.38	-15
Blackberries	7.30	15.02	12.10	8.73	10.16	16
Blueberries	-	19.21	12.54	8.21	8.20	0
Other fruits	-	7.91	6.89	3.21	2.81	-12

Source: KAS – Agricultural Census ('14); Agricultural Holdings Survey ('15,'16,'17,'18)

From the total area planted with fruit trees (7,922 ha) in 2018, the apple crops account for 32%. The area planted with apple and their production has increased in 2018 compared to 2017, whereby the area utilized has increased by 19%, while production by 98%. This production covers 76% of consumption needs, while the rest is covered by imports at 8,544 tons, with exports standing at 149 tons. The production value was 9.4 mil € while trade balance continues to be negative.

Table 40: Supply balance for apples, 2014-2018

Balance items	Unit	2014	2015	2016	2017	2018
Area with fruits	ha	3,720	4,930	5,668	6,422	7,922
Area with apples	ha	1,973	1,972	2,076	2,155	2,556
Share	%	53.0	40.0	36.6	33.6	32.3
Yield	t/ha	6.85	9.30	13.24	6.11	6.11
Output	t	13,519	18,352	27,485	13,159	26,093
Import of apple	t	15,808	14,909	12,384	14,256	8,544
Supply	t	29,326	33,261	39,869	27,414	34,637
Export of apple	t	7	17	119	57	149
Domestic use	t	29,319	33,243	39,750	27,357	34,488
Self-sufficiency rate	%	46.1	55.2	69.1	48.1	75.7
Losses	t	1,352	1,835	2,749	1,316	2,609
Processing	t	1,217	1,652	2,474	1,184	2,348
Final own consumption	t	7,300	9,910	14,842	7,106	14,090
Total human consumption	t	27,968	31,408	37,001	26,041	31,879
Producer price (on farm)	€/kg	0.49	0.44	0.40	0.45	0.40
Production value	mil. €	6.0	7.3	9.9	5.3	9.4
Apple trade balance	mil. €	-4.6	-4.9	-4.0	-4.9	-3.2

Source: KAS – Agricultural Census ('14); Agricultural Holdings Survey ('15,'16,'17,'18); KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

Plums account for 23% of total area cultivated with fruit trees for 2018. The area planted with plums increased by 20% compared to 2017 and production increased by 44% and managed to cover 100% of consumption needs. The value of plum production was at €7.2 mil., the quantity of imported plums was 219 tons, while the quantity of exported plums was only 179 tons.

Table 41: Supply balance for plum, 2014-2018

Balance items	Unit	2014	2015	2016	2017	2018
Fruit area	ha	3,720	4,930	5,668	6,422	7,922
Plum area	ha	699	1,518	1,518	1,524	1,821
Share	%	18.8	30.8	26.8	23.7	23.0
Yield	t/ha	10.76	11.56	8.38	4.85	4.85
Output	t	7,525	17,543	12,722	7,393	10,643
Plum import	t	474	237	425	596	219
Supply	t	7,998	17,780	13,147	7,988	10,863
Plum export	t	0	81	8	1	179
Domestic use	t	7,998	17,700	13,139	7,988	10,684
Self-sufficiency rate	%	94.1	99.1	96.8	92.6	99.6
Losses	t	527	1,228	891	517	745
Processing	t	1,400	3,263	2,366	1,375	1,980
Final own consumption	t	4,549	10,605	7,690	4,469	6,434
Total human consumption	t	7,472	16,472	12,249	7,470	9,939
Producer prices (on farm)	€/kg	0.78	0.43	0.47	0.45	0.73
Production value	mil. €	5.5	7.0	5.6	3.1	7.2
Plum trade balance	mil. €	-0.2	-0.1	-0.2	-0.2	-0.1

Source: KAS – Agricultural Census ('14); Agricultural Holdings Survey ('15,'16,'17,'18); KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

The area planted with strawberry has increased for 34% in 2018. Strawberry production covered 75% of consumption needs, while the rest was covered by imports (545 tons). The export amount was 107 tons, which has increased significantly compared to previous years. The value of strawberry production was € 1.3 mil., much higher compared to the previous year, while the trade balance remains negative.

Table 42: Supply balance for strawberry, 2014-2018

Balance items	Unit	2014	2015	2016	2017	2018
Fruit area	ha	3,720	4,930	5,668	6,422	7,922
Strawberry area	ha	201	203	175	175	234
Share	%	5.4	4.1	3.1	2.7	3.0
Yield	t/ha	4.81	7.38	7.58	7.58	7.58
Output	t	965	1,498	1,328	1,328	1,316
Strawberry Import	t	4	150	297	388	545
Supply	t	968	1,648	1,626	1,716	1,861
Strawberry export	t	2	3	48	36	107
Domestic use	t	967	1,645	1,578	1,680	1,754
Self-sufficiency rate	%	99.8	91.0	84.2	79.1	75.0
Losses	t	68	105	93	93	92
Processing	t	179	279	247	247	245
Final own consumption	t	583	905	803	803	795
Total human consumption	t	899	1,540	1,485	1,587	1,662
Producer prices (on farm)	€/kg	1.05	0.58	0.58	0.50	1.03
Production value	mil. €	0.9	0.8	0.7	0.6	1.3
Strawberry trade balance	mil. €	0.0	-0.2	-0.2	-0.3	-0.2

Source: KAS – Agricultural Census ('14); Agricultural Holdings Survey ('15,'16,'17,'18); KAS, Foreign Trade Statistics; calculations by DEAAS - MAFRD

2.3.4 Vineyards and winery

Vineyards

2018 was the best year for culture of grapes. Compared to 2017, there was a 2% increase in area. The total production of vineyards has increased significantly in 2018 and is accounted to be around 27,322 tons, with table grapes marking an increase of 57% and wine grapes by 83%. In general, vineyard production increased by 78%, while yield increased by 74%. In 2017, yields were 4.8 tons per hectare and in 2018, 8.4 tons per hectare, as an average of table grapes and wine grapes. Wine grapes had a higher increase of yield than table grapes, i.e. an increase of 79% compared to 2017 whereas table grapes yield increase was 54%. The table below shows the data for the vineyards for the period 2014-2018.

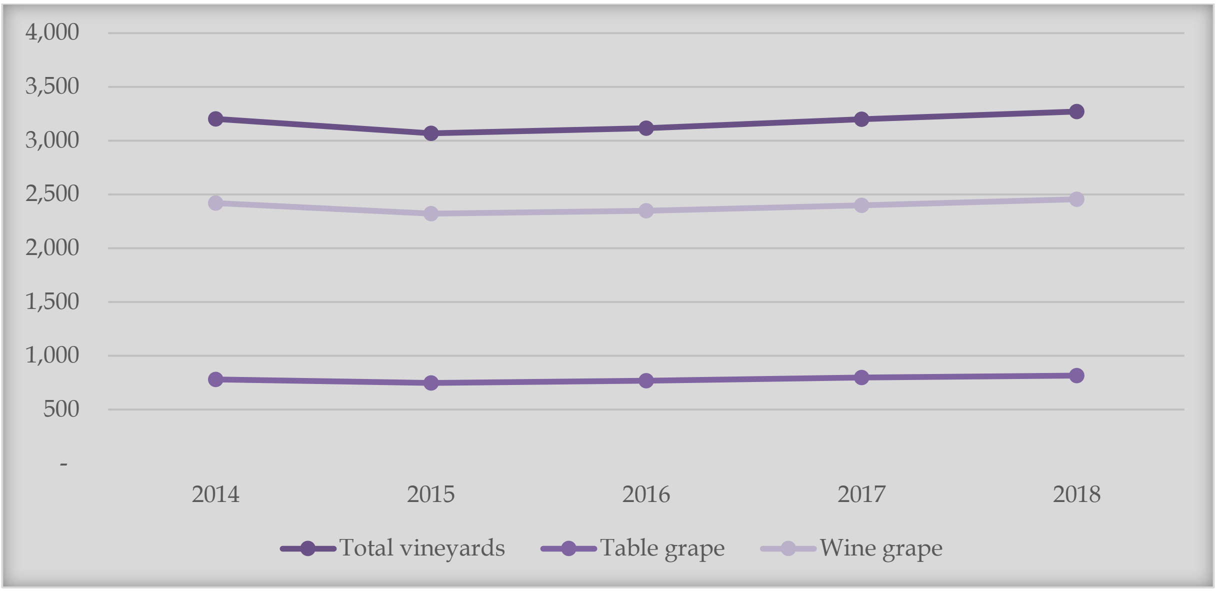
Table 43: Surface, production and grapes yield, 2014-2018

Crop	2014	2015	2016	2017	2018	Difference 2017/2016 in %
Crop			**ha**			
Vineyards	**3,201**	**3,068**	**3,117**	**3,199**	**3,272**	**2**
Table grapes	781	747	769	799	816	2
Wine grapes	2,420	2,321	2,348	2,400	2,455	2
Output			**t**			
Vineyards	**19,970**	**25,422**	**23,666**	**15,364**	**27,322**	**78**
Table grapes	4,869	6,996	6,866	3,187	4,998	57
Wine grapes	15,101	18,426	16,800	12,177	22,324	83
Yield			**t/ha**			
Vineyards	**6.2**	**8.3**	**7.6**	**4.8**	**8.4**	**74**
Table grapes	6.2	9.4	8.9	4.0	6.1	53
Wine grapes	6.2	7.9	7.2	5.1	9.1	79

Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD

The figure below shows the total area of vineyards, as well as table and wine grapes for the period 2014-2018. This figure shows that the surface has not undergone major changes, however since 2015, this surface has grown steadily.

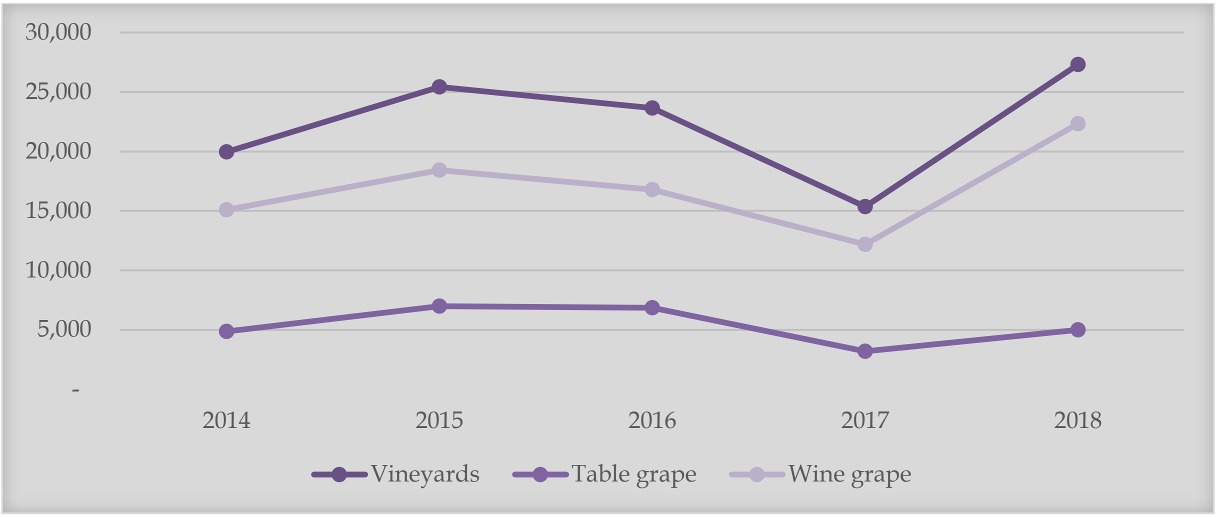
Figure 33: Vineyards area in ha, 2014-2018



Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD

In terms of productivity, during this period, there were large fluctuations due to changing climate conditions. 2018 has marked a significant increase in grapes production.

Figure 34: Grapes production in tons, 2014-2018



Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD

The following table presents data on the supply balance for table grapes. In 2018, the table grape self-sufficiency rate was higher (68%) than in the previous year which was only 48%. The rest was covered by imports at 2,554 tons, which was 29% lower than in 2017. The quantity exported in 2018 has more than doubled from the previous year, from 75 to 173 tons. The value of table grape production in 2018 was € 3.3 mil., which is 8.7% lower than in 2017. Trade balance in 2018 compared to 2017, decreased by 30% due to lower imports and higher exports.

Table 44: The supply balance for table grapes, 2014-2018

Balance items	Unit	2014	2015	2016	2017	2018
Vineyard area	ha	3,201	3,068	3,117	3,199	3,272
Table grape area	ha	767	747	769	799	816
Share	%	24	24	25	25	25
Yield	t/ha	7.0	9.0	8.9	4.0	6.1
Output	t	4,869	6,996	6,866	3,187	4,998
Table grape import	t	2,920	2,025	2,624	3,592	2,554
Table grape supply	t	7,789	9,021	9,490	6,779	7,552
Table grape export	t	96	28	112	75	173
Domestic use	t	7,693	8,993	9,379	6,704	7,379
Self-sufficiency rate	%	63	78	73	48	68
Producer prices (on farm)	€/kg	1.02	0.91	0.84	1.15	0.7
Production value	mil. €	5.0	6.4	5.8	3.7	3.3
Trade balance	mil. €	-1.6	-0.9	-1.2	-1.8	-1.2

Source: KAS, Foreign Trade Statistics; Department for Viticulture and Winery; calculations by DEAAS-MAFRD

In 2018, area planted with table grapes varieties in Kosovo was 816 which compared to 2017 marked an increase of 2%. Out of the table grape varieties, as in the previous year, most of the area was cultivated with the Muscat d'Hambourg variety with a total area of 258 ha, followed by the Italian Muscat variety with 171 ha, and Afuzali with 121 ha and Cardinal variety with 93 ha. Other varieties are cultivated on smaller areas and consist of 174 ha of total area cultivated with table grapes.

Table 45: Varieties of table grapes, 2018

Varieties of table grapes 2018					
No.	**Varieties**	**Surface in ha**	**Output in tons**	**Yield tons/ha**	**Surface in %**
1	Muscat d'Hambourg	258	1,446	5.6	32
2	Muscat Italian	171	1,390	8.1	21
3	Afuzali	121	730	6.0	15
4	Cardinal	93	588	6.3	11
5	Moldavk	20	128	6.3	2
6	Ribier	10	58	5.6	1
7	Demir Kapi	11	36	3.3	1
8	Antigona	7	55	7.3	1
9	Experimental table grapes	8	5	0.6	1
10	Victoria	71	290	4.1	9
11	Black Magic	10	39	3.8	1
12	Queen	2	12	6.4	0
13	Groqanka (Bardhosha)	2	12	6.6	0
14	Red Globe	6	17	3.1	1
15	July Muscat	1	4	4.9	0
16	Crimson Seedless	3	9	2.6	0
17	Michele Palieri	15	118	7.7	2
18	Seedless grape	3	38	14.9	0
19	Regina	4	22	5.9	0
	Total	**816**	**4,998**	**6.1**	**100**

Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD

With regard to wine grapes, the area cultivated with grape varieties for red wine production was 1,617 ha, while that cultivated with white wine varieties was 838 ha. The total area cultivated with grapes for wine was 2,455 which compared to 2017 marked an increase of 2%. The cultivated area with red wine production varieties is led by the Vranac variety with 486 ha cultivated, followed by the Prokupe variety with 358 ha, Game variety with 250 ha, Black Burgundy with 169 ha, Zhamet with 106 ha and other varieties that make up the cultivated area with red varieties with a total of 248 ha.

From the grape varieties for white wine production, the largest part is cultivated with the Smederevka variety with a surface are of 373 ha, followed by the Italian Riesling with a surface area of 229 ha and Chardone variety with a surface area of 93 ha, while the rest of the area of 143 ha is cultivated with other varieties shown in the table below.

Table 46: Varieties of wine grapes 2018

Red varieties					
No.	**Varieties**	**Surface in ha**	**Output in tons**	**Yield tons/ha**	**Surface area (%)**
1	Vranac	486	6,099	12.6	30
2	Prokup	358	1,522	4.2	22
3	Game	250	1,637	6.6	15
4	Red Burgundy (Pinot Noir)	169	942	5.6	10
5	Zhamete	106	785	7.4	7
6	Kabernet Sauvignon	55	626	11.3	3
7	Coloured Game	23	106	4.7	1
8	Frankovke	30	218	7.4	2
9	Merlot	41	328	8.0	3
10	Cabernet Frank	23	14	0.6	1
11	Syrah	34	68	2.0	2
12	Pllovdin (Red Grapes)	18	29	1.6	1
13	Red Shaslla	1	-	-	-
14	Petit Verdo	4	79	17.8	0.3
15	Carmenere	4	6	1.4	0.3
16	Pinot Grigo	7	-	-	0.4
17	Calmet	1	-	-	-
18	Cabernet Volos	3	-	-	0.2
19	Kartoshia	1	-	-	-
20	Sorela	2	-	-	-
21	Black square	-	2	5.8	-
	Total red varieties	**1,617**	**12,461**	**7.71**	**100**
White varieties					
No.	**Varieties**	**Surface in ha**	**Output in tons**	**Yield tons/ha**	**Surface area (%)**
1	Smederevk	373	4,811	12.9	44
2	R. Italian	229	2,726	11.9	27
3	Shardone	93	889	9.6	11
4	R. Rhaine	47	526	11.3	6
5	Zhuplanka	28	379	13.4	3
6	Rrakacitel	11	114	10.2	1
7	Semion	10	87	8.7	1
8	White Burgundy	16	229	14.2	2
9	Zhillavka	4	48	13.4	0.4
10	White of kladovo	3	-	0.0	0.4
11	Melnik	12	32	2.8	1
12	Sovinjon	4	19	5.1	0.5
13	Traminer	7	2	0.3	1
14	Fleurtai	2	-	-	0.2
Total white varieties		**838**	**9,863**	**11.8**	**100**
Total wine grapes varieties		**2,455**	**22,324**	**9.1**	

Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD

Wines

Production of wines as well as of grapes, has seen a significant increase in 2018. White wine production has tripled in 2018 compared to the previous year, while red wine production is about four times higher than in 2017. On the other hand, pink wine has declined sharply, from 1,826,000 litres produced in 2017 to just 69,000 litres in 2018.

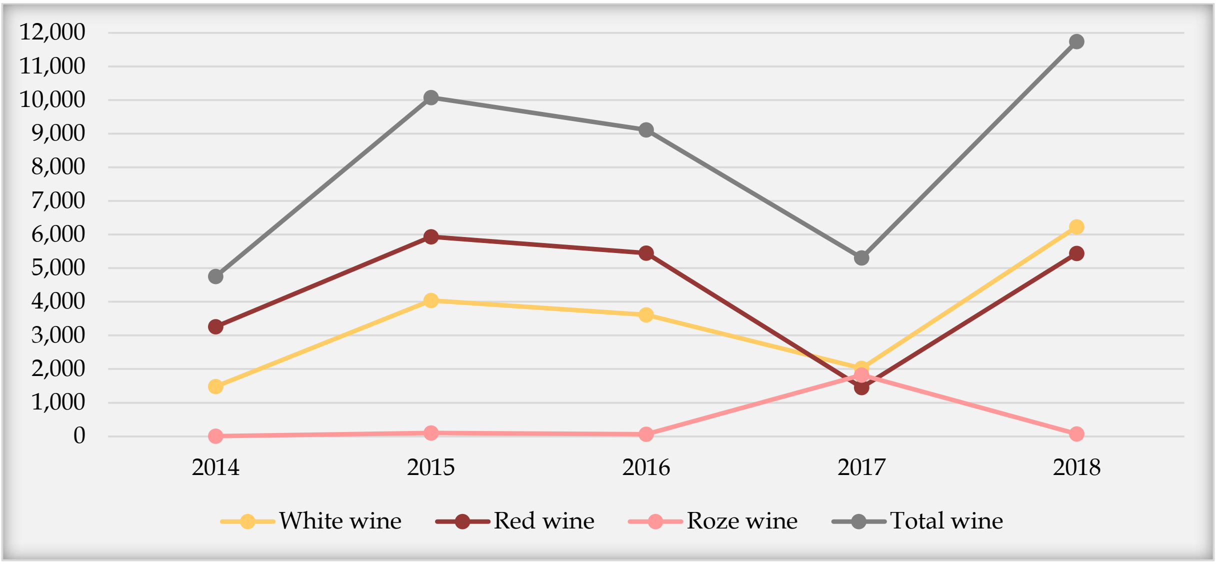
Table 47: Wine production 2014-2018

Output	Unit	2014	2015	2016	2017	2018	Difference 2018/2017 in %
White wine	1000 l	1,485	4,044	3,613	2,024	6,234	208
Red wine	1000 l	3,265	5,938	5,446	1,455	5,441	274
Pink Wine	1000 l	4	97	59	1,826	69	-96
Total wine	**1000 l**	**4,754**	**10,079**	**9,118**	**5,305**	**11,744**	**121**

Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD

In the following figure, fluctuations in white, red and pink wine production during the period 2014-2018 can be observed. Red and white wine experienced a more inclined growth in 2015 and 2018, and a sharper decline in 2014 and 2017 due to adverse climate conditions. Rose wine, unlike white and red wine, had the highest growth in 2017 while other years are characterized by much lower output.

Figure 35: Wine production 2014-2018



Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD

The table below shows data on wine production by companies for 2017 and 2018. The company leading in 2018, with the largest overall wine production is Stone Castle Vineyards & Winery, followed by “Sunny Hills”, “Biopak”, “Besa Winery”,“Bodrumi i vjetër”, “Suhareka Verari” and other companies listed in the table.

Table 48: Wine production as per companies, 2017-2018

No.	Wine Production companies	White wine /hl		Red wine/hl		Rose wine/hl		Grapes for distillation	
		2017	2018	2017	2018	2017	2018	2017	2018
1	Shpk "Stone Castle Vineyards&Winery" L.L.C	7,797	40,577	7,262	21,335	1,002	500	411	-
2	" Sunny Hills" L.L.C	2,788	6,174	-	11,032	10,780	-	-	-
3	"Biopak Shpk"	2,648	5,780	1,925	4,055	50	-	660	2,855
4	"Besa Winery" L.L.C	868	2,113	1,860	6,840	-	-	-	-
5	"Bodrumi i vjeter" L.L.C	2,758	2,792	-	5,999	6,009	-	3	21
6	"Suhareka Verari" L.L.C	3,150	3,548	1,470	1,823	400	110	616	-
7	"Kosova Wine" L.L.C	-	622	503	1,029	-	46	38	13
8	NPT"Muja"	-	319	243	939	-	-	-	-
9	NPT"Bahha"	12	-	370	365	-	-	33	10
10	NTP "Sefa"	63	120	201	155	22	30	64	70
11	NTP "Agro-alf"	20	43	183	251	-	-	4	9
12	NTP "Rahvera AB"	33	77	22	104	-	-	6	12
13	"Cana Wine" L.L.C	29	28	163	134	-	-	4	4
14	NTP "Daka"	36	48	118	42	-	-	4	3
15	Shpk"Rahoveci"	-	22	32	59	-	-	1	-
16	N.P.SH. "Albatros"	-	15	37	65	-	-	-	-
17	" Noster Fructus" D.O.O.	-	43	-	24	-	-	-	10
18	NPT " Tradita"	15	-	140	60	-	-	-	-
19	P.T.P "Hočanska Vina"	-	7	-	31	-	-	-	6
20	N.P.T " Astra - Vera"	-	-	-	31	-	-	-	1
21	N.P.T " Altini"	-	-	-	31	-	-	-	1
22	Shpk "Dea"	-	17	19	8	-	-	3	3
23	Dardania Wine L.L.C	21	-	-	-	-	-	-	-
24	N.P.T "Rezidenca"	-	-	-	-	-	-	-	-
	Total	**20,238**	**62,345**	**14,547**	**54,411**	**18,263**	**686**	**1,848**	**3,018**

Source: Department of Viticulture and Winery, developed by DEAAS – MAFRD

* "Dardania Wine" LLC and "Residence" N.P.T are licensed by MAFRD but in 2018 they have not collected grapes and consequently have no wine production.

Physico-chemical tests of wine

During 2018, a total of 472 physico-chemical tests were conducted in the enology laboratory. Of these, 116 were samples for the internal market, 294 samples for export and the others for spirit drinks, for the needs of companies and inspectors. In the past years, such as 2017 and 2016, a total of 337 and 344 physic-chemical tests were carried out, respectively.

Table 49: Physical-chemical tests of wine for 2014 - 2018

Year	2014	2015	2016	2017	2018
Samp. for the intern. market	74	60	82	111	116
Samples for exports	208	150	162	183	294
Samples for imports	105	105	100	16	-
Spirit drinks	-	-	-	27	14
Company needs	-	-	-	-	43
Inspectors	-	-	-	-	5
Total	**387**	**315**	**344**	**337**	**472**

Source: Department of Viticulture and Winery

Certification of wines has been done for the 2018 harvest. Part of the official rating were 118 types of wines, of which 52 received a top rating, 43 received quality rating, 17 were rated as table wines of protected geographical origin and 6 types of wine are rated with the Yes / No scheme.

2.3.5 Forage crops and green cereals

In 2018 the area of forage crops and green harvested cereals increased by 1%, while total production decreased by the same percentage. The decline in productivity was influenced by green maize, which was the only crop that had both surface and productivity declines. Other crops had increases in both surface area and productivity, but the increase in productivity was greater as a result of increased yields per ha.

Table 50: Surface, production and yield of forage crops and green harvested cereals, 2014-2018

Crops	2014	2015	2016	2017	2018	Difference 2018/2017 in %
Surface			**ha**			
Forage crops and green harvested cereals	26,554	97,183	97,936	105,613	107,099	1
Maize (green)	2,414	2,256	2,943	9,209	7,297	-21
Hay (meadow)	-	68,711	69,021	69,235	70,679	2
Grass	6,689	9,809	8,575	8,847	9,200	4
Lucerne	15,011	15,109	15,190	15,747	17,182	9
Trefoil	2,085	526	765	798	854	7
Other green forage crops	355	772	1,440	1,776	1,887	6
Output			**t**			
Forage and green harvested cereals	151,095	317,888	390,707	486,989	480,966	-1
Maize (green)	36,434	31,633	68,219	153,544	111,792	-27
Hay (meadow)	-	194,768	225,813	226,288	249,559	10
Grass	19,575	31,028	21,936	26,707	30,786	15
Lucerne	86,583	53,368	63,522	67,748	73,754	9
Trefoil	6,924	1,784	2,715	2,620	3,065	17
Other green forage crops	1,579	5,308	8,502	10,082	12,010	19
Yield			**t/ha**			
Maize (green)	15.09	14.02	23.18	16.67	15.32	-8
Hay (meadow)	-	2.83	3.27	3.27	3.53	8
Grass	2.93	3.16	2.56	3.02	3.35	11
Lucerne	5.77	3.53	4.18	4.30	4.29	-0.2
Trefoil	3.32	3.39	3.55	3.28	3.59	9
Other green forage crops	4.45	6.87	5.90	5.68	6.36	12

Source: KAS– Agriculture census ('14); Agriculture Households Survey ('15,'16,'17,'18)

*In 2014, hay was not included in the surface and the total production;

* Other green fodder includes: Urov, Green Wheat, Green Oat, Green Barley, Green Rye as well as other green fodder (grassina)

2.3.6 Industrial Crops

Industrial crops are cultivated on a small surface in Kosovo. In 2018, an area of 329 ha was cultivated with industrial crops, where total production was 392 tons. Compared to 2017, the area marked a decline of 121 ha or 27%, while production declined for 122 tons or 24%.

Table 51: Surface area and output of industrial crops, 2015-2018

	2015	2016	2017	2018	Difference 2018/2017 in %
Surface in ha	346	389	450	329	-27
Output in tons	757	1,028	514	392	-24

Source: KAS – Agriculture Households Survey ('15,'16,'17,'18)

2.3.7 Organic production in Kosovo

In the Republic of Kosovo the sector of medicinal and aromatic plants is quite consolidated in both cultivation and collection.

In 2018, statistics show the following:

- 424.10 ha cultivated with medicinal and aromatic plants (MAP);
- 35 certified companies;
- 373,488 ha of certified zones for collection of medicinal plants and wild fruits;
- 45 collection centres throughout Kosovo.

Table 52: Data related to organic farming

MAP	Medicinal and aromatic plants, ha	Certified companies	Certified zones, ha	Collection centres	Collector
2017	170	5	824,379	45	3,200
2018	424	35	373,488	45	-

Source: DEAAS – MAFRD

The export of medicinal and aromatic plants is made as semi-finished product, 95% of all production is exported to: Germany, Austria, Switzerland etc.

Certification and inspection capacities for organic farming

In Kosovo in the absence of a local control body, certification of organic products is done by two (2) international certification bodies:

- "Albinspekt" from Albania;
- "Q-Check P.C." with headquarters in Larissa, Greece.

Commission on Organic Farming (COF)

Based on the AI No. 01/2019 on the Duties, Responsibilities and Composition of the Commission on Organic Farming, and following the Decision of the Secretary General of MAFRD, a new Commission on Organic Farming (COF) has been established.

Control System

The Ministry is the competent and responsible authority for the organization of the control system and for better implementation of AI no. 02/2019 on Control System, Control Authorities, Control Bodies and the Rules for their Implementation, setting out the duties and responsibilities for the control system, control authority and control bodies for the certification of organic farming products and foods.

Two (2) briefing sessions were delivered: for control bodies operating in Kosovo and for members of the organization "Organika" on the topic "Control system, control authority, control bodies and rules for implementation";

National Action Plan for Organic Agriculture 2018-2021

Meetings were held with supporters of organic farming such as: GIZ, USAID, Swiss Caritas, Organika, IADK, Swisscontact, and Promoting Private Sector Employment (PPSE) with the aim of:

- Planning the future of organic farming in Kosovo from analysis to action;
- Identifying the sector's needs and potentials for setting strategic objectives and launching action points:

    1. Production and processing in the organic farming sector;

    2. Market development;

    3. Legislation, certification and policies;

    4. Research, education, training and counselling.

For each action, responsible authorities, deadlines for implementation and budget identification have been identified.

2.3.8 Planting material

The production of seedling material in Kosovo has an extensive tradition and is favoured in view of conducive pedoclimatic conditions for good quality growth and production, as testified by their distribution across Kosovo regions and operations of a considerable number of growers (particularly for apples).

After the war, the planting material in Kosovo seedling plantation was mainly produced with the classical method of dormant bud grafting which allowed seedlings to be produced in the course of two years, which means production of seedlings with high costs, and often the produced planting material resulted in poor quality where the production of seedlings with generative rootstock was predominant. However, in recent years, there is a growing interest of farmers to register seedling plantation and expand already existing areas. Basic underlying factors include the fact that “seedlings” are now judged much more holistically through a set of parameters, such as quality, purity of variety and origin. This is the difference coming to prominence, which is gradually transforming into a belief for all those involved in producing fruit planting materials. The fruit production sector, specifically production of planting material, is becoming a sector of economic importance for Kosovo agriculture, with increased level of support extended by MAFRD. It is worth noting that in 2013 had commenced the implementation of direct payment programme in the sector of planting material of fruit and vine seedling produced with vegetative rootstock. The support spurred a growth in production of quality planting material, increased production as well as decrease of imports of fruit seedlings.

In the Law No. 2004/13 on Planting Material, the declaration of the production of planting material of trees is mandatory. Therefore, referring to AI No.7/2007 “on the form and procedures of record keeping on the quantities, types and varieties of planting materials produced, traded and destroyed", the manufacturers of fruit planting material from 2006-2018, have disclosed each year the production of fruit planting material.

Phyto-sanitary inspectors officially distributed and collected books "On the form and procedures of record-keeping on the quantities, types and varieties of planting materials produced, traded and destroyed".

According to the statistical data prepared by DAPT in table form is presented the production of fruit trees from 2014-2018.

Table 53: Production of fruit seedlings with generative and vegetative rootstock

Years	2014	2015	2016	2017	2018
Vegetative rootstock	469,636	564,785	477,303	947,310	448,060
Generative rootstock	182,919	86,920	134,995	92,260	104,705
Total	**652,555**	**651,705**	**612,298**	**1,039,570**	**552,765**

Source: DAPT/MAFRD

2.4 Agricultural Land Irrigation

Irrigation as an important process for agricultural land in Kosovo is organized in different forms such as: formal irrigation organized through irrigation companies, informal irrigation, unorganized irrigation and individual irrigation which is done from different water sources such as rivers, wells, etc.

Referring to the data collected by the municipal directorates for agriculture, it was estimated that in 2018, about 17,837 ha were irrigated through formal and informal irrigation. There is a decrease in the reported irrigated areas by the municipalities compared to 2017, as a result of the rainfall that was during the summer of 2018.

From the data reported by the municipal directorates, some of the municipalities have reported that they have no irrigated areas such as Skenderaj, Malisheva, Hani i Elezit etc. Crops that are irrigated are maize, fruits and vegetables, not excluding other sectors mentioned in the table on irrigation of agricultural lands.

Capital investments have been made in expanding irrigation systems for 740 ha during 2018. These investments include expanding the irrigation system in the village of Frasher, Municipality of Mitrovica with 200 ha, in the villages of Samadrexha and Pantina, Municipality of Vushtrri by 220 ha, as and in the villages of Pirana, Landovica and Krajka, Municipality of Prizren with 320 ha.

Table 54: Irrigation of agriculture land by municipalities 2018

Municipality	Irrigation Source	Irrigated crops	Irrigated area/ ha
Deçani	Drini i Bardhe	Maize, fruits, vegetables	22
Gjakova	Radoniqi, rivers, wells	Vegetables, maize, watermelon	2,327
Drenas	Iber-Lepenci	Vegetables, maize, lucerne	42
Gjilan	Wells	Vegetables, greenhouse, open field	405
Dragash	-	-	10
Istog	Drini i Bardhe	Maize, fruits, vegetable	637
Kaçanik	Rivers	Maize, beans, vegetables	475
Klina	Drini i Bardhe	Maize, vegetables, fruits	1,460
F. Kosova	L. Drenica, wells	Maize, lucerne, vegetables	9
Kamenica	-	-	30
Mitrovica	Iber-Lepenc	Vegetables, maize	415
Lipjan	Wells	-	149
Obiliq	Iber-Lepenc	Maize, fruits, vegetable	514
Rahovec	Radoniqi	Vegetables, maize, watermelon	2,576
Peja	Drini i bardhe	Maize, fruits, vegetable	1,379
Podujeva	Llapi River, wells	Vegetables, maize, fruits	786
Prishtina	Iber-Lepenc	Potatoes, maize	624
Prizren	Radoniqi, Dukagjini	Maize, vegetables, forage	2,220
Shtime	Wells, rivers	Vegetables, fruits, lucerne	110
Shterpca	Lepec river,	Maize, vegetables, fruits	990
Suhareka	Rivers, wells	Vegetables, fruits, lucerne, field crop	488
Ferizaj	Rivers, wells	Fruits, vegetables, maize	391
Vitia	Wells	Watermelon, potatoes	212
Vushtrri	Iber-Lepenc	Potatoes, cabbage, maize	487
Mamusha	Wells, rivers	Vegetables, maize	426
Junik	Drini i Bardhe	Lucerne, maize, potatoes	191
Graçanica	River, wells	Maize	401
Parteshi	Wells	Vegetables, maize, lucerne	62

Source: Department of Agriculture Policy and Markets

2.5 Livestock

2.5.1 Bovine animals

Bovine animals are the most important category within livestock and they account for 51% of total livestock heads. Regarding the structure of the cattle, dairy cows accounted for 51%, followed by the category of calves under 1 with 32% and the other categories all together with 17%. In terms of age groups, the bovine animal category of 2 years and older accounted for 57%, followed by the bovine animal category of less than 1 year old with 32% and the bovine category of 1 to less than 2 years old accounting for 11%. In the category of cattle less than 1 year of age, the share of female and male is equal (50%), whereas the category 1 to less than 2 years is dominated by females with 54% while male have 46%.

In 2018 compared to the previous year, total cattle stock and the number of dairy cows has decreased by less than 1% each. There was an increase in the category of calves from 1 to 2 years old, female calves under 1 year old and heifers over 2 years old.

Table 55: Bovine animals stock and structure, 2014-2018

Number of animals	2014	2015	2016	2017	2018	Difference 2018/2017 in %
Bovine stock	261,689	258,504	264,971	*259,729*	*258,662*	*-0.4*
Male calves under 1 year	47,357	45,235	45,443	43,748	41,911	-4
Female calves under 1 year	36,055	36,108	38,124	40,731	41,263	1
Bulls 1-2 years	14,351	9,007	11,756	13,449	14,627	9
Heifer 1-2 years	10,925	13,737	13,967	11,356	12,335	9
Bulls over 2 years	2,872	2,639	7,044	7,082	5,519	-22
Heifer over 2 years	13,920	12,138	11,344	9,442	9,635	2
Dairy cows	134,393	135,801	136,783	132,971	132,474	-0.4
Other cows	1,816	3,839	510	950	898	-5

Source: KAS – Agriculture census ('14); Agricultural Holdings Survey ('15,'16,'17,'18)

The total number of bovine animals in 2018 was 258,662 heads which compared with 2017 had a decrease of 0.4%. In terms of slaughtering, 114,149 heads have been slaughtered in 2018, i.e. 1.1% less than in 2017. The value of total bovine animal meat production was 42.5 million €, while the import was 40 million €. At this amount of production, the rate of self-sufficiency was 56.1%, with per-capita consumption staying at 19.3 kg per year.

Table 56: Supply balance for beef, 2014-2018

	Unit	2014	2015	2016	2017	2018
Bovine stock	Heads	261,689	258,504	264,971	259,729	258,662
Dairy cows	Heads	134,393	135,801	136,783	132,971	132,474
Total slaughters	Heads	128,372	115,195	116,849	115,459	114,149
Total domestic production c.w	mil. kg c.w.	22.8	19.7	20	19.8	19.5
Total imports	mil. kg c.w.	10.4	13	12.3	12.6	15.2
Supply in c.w.	mil. kg c.w.	33.2	32.7	32.3	32.5	34.7
Total exports	mil. kg c.w.	0	0	0	0.0	0.0
Consumption	mil. kg c.w.	33.2	32.7	32.3	32.5	34.7
Value of production in c.w.	mil. EUR	50.5	41.4	40.9	41.4	42.5
Total imports	mil. EUR	23.8	33.5	29.4	32.0	40.0
Trade balance	mil. EUR	-23.8	-33.5	-29.3	-32.0	-40.0
Self-adequacy rate	%	68.7	60.4	61.9	61.1	56.1
Per-capita consumption	kg c.w .	18.4	18.4	18.2	18.0	19.3

Source: KAS – Agriculture census ('14); Agricultural Holdings Survey ('15,'16,'17,'18); Foreign Trade Statistics; calculations by DEAAS – MAFRD

Dairy cows constitute 51% of the total number of bovine animals in 2018. From the total consumption, 80% was domestic production and the rest is covered by imports. The overall milk production for 2018 was 278 thousand tons, which is slightly lower than in 2017 due to a smaller number of dairy cows. The trade balance remains negative at € 30 million. Per-capita consumption is estimated to be 168 kg annually, which means that a person consumes about 0.5 kg per day including all dairy products.

Table 57: Supply balance for cow milk and its products, 2014-2018

	Unit	2014	2015	2016	2017	2018
Dairy cow	Heads	134,393	135,801	136,783	132,971	132,474
Milk production	t	278,933	282,534	285,261	277,976	277,599
Import	t (p.e.)	67,863	67,491	69,284	68,007	70,596
Supply	t (p.e.)	346,796	350,025	354,545	345,983	348,195
Export	t (p.e.)	378	800	745	679	572
Domestic use	t (p.e.)	346,418	349,224	353,800	345,303	347,624
Self-sufficiency rate	%	80.5	80.9	80.6	80.5	79.9
Loss	t (p.e.)	5,579	5,651	5,705	5,560	5,552
Consumption for calves feed on farms	t (p.e.)	41,003	41,532	41,933	40,862	40,807
Processing	t (p.e.)	26,690	26,868	27,247	26,606	26,848
Human consumption	t (p.e.)	273,146	275,173	278,914	272,276	274,416
Producer prices (on farm)	€/kg	0.33	0.30	0.30	0.31	0.31
Production value	mil EUR	76.7	70.6	71.3	71.8	71.7
Trade balance	mil EUR	-25.5	-25.5	-26.8	-28.5	-30.0

Source: KAS – Agriculture census ('14); Agricultural Holdings Survey ('15,'16,'17,'18); KAS, Foreign Trade Statistics; calculations by DEAAS – MAFRD

2.5.2 Sheep and goats

Sheep and goats make up 41% of the total number of animals. The number of sheep and goats in 2018 was 209,808 heads or 0.4% less than in 2017. By categories, the number of sheep in 2018 has decreased by 1% while the number of goats has increased by 1%.

From the sheep category in 2018, 77% are sheep for breeding, while the rest are lambs, rams, etc. From the total number of sheep for breeding, 87% of them are sheep that have given birth and 13% inseminated for the first time. Out of the total number of goats 28,703 heads, 78% are goats for breeding while the rest are kid goats, billy goats, etc. From the total number of goats for breeding, 84% are goats that have given birth and 16% are goats inseminated for the first time.

Table 58: Number of sheep and goats, 2014-2018

Number of animals	2014	2015	2016	2017	2018	Difference 2018/2017 in %
Sheep and goats	212,014	224,096	212,040	210,688	209,808	-0.4
Sheep	183,584	193,703	184,265	182,278	181,105	-1
Sheep for breeding	146,924	148,956	141,995	136,810	139,312	2
Other heads (lambs, rams, etc.)	36,660	44,747	42,270	45,468	41,793	-8
Goats	28,430	30,393	27,775	28,410	28,703	1
Goats for breeding	23,575	26,310	24,315	24,836	22,401	-10
Other heads (kids, billy goats, etc.)	4,855	4,083	3,460	3,574	6,302	76

Source: KAS - Agricultural Census ('14); Agricultural Holdings Survey (’15,’16,’17,’18)

The productivity of sheep and goats as agricultural activity, mainly developed in remote rural areas, is oriented towards meat production, while milk consumption is lower and mainly used for production of cheese. In 2018, the production of sheep and goat meat is estimated to be around 2,116 tons of slaughtered weight. Imports compared to domestic production are very low and Kosovo manages to satisfy local consumption needs at around 99%. The production value in 2018 is € 5.2 million, while the value of the trade balance is € - 0.1 million. Consumption per capita is estimated to be around 1.2 kg / year.

Table 59: Supply balance for sheep and goats, 2014-2018

	Unit	2014	2015	2016	2017	2018
Sheep stock	heads	183,584	193,703	184,265	182,278	181,105
Goat stock	heads	28,430	30,393	27,775	28,410	28,703
Slaughters	heads	184,467	195,284	185,069	183,108	181,937
Output (t.c.w)	t	2,142	2,267	2,146	2,127	2,116
Net imports (t.c.w)	t	36	24	-11	-13	20
Domestic use (t.c.w)	t	2,178	2,291	2,135	2,114	2,136
Value of output	mil. EUR	5.4	5.6	5.2	5.2	5.2
Trade balance	mil. EUR	-0.12	-0.10	0.04	0.05	-0.09
Self-sufficiency rate	%	98	99	101	101	99
Per-capita consumption (t.c.w)	kg	1.2	1.3	1.2	1.2	1.2

Source: KAS - Agricultural Census ('14); Agricultural Holdings Survey ('15,'16,'17,'18); KAS, Foreign Trade Statistics; calculations by DEAAS – MAFRD

2.5.3 Pigs and other farm animals

The pig sector in Kosovo compared to other livestock sectors is less developed. The number of pigs in 2018 was 40,164, which compared to the previous year is 2% lower. As for the pig structure in 2018, 27% were piglets weighing less than 20 kg, 16% pigs weighing 20-50 kg, 29% fattening pigs, 25% sows and 3% breeding pigs.

From the total number of fattening pigs, most of them, respectively 53% weigh 110 kg or more, 30% weigh 80–109 kg and the remaining 17% weigh 51–79 kg. Whereas the sows, 60% are sows that have given birth, 18% are sows inseminated for the first time, 18% are non-inseminated and 4% are other sows.

The number of horses, donkeys and mules in 2018 decreased by 382 heads or by 16% compared to 2017.

Table 60: Number of pigs and other farm animals, 2014-2018

Number of animals	2014	2015	2016	2017	2018	Difference 2018/2017 në %
Pigs	34,188	44,149	42,309	41,086	40,164	-2
Horses, donkeys and mules	2,980	2,577	2,353	2,326	1,944	-16

Source: KAS - Agricultural Census ('14); Agricultural Holdings Survey ('15,'16,'17,'18)

2.5.4 Poultry

The total number of poultry in Kosovo in 2018 decreased by 10% compared to the previous year. Of the poultry population, 94% are chickens while the remaining 6% are turkeys, ducks, geese and other poultry. As regards the chicken structure, 72% are laying hens, 17% broilers and 11% other (chicks, roosters and other chickens). The number of laying hens, in agricultural holdings with more than 2,000 laying hens, is 711,678 and there are 168 economies owning laying hens above this number, whereas the remaining 1 million laying hens are on family farms. Out of the total number of broilers, there are 12 agricultural holdings with over 5,000 broilers and the number of broilers on these farms is 216,890, while there are 189,765 broilers on smaller farms.

In 2018, egg production on commercial farms was estimated to be around 213 million eggs, whereas about 102 million were produced at household level, resulting with a total production of 315 million eggs. During 2018 were imported around 4.2 mil eggs in the amount of € 361.7 thousand. The country of Macedonia is the place wherefrom 74.6% of eggs were imported during 2018, followed by Albania with 15.7%, Bulgaria with 9% and other countries such as Germany, Greece, the Netherlands and Italy with less than 1%. On the other hand, exports were done only toward Albania. The average consumption per capita is estimated to be 178 eggs per year and we can say that Kosovo meets about 99% of the egg consumption needs.

In 2018, poultry meat production was estimated to be around 3,023 tons, given that the poultry sector is mainly oriented toward egg production for consumption and chick production, while poultry production is at a lower stage of development. In 2018, poultry meat imports were around 34,872 tons, of which 31% was imported from Brazil, 22% from the United States, 13% from the United Kingdom, 6% from Poland, 4% from Germany, 3% from Hungary, Italy, Slovenia and Turkey, and the remaining 12% from other countries. The average consumption per capita in Kosovo is estimated to be around 21.1 kg/year. With current production Kosovo manages to cover only 8% of consumption needs.

Table 61: Number of poultry and eggs 2014-2018, per 1000 heads

Number of poultry (1000)	2014	2015	2016	2017	2018	Difference 2018/2017 in %
Poultry	2,692	2,576	2,740	2,811	2,538	-10
Chicken	2,584	2,492	2,586	2,676	2,393	-11
Broilers	194	304	196	398	407	2
Laying hens	1,704	1,874	2,043	2,051	1,728	-16
Chicks, roosters and other chicken	687	314	347	227	259	14
Turkeys	45	63	108	98	88	-10
Other poultry (Ducks, Geese etc.)	62	22	46	37	56	53
Eggs *	357,138	361,197	350,827	348,998	315,097	-10

Source: KAS – Agricultural census ('14); Agricultural Holdings Survey ('15,'16,'17,'18); * DEAAS ('14-'18)

2.5.5 Beekeeping

The continuous support provided to the beekeeping sector has also led to the continuous increase in the number of hives. For the first time this sector was supported through direct payments in 2012, continuing year after year with an increase in the number of subsidized hives, but also with an increase in the total number of hives. In 2018 the number of hives increased by 11% compared to the previous year.

Table 62: Number of beehives, 2014-2018

Number of beehives	2014	2015	2016	2017	2018	Difference 2018/2017 in %
Beehives	116,172	157,005	162,355	163,717	182,476	11

Source: KAS – Agricultural census ('14); Agricultural Holdings Survey ('15,'16,'17,'18)

Honey production in 2018 was much higher than in 2017, due to the inclement weather conditions in 2017, which resulted in low productivity. In 2018, 209 tonnes of honey were imported, which compared to 2017, the imported quantity was 6% higher, while the export of honey was only 40 kg. Taking into account the local production as well as the imported quantity, in 2018 in Kosovo there were 2,946 tons of honey consumed; thus a resident of Kosovo consumed 1.6 kg during the year. Coverage of consumption needs by domestic production was 93%. Most of the honey was imported from Macedonia (44%), followed by Turkey (13%), Croatia (12%), Albania (10%) and other countries 21%.

3 Forestry

Kosovo is in the final stage of fulfilling the implementation of its Forestry Strategy and Policies at national level on the basis of the importance and specificity of the forestry sector around the world, relying on good practices of sustainable management of the forest as a natural resource. Forests are considered an important economic activity for mountain areas and can provide long-term opportunities for their use in eco-tourism development. Sustainable management aims at restoring productive potential, protecting the forest environment and the environment in general, preserving biodiversity and developing sustainable systems for promoting self-employment in rural areas and improving social life.

For the purpose of producing sustainable forestry data, the National Forest Inventory was conducted for the second time in 2012/2013. During this Forest Inventory, 3,453 sample plots were selected nationally, while 1,860 sample plots were visited by field groups, from which data on forest and its composition were collected. The sample plots are permanently designated and are planned to be visited every 10 years in order to ascertain possible changes in their condition, composition and extent.

Table 63: Forests by stand origin and ownership, ha

Stand origin	Ownership			Total
	Public	Private	Unknown	
Natural seeding	58,400	13,600	1,000	73,000
Planting and artificial seeding	2,000	800	-	2,800
Coppice	229,000	164,800	4,000	397,800
Coppice with standards	5,800	1,600	-	7,400
Total	**295,200**	**180,800**	**5,000**	**481,000**

Source: NFI

Forest area in Kosovo is fairly stable at approximately 481,000 ha (44.7% of total area).[8] Data show that about 38% of the forest area is privately owned, while 62% is public forests. Coppice forest dominates the forest area with 84%.[9] Pure broadleaved forests cover almost 83% of the forest area. Growing stock of trees with diameter at breast height ≥7 cm stands at 40.5 million m^3, about the same as ten years ago. Amongst the trees, Fagus species contribute 46% of the volume, while Quercus species represent 23%. Mean growing stock in Kosovo is 84 m^3/ha. Annual increment over bark of trees (dbh) ≥7 cm is estimated at 1.6 million m^3, 1.3 million m^3 of broadleaves and 0.2 mil. m^3 of coniferous trees. Kosovo's annual long-term logging opportunity is up to 1.2m. m^3. An analysis carried out on 60% of the documents on forest areas shows that an average cutting of 950,000 m^3 occurred annually. Consequently, annual cutting can be estimated at approximately 1.6 mil. m^3.

[8] National Forestry Inventory (NFI) 2012/2013
[9] NFI 2012/2013

Forest policy activities

Forestry policies and legislation are the initial basis for the administration, management, use and protection of forests and forest lands. During 2018, the DP prepared, supplemented and harmonized the new Draft Law on Forests with the Statement of Compliance with EU, the Tables of Concordance with EU and the Draft Law on Financial Security Form of Law Enforcement. Another activity was also the preparation, completion and discussion of the Draft Law on Hunting.

In order to increase forest areas and raise awareness on forests and the environment in general, a Project for the afforestation of bare forest has been designed, which is proposed to be financed by the government's for 450 ha afforestation budget over a three-year period. This project envisages access to various government institutions and educational institutions.

As part of the implementation of the Forest Strategy 2010-2020, two programs have been prepared aiming to meet the goals of sustainable forest management. In 2018, the Minister of MAFRD issued two Decisions approving two programs: National Forestry and Reforestation Program 2018-2027 and National Forest Health Program 2018–2027.

In order to regulate wild animals hunting, at the request of the municipalities, after a review, a total of 7 consents were granted by the DP to give the proposed and tendered hunting areas for joint management in the following municipalities: Gjilan 3 hunting areas, Lipjan 2, Kaçanik 1 and Graçanica 1.

In the context of other priority activities of the DP, 28 enterprises have been licensed to practice sustainable forest use and collection of non-timber products. Also, in the field of wood processing, during the year in question, 13 licenses for different enterprises were issued.

In cooperation with donors over the past year, the DP, in support of relevant projects, has overseen the implementation of two projects.

- Project for drafting of Wild Animals Management Plan in Blinaje, financed by FAO
- Project on Strengthening Sustainable Private and Decentralized Forests in Kosovo, implemented by CNVP.

Activities in Forest Management

The Forestry Development Strategy 2010-2020 identifies areas of impact in which it is necessary to intervene in order to meet the goals of sustainable forest management and forest resources. This Strategy sets the target to cover about 30,000 ha of forest area within one year, through long-term Management Plans. During 2018, the Kosovo Forestry Agency has successfully completed the development of 7 Management Plans for Management Units (MUs) representing approximately 22,032 ha of forest area.

Table 64: Drafting of Management Plans, 2018

Management unit	Municipality	Area in ha
Bellosice	Podujeva	4,185
Koritnik II	Dragash	970
Duboçak	Peja	500
Maja e Zezë	Zubin Potok	6,601
Gnjzhansk	Leposaviq	2,719
Guri i Zi	Kamenica	2,100
Bodoshnjak	Kaqanik – Hani i Elezit	4,957
Total		**22,032**

Source: KFA

Activities in annual forest management

At present, the Forestry Agency is not being able to utilize the production opportunities and capacities to meet the local needs of the population and business community due to irregular logging.

The following tables show the plan for exploitation and realization for state owned forests in 2018.

Table 65: Annual planning in state forests, m^3

Assortments	Volume m^3
Technical wood	5,770
Fire wood	56,940
Net wood mass	**62,710**
Waste	4,033
Gross wood mass	**66,743**

Source: KFA

When analysing the demand and supply of average household wood consumption, which is estimated to be about 8.24 m^3 [10] for 176,394[11] households consuming wood as their primary source of energy, the results point to a total consumption demand of about 1,447[12] mil. m^3 wood for combustion. Therefore, planning through annual and management plans by the Forest Agency should be approximately in line with timber requirements.

[10] Wood Biomass Sector in Kosovo WISDOM, 2015
[11] OSCE and KAS, 2011
[12] Wood Biomass Sector in Kosovo WISDOM, 2015

Table 66: Annual planning in state forests, m^3

Assortments	Volume³
Technical wood	3,418
Fire wood	24,118
Net wood mass	27,536
Waste	503
Total	**28,039**

Source: KFA

In its short-term planning, the Forestry Agency should focus on finding a strategy to reduce losses from irregular logging by implementing a long-term or 10-year management plan. The following table shows the realization of the use of state forests by directorates.

Table 67: Implementation of state forest exploitation

Directories	Technical coniferous wood	Technical broadleaf wood	Fire wood	Waste	Total m^3
Prishtina	-	-	1155	51	1,206
Peja	217	71	3,362	3	3,653
Mitrovica	-	-	264	14	278
Prizren	103	410	3,843	269	4,625
Gjilan	211	1,173	9,274	4	10,662
Ferizaj	-	1,226	4,367	-	5,593
DMWAE	3	2	1,852	162	2,019
Total	**535**	**2,883**	**24,118**	**503**	**28,039**

Source: KFA

Paralleling the planned wood volume by annual plan in ratio with its implementation during 2018, it is found that Kosovo Forest Agency managed to utilize, through legal logging and selling, 42 % of annually planned wood volume for logging. Clearly, this logging volume is not even close to household requirements of a single municipality in Kosovo, let alone the timber requirements of the business. The Forest Agency must make an extensive plan, based on Management Plans which already cover over 90% of the forest area in Kosovo.

Activities in treatment of new forests

Pre-commercial thinning are of a special importance in the improvement of new wood piles, through which, we aim at raising the quality and productivity of forests, improving thus the conditions for growth and development. Simultaneously, the Forest Agency along with the Ministry of Labour and Social Welfare are implementing the common project with engagement of seasonal labour aiming at treatment of new forest. This project aims at reducing unemployment, improvement of social conditions, engagement of youth in forest activities and creating income in remote rural areas. This project implementation enabled to treat in pre-commercial logging around 285 ha low forest. In the framework of fulfilment of its duties of sale through procurement procedure, the Agency managed to accomplish the treatment of about 215 ha in the region of Peja and Prishtina.

Table 68: Pre-commercial thinning, 2018

Directories	Volume in m^3	Area in ha
Prishtina	360	120
Gjilan	0	96
Peja	0	0
Mitrovica	78	30
Ferizaj	70	12
Prizren	0	27
Total	**508**	**285**

Source: KFA

As part of the treatment of new forests with pre-commercial thinning, the Forestry Agency in cooperation with donors, such as the Project for Sustainable Strengthening of Decentralized and Private Forests in Kosovo implemented by CNVP organization, have carried out a range of activities in relation to pre-commercial thinning of public forests; however, there are no reported data.

Activities in private forests

One of the duties of the Forest Agency and Municipal Forest Authorities, as regards the implementation of law regarding decentralization of responsibilities in annual planning of private forests, relates to the implementation of the plan, parking, granting of permits during treatment and logging in private forests as well as transport services of wood material (issuing of marking sheets, logging permits, accompanying sheet) etc.

Table 69: The Plan in private forests, 2018

Forest cultivation and exploitation		
Establishment of new forests - forestation	ha	85
Forest renewal – melioration	ha	13
Forest cultivation	ha	3,784
Forest exploitation	ha	4,850
Technical professional works		
Submitted requests	copë	4,150
Logging planning in private forests	m^3	45,240
Fire wood	m^3	41,400
Technical wood	m^3	3,840

Source: KFA

In cooperation with the Association of Forest Owners, the Forest Agency, in the framework of the plan forest cultivation, has managed to accomplish the support to owners in the establishment of new forests by forestation of around 85 ha forest renewal – melioration of abort 13 ha, cultivation of 3,784 ha and, based on the owners requests, 4,850 ha forest surface for exploitation were planned. The Municipal Authorities in cooperation with KFA have planned to implement the logging of about 45,20 m^3 of wood material for 2018.

Table 70: Implementation of activities in private forests, 2018

Private forests	Unit	Total
Requests reviewed	pcs	2,821
Marking of trees	m^3	186,006
Marking for transport	m^3	162,536
Monitored wood mass	m^3	154,834
The number of notes delivered	pcs	28,212
Professional control-observation	case	935
Trees outside the forest	m^3	4,577
Forestation in private property	ha	0

Source: KFA

Based on the plan for private forests, it is estimated that during last year the KFA managed to review 2,821 or 68% of the submitted requests, through which 186,006 m^3 were marked for logging. Analysing the table regarding logging planning in private forests in relation to implemented logging, it was found that Municipal Authorities, together with KFA, have approved requests that resulted in exceeding planning with approximately 140,766 m^3 of wood material, which is more than four times the base plan.

During the implementation of the plan in the private forests, marking for transport of wood material of about 162,535 m^3 was achieved, which represents over 87% of the standing wood material marked. Municipal authorities have been able to track up to 154,834 m^3 of timber through accompanying sheets, which represents 95% of the timber marked for transport. In terms of service delivery, the Municipal Authorities have reported that they have issued approximately 28,212 notes, while managing to carry out around 935 professional controls and inspections. The Forest Agency, in the framework of the implementation of the plan of afforestation and private forest melioration, could not reach its fulfilment.

Activities in forests protection

Forests are considered to be very complex ecosystems of particular importance to society in general, the variety of biodiversity, cultural, health, recreational, educational needs, landscapes, etc. Therefore, given their role, importance and functions, policy implementation is concerned with the major contribution that forests have to environmental protection, biodiversity, greenhouse gases and natural disasters. Protecting forests from damagers and especially the harmful effects of the human factor, today in all countries with the beginning of democracy, is the facing with the logging and exploitation with no criteria of forests and forest products. Therefore, the government, together with the responsible institutions, should definitely increase cooperation with law enforcement and security institutions, non-governmental organizations, media, etc. Forest protection, among other things, also includes the development of various activities for charges for minor and criminal offences, forestry controls, surveillance of market, forest roads and highways, confiscations, etc. During 2018, about 4,501 misdemeanour summonses were filed and 1,147 criminal summonses were reviewed and filed by municipal authorities.

Table 71: Filed charges or summonses, 2018

Forest damage	Pcs	m³	Total in €
Misdemeanour summonses	4,501	7,589	992,320
Criminal summonses	1,147	6,430	829,427
Total	**5,648**	**14,019**	**1,821,747**

Source: KFA

During the year in question, municipal authorities reported that some 5,648 criminal and misdemeanour summonses were filed, of which 1,147 criminal and 4,501 misdemeanour summonses. The amount of wood material reported as forest damage is estimated to be around 14,019 m^3 in the amount of about € 1,821,747. In terms of protection of forests from irregular logging, the measure of confiscation of wood material was applied regarding the woods that were cut and transported irregularly. In this context, it is ascertained that during the past year 2,657 m^3 of wood was confiscated, of which 1,430 m^3 were sold, while stocks carried from the previous year amount to 1,184 m^3.

Table 72: Confiscation of wood material

Timber	**m³**
Stocks from 2017	1,184
Confiscated wood quantity 2018	2,657
Quantity sold	1,430
Amount provided on the basis of memorandum	129
Current stock state	**2,282**

Source: KFA

Forest fires

Forest fires present one of the major challenges for institutions, especially during the early spring and summer periods. According to various analyses and statistics over 99% of forest fires and forest land are caused by human factor, while only 1% of them by other abiotic causes. During the dry summer period of 2018, the number of cases and the inclusion of forest areas by forest fires have increased steadily. This is due to the high temperatures and the carelessness of the people. According to the reports of the Coordination Directorates in the field, the Forest Agency during this year has identified a total of 83 cases of public and private forest fires, which cover a forest area of about 949 ha.

Table 73: Number of forest fires and surface area in ha, 2018

Municipality	Number of cases	Area (ha)		Total (ha)
		Public	Private	
Prishtina	25	25	551	576
Mitrovica	2	3	0	3
Peja	9	12	34	47
Prizren	32	162	48	211
Ferizaj	5	8	0	8
Gjilan	10	105	0	104
Total	**83**	**315**	**633**	**949**

Source: KFA

The Kosovo Forest Agency is continuing to cooperate with law enforcement, emergency and security institutions in the cases of forest fires. This cooperation creates the opportunity to reduce the chances for fires to spread on settlement areas thus avoiding human life losses. During the past year, in cooperation with MLSW the Agency engaged about 160 seasonal workers for protection of forests from fires in the six regions. All hired workers were initially trained on the dangers, ways of intervention, use of fire extinguishers, cleaning and opening of protective corridors, etc. During the interventions for forest fire extinguishing, assistance was also given by fire emergency units, KSF, forest owners, etc.

Production of forest seedlings

Seedling production is an important activity that greatly depends on the realization of the plan for afforestation and reforestation of forest lands. Therefore, the Institute of Forests has carried out a number of activities ranging from assessing the needs for reproductive material (seed), planting material (humus), preparing the soil for planting, cleaning greenhouses and preparing them for planting, filling with humus, sowing seeds in flowerbeds, feeding, irrigation and seedling activities, seedling extraction and preparation, etc. During 2018, a total of 1,571,047 forest seedlings aged 2 + 0 were cultivated in the Peja institute of seedling.

Table 74: Production of seedlings, 2018

Type of seedlings	Cultivation method	pcs
Coniferous	Classic	844,663
Coniferous	Industrial	716,039
Broadleaf	Classic	9,790
Decorative	-	555
Coniferous and Broadleaf		**1,571,047**

Source: KFA

Afforestation activities

The Forestry Agency undertakes afforestation activities aiming at extending forest areas to increase the productivity of forest lands, which help protect these lands from the negative impacts of various erosive factors. Based on the annual forest management plan, afforestation of forest lands has been carried out throughout the territory of Kosovo, covering about 296 ha. The afforestation of forest lands has been carried out on a contractual basis by private enterprises by the Forest Agency.

Table 75: Autumnal afforestation, 2018

Region	Area in ha
Prishtina, Mitrovica and Peja Regions	136
Prizren, Ferizaj and Gjilan Regions	160
Total	**296**

Source: KFA

With the assistance of FAO, about 35 ha of forest land has been afforested over the past year. This project was implemented in the northern part of Kosovo with the purpose of reforestation of bare land.

<u>Activities in revitalization of forest lands</u>

The Forest Agency, as in previous years, has shown care in the revitalization of rocky lands, which have been subjects to quarrying and processing of stones and gravel. This revitalization measure has been implemented for the purpose of returning to the productive state of the lands used for inert extraction, increase the green area, taking measures for landscaping, etc. Revitalization of forest land used by inert extraction is foreseen to be achieved through flattening, rehabilitation of humus soil, planting of seedlings, fencing, etc., with a view to introducing into production these surfaces. Based on the data in the table below, we can conclude that over the last year, an area of about 10.4 ha has been returned to production through revitalization.

Table 76: Rehabilitation of forest lands by inert use

Enterprise	Description	Area m^2
Arsi LLC, Branch in Kosovo	Rehabilitation of humus soil and the afforestation	41,614
Etniku	Rehabilitation of humus soil and the afforestation	12,414
Bag	Rehabilitation of humus soil and the afforestation	49,996
Total		**104,024**

Source: KFA

4 Trade

4.1 General trade

The data presented in the table below show that there have been changes in the total export for the customs chapters (01-98) for the period 2014-2018. There has been an increase in 2015 and 2017, compared to previous years, while in 2016 and 2018 there has been a decrease. In 2016, the export amount was € 309.6 million, which was also the lowest amount of exports during this period, while the highest amount was € 378 million, in 2017.

Export of goods during 2018 amounted to € 367.5 million, which compared to 2017, there was a decreasing export by € 10.5 million or 2.8%. While exports have been decreasing and increasing, imports have been steadily increasing. In the period 2014-2016, the amount of imports was over € 2 billion, while in the period 2017-2018 the amount of imports increased to over € 3 billion.

Table 77: Total Export/Import

Year	Export (1-98), in '000 €	Import (1-98), in '000 €	Trade balance, in '000 €	Coverage of imports by the exports (%)
	1	2	3=1-2	4=1/2
2014	324,543	2,538,337	-2,213,794	12.8
2015	325,294	2,634,693	-2,309,399	12.3
2016	309,627	2,789,491	-2,479,864	11.1
2017	378,010	3,047,018	-2,669,007	12.4
2018	367,500	3,347,007	-2,979,507	11.0

Source: KAS, developed by DEAAS - MAFRD

4.2 Trade in agricultural products

The amount of export of agricultural products in the period 2014-2018 it has steadily increased. In 2018, the amount of export reached € 63.9 million, which compared to 2017 export increased by 4.3%. Imports in 2018 reached € 712.3 million, which compared to 2017 has increased by 2.6%.

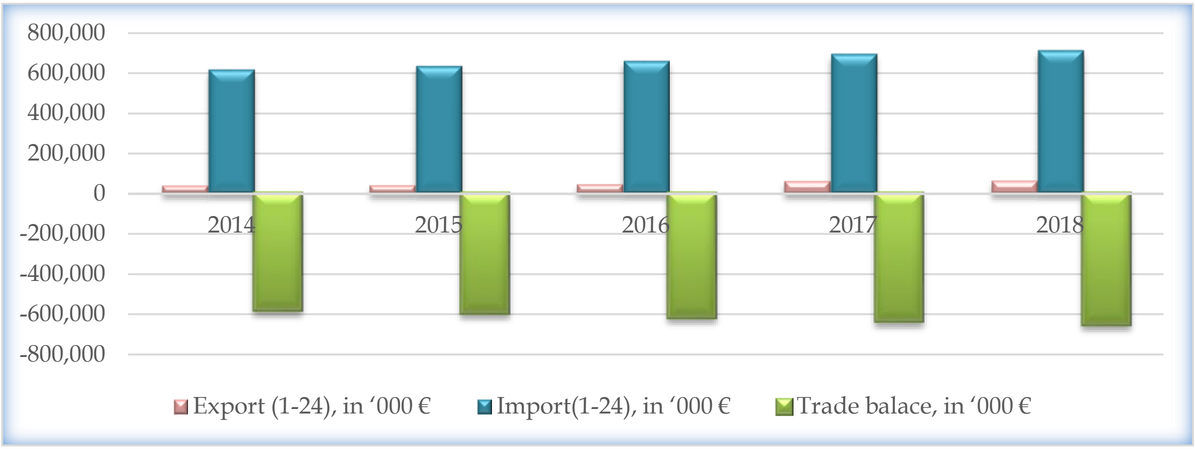
Table 78: Export-Import of agricultural products

Year	Export (1-24), in '000 €	Import (1-24), in '000 €	Trade balance, in '000 €	Coverage of imports by the exports (%)
	1	2	3=1-2	4=1/2
2014	39,359	616,118	-576,759	6.4
2015	41,683	633,702	-592,019	6.6
2016	45,205	658,730	-613,525	6.9
2017	61,336	694,517	-633,180	8.8
2018	63,950	712,314	-648,364	9.0

Source: KAS, processed by DEAAS - MAFRD

The trade balance of agricultural products continues to be negative in the amount of € 648.3 million in 2018. But what is worth noting is that export increase was greater comparing to import increase, which led to an increase in import coverage by 9% in 2018.

Figure 36: Export, Import and Trade balance of agricultural products (1-24), in '000€

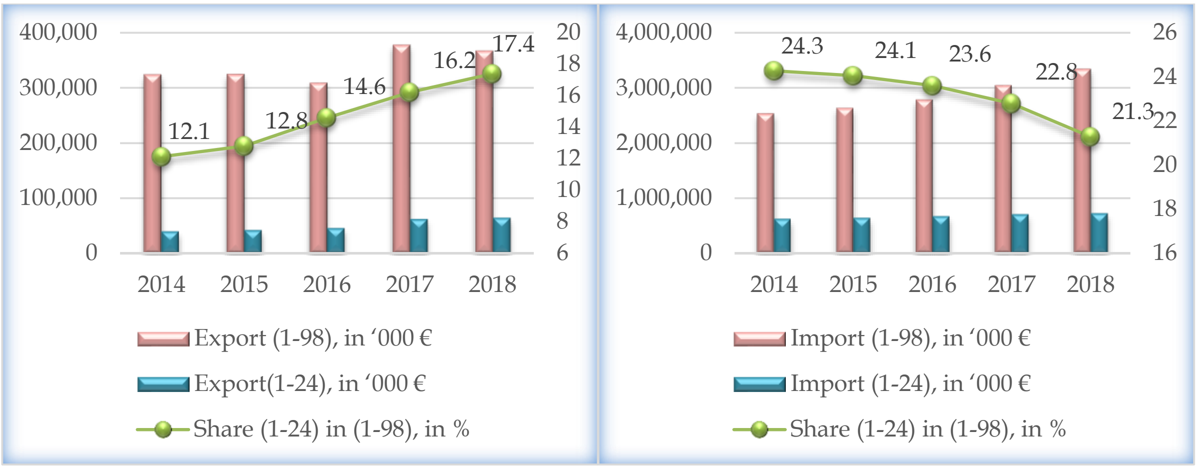


Source: KAS, processed by DEAAS-MAFRD

The share of export of agricultural products in total export has increased significantly. The largest share of export of agricultural products (01-24) in total export (1-98) was in 2018 (17.4%), while the lowest share is considered to be in 2014 (12.1%).

Regarding import, the situation is different, where there is a decrease in the share of agricultural products in total imports. The year with the lowest share was 2018 (21.3%) while the highest share was in 2014 (24.3%).

Figure 37: Share of agricultural products in total exports (left), Share of agricultural products in total imports (right)



Source: KAS, processed by DEAAS-MAFRD

4.2.1 Trade by group of countries

Based on the data presented in the table below, it is noted that in 2018, the highest amount of exports (01-24) was in CEFTA countries (€ 38.8 million or 60.6%), followed by EU countries where export was € 20.9 million (32.7%) and other countries in the amount of € 4.3 million (6.7%).

In 2018, the highest amount of imports of agricultural products (01-24) was from the group of EU countries (€ 301.1 million or 42.3%), followed by CEFTA countries with imports in the amount of € 239.2 million (33.6%) and other countries with € 171.9 million (24.1%).

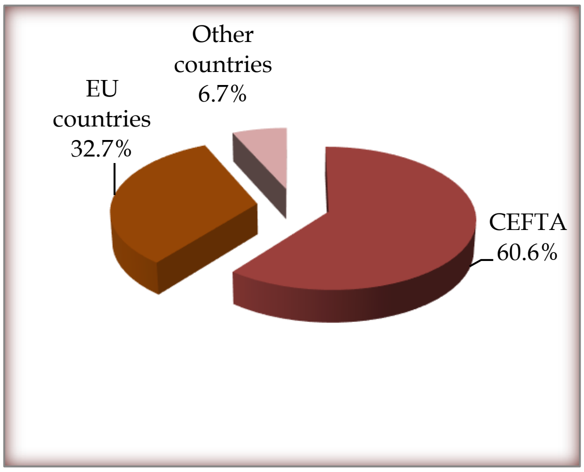
Table 79: Export-Import of agricultural products by country groups, 2018

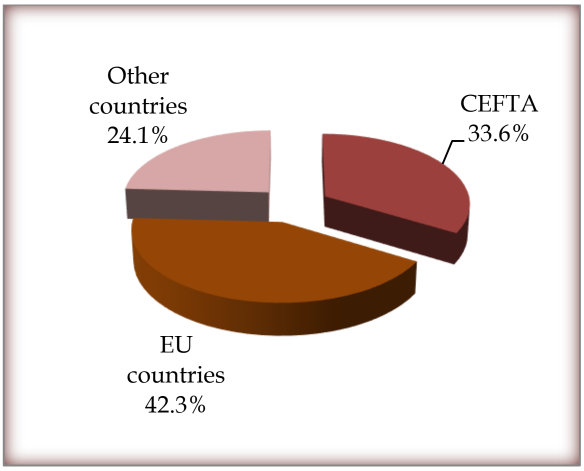
	CEFTA	EU countries	Other countries	Total
Export (1-24), in '000 €	38,762	20,892	4,296	63,950
Import (1-24), in '000 €	239,244	301,119	171,952	712,314
Trade balance, in '000 €	-200,482	-280,226	-167,656	-648,364
Export/Share in %	60.6	32.7	6.7	100.0
Import/Share in %	33.6	42.3	24.1	100.0
Coverage of imports by the exports (%)	16.2	6.9	2.5	9.0

Source: KAS, processed by DEAAS-MAFRD

The following figure shows the share of export and import by country groups in 2018.

Figure 38: Export by country group (left), Import by country group (right), 2018





Source: KAS, processed by DEAAS-MAFRD

Trade with CEFTA countries

In 2014, the export to CEFTA countries was € 25.6 million, continuing to increase in the following years until 2018, where it reached the highest amount of € 38.8 million.

From 2014 to 2017, imports from these countries marked a steadily increase, while in 2018 the import was € 239.2 million, marking a decrease of 7.4% compared to 2017.

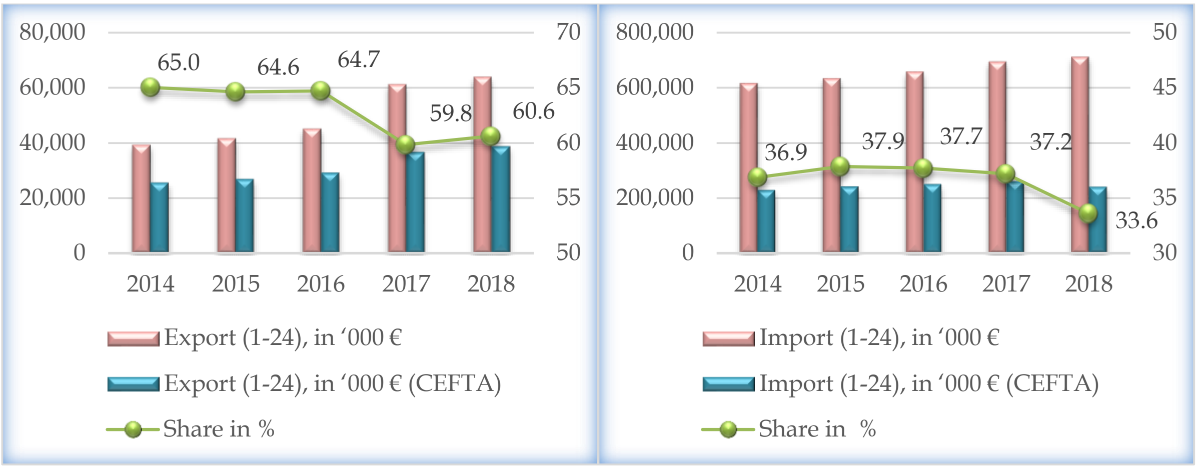
Table 80: Export-import of agricultural products with CEFTA countries

Year	Export (1-24), in '000 €	Import (1-24), in '000 €	Trade balance, in '000 €	Coverage of imports by the exports (%)
	1	2	3=1-2	4=1/2
2014	25,601	227,141	-201,540	11.3
2015	26,939	240,000	-213,061	11.2
2016	29,258	248,550	-219,292	11.8
2017	36,697	258,444	-221,747	14.2
2018	38,762	239,244	-200,482	16.2

Source: KAS, processed by DEAAS-MAFRD

The lowest share of export of agricultural products to CEFTA countries was in 2017 (59.8%), while the highest was in 2014 (65%), while in 2018 it was 60.6%. Imports from CEFTA countries accounted for approximately 2014-2017, continuing to decline in 2018 to 33.6%.

Figure 39: Share of agriculture in total exports (left), Share of agriculture in total imports (right)



Source: KAS, processed by DEAAS-MAFRD

Based on the table below, export by CEFTA countries in 2018 compared to 2017, there has been an increase in all countries. The highest export increase was in Macedonia (19.3%), followed by the Republic of Moldova (10.6%), B. Herzegovina (7.7%), Albania (7.2%) and Serbia (0.3%). Export increase of agricultural products to CEFTA countries in 2018 compared to 2017 was 5.6%.

Imports of agricultural products from CEFTA countries also experienced changes. Imports from Albania decreased by 22.3%, and 10.9% from Macedonia. Imports from Montenegro increased by 86%, Bosnia and Herzegovina 17.8%, Moldova 7.7% and Serbia 3.3%.

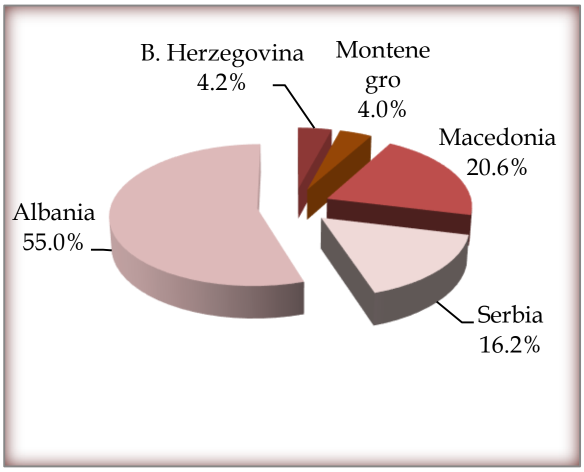
Table 81: Export-Import of agricultural products to CEFTA countries, in '000 €

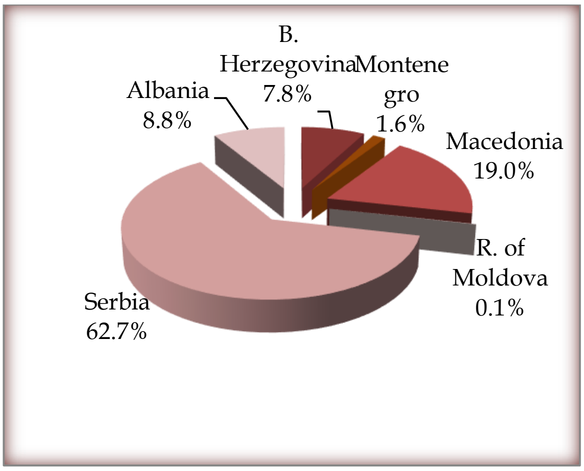
Countries	Export			Import		
	2017	2018	Difference '18/'17, (%)	2017	2018	Difference '18/'17, (%)
Albania	1,503	1,611	7.2	24,103	18,719	-22.3
B. Herzegovina	1,448	1,559	7.7	3,280	3,865	17.8
R. of Moldova	7,207	7,969	10.6	42,189	45,442	7.7
Montenegro	0	0		92	172	86.0
Macedonia	5,268	6,287	19.3	168,422	150,015	-10.9
Serbia	21,271	21,336	0.3	20,357	21,033	3.3
Total	**36,697**	**38,762**	**5.6**	**258,444**	**239,244**	**-7.4**

Source: KAS, processed by DEAAS-MAFRD

Albania had the largest share in CEFTA export with 55%, Macedonia 20.6%, Serbia 16.2%, B. Herzegovina 4.2% and Montenegro 4%. In the amount of import of agricultural products, the following countries had the largest share: Serbia 62.7%, Macedonia 19%, Albania 8.8%, B. Herzegovina 7.8%, Montenegro 1.6% and Republic of Moldova 0.1%.

Figure 40: Export by CEFTA countries (left), Import by CEFTA countries (right), 2018





Source: KAS, processed by DEAAS-MAFRD

Trade with EU countries

Exports of agricultural products to EU countries have increased steadily, starting in 2014 where the amount was € 10.2 million, until 2018, in which year exports reached € 20.9 million, which is the highest export amount to EU countries.

Imports have also increased, starting in 2014 and 2015, when goods amount at around € 249 million were imported and the amount of imports continued to increase in the following years. In 2018, the amount of imports from EU countries was € 301.1 million, which was also the highest amount of imports from EU countries.

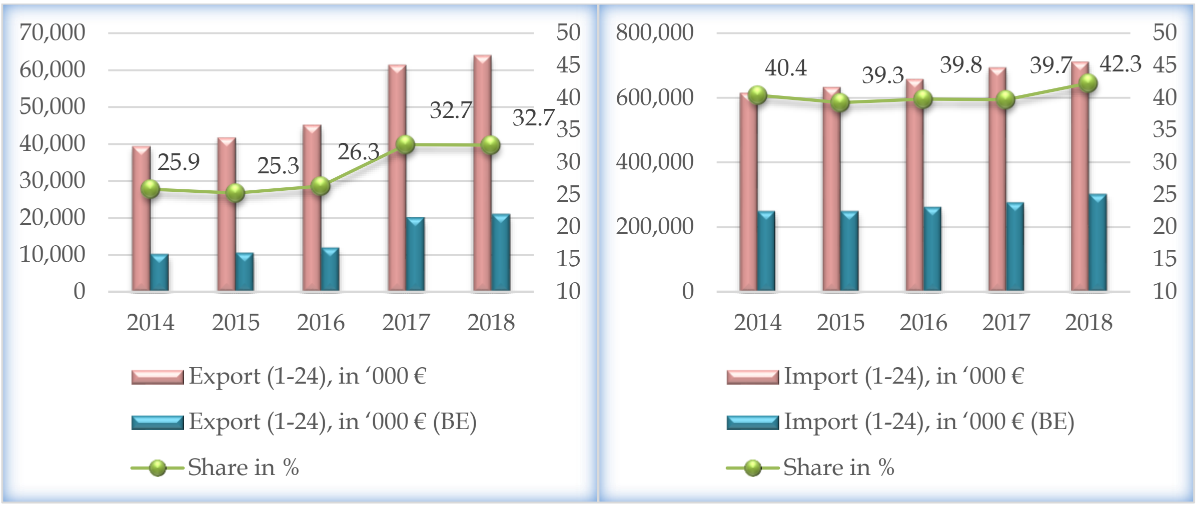
Table 82: Export-Import of agricultural products with EU countries

Year	Export (1-24), in '000 €	Import (1-24), in '000 €	Trade balance, in '000 €	Coverage of imports by the exports (%)
	1	2	3=1-2	4=1/2
2014	10,175	249,015	-238,840	4.1
2015	10,530	249,010	-238,480	4.2
2016	11,910	262,402	-250,492	4.5
2017	20,077	275,846	-255,769	7.3
2018	20,892	301,119	-280,226	6.9

Source: KAS, processed by DEAAS -MAFRD

The largest share of exports to EU countries in total exports was in 2017 and 2018 (32.7%), while the lowest share was in 2015 (25.3%). The highest share of imports from EU countries to total imports was in 2018 (42.3%), while the lowest was in 2015 (39.3%).

Figure 41: Share of agriculture in total exports (left), Share of agriculture in total imports (right)

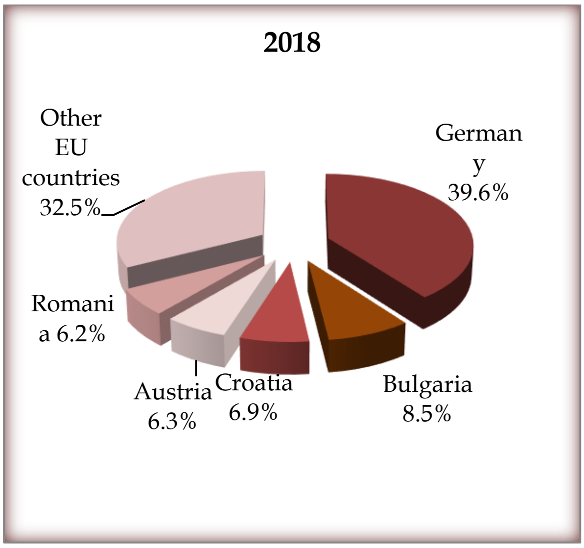


Source: KAS, processed by DEAAS -MAFRD

Of the EU countries, most of exports in 2018 were to: Germany in the amount of € 8.3 million, followed by Bulgaria with € 1.8 million as well as other countries as presented in the table. In terms of share, Germany had a share of 39.6% in export amount, Bulgaria 8.5%, Croatia 6.9%, Austria 6.3%, Romania 6.2%, and other EU countries with 32.5%.

Table 83: Exports by EU countries, at '000 €; Figure 42: Exports by EU countries

Countries	2017	2018	Difference '18/'17, (%)
Germany	8,105	8,275	2
Bulgaria	1,491	1,767	19
Croatia	1,077	1,445	34
Austria	1,269	1,319	4
Romania	1,492	1,289	-14
Sweden	978	1,231	26
Italy	1,235	1,079	-13
Netherlands	1,087	1,028	-5
United Kingdom	658	906	38
Hungary	1,181	757	-36
Other EU countries	1,505	1,797	19
Total EU 28	**20,077**	20,892	4

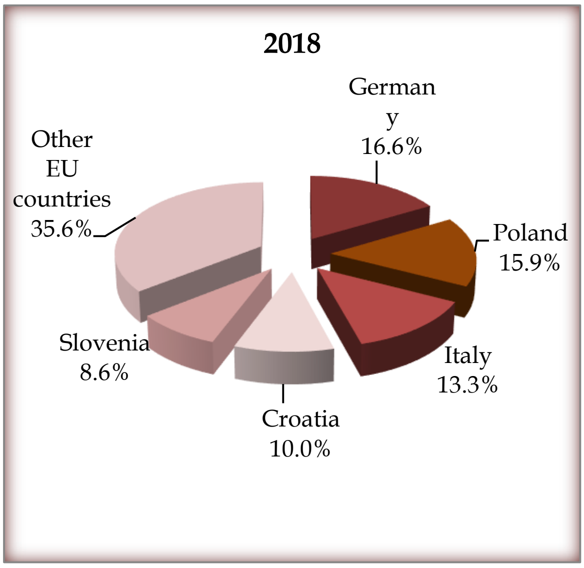


Source: KAS, processed by DEAAS -MAFRD

The largest imports from EU countries in 2018 were from Germany in the amount of € 49.9 million, followed by Poland with € 47.9 million, Italy with € 40.1 million, Croatia with € 30.1 million; and other countries shown in the table below. Germany had the highest share of imports from EU countries with 16.6%, followed by Poland with 15.9%, Italy with 13.3%, Croatia with 10%, Slovenia with 8.6%, and other EU countries with 35.6%.

Table 84: Imports by EU countries, in '000 €; Figure 43: Imports by EU countries

Countries	2017	2018	Difference '18/'17, (%)
Germany	50,358	49,850	-1.0
Poland	43,970	47,880	8.9
Italy	35,865	40,120	11.9
Croatia	26,757	30,099	12.5
Slovenia	23,551	25,927	10.1
Austria	16,420	18,847	14.8
Bulgaria	13,471	14,803	9.9
Greece	12,980	13,972	7.6
Netherlands	11,246	12,420	10.4
Hungary	10,241	12,292	20.0
Other EU countries	30,986	34,908	12.7
Total EU 28	275,846	301,119	9.2



Source: KAS, processed by DEAAS -MAFRD

4.2.2 Export-Import of agricultural products by chapters (1-24)

Export of agricultural products by chapters (1-24)

In 2018, the chapters 07, 12 and 22 marked the highest increase in the value of export compared to 2017, whereas chapters 11 and 20 marked the highest decrease in the export value compared to 2017. Chapters 07, 08, 20 and 22 had the highest share in the agricultural export (over 70% per cent of the export value).

Table 85: Export of agricultural products 2014-2018, in € 1000

Code	Description	2014	2015	2016	2017	2018
01	Live animals	0	-	-	-	17
02	Meat and edible meat offal	109	175	248	183	127
03	Fish and crustaceans, molluscs and other aquatic inverteb. animals	-	32	37	172	110
04	Dairy produce; eggs; natural honey; edible products of animal origin, not elsewhere specified or included	200	459	490	492	471
05	Products of animal origin, not elsewhere specified or included	-	-	-	-	-
06	Trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	22	42	58	165	226
07	Edible vegetables and certain roots and tubers	4,918	3,201	4,790	4,899	5,636
08	Edible fruit and nuts; peel of citrus fruits or melons	2,588	2,931	3,845	8,616	8,781
09	Coffee, tea, mate and spices	2,729	3,180	2,170	3,677	3,971
10	Cereals	420	724	335	262	386
11	Products of the milling industry; malt; starches; inulin; wheat gluten	6,518	4,182	4,172	4,254	2,411
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	1,347	1,279	1,395	1,558	2,414
13	Lac; gums, resins and other vegetable saps and extracts	-	-	-	-	-
14	Vegetable plaiting materials; vegetable products not elsewhere specified or included	-	-	8	-	1
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	19	41	9	179	343
16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	301	500	478	618	776
17	Sugars and sugar confectionery	159	699	804	652	712
18	Cocoa and cocoa preparations	2,661	2,821	2,397	1,909	1,763
19	Preparations of cereals, flour, starch or milk; pastrycooks' products	1,497	2,104	1,904	1,925	1,893
20	Preparations of vegetables, fruit, nuts or other parts of plants	1,752	2,253	3,757	6,171	4,507
21	Miscellaneous edible preparations	317	336	441	352	612
22	Beverages, spirits and vinegar	12,508	15,992	16,979	24,194	27,565
23	Residues and waste from the food industries; prepared animal fodder	1,296	732	888	1,060	1,228
24	Tobacco and manufactured tobacco substitutes	-	-	-	-	-
(1-24)	**Total**	**39,359**	**41,683**	**45,205**	**61,336**	**63,950**

Source: KAS, processed by DEAAS-MAFRD

Import of agricultural products by chapters (01-24)

In 2018, chapters 08, 09, 11, 16 and 17 marked the highest decrease in the import value compared to 2017, whereas chapters 01, 02, 04, 21 and 24 marked the highest increase in the import value compared to 2017. Chapters 02, 04, 10, 19, 21, 22 and 24 had the highest share in the agricultural import (about 60% of import value).

Table 86: Import of agricultural products 2014-2018, in € 1000

Code	Description	2014	2015	2016	2017	2018
01	Live animals	12,201	9,525	7,930	10,873	15,502
02	Meat and edible meat offal	62,040	61,758	57,848	61,986	64,878
03	Fish and crustaceans, molluscs and other aquatic invertebrates	1,959	2,292	2,120	2,640	2,999
04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	38,309	37,750	41,475	45,069	47,672
05	Products of animal origin, not elsewhere specified or included	815	647	521	915	986
06	Trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	2,691	4,493	5,233	4,847	4,566
07	Edible vegetables and certain roots and tubers	21,794	23,047	23,135	22,934	24,742
08	Edible fruit and nuts; peel of citrus fruits or melons	29,031	30,251	32,959	35,069	34,415
09	Coffee, tea, maté and spices	26,476	27,904	27,467	33,629	31,163
10	Cereals	31,218	34,157	36,327	31,697	36,434
11	Products of the milling industry; malt; starches; inulin; wheat gluten	14,647	15,048	12,823	10,822	9,187
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	6,923	8,300	9,661	9,409	10,703
13	Lac; gums, resins and other vegetable saps and extracts	260	225	305	368	534
14	Vegetable plaiting materials; vegetable products not elsewhere specified or included	5	9	10	7	10
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	24,912	25,615	27,863	28,362	27,930
16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	24,471	25,298	24,844	27,338	26,677
17	Sugars and sugar confectionery	31,605	31,948	34,849	35,568	28,296
18	Cocoa and cocoa preparations	20,679	21,266	22,258	23,485	23,888
19	Preparations of cereals, flour, starch or milk; pastrycooks' products	53,442	55,777	60,371	62,925	64,618
20	Preparations of vegetables, fruit, nuts or other parts of plants	20,762	23,104	24,189	26,373	27,321
21	Miscellaneous edible preparations	49,533	56,021	58,796	64,124	68,105
22	Beverages, spirits and vinegar	65,779	63,374	70,388	75,220	77,152
23	Residues and waste from the food industries; prepared animal fodder	18,469	21,512	19,059	18,736	19,688
24	Tobacco and manufactured tobacco substitutes	58,097	54,381	58,301	62,122	64,848
(1-24)	**Total**	**616,118**	**633,702**	**658,730**	**694,517**	**712,314**

Source: KAS, processed by DEAAS-MAFRD

5 Food safety and quality

5.1 Food safety

Food safety is the protection of consumer health by guaranteeing the proper functioning of common consumer protection policies and this should be part of economic and social policies.

The Kosovo Food and Veterinary Agency (FVA) is the highest authority for Food and Veterinary, responsible for protecting human life and health by providing a high level of food safety, including animal nutrition, animal health, plant health, animal care as well as the quality of food of plant and animal origin. The FVA as the state authority of the Republic of Kosovo implements the applicable legislation regarding the preservation of public health, food safety, and animal health and welfare. The FVA performs this role by implementing government policies with the implementation of capital projects in these areas, by organizing official controls at the borders and within the territory of the Republic of Kosovo.

FVA is also responsible to fight and prevent transmittable disease among animals, to regulate the veterinary medical practice, to inspect products of animal origin, to inspect imports, exports and the transitional passage of live animals and products of animal origin, and to regulate duties and obligations of the public, central and local government institutions and officials appointed to work in the mentioned institutions.

Responsible institutions and the legal framework – with the adoption of the Law on Food (section 36), FVA is directly linked to the Office of the Prime Minister. Pursuant to Article 38 of this Law, the Agency is competent for the control, examination and inspection of food and its raw materials in all stages of the food chain.

The Agency if composed of five Directorates:

1. Directorate of Public Health.
2. Directorate of Animal Health and Wellbeing.
3. Directorate of Inspectorate (veterinary, phyto-sanitary and sanitary) consisting of six (6) regional offices.
4. Directorate of Laboratory, and
5. Directorate of Administration.

The Kosovo National Institute of Public Health (KNIPH) is an educational and scientific multi-disciplinary institution responsible for the development of health strategies in the field of epidemiology, education and health promotion, disease prevention, laboratory diagnosis and health information.

The scope of KNIPH is regulated by Law No. 02/L-78 on Public Health. Within the University of Pristina, the Faculty of Agriculture and Veterinary (FAV), the Faculty of Geoscience and Technology (The Food Technology Department, FGT) and the Faculty of Natural Sciences (Departments of Chemistry and Biology) provide precious expertise regarding food safety.

Institutions cooperating on food safety in Kosovo are the following: MAFRD, Food and Veterinary Agency, and Ministry of Health. Within MAFRD, the Kosovo Agricultural Institute (KAI) and the Department of Agricultural Policy and Trade, are also involved in drafting food policy. Currently, the role of MAFRD on food safety is still indefinite. However, its role is expected to be determined and approved by the new law drafted by MAFRD. Within the Ministry of Health, the National Institute of Public Health is also in charge of food testing.

Any distribution of products of animal or livestock origin should be subject to veterinary inspection in Kosovo. Veterinary inspection is carried out at all border crossing points and customs warehouses. There are a total of nine (9) Border Inspection Points (BIPs) in Kosovo.

Food business operators - During 2018, registrations and approvals of business operators with food of animal and non-animal origin were conducted within the directorate of public health.

A total of 22 facilities for food of animal origin have been approved, of which 2 were dairy processing factories, 8 meat processing factories, 6 ungulates' slaughterhouses, 1 poultry slaughterhouse, 3 cooling warehouses, 1 collection and packing of honey and 1 milk collection point.

Table 87: Approval of business operators with food of animal and non-animal origin

Permits approved for business operators	Number
Dairy processing factories	2
Meat processing factories	8
Ungulates slaughterhouse	6
Poultry slaughterhouse	1
Cooling warehouse (storage of products)	3
Collection and packing of honey	1
Cooling warehouse (repacking activity)	1
Total	**22**

Source: FVA

Each of the abovementioned operators was subjected to categorisation process, according to the risk-based assessment and has also been included in the national annual control and sampling plan, by determining the control frequency according to category assessment.

The number of facilities for food of non-animal origin in 2018 totalled to 97, where the categories presented on the table below are included:

Table 88: Registration of facilities for food of non-animal origin

Categories	Number
Factories of natural and sparkling water	2
Alcoholic beverage factories	4
Repacker of food products	3
Flour Factory	11
Factories for the production of cakes	12
Factories for collection, production and processing of fruits and vegetables	16
Bakeries	39
Restaurants	4
Cooling warehouse for fruits and vegetables	5
Retailer	1
Total	**97**

Source: FVA

The activities performed by the Directorate of Health and Animal Welfare - Animal Health Sector are presented below:

1. Follow-up of the epizootiological situation in the countries of the region and around the world regarding bird flu–Avian Influenza and other animal diseases, based on the OIE and SANTE-ADNS information and reports;
2. Preparation of the import ban on live animals (pigs and boars) and products thereof from Hungary due to the presence of the African Swine Fever (ASF) disease based on the OIE report;
3. Monitoring and implementation of animal field vaccinations programs;
4. Blood sampling obtained from the field related to suspicion of the presence of infectious animal diseases and sent to FVL or Reference Laboratories for laboratory tests, killing of animals that have responded positively to animal diseases;
5. Based on the results of laboratory tests performed in FVL, all measures have been taken to ensure that animals from livestock farms, which are diagnosed as positive, are killed;
6. Issuance of import permits for live animals, feed and genetic material;
7. Licensing and extension of licenses for veterinary ambulances, leather warehouses;
8. Drafting of the national plan for monitoring and control of animal diseases;
9. Maintenance and development of the I&R sector database;
10. Monitoring of livestock farms and contracted veterinarians in all municipalities of Kosovo;
11. Identification of caprine animals – based on field reports through the network of contracted veterinary entities, the number of goats reported in the database for 2018, was 12,331 heads;
12. Identification of ovine animals – based on field reports through the network of contracted veterinary entities, the number of sheep reported in the 2018 database was 91,403 heads;
13. Identification of swine animals – based on field reports through the network of contracted veterinary entities, the number of pigs reported in the database for 2018 was 23,976 heads;

14. Identification of cattle - from field reports through the network of contracted veterinary entities, the number of cattle reported in the database for 2018 was 80,542 heads;
15. Movements, slaughter and import of animals - 25,386 cattle movements (sale-purchase), 19,760 ovine movements, 4,163 caprine movements, 496 swine movements were reported in the I&R sector database;
16. Opening of new livestock properties;
17. Inspection of the following wholesale Veterinary Medicinal Product Distributors - VMPs "Fauna" Gjilan, "Apis" Peja, "Malafarm" Fushe Kosova, "Eramed" Prishtina, "Agro Schweiz" Gjakova has been carried out;
18. 53 authorisations have been granted for VMPs' import;
19. 31 applications have been received for VMPs' Marketing Authorisation;
20. Identification and classification of the VMPs according to the import list was done, in order to provide a statistical analysis of their use in the Kosovo market;
21. The Administrative Instruction on the Identification and Registration of Pet Animals has been completed and approved by the Minister of the MAFRD;
22. Development and implementation of the project "Management and control of stray dogs" as an emergency phase for 2018.

Table 89: Vaccination of animals against infectious disease

Designation of the disease	Cattle	Ovine and Caprine	Swine	Dogs and cats
Brucellosis	-	80,932	-	-
Classical swine fever	-	-	22,537	-
Lumpy Skin Disease – LSD	197,424	-	-	-
Vaccination of stray and owned dogs against rabies	-	-	-	16,700
Dehelminthization of stray and owned dogs	-	-	-	60,000

Source: FVA

Table 90: Laboratory analyses of the national plan

Designation of laboratory analyses	Sample
Pathological analyses	20
Serological tests, national plan on Brucellosis, Leukosis and FMD	5,423
Aerologic analysis, suspicion of animal disease in the field	3,010
Bacteriological analysis	133
Quarantine	366

Source: FVA

Table 91: Killing of animals which have tested positive for infectious diseases

Designation of the disease	Type of animal	No. of outbreaks	Killed	Total
Brucela abortus	Cattle	29	156	156
TBC	Cattle	7	33	33
American foulbrood (pest)	Bees	24	140	140

Source: FVA

Table 92: Issuance of transport permits

Import permits	Issued permits
Import of live animals	113
Import of feed	99
Import of genetic material	5
Import of cattle for reproduction/fattening	23
Import day-old chicks	45
Import of bees	1
Import of roe	1
Total	**287**

Source: FVA

Table 93: Licensing of business entities by requests submitted to the AHS

Licensing of veterinary ambulances, extension of licenses	15
Licensing of hide warehouses	1
Licensing of animal markets	0

Source: FVA

Table 94: Identification and registration of animals divided by municipality and contracted veterinary ambulances

Municipalities	Code	Cattle	Caprine	Ovine	Swine
Decan	11	1,628	167	1,181	
	12	1,598		771	
	22	882	96	1,713	123
Gjakova	23	927		261	820
	24	1,403	200	1,172	422
	25	3,804		2,668	1,985
	26	1,000	114	675	462
Drenas	31	3,941	303	2,826	
Gjilan	41	1,474	8	941	
	44	498	324	734	1,209
Partesh	43	181	215	689	2,751
Dragash	51	1,071	50	4,698	
	52	885	81	3,760	
Istog	61	2,766	221	1,794	
	62	3,177	993	3,753	
Kaqanik	73	1,944	167	1,853	
Klina	81	1,098	248	713	483
	82	567	371	146	1,278
	83	1,018	179	617	226
Fushe Kosova	93	706	37	494	
Ranilluk	105	243	200	241	1,790
Kamenica	106	2,760	893	3,286	
Mitrovica	111	1,778	259	2,280	
Leposaviq	122	639	19	2,781	1,271
Lipjan	131	3,142	452	2,987	
Novoberde	142	299	389	764	944
	143	694	395	915	1,427
Obiliq	151	1,804	39	747	40
Rahovec	161	3,368	294	2,521	84
	171	3,029	592	2,853	560
Peja	172	635	80	656	
	173	1,936	101	1,971	
	181	729	77	1,873	

Podujeva	182	979	228	2,342	
	184	461	11	257	
	185	1,029	55	940	
Prishtina	191	423	98	1,127	
	192	1,843	617	921	
Prizren	204	2,877	114	3,558	
	211	1,162	67	308	87
Skenderaj	213	869	170	905	
	214	1,413	33	967	
	215	1,097	259	289	
Shtime	221	518	121	956	
	223	353	54	244	
Shterpce	231	345	199	1,133	383
Suhareka	241	3,061	534	1,794	
	252	224		259	
	253	535	90	1,024	
Ferizaj	254	447		480	
	255	511	140	346	
	256	425	20	1,760	
	257	337	20	336	
	258	196		934	
Viti	261	2,229	579	4,097	184
	271	683	73	1,059	
Vushtrri	272	923	269	667	200
	273	1,426	52	537	1,444
Zubin Potok	282	180	99	934	596
Zvecan	292	144	180	450	804
Malisheva	301	2,876	520	4,336	
Junik	311	229	6	507	
Mamusha	322	163	15	61	
Gracanica	332	507	20	680	4,303
Hani i Elezit	341	403	20	1,655	
Kllokot	351	50	104	206	100
Total		**80,542**	**12,331**	**91,403**	**23,976**

Source: FVA

Table 95: Movement, slaughter and import of animals

Activities	Cattle	Caprine	Ovine	Swine
Movement	25,386	4,163	19,760	496
Slaughter	18,460	69	1,081	3,820
Import	22,670	-	-	-

Source: FVA

Table 96: Opening of new livestock properties

Months	Opening of properties
January	45
February	98
March	216
April	175
May	140
June	17
July	37
August	15
September	23
October	17
November	33
December	33
Total	**849**

Source: FVA

Table 97: Treatment of stray dogs by region

Region	Sterilisation/Castration	Euthanasia	Total
Prishtina	4,317	50	4,367
Mitrovica	2,027	24	2,051
Pejë	1,563	11	1,574
Prizren	1,740	112	1,852
Ferizaj	1,408	308	1,716
Gjilan	1,495		1,495
Gjakova	1,303	64	1,367
Total	**13,853**	**569**	**14,422**

Source: FVA

Food standards

Based on international standards and technical regulations, there are two main determinants regarding the definition and purpose of the food standard: Health Security (Healthy and Safe Food) and Quality (Quality Food). Food health safety prevents consumers from food that poses health threats. The risks to the health of consumers coming from foods may be: Physical, Chemical, Microbiological. Effective protection of consumer health highlights the importance of proper and timely elimination of health risks. Based on these standards, the main responsibility lies with the manufacturers. One of the standards is the application of the HACCP System, which provides more effective protection of the health of the consumer in the process of food production.

HACCP is a rational, systematic and scientifically grounded way of ensuring the food health safety, allowing us to:

- Identify and assess the health risks of the food production process at all stages, processing and distribution.
- Specifying the timely measures to prevent and control the identified risks.

- Ensuring the effective implementation of preventive measures.

The processing industry is being continuously supported by MAFRD, the European Commission and other donors through various grants. More specifically through Measure 103 - Investment in physical assets concerning processing and marketing of agricultural products.

The implementation of this measure targeted: Enhancing the competitiveness of the agro-food sector through increased productivity and the introduction of new technologies and products; Approximation with EU standards and improvements in environmental protection, food safety and product quality, animal welfare and waste management as well as strengthening connections with primary production.

5.2 Analysis of food safety and animal health

Veterinary inspections

The Border Veterinary Sector has conducted numerous inspections, which are presented in the table below: Cargo Inspection 11,236, Sample for analysis 304, Rejected cargos 4, Transit cargos 196, Destruction in the BIP 1,121 kg, Import (breeding cattle) 296 heads, Import (cattle for slaughter) 22,916 heads.

Table 98: Types of inspections

Border Veterinary Sector	Number
Cargo Inspection	11,235
Sample for analysis	304
Rejected cargos	4
Transit cargo	196
Destruction in the BIP	1,121 kg
Import (breeding cattle)	296 heads
Import (cattle for slaughtering)	22,916 heads

Source: FVA

Internal Veterinary Sector

Table 99: Inspections conducted by the internal veterinary sector

Type of activity	Number of samples and destructions
Inspection of business entities such as dairy and meat processing factories	287
Collection and delivery of samples for microbiological analyses, residues, serology, from business entities processing animal products and farms according to the national plan	595 sample
Inspection of cooling warehouses of Imported Products	63
Inspection of slaughterhouses, animal control before and after slaughter and issuing of certificates for animal slaughter	7,848
Inspection and issuance of export certificates 172 certificates or 3,295.966 kg Leather and 811,910 kg dairy and meat products or 214 certificates	453
Inspection and issuance of certificates for internal transport of products	295
Inspection of animals and products of animal origin at the request of the police and customs officials	75 cases, 267 cattle, 8,973 chicken, 439 sheep
Monitoring of animal farms with regard to vaccination and conducting diagnostic research by the FVA contractors	78 Ambulances 2,100 Farms
The killing of the affected animals (cattle) affected by infectious diseases	189 cattle (Brucelosis, TBC) 8,973 chicken
Annihilation of affected bees affected by infectious diseases	140 beehives
Reviewing Customer Complaints and Initiating Minor Offense Procedures	92 cases
Disposal of products of animal origin	149,065 kg meat products and 162,240 eggs
Reviewing the requests of the BO and the parties	38

Source: FVA

Sanitary sector

All reported cases of food intoxication (food poisoning) through healthcare institutions-UHCSK or NIPHK have been dealt with, procedures have been developed and legal measures have been taken.

The total number of cases of food poisoning from the health authority and NIPH for food intoxication was 82 persons.

Table 100: Type of facility inspections and number of samples and swabs taken

Type of inspection	Types of facilities	Number	No. of samples taken	Swabs
Inspected facilities	Restaurants	664	283	987
	Pharmaceutical warehouse	71		
	Children's nursery	227		
	Institutions of special importance	75		
	Food producer, bakeries	582		
	Markets - FBO	439		
Inspected facilities according to customers' complaints		140		
Inspected facilities regarding the Implem. of Law on Tobacco		66		
Health institutions		206		
Examination of cases as a second instance		6		
Court summonses		30		
Quantity of disposed items in ton/litre		305,054 kg		
Total number of Inspections		2,581		

Source: FVA

Table 101: Border Phytosanitary Sector

Sectors	Inspections at the border	Rejections	Ton	M3	Phytocertificate of re-export	Decisions	Summons	Transit	Import permit	Sample	Seals	Destructions	
										Total	Total	Kg	Litre
Border Phytosanitary	37,799	12	940,737	165,719	/	/	/	3,500	21	1,547	403	/	/

Source: FVA

Table 102: Internal Phytosanitary Sector

Type of activities	Total
Inspection of agricultural pharmacies	212
Inspection of planting material traders	57
Inspection of mills and grain warehouses	166
Inspection of bakeries	55
Inspection of products with fruit planting material	100
Field inspection of seed production	452 ha
Inspection of alcoholic beverages producers-traders	6
Inspection of non-alcoholic beverage producers	30
Inspection of warehouses-pharmacies of PPP	24
Inspection of artificial fertilizer warehouses and seeds	180
Inspection of food traders	103
Disposal	43
De-sealing	215
Inspection of Trading Centres	48
Licensing consent	674
Extraordinary Inspection	3
Other inspections	198
No. of the inspection minutes	2,073
No. of the sampling minutes	1,554
No. of samples for analysis	1,800
Issued decisions	19
No. of reports issued	35
Issuance of phyto-certificates for export	3,043
Issuance of phyto-certificates for re-export	491
Issuance of internal phyto-certificates	39
Certificates	3,060

Source: FVA

Regarding the disposals in 2018, according to the FVA sources, the number of products of plant origin destroyed was 377,750 kg, and also 25,345 seedlings were destroyed.

Laboratory Directorate

The samples for testing, carried out during the January-February period for 2018, are presented in the following table:

Table 103: Receipt of samples for testing

Time period	Samples Received			
January - December	Number of request	Number of samples	Sample at the Food Laboratory	Sample at the Animal Health Laboratory
Year 2018	**4,025**	**31,110**	**22,106**	**9,004**

Source: FVA

Sector of Food Chemistry and Veterinary Waste

In this Sector, during the reporting period, activities were carried out according to the annual plan.

Table 104: Issuance of testing reports by FVL sectors

Testing reports						
Sector	Food Chemistry	Milk Analysis	Food Microbiology	Bacteriology	Pathology	Serology
Nr	**798**	**2,387**	**420**	**142**	**10**	**270**

Source: FVA

Sector of Food Microbiology

During the reporting period 420 samples were tested (Meat products - 242, milk and dairy products – 132, eggs and egg products – 43 and others - 3). In microbiological parameters (Salmonella spp, Listeria monocytogenes, Escherichia coli, Staphylococci coagulase positive, total of aerobic microorganisms Enterobacteriaceae and other Parametres), 2,235 tests in total.

Table 105: Type of sample tested according to the matrix

Sample type by matrix	Total
Meat and meat products	242
Milk and milk products	132
Eggs and eggs products	43
Other matrix	3
In total	**420**

Source: FVA

Table 106: Type of tested micro-organism

Type of tested micro-organism	Number
Salmonella spp.	1,045
Listeria monocytogenes	880
Escherichia coli	88
Staphylococci coagulase-positive	25
Total aerobic microorganisms	0
Enterobacteriaceae	60
Other parameter	0
Number of tests	**2,098**

Source: FVA

Sector of Milk Analysis

The following table presents the activities by months for 2018, whereby there were a total of 21,553 test tubes, 20,782 samples, 771 unsubmitted test tubes, Requests for analysis 2,387.

Table 107: Table of activities by month, January-December 2018

Table of activities by month				
Month January-December	Test tubes	Samples	Unsubmitted test tubes	Requests for Analysis
Total	**21,553**	**20,782**	**771**	**2,387**

Source: FVA

The table Report by devices 2018, shows a total of 20,996 Bactoskan, 20,996 Milkoscan and 21,043 Fosomatik.

Table 108: Report by devices by months, January-December, 2018

Report of devices by months 2018			
Month January-December	Bactoskan	Milkoscan	Fosomatik
Total	**20,996**	**20,996**	**21,043**

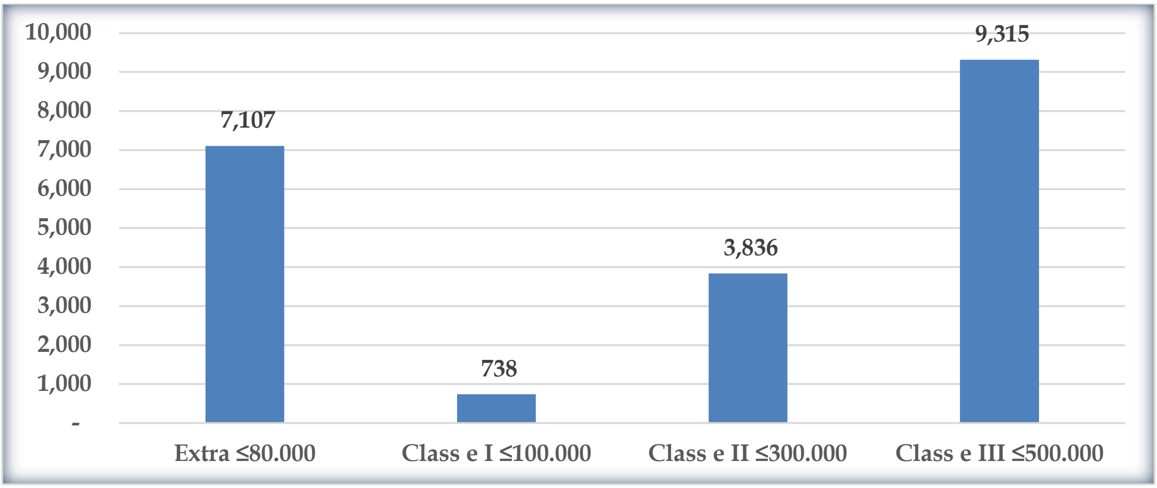
Source: FVA

Table 109: Classification of tested milk according to the total number of bacteria (3)

TNB classifications by months 2018								
	Extra ≤80.000		Class I ≤100.000		Class II ≤300.000		Class III ≤500.000	
Months	**No. of samples**	**Percentage**	**No. of samples**	**Percentage**	**No. of samples**	**Percentage**	**No. of samples**	**Percentage**
January	775	45.06%	42	2.44%	243	14.13%	660	38.37%
February	779	46.62%	45	2.69%	247	14.78%	600	35.91%
March	675	36.61%	67	3.63%	289	15.67%	813	44.09%
April	626	34.04%	63	3.43%	334	18.16%	816	44.37%
May	645	34.11%	72	3.81%	344	18.19%	830	43.89%
June	532	28.68%	78	4.20%	400	21.56%	845	45.55%
July	484	25.58%	48	2.54%	314	16.60%	1,046	55.29%
August	622	35.69%	61	3.50%	301	17.27%	759	43.55%
September	485	30.56%	74	4.66%	338	21.30%	690	43.48%
October	456	24.81%	59	3.21%	347	18.88%	976	53.10%
November	400	25.16%	79	4.97%	386	24.28%	725	45.60%
December	628	41.15%	50	3.28%	293	19.20%	555	36.37%
Total	**7,107**	**33.85%**	**738**	**3.51%**	**3,836**	**18.27%**	**9,315**	**44.37%**

Source: FVA

Figure 44: Number of samples tested for milk classification by classes



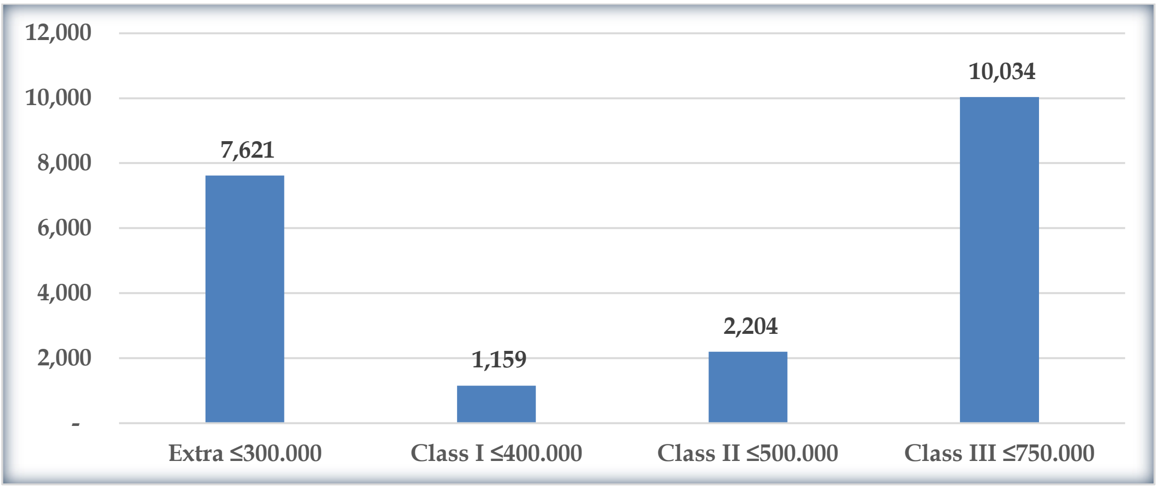
Source: FVA

Table 110: Categorization of tested milk according to the number of Somatic Cells (4)

CS Classifications by months 2018								
	Extra ≤300.000		Class I ≤400.000		Class II ≤500.000		Class III ≤750.000	
Months	No. of samples	Percentage	No. of samples	Percentage	No. of samples	Percentage	No. of samples	Percentage
January	775	45.06%	42	2.44%	243	14.13%	660	38.37%
February	779	46.62%	45	2.69%	247	14.78%	600	35.91%
March	675	36.61%	67	3.63%	289	15.67%	813	44.09%
April	626	34.04%	63	3.43%	334	18.16%	816	44.37%
May	645	34.11%	72	3.81%	344	18.19%	830	43.89%
June	665	35.85%	139	7.49%	123	6.63%	928	50.03%
July	578	30.63%	134	7.10%	120	6.36%	1,055	55.91%
August	491	28.17%	112	6.43%	101	5.79%	1,039	59.61%
September	515	32.45%	105	6.62%	93	5.86%	874	55.07%
October	668	35.86%	142	7.62%	102	5.48%	951	51.05%
November	605	37.53%	120	7.44%	98	6.08%	789	48.95%
December	599	39.77%	118	7.84%	110	7.30%	679	45.09%
Total	**7,621**	**36.26%**	**1,159**	**5.51%**	**2,204**	**10.49%**	**10,034**	**47.74%**

Source: FVA

Figure 45: Number of samples tested for categorization of milk by somatic cells



Source: FVA

Food Chemistry and Veterinary Waste

Three tables on Food Chemistry and Veterinary Waste are presented below, where the first table presents requests for testing (a total of 825), the second table presents the tested samples (with a total of 814 samples) and the third table presents the testing reports (797).

Table 111: Food Chemistry and Veterinary Waste - Requests for testing, 2018

Food Chemistry and Veterinary Waste - Requests for testing																
Months January-December	**Milk and Products (PFK)**	**Meat and products**	**Honey - PFK**	**Type of fat-Milk and products**	**Egg freshness**	**Aflatoxin B1**	**Aflatoxin M1**	**PNMM**	**Chicken meat tetracycline**	**Nitrate and Nitrite**	**Fipronyl**	**Akrylamide**	**Private**	**Histamine**	**Natamycin**	**Total**
January	1	1	0	0	1	6	5	4	0	0	0	0	8	0	0	**26**
February	0	0	1	52	0	9	3	4	9	0	0	0	8	0	0	**86**
March	5	0	0	44	3	14	4	14	0	0	0	0	0	0	0	**84**
April	0	0	0	9	6	26	29	16	0	5	0	0	0	0	0	**91**
May	4	0	0	6	3	44	24	10	0	0	0	0	0	0	0	**91**
June	0	0	1	5	0	22	36	6	0	0	11	1	0	0	0	**82**
July	0	0	0	0	0	18	47	35	0	0	4	0	0	2	0	**106**
August	0	0	0	9	2	18	40	12	0	5	2	0	0	5	0	**93**
September	0	1	0	4	1	20	5	3	0	0	0	0	0	1	0	**35**
October	0	0	7	0	0	15	14	15	0	0	0	0	0	2	0	**53**
November	0	0	0	0	1	17	17	13	0	0	1	0	0	2	0	**51**
December	0	0	0	0	1	14	3	4	0	0	1	0	0	1	3	**27**
Total	**10**	**2**	**9**	**129**	**18**	**223**	**227**	**136**	**9**	**10**	**19**	**1**	**16**	**13**	**3**	**825**

Source: FVA

Table 112: Food Chemistry and Veterinary Waste - Tested samples, 2018

Food Chemistry and Veterinary Waste - Tested samples																
Months January-December	**Milk and Products (PFK)**	**Meat and products (PFK)**	**Honey - PFK**	**Type of fat-Milk and products**	**Egg freshness**	**Aflatoxin B1**	**Aflatoxin M1**	**PNMM**	**Chicken meat - tetracycline Inhibiton test**	**Nitrate and Nitrite**	**Fipronyl**	**Akrylamide**	**Private**	**Histamine**	**Natamycin**	**Total**
January	1	1	0	0	1	8	0	3	0	0	0	0	8	0	0	22
February	0	0	0	0	0	9	8	4	8	0	0	0	8	0	0	37
March	5	0	1	93	3	14	4	9	1	0	0	0	0	0	0	130
April	0	0	0	1	6	26	29	4	0	0	0	0	0	0	0	66
May	4	0	0	14	3	44	24	7	0	0	0	0	0	0	0	96
June	0	0	0	8	0	22	36	3	0	0	0	1	0	0	0	70
July	0	0	1	0	0	18	47	6	0	0	15	0	0	0	0	87
August	0	0	0	3	2	18	40	3	0	4	0	1	0	4	0	75
September	0	1	0	10	1	20	5	3	0	0	0	3	0	0	0	43
October	6	0	7	0	0	15	14	5	0	0	0	0	0	0	0	47
November	14	0	0	0	1	17	17	8	0	0	0	0	0	8	0	65
December	0	0	0	0	1	14	3	57	0	0	0	0	0	1	0	76
Total	**30**	**2**	**9**	**129**	**18**	**225**	**227**	**112**	**9**	**4**	**15**	**5**	**16**	**13**	**0**	**814**

Source: FVA

Table 113: Food Chemistry and Veterinary Waste - Testing reports 2018

Food Chemistry and Veterinary Waste - Testing reports																
Months January-December	**Milk and Products (PFK)**	**Meat and products (PFK)**	**Honey - PFK**	**Type of fat-Milk and products**	**Egg freshness**	**Aflatoxin B1**	**Aflatoxin M1**	**PNMM**	**Chicken meat - tetracycline Inhibiton test**	**Nitrate and Nitrite**	**Fipronyl**	**Akrylamide**	**Private**	**Histamine**	**Natamycin**	**Total**
January	0	1	0	0	1	8	0	3	0	0	0	0	1	0	0	**14**
February	0	0	0	0	0	9	8	4	8	0	0	0	1	0	0	**30**
March	5	0	1	80	3	14	4	9	1	0	0	0	0	0	0	**117**
April	0	0	0	1	6	26	29	4	0	0	0	0	0	0	0	**66**
May	4	0	0	14	3	44	24	7	0	0	0	0	0	0	0	**96**
June	0	0	0	8	0	22	36	3	0	0	0	1	0	0	0	**70**
July	0	0	1	0	0	18	47	6	0	0	15	0	0	2	0	**89**
August	0	0	0	3	2	18	40	3	0	0	0	1	0	5	0	**72**
September	0	1	0	10	1	20	5	3	0	0	0	1	0	1	0	**42**
October	0	0	3	0	0	15	14	5	0	0	0	0	0	2	0	**39**
November	0	0	0	0	1	17	17	8	0	0	0	0	0	2	0	**45**
December	0	0	0	0	1	14	3	98	0	0	0	0	0	1	0	**76**
Total	**9**	**2**	**5**	**116**	**18**	**225**	**227**	**153**	**9**	**0**	**15**	**3**	**2**	**13**	**0**	**797**

Source: FVA

Bacteriology sector

Table 114: Activities in the Bacteriology sector

Type of animal	Sample type	Examination type	Bacteria, Fungi, Virus, Parasite identification	No. of tests
Cattle	Ear Blood Milk	Isolation, Antibiogram Staining according to: Ziel Nilsen, Gram Giems	Bacillus Anthracis Staphylococcus aureus E.Coli sp Streptococcus sp Candida albicans Babesia sp. Mycobacterium tuberculosis	79
Ovine, caprine	Peritoneal fluid feces, brain	Isolation immunochromatographic test	Rota virus, E coli factor F5 (K99) Cryptosporidia Cl. perfringens -epsylon toxin Listeria monocytogenes	13
Bees	Bees Larvae Honey Beeswax	Isolation, immunochromatographic test Microscopic examination	Paenibacillus larvae Melissococcus plutonius Nosema sp Varroa sp Galleria Mellonella Ascosphaera apis	513
Bees, Pilot Project	Honey	Isolation of spores from honey, early risk assessment of American foulbrood in bee farms	Paenibacillus larvae	76
Chicken, Pigeons	Liver faeces Cloacal swab	Isolation, immunochromatographic test	Salmonella sp H5 Avian Influenza subtype New Castle virus antigen test	75
Dog	Hair	Microscopic examination	Demodex	1
Total				**757**

Source: FVA

In addition to the activities in the table above, this sector performed the following activities as well:

1. Inter-laboratory collaboration with the Pathology, Serology, Chemistry sectors, Food Microbiology laboratory and Milk laboratory;
2. Cooperation with the Directorate of AHW regarding the annual plan of official controls;
3. Cooperation with Kosovo beekeepers' associations;
4. Preparation of Standard Operating Procedures for the laboratory;
5. Preparation of a list of requirements for laboratory needs, consumables and equipment.

Voluntary implementation of the Pilot Project:

Research on **Paenibacillus Larvae** bacterial spores for honey in the bee farms of the Municipality of Malisheva. The purpose of this research is the early risk assessment of the occurrence of American foulbrood in the bee farms of this municipality. The project commenced in January 2018 and ended in April 2018.

Honey samples from 76 bee farms were tested, and included in the project:

- Laboratory of Bacteriology with Parasitology FVL-FVA;
- Association of Beekeepers in the Municipality of Malisheva;
- Twinning Project for Technical Assistance FVL-FVA.

Meetings and seminars were held with the beekeepers of the municipality of Malisheva on losses in the beekeeping sector, the professional approach to beekeeping problems and the management of the American foulbrood according to the model of the Republic of Germany. The following activities were also carried out:

- Active tracking of bees for early risk assessment for the occurrence of American foulbrood;
- Organizing 4 meetings with the beekeepers' association in Malisheva;
- Visiting Podujeva and Vushtrri Beekeepers Association;
- Participation in Honey Fair in Deçan;
- Preparation of material in areas of food aggregates for laboratory;
- Participation in a seminar organized by the Zooprophylactic Institute of Teramo, Italy, on the problems of transmission of disease by mosquitoes and ticks in animals and humans “One-Health Approach”, organized by the Louis Pasteur Institute in France.

Pathology sector

Pathology sector carried out the following activities set forth in the work plan:

- Pathological examination of corpses;
- Participation in the tender evaluation committee “Official Vehicle Insurance Services”;
- Participation in the FVA Warehouse Registration Committee;
- Participation in training for ISO\EC 17,025; 2017 standard;
- Assistance in the bacteriology sector for establishing the diagnosis of bees;
- Monitoring laboratory conditions and reporting on working methods.

Table 115: Activities of Pathology Sector – Types of examinations

Type of examination	Number of examinations
Anatomopathological examination of cattle lungs	1
Anatomopathological examination of goat/goat kid corpses	17
Anatomopathological examination of sheep/lamb corpses	3
Anatomopathological examination of swine corpses	1
Anatomopathological examination of hen/chicken corpses	16
Anatomopathological examination lynx corpses	1
Anatomopathological examination of pigeon corpses	1
Total	**40**

Source: FVA

Sector of Serology and Molecular Diagnostics

During 2018, a total of 8,227 samples were received, of which 5,364 were from the National Animal Health Monitoring Plan (NAHMP) and the remaining 2,863 samples were field, quarantine or proficiency testing samples. The quality of the NAHMP samples was satisfactory and the timing of their receipt was orderly. Also during 2018, a total of 11,416 tests were performed on various parameters, most of them tested for bovine brucellosis. For the first time new tests were used for small ruminants, Contagious Caprine Pleuropneumonia, ELISA and PCR skin gland disease and the authenticity of the meat with PCR. This year, samples from all categories foreseen in the NAHMP were not collected. However, work has been done to develop new tests that may serve us in the years ahead.

Table 116: Samples received by the Sector of Serology and Molecular Diagnostics, 2018

National Plan					Receipt of samples 2018				
Month	**Cattle**	**Sheep and goats**	**Brucellosis vaccine titers**	**Swine**	**Field**	**Quarantine**	**Specification of meat type**	**PT**	**Total**
January	0	0	0	0	48	40	0	0	88
February	0	0	0	0	66	16	0	0	82
March	2,210	0	0	0	68	26	0	5	2,309
April	2,094	0	0	0	209	0	0	0	2,303
May	1,060	0	0	0	230	25	1	50	1,366
June	0	0	0	0	356	18	2	0	376
July	0	0	0	0	142	36	2	0	180
August	0	0	0	0	836	119	0	0	955
September	0	0	0	0	293	22	5	0	320
October	0	0	0	0	88	6	13	0	107
November	0	0	0	0	47	9	0	22	78
December	0	0	0	0	33	30	0	0	63
Total	**5,364**	**0**	**0**	**0**	**2,416**	**347**	**23**	**77**	**8,227**

Source: FVA

Table 117: Sample tests performed by the Sector of Serology and Molecular Diagnostics, 2018

Samples/Type of disease	Testing method	Field	Quarantine	NAHMP/RBT	NAHMP	PCR	Total
Brucellosis in cattle	Elisa	1,262	181	5,364	44	-	6,851
Enzootic leucosis	Elisa	5	-	-	550	-	555
FMDV	Elisa	44	-	-	459	-	503
Bluetongue in cattle	Elisa	-	-	-	441	-	441
Bluetongue in sheep/goats	Elisa	769	-	-	-	13	782
IBR	Elisa	7			557		564
Brucellosis in sheep/goats	Elisa	1,304	-	-	-	-	1,304
MV/CAE	Elisa	10	-	-	-	-	10
Toxoplasmosis in sheep/goats	Elisa	2	-	-	-	-	2
Chlamydia in sheep/goats	Elisa	36	-	-	-	-	36
Q Fever	Elisa	33	-	-	-	-	33
LSD	Elisa		-	-	280	1	281
CSFV Ab	Elisa	5	-	-	-	-	5
CSFV Ag	Elisa	1	-	-	-	-	1
PPR ab	Elisa	25	-	-	-	-	25
CCP ab	Elisa	5	-	-	-	-	5
Meat authorization	Elisa	18	-	-	-	-	18
Total		**3,526**	**181**	**5,364**	**2,331**	**14**	**11,416**

Source: FVA

5.3 Legislation on veterinary and market functioning

There are three laws adopted that regulate veterinary policies: Law No. 04/L-191 on Livestock (Official Gazette of the Republic of Kosovo No. 25/2013/08/07) which is the legal basis for the overall functioning of the livestock sector in Kosovo; Law No. 02/1-10 on Animal Welfare; and Law No. 2003/26 on Medicinal Products and Medical Devices, which was abolished on 30.09.2010 by the Assembly of the Republic of Kosovo.

Currently, FVA operates under the Law No. 2004/21 on Veterinary and Administrative Instructions MA-NO 07/2005 and MA-NO 26/2006 for issues related to Veterinary Equipment.

Imports into the Republic of Kosovo are regulated by Administrative Instruction No. 16/2006 on determining of the fees for Phytosanitary Inspection in the Border Inspection Points and Law No. 04/L-120 on Plant Protection.

Legislation on Feed

The EU's general policies on animal feed safety as defined by EU Regulation No. 183/2005 on the feed hygiene requires business operators of feed (for base feed production) to undertake all necessary measures to prevent, eliminate and reduce the risks associated with animal feed, in order to ensure safety during preparation, production, cleaning of food, packaging, preservation and transportation of animal feed.

Law No. 04/L-191 on Livestock (Official Gazette of the Republic of Kosovo No. 25/2013/08/07) requires from business operators of animal feed to ensure that feed material placed in Kosovo markets (regardless of whether they contain additives), to be healthy, qualitative, clean and tradable. Of the total number of businesses in this area, most of them are retail operators (93).

5.4 Greenhouse Gas Emissions in Kosovo

Agriculture is also heavily influenced by the effects of climate change: this results in temperature changes and heavy rainfall, so agricultural practices must urgently begin to adapt. It is becoming increasingly evident that the application of precision farming technologies reduces greenhouse gas emissions.

Fertilizer and pesticide management especially if using precision technology for nutrient application directly affects the reduction of greenhouse gas emissions, reduces the amount of fertilizer and pesticide use, while maintaining the same productivity and reducing production costs.

It is estimated that agriculture in the world is responsible for 10-15% of all greenhouse gas emissions. Arable agriculture emits CO2 and N2O. N2O is a greenhouse gas 300 times stronger than CO2. In the Paris Agreement, many governments made commitments to significantly reduce emissions aiming to slow the global warming process. Meeting the climate goals of the Paris Agreements requires that all farmers preferably work with precision-farming technologies.

The European Commission is considering stimulating farmers to use precision technological equipment by rewarding farmers through the Common Agricultural Policy (CAP). They can thus make a major contribution to reducing greenhouse gas emissions as well as preserving organic carbon of the earth.

The use of accurate farming techniques will have a major impact on reducing greenhouse gas emissions and consequently on climate change. Recently, special attention has been paid to the advancement of equipment especially the climate effect of precision agricultural technologies. The main purpose of using precision technology and tools is:

- Limit and reduce the environmental impact of agriculture;
- Reduce the amount of inputs used;
- Protect land, air and drinking water;
- Weather conditions;
- Soil quality;
- Improve plant growth or livestock health.

This data can be used to track the overall state of the business, as well as staff performance, equipment efficiency, etc.

For the first time in Kosovo, the digitalization of agriculture has been applied by the "Agro SMS" project which is still in the pilot phase and is currently free of charge. Registered farmers are informed via SMS about the agrological conditions and the level of risk of disease exposure to crops such as apples, raspberries, peppers, and cherries. If farmers do not have an IPKO number, then the team of agronomists under this project provides them with a number for free. Through the agrological station provided by IPKO, farmers will be informed about the agrological conditions and the degree of risk of disease transmission to the cultivated plants by subscribing to Agro SMS or Agro Business.

To accomplish this objective IPKO as a USAID contractor in Kosovo has signed a Memorandum of Understanding with Tetra Tech ARD for smart devices in the field of agriculture in Kosovo under the innovative project "IPKO-Agrological Forecasting".

The purpose of this project is to inform Kosovar farmers about the agrological conditions in the country, as well as to provide them with necessary information on plant diseases and other specific information for different locations in Kosovo.

The project is currently in the pilot phase, with 16 agrarian stations already installed, which are generating agrological data for farmers.

The project will be launched initially by communicating through messages to registered farmers. IPKO intends to install by the end of the project up to 100 agrarian stations in seven regions, covering the entire territory of Kosovo.

These stations will provide farmers with the necessary information, including measuring soil and air conditions, and through specific applications by extracting necessary information about agrological forecasting. IPKO will invest in the agricultural industry by installing innovative/smart stations in various locations in Kosovo, while the USAID contractor will assist in interpreting data for Kosovar farmers.

IPKO in 2018 signed a cooperation agreement with the Faculty of Agriculture and Veterinary of the University of Prishtina. This agreement was signed with the aim of supporting University of Prishtina students with concrete methods of handling physical parameters and providing processed electronic data on agrological conditions in accordance with their needs.

"IPKO-Smart Agriculture" is a smart project that will provide students with the agrological data needed and processed that are key to their studies. The University of Prishtina's agrology station is state-of-the-art, featuring some additional sensors that continuously produce data on atmospheric pressure, odours, and furthermore provide data that predict different diseases for different crops.

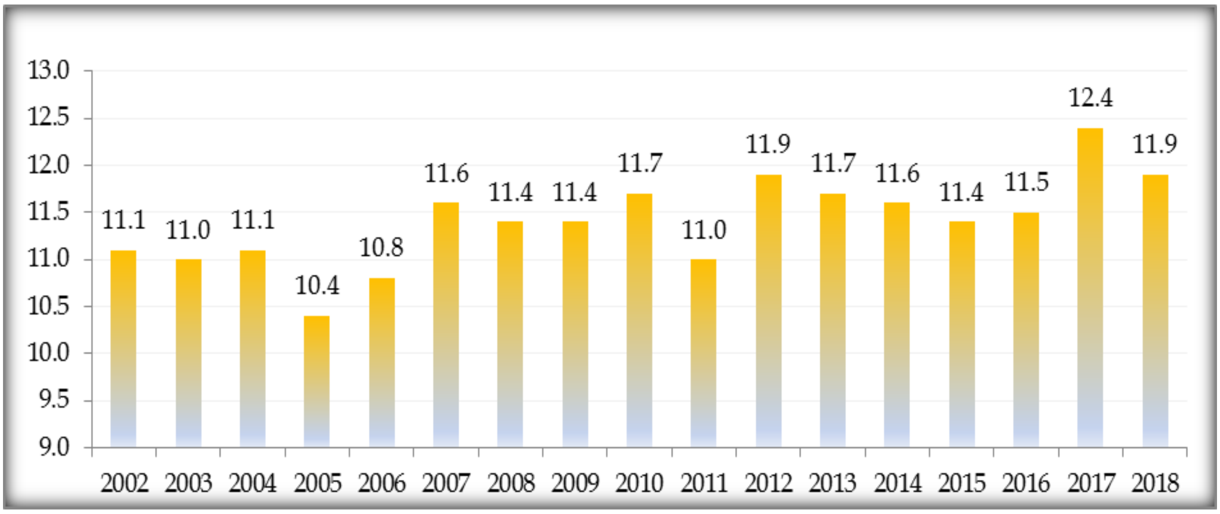
The Kos Agri project in the Department of Viticulture and Viticulture has assisted in the acquisition and operationalization of three agrometeorological stations out of which two (2) are located in Rahovec and one in Suhareka. These stations also have the software component "netsens" that helps predict, prognosis and identify major diseases in the vine at all phenological stages.

Through this platform the Division for Early Warning of Diseases and Pests informs viticulture farmers about the timing of treatment and the material to be used in conjunction with the appropriate doses. The software is a web application that farmers can access to keep track of disease trends.

The Kos Agri project has also helped with a spectrophotometer for the determination of organic acids in wine such as citric acid, malic acid, and lactic acid in the Enology laboratory as well as equipment with densimeter for determining specific weight in summer.

The annual temperatures in Prishtina for the years 2002-2018, precipitation (mm) 2002-2018, and the average number of rainy and snowy days in Prishtina are shown below.

Figure 46: Average annual temperatures in Prishtina, 2002-2018

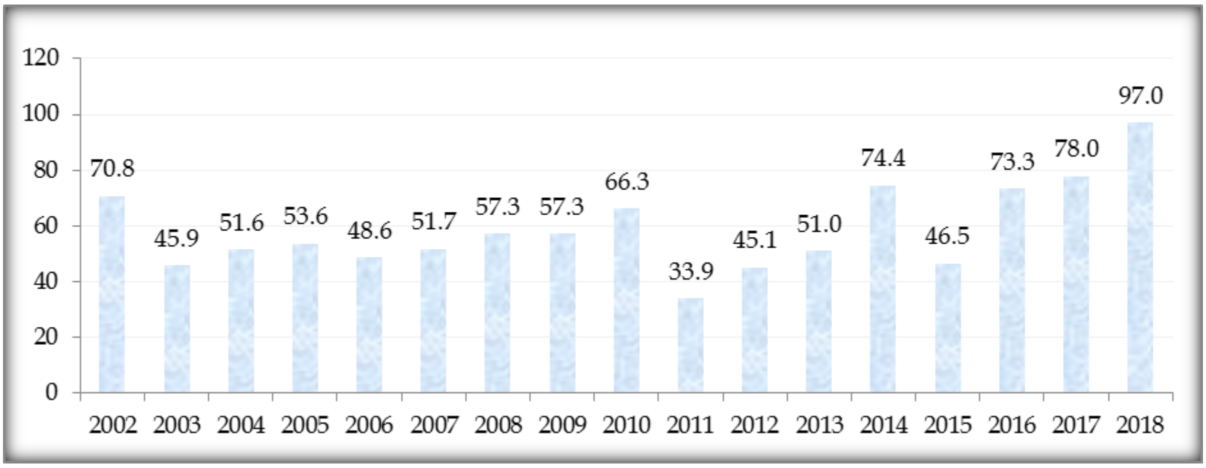


Source: Hydrometeorological Institute of Kosovo

The highest average annual temperatures in Prishtina were recorded in 2017 at 12.4 degrees Celsius, followed by 2018 and 2012 when the average annual temperature was 11.9 degrees Celsius and 2007 and 2014 when the average annual temperature was 11.6 degrees Celsius.

On the other hand, the lowest average annual temperatures were recorded in 2005 when the average annual temperature reached 10.4 degrees Celsius, followed by 2006, with an average annual temperature of 10.8 degrees Celsius and 2011, with an average annual temperature of 11.0 degrees Celsius.

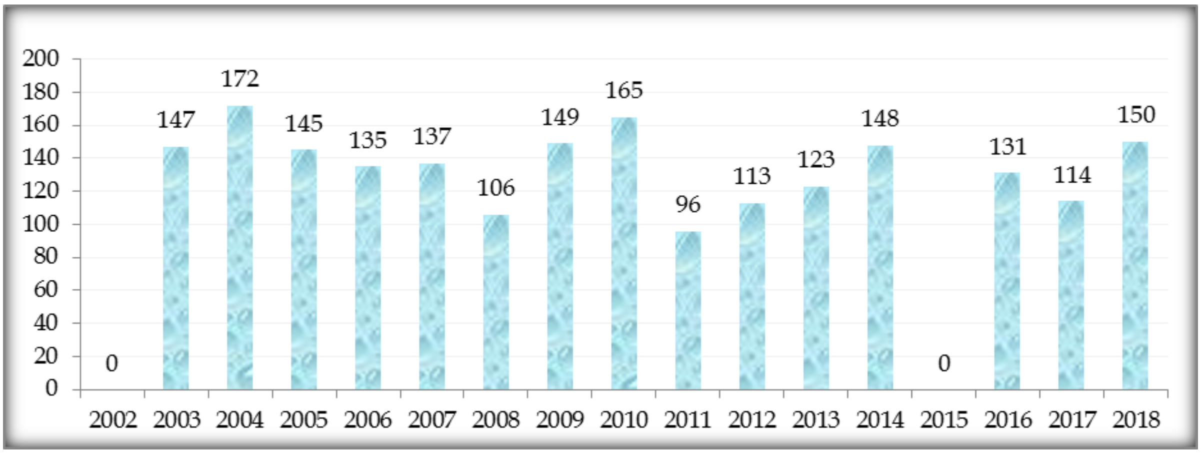
Figure 47: Precipitation in Prishtina (mm), 2002-2018



Source: Hydrometeorological Institute of Kosovo

Year 2018 has had the highest rainfall so far (97.0 mm of precipitation), followed by 2017 with a precipitation of 78.0 mm. The years with precipitation comparable to 2017 were 2016, with 73.3 mm and 2014, with 74.4 mm. The following are the years with the lowest precipitation: 2011 with only 33.9 mm and 2012 with 45.1 mm of precipitation. Similar to this year was 2015, with precipitation of 46.5 mm.

Figure 48: Average number of days with rain and snow in Prishtina, 2002[7]-2018



Source: Hydrometeorological Institute of Kosovo

The year with the average number of days with more rain and snow was 2004, with 172 days of rain and snow recorded. The approximate average number of rainy and snowy days was in 2010 with 165 rainy days. Regarding the years that had the least average number of rainy and snowy days, it is 2011 with only 96 rainy days and 2008 with an average of 106 days.

[7] The data for the number of rainy and snowy days in 2015 cover the period June-December

6 Agricultural Policies, Direct Payments in Agriculture and Rural Development Support

6.1 Summary of objectives, programs, measures, budget, grants and subsidies

Support to the agricultural sector continued in 2018, whereby this sector was supported through direct payments and rural development measures. Support through direct payments was made for agricultural crops, livestock heads as well as inputs (seedlings), while through grants were supported investments in the primary sector but also in the processing industry and tourism development in rural areas.

Table 118: The planned budget for direct payments, 2018

		Planned budget
1	Wheat	6,750,000
2	Wheat seed	150,000
3	Barley	50,000
4	Rye	30,000
5	Corn	2,700,000
6	Sunflower	20,000
7	Existing vineyards	2,150,000
8	Wines	350,000
9	Existing orchards	1,250,000
10	Seedlings	100,000
11	Vegetables	1,700,000
12	Organic agriculture	100,000
13	Dairy cows	4,200,000
14	Sheep	1,700,000
15	Goats	150,000
16	Bees	2,000,000
17	Milk	1,100,000
18	Egg laying hens	300,000
19	Quails	25,000
20	Sows	25,000
21	Reported cattle slaughter	75,000
22	Aquaculture	75,000
	Total	**25,000,000**

Source: Direct Payments Program 2018

In 2018, the planned budget for direct payments was € 25 million and the direct payments program included the following:

1. Direct payments for autumn wheat planting - The minimum eligible area was 2ha/farmer and the farmer benefited €150/ha. The planned budget for subsidizing the autumn wheat planting was € 6.75 million.
2. Direct payments for wheat seed planting - The minimum eligible area was 5 ha/farmer, seeds of wheat planted had to be part of the list of permitted seeds and the farmer benefited €250/ha. The planned budget for subsidizing the wheat seed

planting was € 0.15 million.

3. Direct payments for spring corn planting - The minimum eligible area was 1 ha/farmer and the farmer benefited € 150/ha. The planned budget for subsidizing the spring corn planting was € 2.7 million.
4. Barley - The minimum eligible area planted with barley owned was 1 ha/farmer and the farmer benefited € 150/ha. The planned budget for subsidizing the barley planting was € 0.05 million.
5. Rye - The minimum eligible area planted with rye owned was 1 ha/farmer and the farmer benefited € 150/ha. The planned budget for subsidizing the rye planting was €0.03 million.
6. Direct payments for spring sunflower planting - The minimum eligible area was 1 ha/farmer and the farmer benefited € 150/ha. The planned budget for subsidizing the spring sunflower planting was € 0.02 million.
7. Vegetables - The minimum acceptable area planted with open field vegetables was 0.50 ha/farmer and the farmer received € 300/ha. Cultivated vegetable crops in the open field had to be part of the list of 24 crops that are supported by direct payments program. The planned budget for subsidizing planting open field vegetables was € 1.7 million.
8. Direct payments for existing vineyards - The minimum eligible area was 0.10 ha/farmer and farmers received € 1,000/ha. The planned budget for subsidizing the existing vineyards was € 2.15 million.
9. Direct payments for wine - In this sector, beneficiaries include wine producing companies that are licensed by MAFRD and that have fulfilled the obligations regarding the declaration of grape and wine production for the previous year. Grape harvesting must be declared by December 10, 2017 and wine production by January 15, 2018. The wine producing companies that officially declared the wine produced receive € 0.04/litre. The planned budget for wine subsidies was € 0.35 million.
10. Direct payments for existing orchards - The minimum eligible area planted with fruit trees was 0.50 ha/farmer, while for small fruits was 0.20 hectares/farmer and the farmer received € 400/ha. The fruit cultures had to be on the list of 16 cultures that are supported by direct payments program. The planned budget for subsidizing the planting of existing orchards was € 1.25 million.
11. Direct payment for the production of planting material of fruit trees and grape vines on vegetative rootstocks - The farmer had to have at least 0.50 ha of agricultural land owned or leased and the minimum number of seedlings the farmer would have to produce during the calendar year 2018 was 5,000 seedlings. The payment varied depending on the number of seedlings. Farmers who produced 5,000-40,000 fruit tree seedlings were supported with € 0.20/seedling, while farmers who produced over 40,000 seedlings of fruit trees were supported with € 0.20/seedling for the first 40,000 seedlings and € 0.15/seedling for each seedling over this amount. Farmers who have cultivated at least

5,000 grape vines were supported by € 0.10/seedling. The budget planned for subsidizing planting material was € 0.1 million.

12. Organic agriculture - Subsidizing will be provided per area/hectare, in the amount of € 500/ha and is an additional value above the basic subsidy of the specified agricultural crop (e.g. for 1 ha with vegetables the basic subsidy is € 300/ha, if certified for organic production, the farmer receives an additional € 500/ha, while for 1 ha with medicinal and aromatic plants, the basic subsidy is € 0.00/ha, then if certified for organic production, the farmer receives € 500/ha). Beneficiaries are farmers who have planted/cultivated at least 0.10 ha of agricultural crops and for which they have the certificate of certification for organic production. The planned budget for subsidizing organic production was € 0.1 million.
13. Direct payments for dairy cows and buffalos – The farmer had to breed at least 5 dairy cows or buffalos, or 5 heads together, and the farmer benefited € 70/head. The planned budget amounted to € 4.2 million.
14. Direct payments for sheep and goat– The farmer had to breed at least 30 heads of sheep and 20 heads of dairy goats in active milk production. The payment per head was € 15 and the planned budget was € 1.85 million.
15. Direct payments for beekeeping - The farmer had to breed at least 30 beehives. Farmers who had 30-50 beehives had to have them placed in two bee farms/apiaries maximum, those with 50 to 200 beehives in 5 bee farms/apiaries maximum and farmers with more than 200 beehives had to have them placed in 7 bee farms/apiaries maximum. The payment per beehive was € 15, while if the farmers were certified for organic honey production, the payment was € 30/beehive. The planned budget for subsidizing the beekeeping sector was € 2 million.
16. Direct payments for milk according to quality category – The farmer had to deliver at least 1,500 litres of milk in the licensed dairies within the three months period (according to calendar year quarters). The farmer benefited € 0.06/litre for extra class milk, € 0.04/litre for first class milk and € 0.02/litre for second class milk. The planned budget amounted to € 1.1 million.
17. Direct payment for egg laying hens - The farmer had to breed at least 2,000 chickens in all phases of active egg production. The farmer received € 0.50/egg laying hen if he had 2,000 to 10,000 egg laying hens, and in cases when farmers had more than 10,000 egg laying hens, they received € 0.50/egg laying hen for the first 10.000 egg laying hens and € 0.40 for each egg laying hen over this number. The planned budget amounted to € 0.3 million.
18. Quail - The farmer had to breed at least 200 quails and the farmer received € 0.50/quail. The planned budget for subsidizing the quails was € 0.025 million.
19. Direct payments for sows in reproduction - The farmer had to breed at least 2 sows for active reproduction in all phases of reproduction. The farmer received € 20/head and the total planned budget for subsidizing sows in reproduction was € 0.025 million.

20. Direct payments for reported cattle slaughter – beneficiaries were farmers who breed cattle identified in the Register of the Republic of Kosovo and who slaughter them in slaughterhouses licensed by FVA for A, B, C and D quality categories, and at the same time beneficiaries were also licensed slaughterhouses of above-mentioned categories. Subsidies were € 50/slaughter for slaughterhouses on condition that they were obliged to pay € 30 to the farmer in the event of slaughter and keep 20 € for the services of conducted slaughter. Planned budget for reported cattle slaughter was € 0.075 million.
21. Aquaculture - The farmer had to sell at least 2,500 kg of fish within 6 months in the Republic of Kosovo or abroad (export). The permissible species were trout and carp and the farmer received € 0.20/kg. The planned budget for subsidizing aquaculture was € 0.075 million.

In 2018, total support through direct payments amounted to € 29.6 million. Compared to the previous year, the support through direct payments has increased by 9.7%. There were 50,054 applicants in total, of whom 48,320 benefited, while 1,734 farmers or 3.5% were rejected.

Table 119: Direct payments 2014-2018, in €

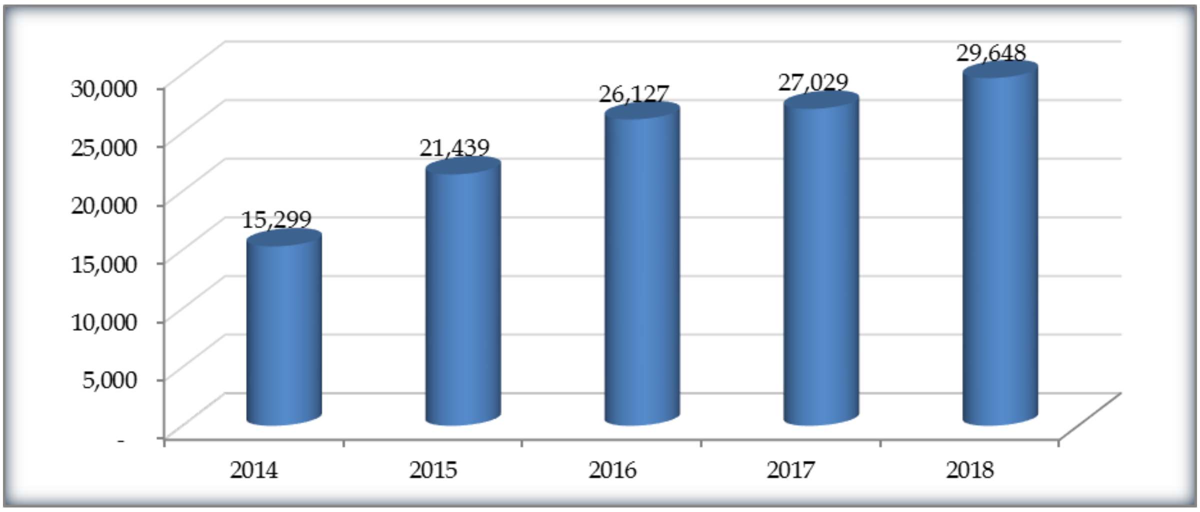
	2014	2015	2016	2017	2018
Wheat	5,555,218	6,417,047	7,526,999	5,781,300	6,550,929
Wheat seed	107,391	86,063	196,678	122,003	114,204
Corn	1,268,719	2,735,462	2,870,969	3,311,579	3,227,784
Barley	-	-	25,118	38,662	77,688
Rye	-	-	19,977	16,957	29,343
Sunflower	44,853	20,322	1,316	7,946	749
Existing vineyards	2,290,783	2,046,167	2,117,978	2,266,235	2,580,250
Vegetables	1,026,735	1,564,692	1,981,617	2,244,228	2,693,021
Existing orchards	-	692,256	1,112,032	1,599,496	1,905,548
Wine	-	-	-	55,024	190,774
Organic agriculture	-	-	14,626	35,373	277,578
Dairy cows	2,211,750	3,790,990	4,609,990	4,777,500	4,746,770
Sheep and goats	1,210,120	1,921,365	1,933,245	2,112,810	2,298,615
Bees	777,610	1,129,580	2,158,770	2,295,555	2,471,085
Egg laying hens	231,648	210,868	346,259	435,035	484,343
Quails	-	-	22,083	29,013	18,280
Sows	6,220	11,240	14,040	17,180	27,320
Milk	491,884	711,644	1,082,829	1,712,609	1,736,944
Reported cattle slaughter	-	2,520	15,780	18,350	48,900
Aquaculture	-	-	-	84,053	86,068
Seedlings	75,791	98,522	76,933	68,459	82,046
Total	**15,298,721**	**21,438,737**	**26,127,237**	**27,029,367**	**29,648,239**

Source: Agency for Agricultural Development (AAD)

During 2014-2018 subsidies have increased steadily as a result of support to new sectors and the growth of sectors supported previously. In 2018, except direct payments for wheat seed, corn, sunflower, dairy cows and quail, all other categories marked an increase compared with

2017. The highest increase was recorded in subsidies for organic agriculture, wine, reported cattle slaughter and barley. In 2018, subsidies reached the amount of € 29.6 million, of which 90% was spent on wheat, dairy cows, corn, vegetables, existing vineyards, bees, sheep and goats, and existing orchards.

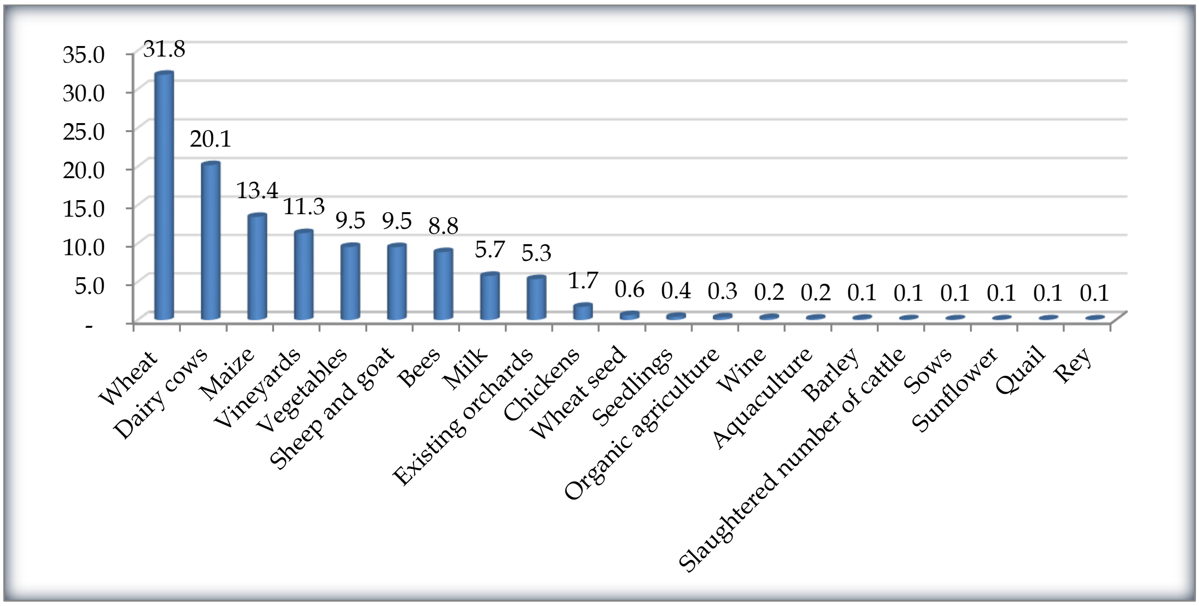
Figure 49: Direct payments 2014-2018, in 1000 €



Source: Agency for Agricultural Development (AAD)

The total amount of direct payments for the period 2014-2018 was € 119.5 million, including wheat, dairy cows, corn, existing vineyards, vegetables and sheep and goats.

Figure 50: Direct payments by sectors 2014-2018, in € million.



Source: Agency for Agricultural Development (AAD)

The budget planned for implementing the rural development program for 2018 was € 19 million. The rural development program in 2018 consisted of the following measures:

– Measure 101: Investment in physical assets of agricultural households (€ 12 mil.);

- Measure 103: Investment in physical assets in processing and trading of agricultural products (€ 4 million);
- Measure 302: Farm diversification and business development (€ 1.7 mil);
- Measure 303: Local action groups (€ 0.3 mil.);
- Measure: Irrigation of agricultural lands (€ 1 mil.);

6.2 Direct payments/subsides

In 2018, MAFRD continued subsidizing farmers through direct payments, without any change from the sectors supported in 2017. However, there were changes in terms of the subsidy amount per hectare for the crops of barley, rye, grape and organic agriculture, whereas in the livestock sector there were changes only in terms of subsidies for quail.

6.2.1 Direct payments for agricultural crops and wine

The total amount of direct payments in 2018 for agricultural crops amounted to € 17.6 million or 14% higher compared to 2017. Greater share in total direct payments for agricultural crops had wheat, corn, vegetables, vineyards, and existing orchards, while the share of other crops was 3.9% in the total of direct payments for agricultural crops.

The total number of applicants for direct payments for agricultural crops was 34,537, out of which 33,388 benefited, thus resulting in a percentage of rejection of about 3%. In this year, there were a smaller number of applicants for corn, sunflower and wine, while for crops the number of applicants increased.

Direct payments per hectare remained the same except for vineyards where farmers with over 100 ha who had received € 500/ha for every ha over 100 ha in 2017, this year received € 1,000 /ha. In addition, regarding barley and rye payment per ha increased from € 100/ha to € 150/ha. In 2018, the share of direct payments for agricultural crops in total direct payments was 60%.

Table 120: Direct payments by sector, 2014-2018

		2014	2015	2016	2017	2018	Difference 2018/2017 in %
Wheat	Number of applicants	11,871	11,032	11,864	9,709	10,683	10
	Number of beneficiaries	10,579	10,298	11,602	9,216	10,311	12
	Number of ha paid	44,442	42,780	50,180	38,542	43,673	13
	Payment per ha	125	150	150	150	150	0
	The total amount paid	5,555,218	6,417,047	7,526,999	5,781,300	6,550,929	13
Wheat seed	Number of applicants	16	17	25	11	11	0
	Number of beneficiaries	16	11	25	11	11	0
	Number of ha paid	511	344	803	508	458	-10
	Payment per ha	210	250	250	250	250	0
	The total amount paid	107,391	86,063	196,678	122,003	114,204	-6
Corn	Number of applicants	6,134	8,278	7,985	8,598	8,432	-2
	Number of beneficiaries	5,413	7,574	7,763	8,231	8,165	-1
	Number of ha paid	12,687	18,236	19,140	22,077	21,519	-3
	Payment per ha	100	150	150	150	150	0
	The total amount paid	1,268,719	2,735,462	2,870,969	3,311,579	3,227,784	-3
Barley	Number of applicants	-	-	151	227	316	39
	Number of beneficiaries	-	-	133	208	306	47
	Number of ha paid	-	-	251	387	518	34
	Payment per ha	-	-	100	100	150	50
	The total amount paid	-	-	25,118	38,662	77,688	101
Rye	Number of applicants	-	-	77	78	83	6
	Number of beneficiaries	-	-	61	67	72	7
	Number of ha paid	-	-	200	170	196	15
	Payment per ha	-	-	100	100	150	50
	The total amount paid	-	-	19,977	16,957	29,343	73
Vineyard	Number of applicants	2,995	2,914	2,980	2,969	3,012	1
	Number of beneficiaries	2,995	2,806	2,881	2,909	2,949	1
	Number of ha paid	2,435	2,456	2,473	2,508	2,580	3
	Payment per ha	1000/300	1000/300	1000/400	1000/500	1000	
	The total amount paid	2,290,783	2,046,167	2,117,978	2,266,235	2,580,250	14
Sunflower	Number of applicants	15	7	2	7	5	-29
	Number of beneficiaries	13	4	2	6	4	-33
	Number of ha paid	449	135	9	53	5	-91
	Payment per ha	100	150	150	150	150	0
	The total amount paid	44,853	20,322	1,316	7,946	749	-91
Vegetables	Number of applicants	1,870	4,717	5,304	5,716	6,664	17
	Number of beneficiaries	1,548	4,268	5,188	5,550	6,435	16
	Number of ha paid	3,422	5,216	6,605	7,481	8,977	20
	Payment per ha	300	300	300	300	300	0
	The total amount paid	1,026,735	1,564,692	1,981,617	2,244,228	2,693,021	20
Existing orchards	Number of applicants	-	1,796	2,908	4,358	5,278	21
	Number of beneficiaries	-	1,578	2,794	4,110	5,097	24
	Number of ha paid	-	1,731	2,780	3,999	4,764	19
	Payment per ha	-	400	400	400	400	0
	The total amount paid	-	692,256	1,112,032	1,599,496	1,905,548	19
Organic agriculture	Number of applicants	-	-	7	10	37	270
	Number of beneficiaries	-	-	3	6	24	300
	Number of ha paid	-	-	73	118	443	276
	Payment per ha	-	-	200	+300	+500	
	The total amount paid	-	-	14,626	35,373	277,578	
Wine	Number of applicants	-	-	-	18	16	-11
	Number of beneficiaries	-	-	-	7	14	100
	Number of ha paid	-	-	-	1,375,607	4,769,358	247
	Payment per ha	-	-	-	0.04	0.04	0
	The total amount paid	-	-	-	55,024	190,774	247

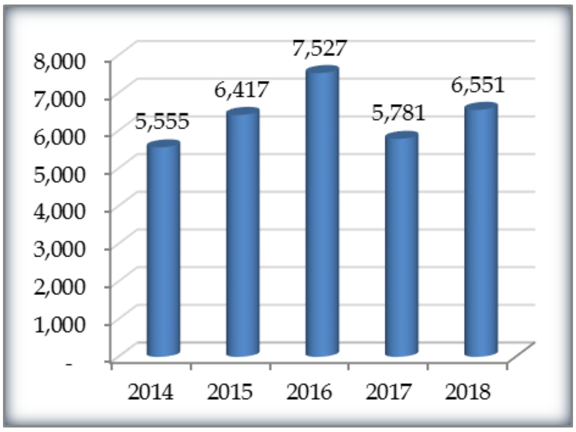
Source: Agency for Agricultural Development (AAD)

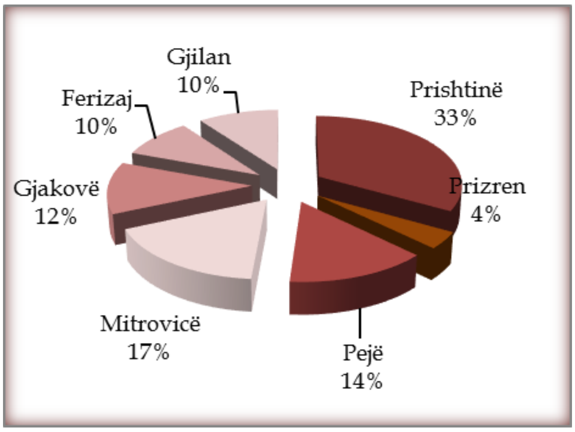
Wheat

In 2018, the amount of direct payments for wheat was € 6.6 million or 13% higher in comparison to the previous year. The number of applicants increased by 10%, while the number of beneficiaries increased by 12%, i.e. the rejection percentage was lower. The number of rejected farmers was 372 or 3.5% of applicants, while in 2017 this percentage was 5.1%. The average hectare for which a farmer benefited was 4.2 ha.

The region of Prishtina (33%) leads with subsidized wheat area, followed by Mitrovica (17%), Peja (14%), Gjakova (12%) and other regions with 24%.

Figure 51: Direct payment for wheat 2014-2018, in € 1000 (left); The subsidized area for wheat by region, in 2018 (right)





Source: Agency for Agricultural Development (AAD)

Of the total number of farmer applicants, 96.5% were beneficiaries. The highest percentage of beneficiary farmers of over 99% of applicants was in the region of Ferizaj. The average subsidized area for a farmer was 4.2 ha, the lowest was in Gjilan with 3.6 ha and the highest in the region of Ferizaj with 5.3 ha.

Table 121: Direct payments for wheat seeds by region, in 2018

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	3,480	3,376	14,489	2,173,364
2	Prizren	471	440	1,738	260,684
3	Peja	1,426	1,373	6,167	925,034
4	Mitrovica	1,885	1,806	7,514	1,127,157
5	Gjakova	1,383	1,309	5,286	792,839
6	Ferizaj	778	770	4,051	607,634
7	Gjilan	1,260	1,237	4,428	664,220
	Total	**10,683**	**10,311**	**43,673**	**6,550,929**

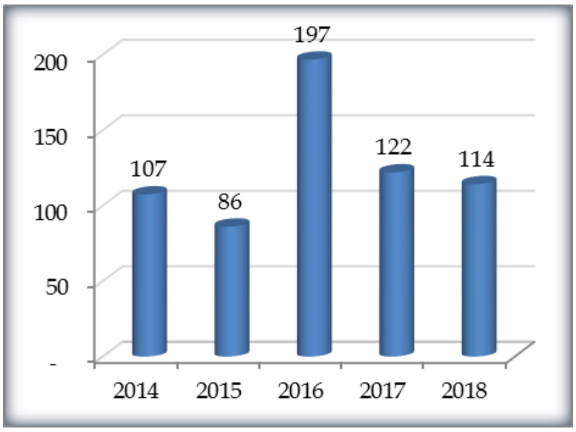
Source: Agency for Agricultural Development (AAD)

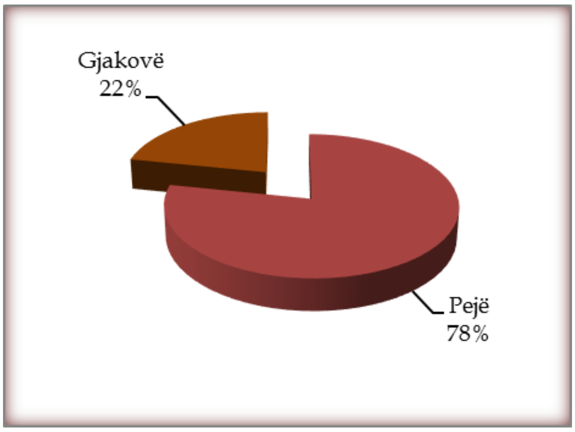
Wheat seed

Wheat seed began to be subsidized for the first time in 2012. In 2018, the total amount of direct payments for wheat seed was € 114 thousand. This has decreased by 6% compared to 2017. The number of applicants remained the same, while the number of subsidized hectares decreased by 10%.

The supported region were the region of Peja and Gjakova, whereas in other regions there were no applicants at all.

Figure 52: Direct payments for wheat seed 2014-2018, in 1000€ (left); The subsidized area for wheat seed according to region, in 2018 (right)





Source: Agency for Agricultural Development (AAD)

The average surface for which a farmer that cultivated wheat seed has benefited was about 42 ha. In Gjakova region there was only one applicant with an area of 100 ha, while in the region of Peja, the average of hectares for which a farmer has benefited was 36 ha. Beneficiary farmers benefited 250 € per cultivated hectare with wheat seed, whereas those who did not meet the criteria for seed production were rejected and were paid only 150 €, as a wheat subsidy.

Table 122: Direct payments for wheat seed by region, in 2018

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	-	-	-	-
2	Prizren	-	-	-	-
3	Peja	10	10	358	89,204
4	Mitrovica	-	-	-	-
5	Gjakova	1	1	100	25,000
6	Ferizaj	-	-	-	-
7	Gjilan	-	-	-	-
	Total	**11**	**11**	**458**	**114,204**

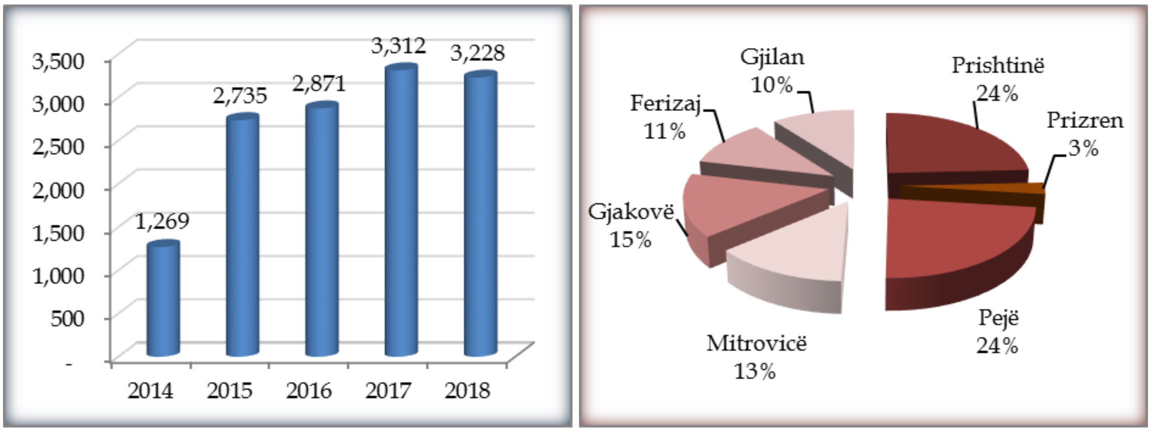
Source: Agency for Agricultural Development (AAD)

Maize

In 2018, the total amount of direct payments for maize has decreased compared to 2017. This amount reached the value of 3.2 million €, or 3% less than in 2017. The number of applicants decreased by 2%, whereas the number of the beneficiaries by 1% and this resulted in the percentage of rejected farmers being higher, i.e. 3.2% of the farmer applicants.

In terms of regional distribution, 48% of the subsidies were in the region of Peja and Prishtina, followed by Gjakova (15%), Mitrovica (13%) and the rest in the region of Ferizaj, Gjilan and Prizren.

Figure 53: Direct payments for maize 2014-2018, in 1000€ (left); The subsidized surface with maize by region, in 2018 (right)



Source: Agency for Agricultural Development (AAD)

In 2018, 21,519 ha of cultivated maize were subsidized, which is an increase of 3% compared to the previous year. The percentage of beneficiary farmers was 96.8%, but this has changed depending on the region where the highest percentage of beneficiaries was in the region of Ferizaj with 98.2%, while the lowest in the region of Prizren with 94.4%. The average surface for which a farmer benefited was 2.6 ha and it varied from 2.1 ha in the region of Prizren to 3.1 ha in the region of Ferizaj.

Table 123: Direct payment for maize by region, in 2018

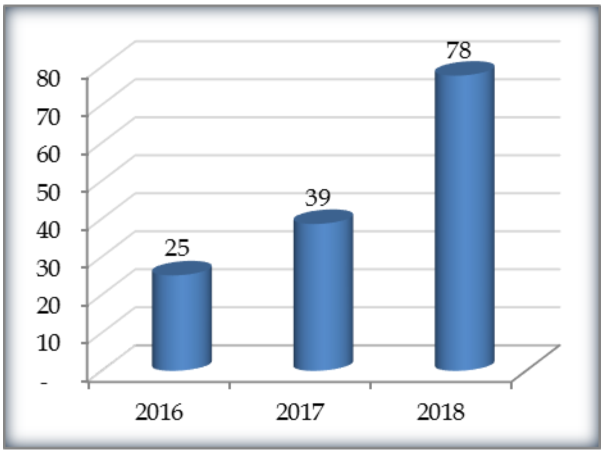
No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	2,109	2,060	5,211	781,634
2	Prizren	287	271	580	86,936
3	Peja	1,837	1,758	5,076	761,403
4	Mitrovica	1,210	1,172	2,882	432,284
5	Gjakova	1,260	1,209	3,174	476,031
6	Ferizaj	769	755	2,355	353,321
7	Gjilan	960	940	2,241	336,177
	Total	**8,432**	**8,165**	**21,519**	**3,227,784**

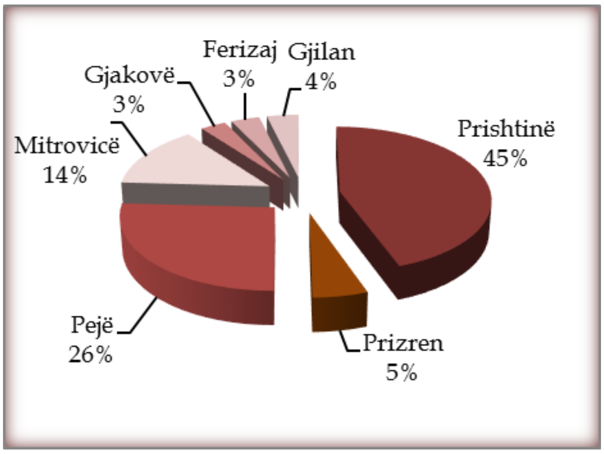
Source: Agency for Agricultural Development (AAD)

Barley

In the third year of subsidies, the number of applicants and beneficiaries has increased, which has also increased the subsidized area by 34%. The total amount of subsidies has more than doubled in 2017, due to the increase in the number of subsidized ha but also because the payment per ha was raised by 50%, so farmers were paid 150 €/ha. The percentage of rejected farmers decreased to 3.2% from 8.4% in 2017, due to the fact that the number of beneficiaries became higher than the number of applicants. Prishtina and Peja are the regions with the largest area subsidized; Prishtina with 45% and Peja with 26% of the total area subsidized, followed by Mitrovica with 14% and other regions (Gjakova, Ferizaj, Prizren and Gjilan) with 15%.

Figure 54: Direct payments for barley 2016-2018, in € 1000 (left); The subsidized area with barley by region, in 2018 (right)





Source: Agency for Agricultural Development (AAD)

The total amount of direct payments for barley in 2018 was € 77,688. The average area for which a farmer benefited is 1.7 ha, the lowest being in the region of Mitrovica with 1.3 ha while the highest in the region of Gjakova with 2 ha.

Table 124: Direct payments for barley by region, in 2018

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	133	132	231	34,628
2	Prizren	21	18	27	4,067
3	Peja	69	68	135	20,244
4	Mitrovica	60	57	71	10,721
5	Gjakova	9	8	16	2,394
6	Ferizaj	10	10	18	2,678
7	Gjilan	14	13	20	2,958
	Total	**316**	**306**	**518**	**77,688**

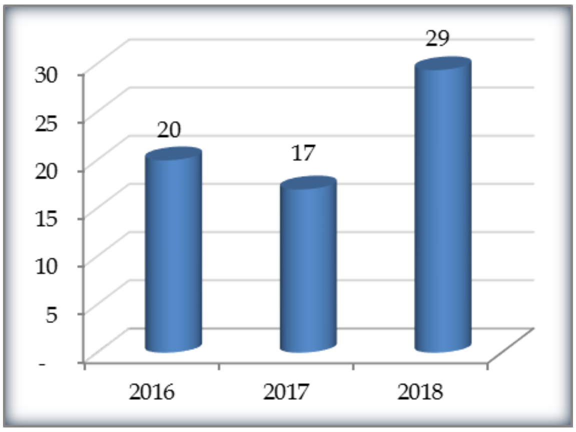
Source: Agency for Agricultural Development (AAD)

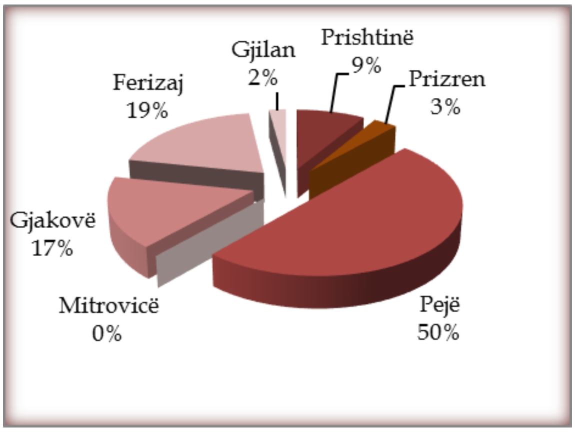
Rye

In 2018, the total amount of direct payments for rye has marked an increase of 73%; namely it increased to € 29,343 from 16,957 € in 2017. The number of applicants increased by 6% and the number of those who benefited by 7%. The number of rejected farmers was 11 or 13% of applicants, while in 2017 this percentage was 14%.

The region in which the area subsidized with rye is at 50% is Peja, followed by Ferizaj with 19%, Gjakova with 17%, Prishtina with 9% and other regions with 5%.

Figure 55: Direct payments for rye 2016-2018, in 1000€ (left); The subsidized area with rye by region, in 2018 (right)





Source: Agency for Agricultural Development (AAD)

Out of 83 applicants, 87% were beneficiaries. This percentage varies from region to region. The average area of rye for which a farmer received a subsidy of 150 €/ha was 2.7 ha, ranging from 0.7 ha in the Prizren region to 3.6 ha in the Gjakova region.

Table 125: Direct payment for rye by region, in 2018

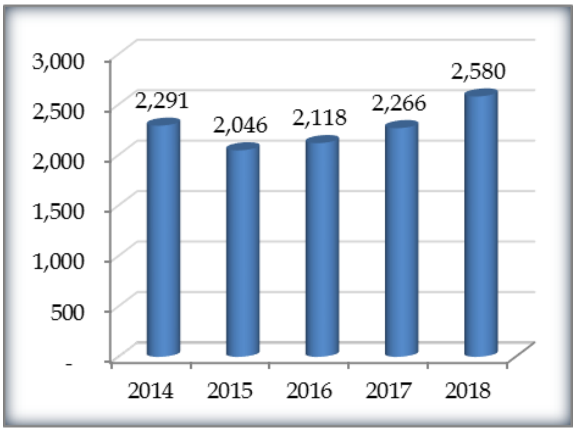
No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	15	13	17	2,538
2	Prizren	9	8	6	897
3	Peja	33	28	98	14,634
4	Mitrovica	-	-	-	-
5	Gjakova	12	9	33	4,887
6	Ferizaj	12	12	38	5,760
7	Gjilan	2	2	4	627
	Total	**83**	**72**	**196**	**29,343**

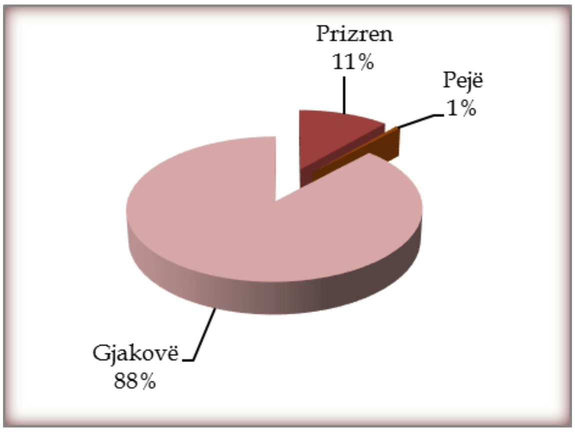
Source: Agency for Agricultural Development (AAD)

Existing vineyards

In 2018, the total amount of direct payments for vineyards increased by 14%, as a result of the subsidized area being larger by 72 ha, but also because the amount of subsidy for each additional hectare over 100 ha changed, increasing from € 500/ha in 2017 to € 1,000/ha. In 2018, 43 more farmers applied, while the number of beneficiaries was higher with 40 more farmers. In Gjakovë region 88% of the subsidized hectares are vineyards, where 97% of the subsidized hectares are in the municipality of Rahovec, followed by Prizren region with 11% , the vineyards being mainly situated in Suhareka, Prizren and Mamusha.

Figure 56: Direct payments for vineyards 2014-2018, in € 1000 (); Subsidized vineyard areas by region, in 2018 (right)





Source: Agency for Agricultural Development (AAD)

The total amount of direct payments for vineyards in 2018 was € 2.6 million, with an average area of 0.9 ha for one beneficiary. The percentage of rejected farmers is very low, namely 2% at the country level, whereas the highest was in the Peja region with 6.7%.

Table 126: Direct payments for vineyards by region in 2018

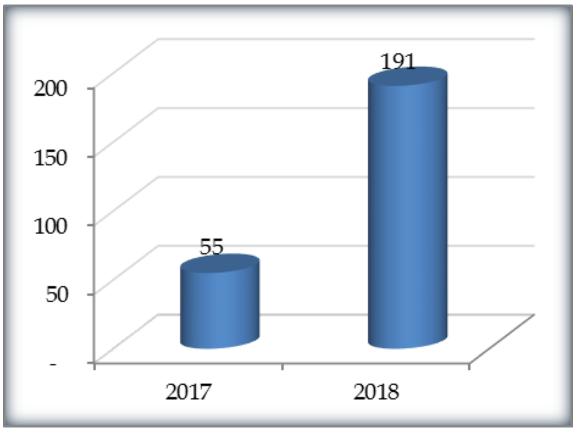
No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	18	17	5	5,370
2	Prizren	836	808	292	292,160
3	Peja	15	14	16	15,910
4	Mitrovica	3	3	1	1,080
5	Gjakova	2,133	2,100	2,264	2,264,150
6	Ferizaj	6	6	1	1,320
7	Gjilan	1	1	0	260
	Total	**3,012**	**2,949**	**2,580**	**2,580,250**

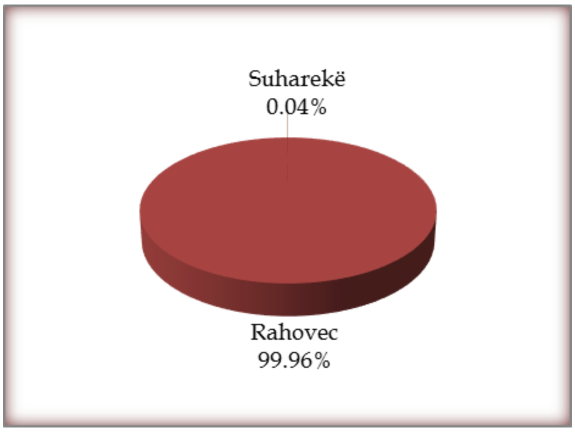
Source: Agency for Agricultural Development (AAD)

Wines

The direct payments for produced and officially declared wine were implemented for the first time in 2017 and wine production companies benefited by €0.04 /litre. Also in 2018, the same form of wine subsidy has continued, and a total of 14 companies have benefited, whereas the subsidy amounted to € 190,774.

Figure 57: Direct payments for wine 2017-2018 in € 1000 (left); Number of wine litres subsidized by municipalities, 2018 (right)





Source: Agency for Agricultural Development (AAD)

Out of 14 beneficiary companies, 13 were in the municipality of Rahovec, whereas only 1 company was in the municipality of Suhareka with only 2,080 litres subsidized compared to the 190,774 litres subsidized in total.

Table 127: Direct payment for wine by municipalities, 2018

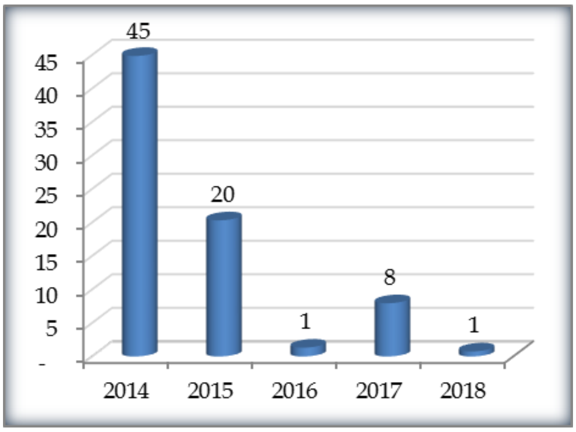
No.	Municipality	No. of applicants	No. of beneficiary farmers	No. of subsidized litres	Amount paid in €
1	Rahovec	13	13	4,767,278	190,691
2	Prizren	1	-	-	-
3	Suhareke	2	1	2,080	83
	Total	**16**	**14**	**4,769,358**	**190,774**

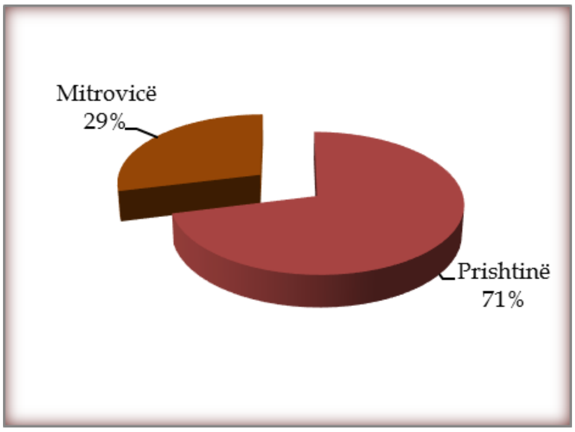
Source: Agency for Agricultural Development (AAD)

Sunflower

In recent years, the number of applicants for sunflower is low. Out of 5 farmers that applied in 2018, 4 have benefited for a surface of 5 ha, which compared to 2017 the number of subsidized hectare declined for 91%. The largest surface with subsidized sunflower was in the region of Prishtina and Mitrovica.

Figure 58: Direct payments for sunflower 2014-2018, in €1000 (left); Subsidized area with sunflower by region, 2018 (right)





Source: Agency for Agricultural Development (AAD)

The total amount of direct payments for sunflowers is €749, while the average surface for which a farmer benefited is 1.25 ha. Since the beginning of subsidizing of this crop, 2018 has been marked as the year with the lowest subsidized area.

Table 128: Direct payments for sunflower by region, 2018

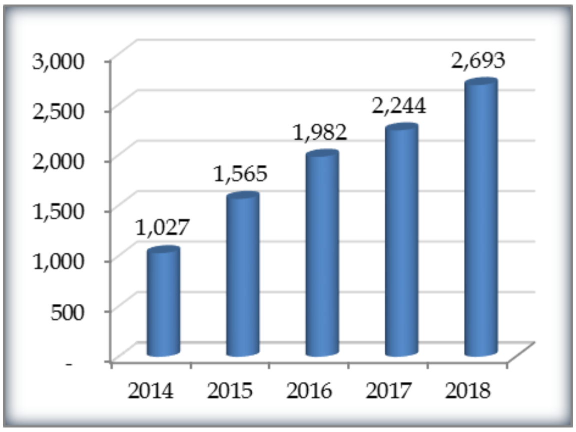
No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	4	3	4	533
2	Prizren	-	-	-	-
3	Peja	-	-	-	-
4	Mitrovica	1	1	1	216
5	Gjakova	-	-	-	-
6	Ferizaj	-	-	-	-
7	Gjilan	-	-	-	-
	Total	**5**	**4**	**5**	**749**

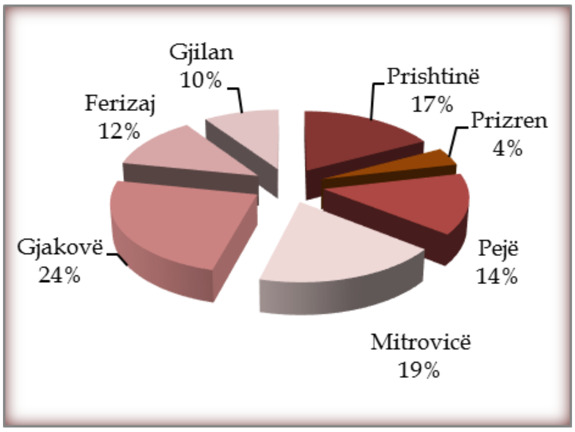
Source: Agency for Agricultural Development (AAD)

Vegetables

In 2014 the subsidizing of vegetables in an open field began for the first time. The subsidized area has increased from 3,442 ha that were subsidized in 2014, to 8,977 ha in 2018, and for the first time begun the subsidizing of vegetables in greenhouses. The payment per hectare still remains in the amount of €300, whereas 24 vegetable crops were subsidized. The number of applicants has increased by 17%, while the number of beneficiaries by 16%, resulting in the increase of the percentage of rejected farmers from 2.9% in 2017 to 3.4% in 2018. In terms of regional distribution, most of the support (60%) was provided in three regions: Gjakova, Mitrovica, and Pristina, while the rest in other regions. The regions with lower vegetable areas were characterized to be Prizren and Gjilan.

Figure 59: Direct payment for vegetables 2014-2018, in € 1000 (left); Subsidized area with vegetables by region, 2018 (right)





Source: Agency for Agricultural Development (AAD)

The average area for which a farmer benefited was 1.4 ha, and this changed depending on the region, from 0.7 ha in the region of Prizren to 3.5 ha in the region of Ferizaj. Out of the total number of applicants, the percentage of rejected farmers was 3.5%. The region of Gjakova was characterized with the highest percentage of rejected farmers, whereas the region of Prizren was characterized with the lowest percentage.

Table 129: Direct payments for vegetables by region, 2018

No.	Region	No. of Applicants	No .of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	1,384	1,322	1,544	463,269
2	Prizren	568	535	375	112,560
3	Peja	542	528	1,274	382,076
4	Mitrovica	745	728	1,664	499,101
5	Gjakova	2,505	2,428	2,159	647,823
6	Ferizaj	328	318	1,105	331,488
7	Gjilan	592	576	856	256,704
	Total	**6,664**	**6,435**	**8,977**	**2,693,021**

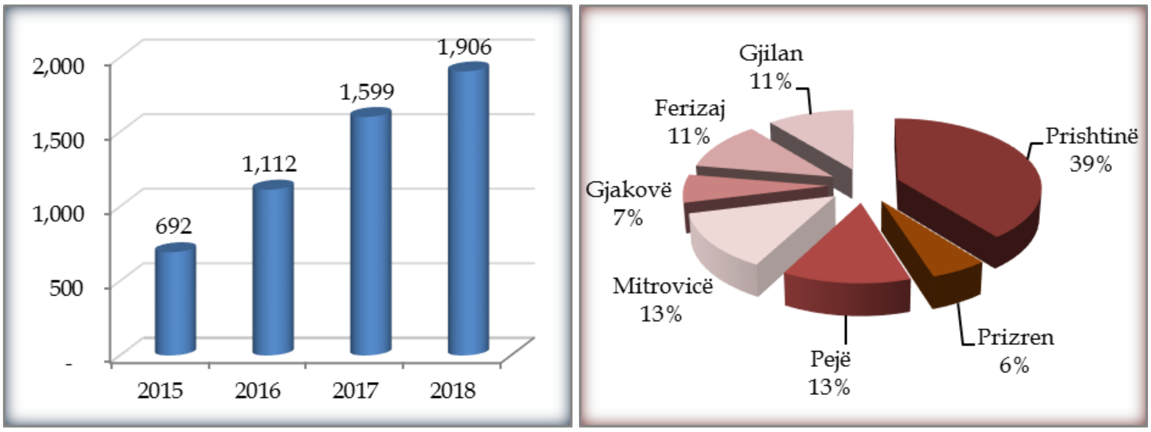
Source: Agency for Agricultural Development (AAD)

Existing orchards

Subsidization of existing orchards started for the first time in 2015. Subsidization continued in the amount of €400/ha and, out of 5,278 applicants, 5,097 farmers were subsidized. The subsidized area has increased by 19%, from 3,999 ha in 2017 to 4,764 ha in 2018.

16 fruit crops were subsidized and the most subsidized areas were in the region of Prishtina (39%), followed by Peja and Mitrovica with 13% each, Gjilan and Ferizaj with 11% each and other regions with 13%.

Figure 60: Direct payment for existing orchards 2015-2018, in €1000 (left); Subsidized area with existing orchards by region, in 2018 (right)



Source: Agency for Agricultural Development (AAD)

In 2018, the total amount of direct payments for existing orchards was € 1.9 million. The average area for which a farmer benefited was 0.93 ha, and this varied, starting from the region of Ferizaj with 0.72 ha/farmer and up to 1.22 ha in the region of Peja. The percentage of rejected farmers was 3.4%, the highest was in the region of Prizren and Gjakova, while the lowest in the region of Ferizaj and Mitrovica.

Table 130: Direct payments for existing orchards by region, 2018

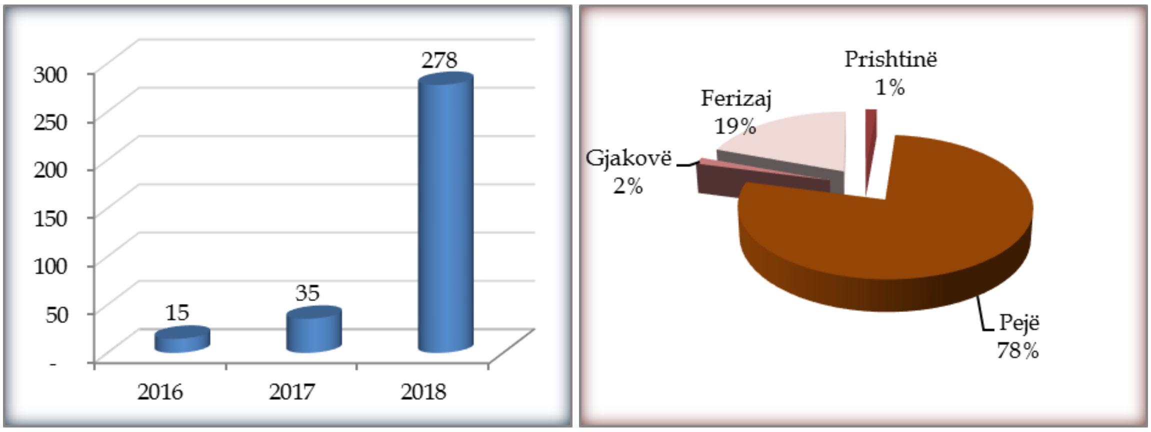
No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	2,115	2,034	1,875	749,992
2	Prizren	353	328	270	108,096
3	Peja	522	499	609	243,456
4	Mitrovica	740	726	635	253,944
5	Gjakova	303	289	311	124,556
6	Ferizaj	764	750	541	216,520
7	Gjilan	481	471	522	208,984
	Total	**5,278**	**5,097**	**4,764**	**1,905,548**

Source: Agency for Agricultural Development (AAD)

Organic farming

The support for organic farming through direct payments has started for the first time in 2016, at a value of €200/ha. In 2017 payments per hectare have increased by 50%, so farmers are paid €300/ha and, unlike in 2016, this was an additional value besides the basic payment for the given culture. In 2018 this additional payment has been raised to €500/ha. Compared to 2017, the number of beneficiary farmers has quadrupled in 2018, and the subsidized area has also increased from 118 ha in 2017, to 443 ha in 2018. The subsidized area in Peja is 78%, followed by Ferizaj with 19%, and Prishtina and Gjakova together with 3%.

Figure 61: Direct payment for organic farming 2016-2018, in € 1000 (left); Subsidized area for organic farming by region, in 2018 (right)



Source: Agency for Agricultural Development (AAD)

*Explanation: In 2018, in addition to the additional payment for organic farming, basic payments are included as well.

In 2018, there were 37 applicant farmers, 24 of which benefited. 14 in the region of Pega, 7 in the region of Prishtina, 2 in the region of Ferizaj, and 1 in the region of Gjakova, respectively in the municipality of Rahovec. 443 ha in the total amount of € 277,578 were subsidized.

Table 131: Direct payments for organic farming by region, 2018

No.	Region	No. of Applicants	No. of beneficiary farmers	Subsidized area (ha)	Amount paid in €
1	Prishtina	15	7	6	3,125
2	Prizren	-	-	-	-
3	Peja	15	14	344	203,803
4	Mitrovica	-	-	-	-
5	Gjakova	2	1	7	3,400
6	Ferizaj	4	2	86	67,250
7	Gjilan	1	-	-	-
	Total	**37**	**24**	**443**	**277,578**

Source: Agency for Agricultural Development (AAD)

6.2.2 Direct payments for livestock and milk

The amount of direct payments for the livestock sector in 2018 was € 11.9 million, or 3.8% higher than in 2017. The total number of applicants for direct payments for livestock was 15,501, of which 14,917 have benefited, thus the percentage of rejected farmers was 3.8%. In 2018, the share of direct payments for livestock in total direct payments is 40%.

Table 132: Direct payments by sector, 2014-2018

		2014	2015	2016	2017	2018	Difference 2018/2017 in %
Dairy cows	Number of applicants	6,052	6,827	7,981	7,778	7,595	-2
	Number of beneficiaries	5,472	6,451	7,650	7,546	7,395	-2
	Number of heads paid	44,235	54,157	65,857	68,250	67,811	-1
	Payment per head	50	70	70	70	70	0
	Total amount paid	2,211,750	3,790,990	4,609,990	4,777,500	4,746,770	-1
Sheep and goats	Number of applicants	1,442	1,366	1,325	1,367	1,436	5
	Number of beneficiaries	1,295	1,287	1,273	1,334	1,378	3
	Number of heads paid	121,012	128,091	128,883	140,854	153,241	9
	Payment per head	10	15	15	15	15	0
	Total amount paid	1,210,120	1,921,365	1,933,245	2,112,810	2,298,615	9
Sows	Number of applicants	72	124	137	151	210	39
	Number of beneficiaries	65	106	121	130	202	55
	Number of heads paid	311	562	702	859	1,366	59
	Payment per head	20	20	20	20	20	0
	Total amount paid	6,220	11,240	14,040	17,180	27,320	59
Bees	Number of applicants	1,504	2,018	2,378	2,595	3,007	16
	Number of beneficiaries	1,394	1,918	2,353	2,467	2,764	12
	Number of hives paid	77,761	112,958	143,918	153,037	164,739	8
	Payment per hive	10	10	15	15	15	0
	Total amount paid	777,610	1,129,580	2,158,770	2,295,555	2,471,085	8
laying hens	Number of applicants	64	86	86	88	88	0
	Number of beneficiaries	59	57	78	80	81	1
	Number of heads paid	526,966	466,064	783,531	960,955	1,023,671	7
	Payment per head	0.50/0.40/ 0.30	0.50/0.40	0.50/0.40	0.50/0.40	0.50/0.40	
	Total amount paid	231,648	210,868	346,259	435,035	484,343	11
Partridges	Number of applicants	-	-	7	13	13	0
	Number of beneficiaries	-	-	6	13	13	0
	Number of heads paid	-	-	22,083	29,013	36,560	26
	Payment per head	-	-	1	1	0.50	-50
	Total amount paid	-	-	22,083	29,013	18,280	-37
Milk	Number of applicants	-	-	1,552	2,700	3,116	15
	Number of beneficiaries	769	1,040	1,552	2,700	3,055	13
	Number of litres paid	-	-	-	-	34,522,414	
	Payment per litre	0.06/0.04/ 0.02	0.06/0.04/ 0.02	0.06/0.04/ 0.02	0.06/0.04/ 0.02	0.06/0.04/ 0.02	
	Total amount paid	491,884	711,644	1,082,829	1,712,609	1,736,944	1
Reported bovine slaughter	Number of applicants	-	1	9	6	28	367
	Number of beneficiaries	-	1	9	6	24	300
	Number of heads paid	-	84	526	367	978	166
	Payment per head	-	30	30	50	50	0
	Total amount paid	-	2,520	15,780	18,350	48,900	166
Aquaculture	Number of applicants	-	-	-	4	8	100
	Number of beneficiaries	-	-	-	4	5	25
	Number of kg paid	-	-	-	420,264	430,341	2
	Payment per kg	-	-	-	0.20	0.20	0
	Total amount paid	-	-	-	84,053	86,068	2

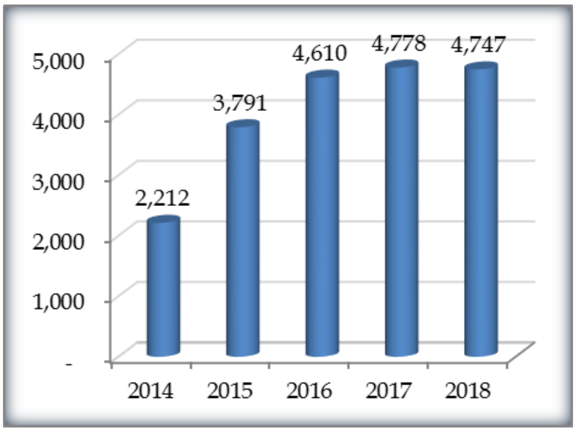
Source: Agency for Agricultural Development (AAD)

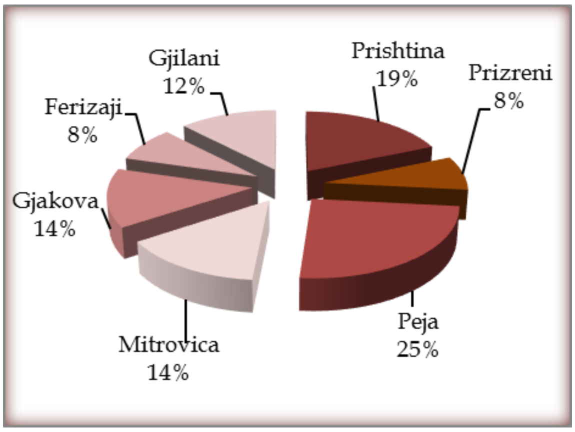
Dairy cows

In 2018, the subsidization of dairy cows continued with an amount of 70 €/head. The total amount of direct payments for dairy cows was € 4.7 million. The number of applicants decreased by 2%, whereas the percentage of rejected farmers was by 0.4 percentage points lower.

Regarding the subsidization of dairy cows, the region of Peja leads with 25%, followed by Prishtina with 19%, Gjakova with 14%, Mitrovica with 14%, and other regions with 28%. The lowest number of subsidized cows was in the regions of Ferizaj and Prizren. The same position as regards the distribution of subsidies for dairy cows was also in 2017.

Figure 62: Direct payments for dairy cows 2014-2018, in € 1000 (left); Number of dairy cows subsidized by region in%, 2018 (right)





Source: Agency for Agricultural Development (AAD)

In 2018, there were 200 rejected farmers. The lowest percentage of rejected farmers was in the region of Gjilan with 1.6%, while the highest was in the region of Gjakova with 3.9%. The average number of heads for which a farmer benefited subsidies was 9 heads, whereas the difference between the regions was not significant, i.e., from 8 to 10 heads.

Table 133: Direct payments for dairy cows by region, 2018

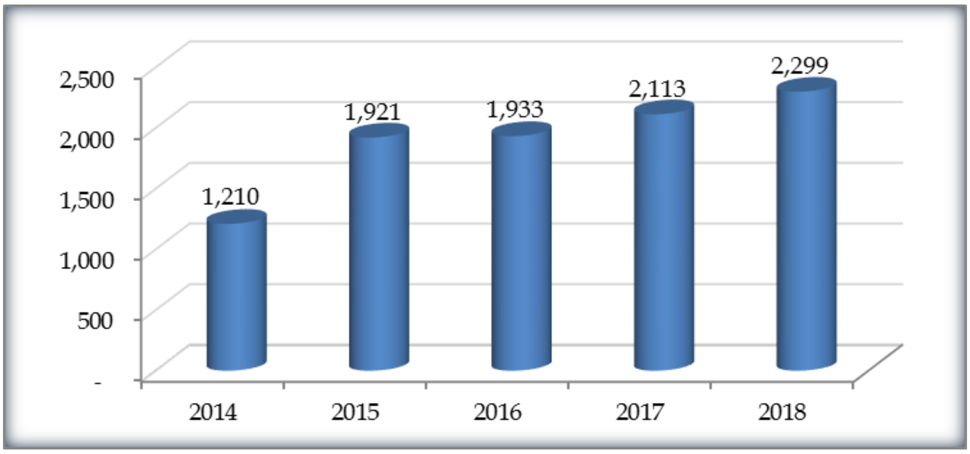
No.	Region	No. of Applicants	No. of beneficiary farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	1,383	1,354	12,678	887,460
2	Prizren	606	584	5,380	376,600
3	Peja	1,835	1,785	16,822	1,177,540
4	Mitrovica	1,164	1,142	9,742	681,940
5	Gjakova	1,098	1,055	9,299	650,930
6	Ferizaj	659	639	5,524	386,680
7	Gjilan	850	836	8,366	585,620
	Total	**7,595**	**7,395**	**67,811**	**4,746,770**

Source: Agency for Agricultural Development (AAD)

Sheep and goats

In 2018, the subsidization of sheep and goats continued with €15/head. The total amount of payments for sheep and goat amounted to €2.3 million, as a result of the increase in the number of beneficiaries by 3% and the increase of the number of subsidized heads by 9%. In 2018, the total amount of direct payments for sheep and goats was 9% higher compared to 2017. From the total direct payments for sheep and goats, 90.1% are payments for sheep while 9.9% for goats.

Figure 63: Direct payments for sheep and goats 2014-2018, in €1000



Source: Agency for Agricultural Development (AAD)

The total amount of direct payments for sheep was €2 million. A single farmer benefited on average for 122 sheep. This number varied depending on the region, starting with an average of 84 sheep per farmer in the region of Mitrovica up to 153 sheep per farmer in the region of Prizren. After the field inspections, out of the total number of applicants, 3.5% of applications were rejected, with the lowest percentage of rejection being in the region of Prishtina and Gjakova, while the highest in the region of Mitrovica and Ferizaj.

Table 134: Direct payments for sheep by region, 2018

No.	Region	No. of Applicants	No. of beneficiary farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	193	190	19,127	286,905
2	Prizren	212	207	31,839	477,585
3	Peja	213	207	19,880	298,200
4	Mitrovica	165	149	12,579	188,685
5	Gjakova	129	127	19,444	291,660
6	Ferizaj	104	99	13,907	208,605
7	Gjilan	155	151	21,236	318,540
	Total	**1,171**	**1,130**	**138,012**	**2,070,180**

Source: Agency for Agricultural Development (AAD)

The average number of goats for which a farmer benefited was 61 heads, and the difference between regions varied from 47 in the region of Prishtina up to 102 in the region of Gjakova. The average was higher in the region of Gjakova, but the region of Gjilan has the lead in terms of the number of subsidized heads, with an average of 64 heads per farmer. The total amount of subsidies for goats was € 0.2 million; the percentage of rejected farmers was 6.4%, with the highest percentage marked in the Gjakova region with 19% and the lowest in the region of Peja with 2%.

Table 135: Direct payments for goats by region, 2018

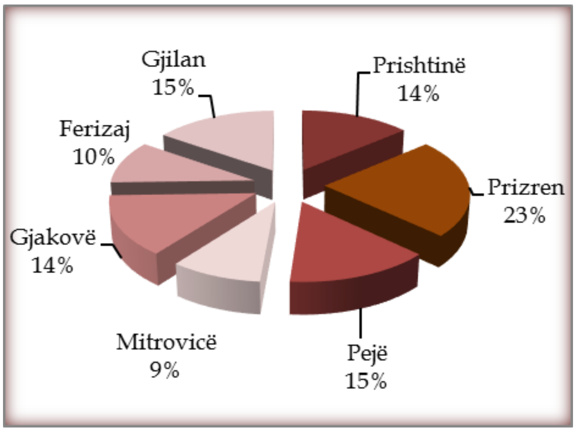
No.	Region	No. of Applicants	No. of beneficiary farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	60	58	2,713	40,695
2	Prizren	40	38	2,603	39,045
3	Peja	48	47	2,702	40,530
4	Mitrovica	32	28	1,665	24,975
5	Gjakova	21	17	1,740	26,100
6	Ferizaj	15	14	877	13,155
7	Gjilan	49	46	2,929	43,935
	Total	**265**	**248**	**15,229**	**228,435**

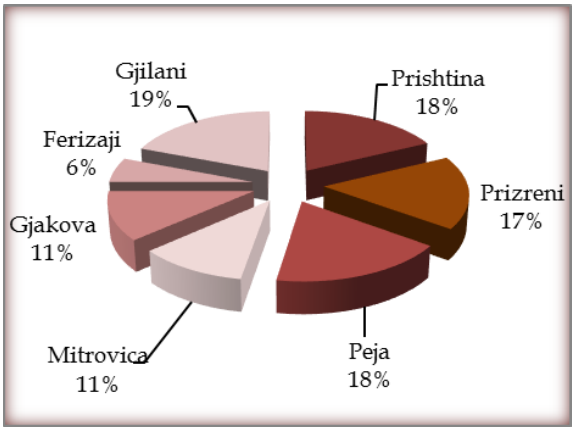
Source: Agency for Agricultural Development (AAD)

As regards the distribution of subsidized sheep by region, the region of Prizren has the lead with 23%, followed by Peja and Gjilan with 15% each, Gjakova and Prishtina with 14% each, Ferizaj with 10%, and Mitrovica with 9%.

Unlike sheep, the largest number of subsidized goats is in the region of Gjilan with 19%, followed by Prishtina and Peja with 18% each, Prizren with 17%, and other regions with 28%.

Figure 64: Number of subsidized sheep by region in %, 2018 (left); Number of subsidized goats by region in %, 2018 (right)



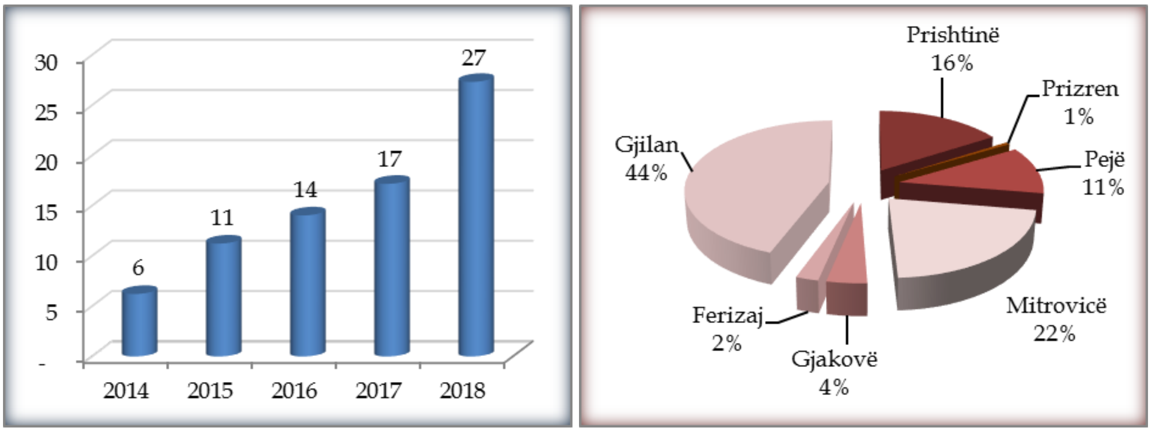


Source: Agency for Agricultural Development (AAD)

Sows

The swine sector started to be subsidized for the first time in 2014. Reproducing sows were subsidized through direct payments, and farmers benefited €20/head. In 2018 the total support for sows amounted to about €27 thousand or 59% more than in 2017. The largest number of subsidized sows was in Gjilan region (44%), followed by Mitrovica region with 22% and Prishtina with 16%, and the four other regions (Peja, Gjakova, Ferizaj, and Prizren) with 18%.

Figure 65: Direct payments for sows 2014-2018, in €1000 (left); Number of subsidized sows by region in %, 2018 (right)



Source: Agency for Agricultural Development (AAD)

Out of the total number of farmer applicants, 4% were rejected and were mainly from the region of Peja, in the region of Prishtina and Mitrovica there were 2 farmers rejected in each, whereas in the region of Prizren, Gjilan, and Ferizaj there were no rejected farmers. The total number of subsidized sows was 1,366 heads.

Table 136: Direct Payments for sows by region, 2018

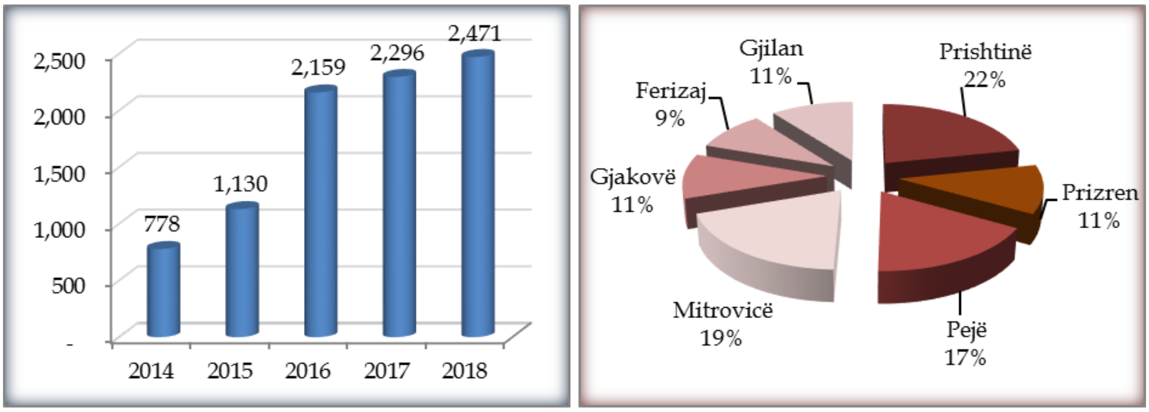
No.	Region	No. of Applicants	No. of beneficiary farmers	No. of subsidized heads	Amount paid in €
1	Prishtina	47	45	218	4,360
2	Prizren	1	1	8	160
3	Peja	36	32	151	3,020
4	Mitrovica	27	25	297	5,940
5	Gjakova	11	11	55	1,100
6	Ferizaj	1	1	31	620
7	Gjilan	87	87	606	12,120
	Total	**210**	**202**	**1,366**	**27,320**

Source: Agency for Agricultural Development (AAD)

Beekeeping

The beekeeping sector has marked an ongoing increase as regards the number of beekeepers and the number of subsidized beehives. In 2018 the number of subsidized beehives reached 164,739 or 8% more than in 2017. The subsidizing has continued with €15 per hive and all farmers who had at least 30 beehives and met the criteria set in the program regarding the placement on the bee farm were subsidized. Regarding the number of subsidized beehives, the region of Prishtina with 22% and Mitrovica with 19% have the lead, followed by the region of Peja with 17% and other regions with 42%.

Figure 66: Direct payments for bees 2014-2018, in €1000 (left); Number of subsidized hives by region in %, 2018 (right)



Source: Agency for Agricultural Development (AAD)

The average number of beehives for which a farmer benefited was 62, or 2 heads lower than in 2017. This average varies from region to region, starting from 56 heads in the region of Gjilan to 63 heads in the region of Mitrovica and Prizren. A large attempted fraud occurred in this subsidy measure by farmers, thus the number of beehives rejected was 35,068 or expressed in monetary value €526,020.

Table 137: Direct payments for bees by region, 2018

No.	Region	No. of applicants	No. of beneficiary farmers	No. of subsidised beehives	Paid amount in €
1	Prishtina	656	615	35,777	536,655
2	Prizren	332	300	18,875	283,125
3	Peja	538	483	28,516	427,740
4	Mitrovica	552	504	31,787	476,805
5	Gjakova	326	290	17,309	259,635
6	Ferizaj	281	265	15,194	227,910
7	Gjilan	322	307	17,281	259,215
	Total	**3,007**	**2,764**	**164,739**	**2,471,085**

Source: Agency for Agricultural Development (AAD)

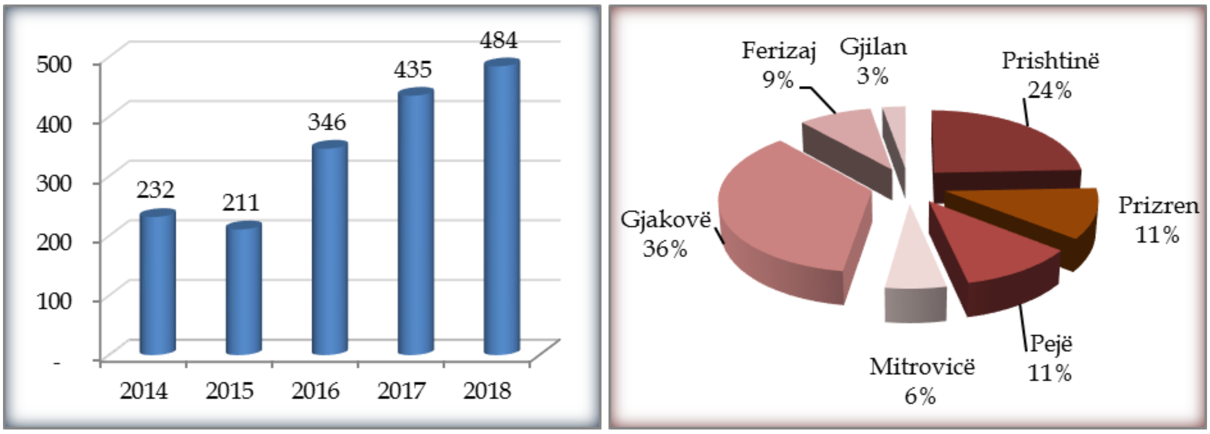
Poultry

Within the sector of poultry, support through direct payments is provided for laying hens and partridges. The support for laying hens started in 2013, whereas the support for partridges started for the first time in 2016.

Laying hens

Direct payments for laying hens in 2018 amounted to €484 thousand. The number of subsidized laying hens in 2018 increased by 7%, compared to the previous year. The total subsidy amount has also increased by 11%. The largest number of subsidized laying hens was in the region of Gjakova (36%) followed by Prishtina with 24%, Prizren and Peja with 11% each, and other regions with 18%.

Figure 67: Direct payments for laying hens 2014-2018, in € 1000 (left); Number of laying hens subsidized by region in %, 2018 (right)



Source: Agency for Agricultural Development (AAD)

The average number of laying hens for which a farmer benefited was 12,637, and this average is higher than in 2017 for 625 chickens. In 2018, the number of applicants remained the same, whereas the number of beneficiaries increased by 1%.

Table 138: Direct payments for laying hens by region, 2018

No.	Region	No. of applicants	No. of beneficiary farmers	No. of subsidised heads	Paid amount in €
1	Prishtina	25	23	249,145	116,986
2	Prizren	14	10	115,022	51,951
3	Peja	12	12	112,667	52,932
4	Mitrovica	6	5	58,660	46,370
5	Gjakova	18	18	369,167	160,700
6	Ferizaj	8	8	90,510	41,355
7	Gjilan	5	5	28,500	14,050
	Total	**88**	**81**	**1,023,671**	**484,343**

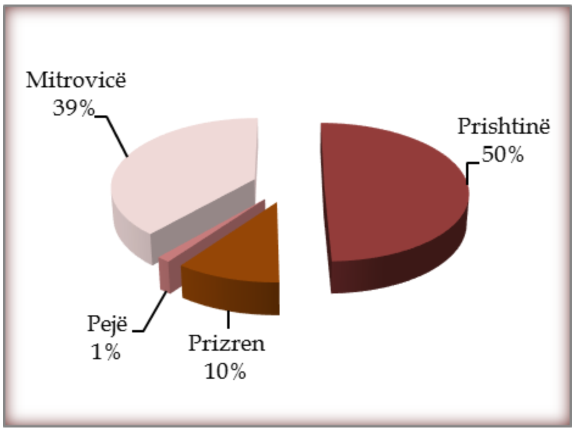
Source: Agency for Agricultural Development (AAD)

Partridges

Support for partridges through direct payments commenced for the first time in 2016 with €1 /head and remained the same in 2017, while in 2018 the payment decreased to €0.50 /head.

Of the total subsidized partridges, 50% were in the region of Prishtina, respectively in the municipalities of Podujeva, Drenas, and Fushe Kosova, 39% in the region of Mitrovica, 10% in Prizren, and only 1% in the region of Peja. The average number of partridges for which a farmer benefited was 2,812 heads, and this average was the highest in the region of Prishtina with 6,050 heads and the lowest in the region of Peja with 500 heads, while in the region of Mitrovica this average was 3,525 heads.

Figure 68: Direct Payments for partridges 2016-2018, in € 1000 (left); Number of subsidised partridges by region in %, 2018 (right)



Source: Agency for Agricultural Development (AAD)

13 farmers have applied and all of them were subsidized. The total number of subsidized partridges was 36,560 heads. There were no applicants from the region of Gjakova, Ferizaj, and Gjilan.

Table 139: Direct payments for partridges by region, 2018

No.	Region	No. of applicants	No. of beneficiary farmers	No. of subsidised heads	Paid amount in €
1	Prishtina	3	3	18,150	9,075
2	Prizren	5	5	3,810	1,905
3	Peja	1	1	500	250
4	Mitrovica	4	4	14,100	7,050
5	Gjakova	-	-	-	-
6	Ferizaj	-	-	-	-
7	Gjilan	-	-	-	-
	Total	**13**	**13**	**36,560**	**18,280**

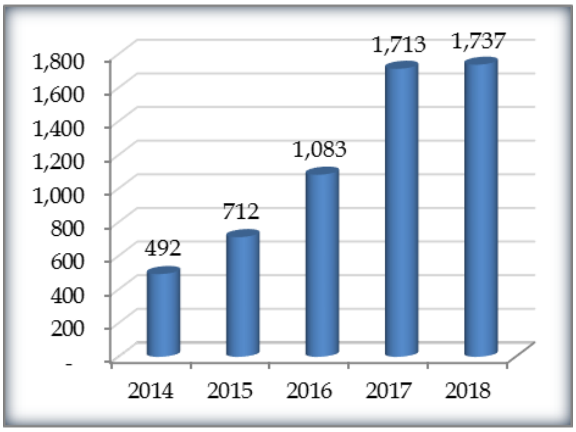
Source: Agency for Agricultural Development (AAD)

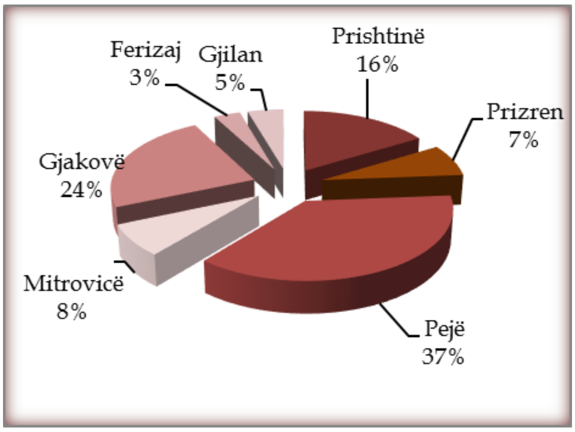
Milk by Quality

Subsidies for milk by quality commenced implementation for the first time in 2014, while in the fifth year of subsidies, the total amount of subsidies has increased more than the triple of the amount the was in 2014. Subsidies per litre remained the same as in the previous year with €0.06/0.04/0.02 /litre, depending on the quality of classes.

Regarding the support of milk based on quality, the region of Peja has the lead with 37%, followed by Gjakova with 24%, Prishtina 16% and other regions with 23%.

Figure 69: Direct payments for milk by quality 2014-2018, in €1000 (left); Subsidies for milk by quality, by region in %, 2018 (right)





Source: Agency for Agricultural Development (AAD)

In total, there were 3,116 applicant farmers or an average of 779 farmers for one quarter. The number of beneficiary farmers was 3,055 or an average of 764 farmers for one quarter, resulting in an average of 15 rejected applicants. The average amount of funds that a farmer benefited was €569, and the lowest appeared to be in the region of Prizren with €382 /farmer whereas the highest in the region of Peja with €788 /farmer.

Table 140: Direct payments for milk by quality in regions, 2018

No.	Region	No. of beneficiary farmers	Amount paid in €
1	Prishtina	570	283,900
2	Prizren	338	129,278
3	Peja	822	647,434
4	Mitrovica	317	130,671
5	Gjakova	758	409,114
6	Ferizaj	92	57,882
7	Gjilan	158	78,665
	Total	**3,055**	**1,736,944**

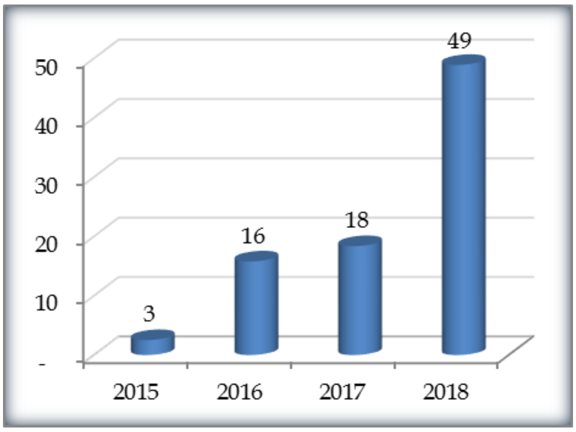
Source: Agency for Agricultural Development (AAD)

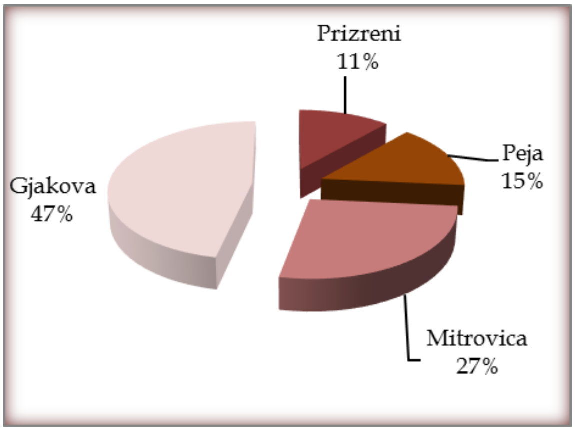
Reported bovine slaughter

Direct payments for subsidising the slaughter of bovine commenced for the first time in 2015. In 2018 the number of beneficiaries was 24, whereas the number of heads subsidized was 978, resulting in a total of subsidies for reported slaughter in the amount of €48,900. Beneficiaries were the slaughterhouses of the quality class A, B, C, and D as well as farmers that slaughtered their heads in these slaughterhouses.

Most of the slaughters were in the region of Mitrovica, specifically in the municipality of Gjakova and Malisheva, followed by the region of Mitrovica, respectively in Mitrovica and Vushtrri, as well as the region of Peja and Prizren.

Figure 70: Direct payments for reported bovine slaughter 2015-2018, in €1000 (left); Subsidies for reported bovine slaughter by region in %, 2018 (right)





Source: Agency for Agricultural Development (AAD)

In 2018, compared to 2017 the number of beneficiaries increased from 6 to 28 slaughterhouses. An increase was also marked in the number of subsidized heads for 611 heads, making the total amount of subsidies increase more than the double of the amount that was in 2017.

Table 141: Direct payment for reported bovine slaughter by regions, 2018

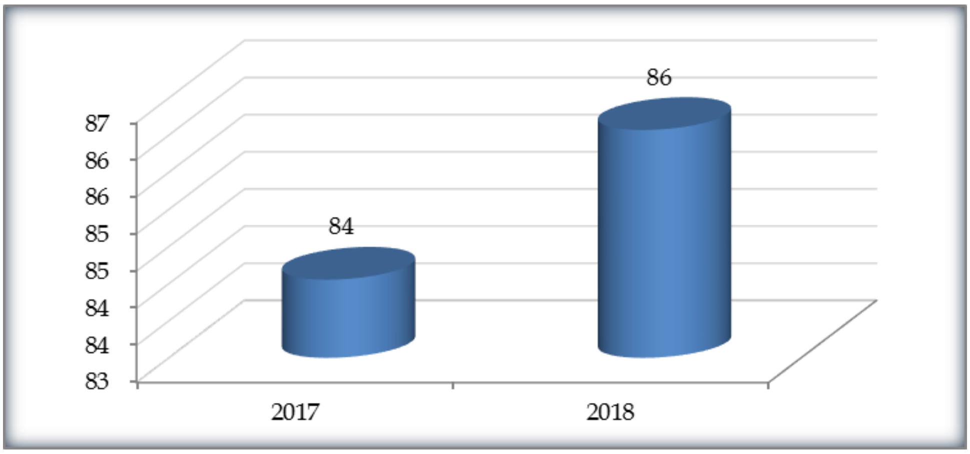
No.	Region	No. of beneficiary farmers	Amount paid in €
1	Prishtina	-	-
2	Prizren	4	5,650
3	Peja	4	7,300
4	Mitrovica	7	13,100
5	Gjakova	9	22,850
6	Ferizaj	-	-
7	Gjilan	-	-
	Total	**24**	**48,900.00**

Source: Agency for Agricultural Development (AAD)

Aquaculture

In 2018, aquaculture was also supported through direct payments. In total, there were 430 tons of sold fish subsidized. In the first semester of 2018, a company was supported in the amount of €32,639, whereas in the second semester 4 companies were supported in the total amount of €53,429. The total support in 2018 for this sector amounted to €86,068. There were 3 applicants rejected, while 5 beneficiaries benefited €0.20 /kg.

Figure 71: Direct payments for aquaculture 2017-2018, in €1000



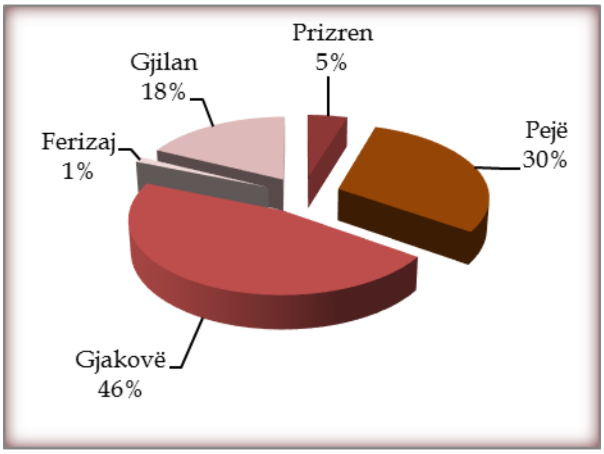
Source: Agency for Agricultural Development (AAD)

6.2.3 Support for agricultural inputs

Support of seedlings

In 2018, the total amount of direct payments for seedlings was around €82 thousand and there was an increase by 20% compared to 2017. The largest number of subsidized seedlings is in the region of Gjakova (46%), Peja (30%), Gjilan (18%) and other regions (6%). There were no applicants in the region of Prishtina and Mitrovica.

Figure 72: Direct payments for seedlings 2013-2017, in €1000 (left); Number of subsidized seedlings by region in %, 2017 (right)



Source: Agency for Agricultural Development (AAD)

In 2018, the number of applicants remained the same as in 2017, and the number of beneficiaries increased for 1 farmer, whereas there was only 1 rejected farmer. The largest number of beneficiaries is in the region of Gjilan but since the average of seedlings per benefited farmer is lower, the region of Gjakova has the lead in the number of subsidized seedlings.

The average of seedlings for which a farmer has benefited was around 32 thousand seedlings, the region of Ferizaj marked the lowest rate (5,760 seedlings), while the region of Gjakova marked the highest rate (56,062 seedlings).

Table 142: Direct payments for seedlings by region, 2018

No.	Region	No. of applicants	No. of beneficiary farmers	No. of subsidised seedlings	Paid amount in €
1	Prishtina	-	-	-	-
2	Prizren	1	1	23,000	4,600
3	Peja	4	4	144,800	28,960
4	Mitrovica	-	-	-	-
5	Gjakova	5	4	224,250	30,250
6	Ferizaj	1	1	5,760	1,152
7	Gjilan	5	5	85,420	17,084
	Total	**16**	**15**	**483,230**	**82,046**

Source: Agency for Agricultural Development (AAD)

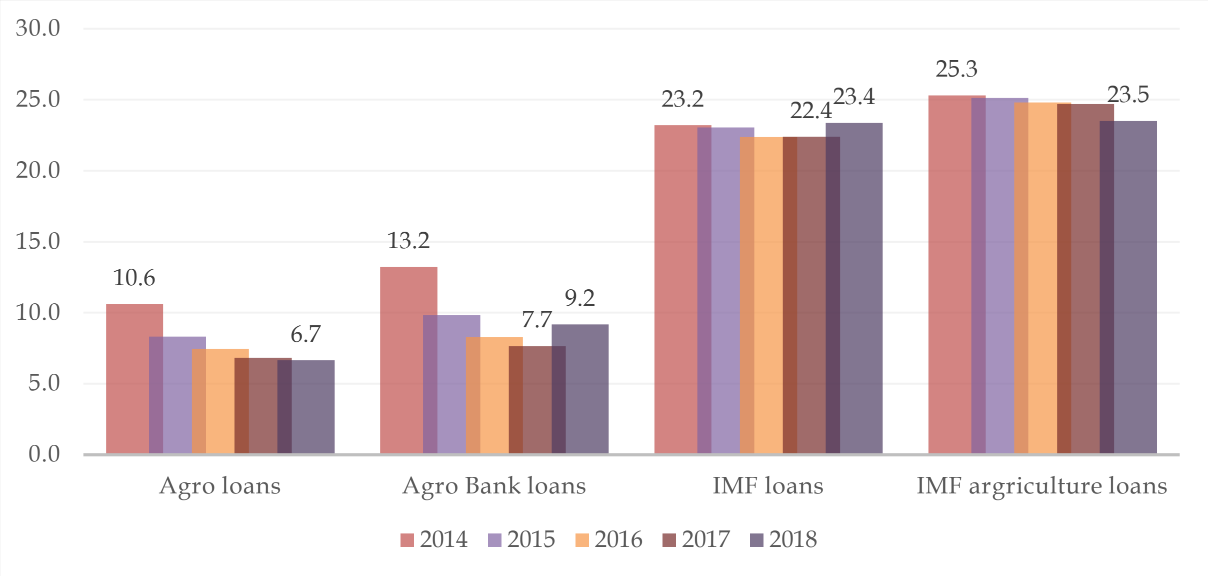
6.3 Agro loans and guarantee fund

6.3.1 Agro loans

Agriculture continues to have low access to the general bank financing with only 2.7% in 2018 (0.1 percentage points higher than in the previous year), being the least credited sector of all the financial institutions in Kosovo. The circumstances are different with the Microfinance Institutions (MFIs); the participation in agro loans is 26.9% in 2018.

Interests on loans for the agricultural sector are high compared to loans for other sectors and compared to regional countries. Although 2018 was characterized by an increase in the interest rate of 1.5 percentage points compared to 2017, this increase of the interest rate will not be a positive incentive for farmers at all.

Figure 73: Interest rate in loans and agro loans from Banks and MFIs, %



Source: CBK

In 2018, the interest in loans for agricultural sector of MFIs, were characterized by a minimal decrease in the interest rate by 1.2 percentage points compared to the previous year, or by 1.8 percentage points compared to 2014.

Agro loans are known as non-performing loans, which is why lending from banks and microfinance institutions has a high cost for farmers. This low level of lending highlights the conservative approach of the banking system against the agriculture sector. The lack of an insurance system in agriculture affects significantly the farmers' access to loans, namely affordable loans.

In order to increase farm efficiency, farmers need to broaden the level of financing of their investments in: purchase of agricultural equipment and machinery of the latest technology, purchase of inventory, adjustment and expansion of farms and land, purchase of livestock in order to increase their stocks, purchase of inputs, establishing of collection points, storage refrigerators, and many other agricultural equipment. Such investments in farms enable the farmers to increase productivity and at the same time prepare themselves for the new agricultural season. Various investments in this sector will enable the welfare in rural areas and increase of domestic production, which will have an impact in replacing imported products and creating new opportunities for export.

Banks that financially support the agricultural sector with loans in Kosovo are: Banka për Biznes, Banka Ekonomike, Raiffeisen Bank (RBKO), ProCredit Bank (PCB), TEB Bank, NLB Prishtina and Banka Kombëtare Tregtare, while the Microfinance Institutions are the following: Agency for Finance in Kosovo, Finca, KosInvest Word Vision, KEP Trust, KGMAMF, Kreditimi Rural i Kosovës (KRK), Qelim Kosovë, Start and Timi Invest.

The leaders in the amount of disbursed Agro-loans are TEB, BPB, RBKO, and PCB, followed by Microfinance Institutions: KRK, AFK, Finca, etc. The table shows that most loans were disbursed in 2018. The total amount of loans disbursed in 2018 almost the same with 2017. The number of loans granted since the beginning of 2014 and up to 2018 is approximately 104 thousand loans, with a total amount of € 412.4 million. Therefore, for those 5 years, an average of 1,700 loans was monthly disbursed with an average amount of € 6.9 million.

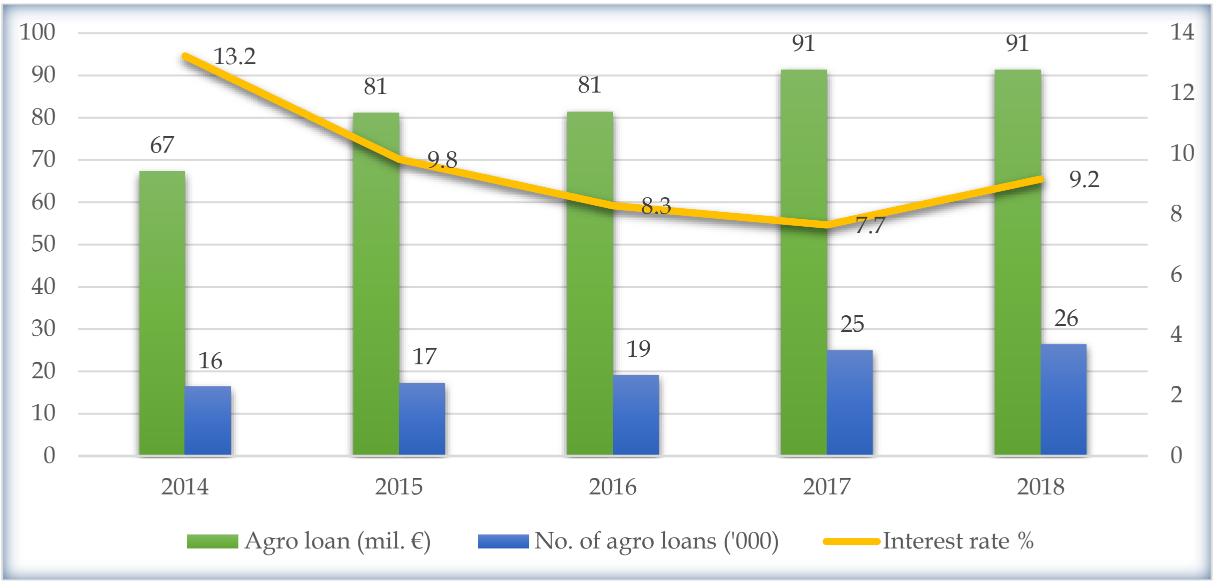
Table 143: Agro loans, 2014 - 2018

Agro loans 2014 - 2018	Disbursed loans	Number of loans disbursed	The amount of loans disbursed / Banksand MFI (€)	The total amount of loans disbursed (`mn €)	The loan term (months)	The average interest rate (%)	Share of Agro Loans compared to other loans (%)
2014	14 - 3,638	16,360	18,400 - 18,500,000	67.3	13 - 50	9.0 - 26.5	0.7 - 58.6
2015	20 - 4,270	17,308	31,600 - 29,000,000	81.1	13 - 42	9.3 - 26.6	0.5 - 51.4
2016	9 - 5,008	19,086	25,500 - 17,000,000	81.4	12 - 42	8.0 - 26.9	0.5 - 60.0
2017	13 - 7,058	24,940	41,400 - 13,600,000	91.3	17 - 39	7.3 - 26.70	0.3 - 43.0
2018	1 - 8,988	26,403	8,000 - 13,700,000	91.3	12 - 39	6.0 - 28.5	1.3 - 64.5
Total		**104,097**		**412.4**			

Source: Commercial banks & MFIs in Kosovo, processed by DEAAS

The table and figure clearly show that 2017 and 2018 display almost no difference at all in terms of granting loans. If 2018 is compared to 2014, there is noted a high increase with 35.7%.

Figure 74: The total amount, number and interest rate for agro loans



Source: Commercial banks & MFIs in Kosovo, CBK

The maturity of agricultural loans varies from 12 to 39 months, depending on the loan destination, and the interest rate varies from 6.2% to 28.5% depending on the amount of the loan and the repayment term. The agricultural manufacturers continue to be dissatisfied regarding the interest rates, which do not stimulate the development of this sector.

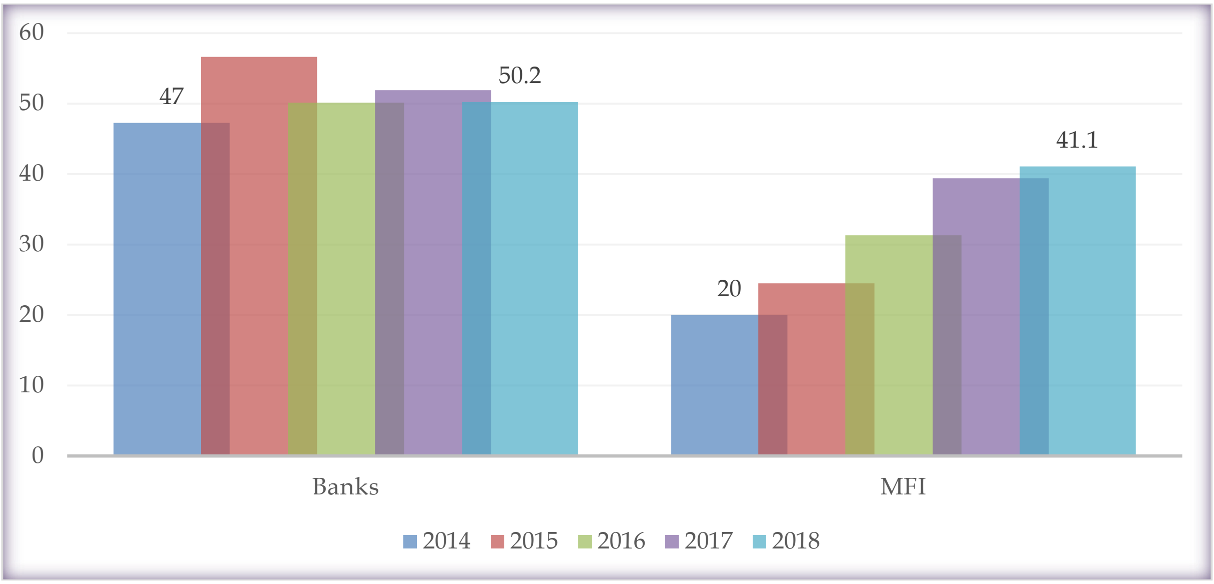
Collateral is usually not required for smaller loans, whereas for medium and large loans, banks and MFIs require collateral ranging from 100% up to 388% of the loan amount, whereas in recent years there has been noticeable normalization. Generally, the range from 100% up to 150% of the loan value as a standard for collateral is required from the lender.

The grace period or period of payment deferral varies from 3 to 12 months, although in some publications it is indicated as 18 months, depending on the cases where the grace period is flexible. It is worth noting that the highest percentage of loan repayment takes place after the harvesting season. Over the years, it is noted that the grace period was shorter, while in the recent years it is increased.

The interest rate varies among banks and microfinance institutions depending on the value and maturity of the loan i.e. the higher the value of the loan and the shorter the period of repayment, the lower the interest rate and vice versa.

The following figures present differences in numbers between Commercial Banks and Microfinance Institutions.

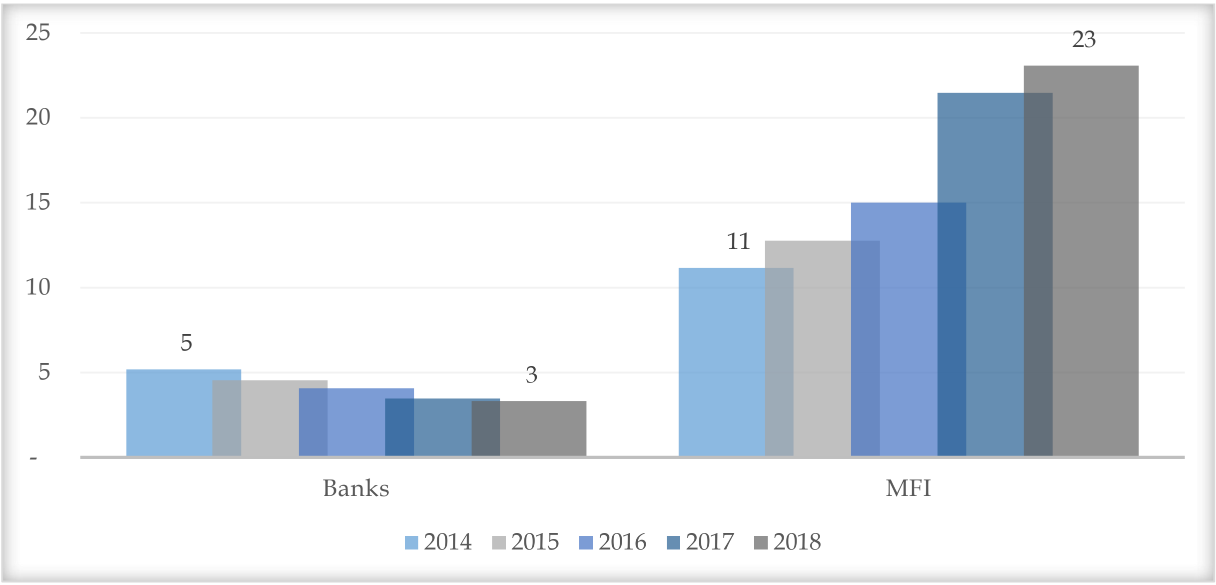
Figure 75: The amount of agro loans from Banks and MFIs, mil. €



Source: Banks & MFIs, processed by DEAAS

Banks are characterized by a smaller number of loans but bigger amounts, namely the average loan in 2018 was €15,000 whereas for MFI is €1,780, i.e., a large number of loans but with smaller amounts, satisfying the balance of interests of almost every farmer.

Figure 76: The amount of agro loans from Banks and MFI, '000



Source: Bank & MFIs, developed by DEAAS

As for the percentage of shares of bad loans among agro loans, they are considered to be at an acceptable level, within the limits set by most banks and financial institutions. Compared to the countries in the region, we stand at a very satisfactory level.

Over the years, the maximum share of bad loans in Banks was 5.4%, while in Microfinance Institutions the percentage varies between 9.4% and 23.8%.

6.3.2. Guarantee Fund

The Ministry of Agriculture, Forestry and Rural Development (MAFRD) provides support to investments in agriculture, guaranteeing farmers' loans. Thanks to the cooperation with the European Bank for Reconstruction and Development, it is worth mentioning the initiative of Development Credit Authority - DCA of USAID and MAFRD to lower the interest rate for loans (up to 3%) by the end of 2012 by guaranteeing 50% of the value of agricultural loans.

In order to provide loan guarantees, in agreement with six main banks in Kosovo on issuing loans and at the same time increasing access to agricultural and agribusiness loans, this fund contributes with a total value of $26 million (approximately € 23.5 million) and MAFRD has a share of €2.5 million. The USAID programme has provided new opportunities in Agriculture for a four-year period, with the aim of creating more favourable conditions for loans in the agricultural sector, qhich has also ensured sustainable agricultural development, increase of export, generation of added value and creation of new jobs.

Farmers and agricultural small and medium-sized enterprises (SMEs) faced easier procedures in obtaining loans because DCA has secured a risk guarantee of 50% on loans issued by these banks, with a repayment period of 12-60 months and with values between €5,000 and €250,000 for qualified farmers and agri-businesses. The Programme was designed to increase lending in the agricultural sector, given the difficulties in this sector.

For each bank, an analysis of several loan indicators was foreseen according to the 4 banking periods. Apart from the initial data, indicators for application of the guarantee fund have also been considered.

If we observe the data of one of the banks without DCA, we can see that the average loan amount is around €16,000 during the periods, whereas with DCA this amount is doubled or is even higher. The difference is noticeable even in the average loan repayment period, which varies from 36 months without DCA to 48 months with DCA.

Having a guarantee fund, banks issue loans with lower interest rates and consequently they varied from 13.6% without DCA to 9.5% with the Guarantee Fund for the period calculated.

For securing the loan, banks require collateral for amounts over € 25,000 (with DCA). These average loan amounts as well were very high after the application of DCA. The loan repayment period is extended, while the lowered average interest rate is noticeable by 3 to 4% on average from the standard interest rate.

Based on the factors mentioned above, it can be concluded that the application of DCA was a positive step which advanced and facilitated lending for the development of agriculture and agribusinesses, given the fact that countries of the region had begun to apply this model. According to the latest data at our disposal, 5 banks have fully utilized these funds, with about 1000 loans i.e. 95% of the total amount of the Guarantee Fund used.

For 2017, a new overview of lending with a lowered interest rate by banks but not by microfinance institutions, is noticeable. Thanks to the commitment and cooperation of the CBK, MAFRD, USAID etc., the bank's interest in lending to the agricultural sector has been lowered and its process has been made simpler.

By the end of 2017, the project reached 95.4% of the total amount realized (2016 with 88.8%), with an average disbursed amount of $ 24,960 and 992 loans in total. This shows the positive effect of the project which reflects the lowered interest rate on agricultural loans in recent years.

Kosovo Credit Guarantee Fund - KCGF

Kosovo Credit Guarantee Fund is an independent legal entity with a development-oriented nature, which provides loan guarantees to Micro, Small and Medium Enterprises (MSMEs), by sharing the loan risk with financial institutions.

One of the most important objectives of KCGF is to support the development of the Agriculture sector by guaranteeing agricultural lending. To help achieve these objectives and strengthen lending to farmers and agribusinesses, the German KfW Development Bank has signed a contract with KCGF to increase KCGF capital which will be used to support this sector by focusing on every aspect of the chain of adding value within this sector.

As of December 2018, KCGF has signed agreements with 7 PFIs (Partner Financial Institutions) which are active in agriculture lending for *Agro Window* which is a special program for this sector with very favourable agricultural lending conditions.

During 2018, in the agricultural sector, a total of €3.38 million new loans from PFIs were approved and placed under the KCGF guarantee. This represents an 80% increase compared to the previous year (2017).

During 2018, in the agriculture sector, the average loan amount was over €38,000 with an average maturity over 29 months.

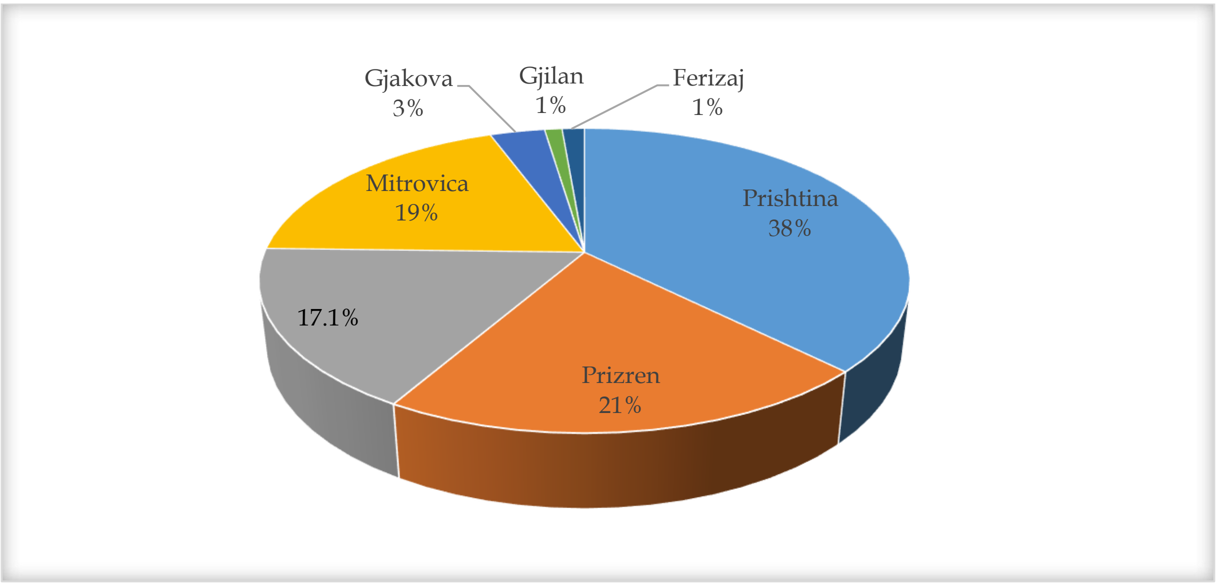
While during the same year, the regional distribution of € 3.38 million of loans issued by PFIs in different regions for the agriculture sector is as follows:

Table 144: Regional distribution of approved loans

Regional distribution	Approved loans, €
Prishtina	1,268,100
Prizren	705,500
Peja	577,826
Mitrovica	641,500
Gjakova	110,000
Gjilan	35,000
Ferizaj	45,000
Total	**3,382,926**

Source: KCGF

Figure 77: Loan distribution share, %



Source: KCGF

By investment purpose, approved loans issued by PFIs were used for construction, renovation, land, working capital and agricultural inputs, agricultural and other equipment. The distribution by investment purpose is presented in the table below:

Table 145: Approved loans by investment purposes

Investment purpose	Approved loans	Share
Agricultural equipment	1,586,600	46.9%
Construction/Renovation/Land	1,041,826	30.8%
Working capital and agricultural inputs	400,000	11.8%
Other	354,500	10.5%
Total	**3,382,926**	**100.0%**

Source: KCGF

During 2018, out of 88 agro loans guaranteed by KCGF, PFIs envisaged over € 1.4 million increase in their clients' turnover as a result of their investments as well a 79 new jobs declared on the current basis.

6.4. Insurance in Agricultural sector

The implementation of the Crop Insurance has not started during 2018, however the raspberry product was harmonized in order to be part of the Direct Payments Program for 2019.

Damages to agriculture

The total amount of damages reported (based on individual requests made by farmers to municipal agricultural directorates) in 2018 was €8.4 million. All of these requests, after being verified by the municipal commissions that carried out the on-site verification, were received by MAFRD and reviewed by the appointed commission.

Table 146: Amount of damages classified by cause of damage

Years	2014	2015	2016	2017	2018
Hail	2,165,000	783,000	40,348	1,972,730	6,457,937
Wind	22,500	100,000	491,735	230,356	79,271
Flood	702,000	11,000	135,778	-	18,145
Fire	185,000	161,000	-	43,257	69,207
Other	137,249	88,886	386,943	13,178,753	1,756,918
Total amount / €	**3,211,749**	**1,143,886**	**1,054,804**	**15,425,096**	**8,381,477**

Source: Evidence from the Commission's work

Regarding the causes of damage, most of the damages were caused by hail (€6.5 million) or 77% of total damages. Damage of €79 thousand was caused by the wind, €69 thousand by fires, €18 thousand by floods, while in the category classified as other, damages amounted to €1.8 million. Compared to 2017, the amount of damages declared was 46% lower, but if we observe only the damages caused by hail, damages of 2018 were enormous, respectively three times higher than the damages of 2017.

6.5. Rural Development Projects – Investment Grants

Agriculture as a sector of particular importance aims to improve, through grants, the development of this sector, by increasing the productivity and product quality, as well as their value. With this support, it also aims to achieve the overall objectives of offering higher standards and improving the quality of various agricultural products.

By way of inclusion of measures and sub-measures on different sectors of agriculture, the Division for the Approval of Rural Development Projects has implemented the RDP as follows:

Measure 101 - Investments in physical assets in agricultural holdings; this measure includes the fruit tree sector (apple, pear, plum, sour cherry, cherry, apricot, peach and quince), the greenhouse sector including potatoes and warehouse for storing vegetables, the beef sector (calf fattening), the meat sector (pig fattening), the milk sector (dairy cows, sheep and goats), the collection point sector, the grape sector as well as the laying hens sector.

Measure 103 - Investments in physical assets in the processing and trade of agricultural products; this measure includes the milk processing sector, the meat processing sector, the fruit and vegetable processing sector and the wine production sector.

Measure 302 - Farm diversification and rural business development, includes sub-measures such as:

302.1 Beekeeping, production/processing and marketing of honey;

302.2 Processing of agricultural (cultivated) products and their marketing;

302.3 Development of craftsmanship activities and their marketing;

302.4 Development of rural tourism and farm tourism.

Measure – Irrigation of agricultural lands;

Measure 303 – Implementation of local development strategies –Leader approach; includes sub-measure 303.1 "Skills acquisition and encouragement of residents of selected LAG territories"

303.2 "Design and implementation of local development strategies, LEADER approach - for selected LAGs"

303.3 "Cooperation" which will start at a later stage, once the LAGs are well-structured, their employees trained and the inhabitants of their territories have demonstrated the capacity to benefit from those activities.

Measure - Special program, "Less developed rural areas" – increase of competitiveness in the agricultural sector and involvement of the community in rural development in the northern Mitrovica region and "Investment in rural infrastructure".

USAID Support, sector of small fruits (strawberry, raspberry, blackberry, blueberry and chokeberry).

The Agency for Agriculture Development - namely the Division for the Approval of the Agriculture and Rural Development Projects has implemented a part of the Agriculture and Rural Development Program 2018. The implementation of the Approval of Rural Development Projects has progressed according to the intended activities and plan, based on the budget allocated for 2018, which was **€ 27,000,000.**

Table 147: Projected budget of RDP, 2018

Measure and sub-measure	Value in €
Measure 101: Investments in physical assets in agricultural holdings	**12,000,000**
101.1 Fruit tree sector	2,500,000
101.2 Greenhouse sector	3,000,000
101.2.1 Warehouse for storing vegetables	500,000
101.3 Beef sector (calf fattening)	2,000,000
101.3.1 Meat sector (pig fattening)	300,000
101.4 Milk sector (cows)	2,000,000
101.4.1 Milk sector (sheep and goats)	700,000
101.4.2 Collection point	200,000
101.5 Grape sector	500,000
101.6 Egg sector	300,000
Measure 103: Investments in physical assets in processing and trading agricultural products	**4,000,000**
103.1 Milk processing sector	1,000,000
103.2 Meat processing sector	1,000,000
103.3 Fruit and vegetable processing sector	1,200,000
103.4 Wine processing sector	800,000
Measure 302: Diversification of farms and business development	**1,700,000**
302.1 Sector of beekeeping and production/processing and trading of honey	600,000
302.2 Sector of farm processing and trading of agricultural products on a small scale (vegetables, fruits, herbs, spices, medicinal plants, mushrooms and milk of sheep, goats)	300,000
302.3 Development of craftsmanship activities and their marketing	300,000
302.4 Development of rural tourism and farm tourism	500,000
Measure: Irrigation of agricultural lands	**1,000,000**
Measure 303: " Implementation of local development strategies - Leader approach"	**300,000**
303.1 Skills acquisition and encouragement of residents of selected LAG territories	89,000
303.2 Drafting and implementation of local development strategies, LEADER approach - for selected LAGs	211,000
Measure – Special Program	**8,000,000**
Less developed rural areas	2,000,000
Investment in rural infrastructure	6,000,000
Total	**27,000,000**

Source: Agency for Agricultural Development (AAD)

Support for the sector of small fruits was provided by USAID, the number of applications was 98 and the applied value was € 294,646, while the total project cost was € 577,382.

Table 148: Sector of small fruits supported by USAID, 2018

USAID Support	No. of applications	Value applied in €	Total project cost
Sector of small fruits (berries)	98	294,646	577,382
Total	**98**	**294,646**	**577,382**

Source: AGRO Project

Similar to previous years, after conducting field inspections, AAD continued the process of approval or rejection of projects based on the inspection report.

Based on data available for 2018, the number of approved applications referring to the budget allocated for this year is 618 and the approved value for these applications is €30,969,478 including measures 101, 103, 302, 303 with their sub-measures, as well as measures for irrigation of agricultural lands and the special program.

Table 149: Number of applications and approved value, RDP 2018

Measures and sub-measures	No. of approved applications	Approved value in €
Measure 101: Investments in physical assets in agricultural holdings	**383**	**16,897,514**
101.1 Fruit tree sector	66	3,356,513
101.2 Greenhouse sector	109	4,143,270
101.2.1 Warehouse for storing vegetables	29	1,316,850
101.3 Beef sector (calf fattening)	54	2,469,319
101.3.1 Meat sector (pig fattening)	5	260,154
101.4 Milk sector (cows)	71	3,242,901
101.4.1 Milk sector (sheep and goats)	25	1,205,620
101.4.2 Collection point	2	93,807
101.5 Grape sector	18	594,519
101.6 Egg sector	4	214,562
Measure 103: Investments in physical assets in the processing and trading of agricultural products	**27**	**4,842,579**
103.1 Milk processing sector	4	733,149
103.2 Meat processing sector	3	578,442
103.3 Fruit and vegetable processing sector	16	2,877,805
103.4 Wine processing sector	4	653,184
Measure: Irrigation of agricultural lands	**3**	**475,413**
Measure 302: Diversification of farms and business development	**130**	**2,259,156**
302.1 Sector of beekeeping and production/processing and trading of honey	63	779,532
302.2 3 Sector of farm processing and trading of agricultural products on a small scale (vegetables, fruits, herbs, spices, medicinal plants, mushrooms and milk of sheep, goats)	33	634,810
302.3 Development of craftsmanship activities and their marketing	18	315,967
302.4 Development of rural tourism and farm tourism	16	528,847
Measure 303: Implementation of local development strategies – Leader approach	**13**	**293,087**
303.1 Skills acquisition and encouragement of residents of selected LAG territories	13	293,087
Special program	**62**	**6,201,729**
Less developed rural areas	58	2,201,729
Investment in rural infrastructure	4	4,000,000
Total	**618**	**30,969,478**

Source: Agency for Agricultural Development (AAD)

The value applied for the measures and sub-measures varies from year to year. It is worth mentioning that this year the sub-measures have marked higher application value than in 2017 and also, the value was higher. The following table provides more details on the applied value of each sub-measure for the period 2014-2018.

Table 150: Value applied for 2014-2018, in €1000

Sub-measures	2014	2015	2016	2017	2018
Sector of greenhouse-vegetables in open field	11,858	35,984	20,356	16,899	17,146
Warehouse for storing vegetables	-	-	2,537	3,098	5,604
Sector of fruit trees (apple, pear, plum, sour cherry)	6,274	9,873	6,971	11,428	29,548
Sector of Vineyard-grape	842	1,755	1,413	1,648	2,996
Sector of small fruits – berries (strawberry, raspberry, blackberry, blueberry)	2,926	14,320	24,047	5,344	-
Egg sector	1,037	2,845	1,831	2,288	3,037
Milk sector (dairy cows)	9,301	17,940	14,084	12,579	14,253
Milk sector (sheep and goats)	-	-	3,025	1,998	4,100
Sector of collection point	-	-	-	568	396
Beef sector- calf fattening	8,219	26,423	15,219	12,154	10,917
Meat sector -broiler	-	-	4,902	3,465	-
Meat sector - pigs	-	-	-	448	634
Grain sector	3,147	-	-	-	-
LAGs	-	84	84	78	296
Fruit sector –Orchard infrastructure	-	-	-	-	-
Pilot measure-less developed areas	-	-	-	-	-
Beekeeping (302.1)	1,457	4,419	4,341	4,112	3,642
Processing of herbs, forest fruits, mushrooms (302.2)	290	512	514	560	-
Processing in the farm (302.3)	-	3,115	508	1,182	1,200
Craftsmanship (302.4)	-	-	429	1,070	1,188
Rural development (302.5)	-	-	1,800	2,126	3,098
Agricultural equipment	-	-	-	-	-
Irrigation of agricultural lands	1,600	2,895	2,286	1,858	2,416
Processing and marketing (103) Milk processing	15,696	26,937	4,506	3,598	3,264
Meat processing	-	-	9,666	7,334	6,175
Fruit and vegetable processing	-	-	14,891	12,119	15,560
Vine processing	-	-	1,367	2,194	2,988
Special program	-	-	-	-	17,038
Total	**62,647**	**147,101**	**134,776**	**108,151**	**145,495**

Source: Agency for Agricultural Development (AAD)

6.5.1. Restructuring of physical potential

Agriculture in Kosovo plays a key role in providing employment opportunities and generating income. The majority of farms are so small that almost all of their production is consumed directly by the family in the farm. Thus, there is a need to focus on supporting investment in physical assets of farms that are commercially oriented and able to provide sustainable income.

Given the fact that most farms are very small, it seems reasonable to encourage horizontal cooperation between farmers in the form of cooperation of producers, which may build the basis for subsequent production organizations, or producer associations, but also for vertical integration of farmers, for example in market chains through supply contracts.

Given the importance of the issues mentioned above, MAFRD has drafted the measure "Investments in physical assets in agricultural holdings", which includes sectors such as the fruit tree sector, the greenhouse and warehouse for storing vegetables sector, the meat sector, the milk sector, the grape sector as well as the laying hen sector.

The overall objectives within measure 101 "Investments in physical assets in agricultural holdings" are:

- Increase of the competitiveness of Kosovo agriculture and substitution of import;
- Creation of new jobs and increase of employment in rural areas;
- Support of farmers in selected sectors, with the aim of approximation with EU rules, standards, policies and practices;
- Support of economic and social development by aiming sustainable and inclusive growth through development of farms;
- Addressing of the climate change challenges through the use of renewable energy.

The specific objectives to be met within Measure 101, for certain sectors, are as outlined below:

Sector of fruits and sector of vegetables including potatoes:

- Increase of production of fruits and vegetables (including potatoes), for commercial purposes;
- Improvement of quality in order to meet the relevant national and EU standards;
- Modernization of farms through the use of new equipment and modern mechanization;
- Reduction of post-harvest losses through investments in farm, storage technology, infrastructure and equipment for the post-harvest stage, including cooling capacities, classification and packaging;
- Generation of renewable energy;
- Improvement of the connection of farmers with agricultural product consumers.

Milk sector and meat sector:

- Increase of production in specialized farms;
- Improvement of quality in order to meet the national and EU standards;
- Modernization of farms through the use of new equipment and modern mechanization;
- Reduction of the release of nitrogen oxide and methane oxide by proper treatment of manure and non-contamination of ground and underground waters;
- Generation of renewable energy;
- Improvement of the connection of farmers with the consumers of their products.

Grape Sector:

- Increase of production of table grapes and wine grapes;
- Improvement of quality in order to meet national and EU standards;
- Modernization of farms through the use of quality seedlings and modern mechanization;
- Generation of renewable energy;
- Improvement of the connection of farmers with the consumers of their products.

Egg sector:

- Improvement and expansion of existing production capacities;
- Improvement of quality in order to meet national and EU standards;
- Modernization of farms through the use of new equipment and modern mechanization;
- Reduction of the release of nitrogen oxide and methane by proper treatment of manure;
- Generation of renewable energy;
- Improvement of the connection of farmers with consumers of their products;

The following table shows the number of applications and the value applied for sub-measures within measure 101, investments in physical assets of agricultural holdings. The value applied for this sub-measure was € 88,631,395, while the approved value was € 16,897,514 whereas the total number of approved applications was 383 out of a total of 1,207 applications.

Table 151: Number of applications and value applied for measure 101

Measure 101	No. of applications	Value applied in €
101.1 Fruit tree sector	349	29,547,773
101.2 Greenhouse sector including potatoes	273	17,145,515
101.2.1 Warehouse for storing vegetables	66	5,604,319
101.3 Beef sector (calf fattening)	138	10,917,128
101.3.1 Meat sector (pig fattening)	9	633,791
101.4 Milk sector (dairy cows)	191	14,252,797
101.4.1 Milk sector (sheep and goats)	53	4,100,130
101.4.2 Collection point	5	396,391
101.5 Grape Sector	88	2,996,345
101.6 Egg sector	35	3,037,207
Total	**1,207**	**88,631,395**

Source: Agency for Agricultural Development (AAD)

6.5.2. Development of the processing sector

In order to compete successfully in an increasingly open market for food processing, the industry needs to modernize technologies and improve the safety management systems. The task of the food industry is to create safe collection, transportation and storage of raw materials, in order to reduce waste and ensure food safety. Based on these developments, MAFRD has drafted the measure "Investments in physical assets in processing and marketing of agricultural products" aimed at developing this sector. In this measure, similar to previous years, priority is given to investments in the implementation of food safety standards that are of particular importance for supplying the local market with safe food products and for successful competition with foreign suppliers. To encourage industry adaptation to environmental standards, priority was given to investments aimed at waste treatment, water purification and utilization of waste products.

Measure 103 will support investments in the food processing industry in the following four sub-sectors: milk processing, meat processing, fruit and vegetable processing as well as the wine production sector.

The overall objectives within Measure 103 "Investments in physical assets in the processing and marketing of agricultural products" are:

- Increase of the competitiveness of Kosovo agriculture and substitution of import through increase of productivity and introduction of new technologies and products;
- Support of enterprises in the selected sectors, with the aim of approximation with EU rules, standards, policies and practices and improvements in environmental protection, food security and product quality, animal welfare and traceability of food chains and waste management;
- Support of economic and social development aiming at sustainable and inclusive growth through farm development;
- Strengthening of connections with primary production;
- Addressing of the climate change challenges through the use of renewable energy.

Some of the specific objectives to be met within Measure 103, for certain sectors, are presented below:

Milk processing:

- Implementation of national and EU standards on milk products (hygiene, food safety, animal welfare, environmental protection, etc.);
- Modernization of milk processing lines and other accompanying facilities;
- Introduction of new products or diversification of products in the milk industry;
- Improvement of milk marketing and its products;
- Improvement of waste management.

Meat Processing:

- Implementation of national and EU standards for meat products (hygiene, food safety, animal welfare, environmental protection, etc.);
- Introduction of new lines of meat processing;
- Introduction of new products or diversification of products in the meat industry;
- Modernization of slaughterhouses including specialized slaughters (for small ruminants);
- Improvement of meat marketing and its products;
- Improvement of waste management.

Processing of fruits, vegetables and production of wine:

- Implementation of national and EU standards (hygiene, food safety, quality, etc.);

Improvement of processing technology, as well as the modernization of other accompanying facilities (storage/cooling depots) by introducing new equipment/technologies;

- Diversification of products;
- Improvement of marketing;
- Improvement of waste management.

Regarding Measure 103, the total value applied for this measure was €27,985,955 with 70 applications, with a total of 27 applications approved in the value of €4,842,579.

Table 152: Number of applications and value applied for measure 103

Measure 103	No. of applications	Value applied in €
103.1 Milk processing sector	9	3,263,565
103.2 Meat processing sector	16	6,174,604
103.3 Fruit and vegetable processing sector	36	15,559,831
103.4 Wine processing sector	9	2,987,955
Total	**70**	**27,985,955**

Source: Agency for Agricultural Development (AAD)

6.6. Capacity enhancement and development

6.6.1. Education, training and advisory service

This year, the Department of Advisory Services at MAFRD has continued with the coordination of activities at central and local level by supporting and providing advice and training.

DTAS continuously deals with the education and training of advisors and farmers. Capacity building training and certification training are provided for the advisors, while training, consultations and publications are provided for the farmers. All of these are organized based on the Law on Advisory Services **no. 04/L-074** and the Administrative Instructions deriving from this Law and the Strategy on Advisory Services 2015-2020.

The advisory service is organized in the form of an agricultural advisory system that includes all municipalities of the Republic of Kosovo. This system encompasses both the public and private sectors.

Kosovo Advisory System for Agriculture and Rural Development (KASARD)

Kosovo Advisory System for Agriculture and Rural Development is being used to achieve the objectives set in ARDP 2014-2020. They are focused on raising agricultural income from farms through improved market competition, productivity and rural development. In order to make this happen, the following should be improved:

1. Agricultural knowledge and farmers' management skills in order to increase their competitiveness and encourage innovation;
2. Sustainable management of agricultural property, including improved use of technology and methods of agricultural production;
3. Protection of the environment (water, soil and air);
4. Achievement of food safety and quality;
5. Veterinary, phytosanitary, animal welfare, environmental protection, quality and hygiene standards;
6. Development of farmer groups, relationships between producers, traders and input suppliers, as well as improved packaging, quality and continuance of food supply.

KASARD Strategy for 2015-2020 aims to provide professional advisory services to farmers on a public/private partnership basis.

The advisory service is helping to build technical capacity at the farm level in order to:

1. Achieve a more competitive, market-oriented agricultural sector (both for exports and imports);
2. Support farmers to apply for grants and subsidies that are available through MAFRD and EU programs (donors);
3. Provide support through farmer advisory services as well as rural homes and communities which address broader socio-economic issues in rural areas;
4. Align Kosovo's agri-agricultural sector with that of the EU.

Projects developed in DTAS:

1. Project "Development of Rural Areas through Advancement of Advisory Services", funded by the Kosovo budget;

2. Agriculture and Rural Development Project, First Component: “Training of potential applicant farmers for grants”, funded by the World Bank;

3. Project "Supporting farmers for land analysis, training, advice and recommendations on land analysis results", funded by the Kosovo budget;

4. Project "Providing farmers with advice and training, capacity building for municipal advisors and opening of IAC in municipalities of: Leposavic, Zubin Potok, North Mitrovica and Zvecan", funded by the Kosovo budget;

5. Project "Training for certification of candidates on Advisory Services for Agricultural and Rural Development and improvement of the efficiency of the advisory staff", funded by the World Bank.

Capacity building of public and private advisors

"Training program for advisory services on advanced technologies in agriculture and rural development" (TAT) is organized for the advisory staff, municipal advisors and private advisory staff. A total of 73 participants were identified by MAFRD, confirmed by ARDP and divided into five groups according to the region they come from: Group 1 in Prishtina consisting of 13 participants; Group 2 in Mitrovica consisting of 14 participants; Group 3 in Peja consisting of 7 participants; Group 4 in Prizren consisting of 14 participants; and Group 5 in Gjilan consisting of 25 participants.

TAT training consisted of six (6) 2 day modules:

Module 1 – Primary production of crops and primary production of livestock;

Module 2 - Farm planning, management and analysis;

Module 3 – Post-harvest treatment and agricultural marketing;

Module 4 - Agricultural processing and rural diversification;

Module 5 - Agricultural production, transportation and agricultural trade;

Module 6 – Information and Communication Technology in Agriculture.

Training for certification of candidates on Advisory Services for Agricultural and Rural Development and improvement of the efficiency of advisory staff

119 candidates have applied for certification and have fulfilled the criteria for certification according to Administrative Instruction 07/2015. The training was held in 5 modules for 10 days, in 5 groups. 110 candidates have taken the test, while 109 candidates have passed which means that in 2018, 109 advisors for agriculture and rural development have been certified.

Activities carried out in the municipal Information and Advisory Centres (IAC) of advisory services

Activities to support farmers with technical advice in the livestock, beekeeping, viticulture, arboriculture and olericulture sectors as well as organic production were organized. The activities carried out in the municipal advisory information centres included:

- Involvement of **34** municipalities in Kosovo, with **37** municipal advisors;
- Organization of **410** consultations through IAC advisors;
- The number of farmers participating in these consultations is **5074**;
- There were **64** advisory topics in total.

Table 153: Organization of training by sector

No.	Sector	%	No. of advices	No. of topics	No. of participants
1	Livestock and veterinary	30.49	125	17	1,450
2	Arboriculture and viticulture	13.66	56	10	737
3	Olericulture and plowing	16.34	67	10	795
4	Crop protection	10.24	42	8	449
5	Irrigation	2.44	10	2	122
6	Agroprocessing	6.10	25	5	283
7	Environmental Protection	4.39	18	3	192
8	Hazardous labour in agriculture for children under 18	1.46	6	1	65
9	Forestry	-	-	-	-
10	Beekeeping	10.98	45	5	798
11	Agroeconomy	3.90	16	3	183
	Total	**100**	**410**	**64**	**5,074**

Source: Department of Technical and Advisory Services

Table 154: Visit between farmers to exchange experiences

No.	Sector	Farmer / Business	Participant
1	Scientific	Institute for Research and Analysis (Instituti i hulumtimeve dhe analizave në Pejë) Date: 23.03.2018	25
2	Orchard	Agricultural complex AGMIA FROOTS, KODRA, and DHEMETRA in Gjilan Date: 30.03.2018	26
3	Livestock farming	Company "NATYRAL FARM" in Sallagrazhdë of Suharekë, Date: 04.04.2018	30
4	Livestock farming of buffalos	Company "RUKOLLI" in Drenas, Date: 25.04.2018	26
5	Fruit processing	Fruit juice company „BIOFRUTI" in Viti, Date: 10.05.2018	26
6	Processing of dairy products	Dairy "EUROLONA" in Miradi – Fushë Kosovë Date: 23.05.2018	28
7	Production of fruits in greenhouses	Greenhouses of "Vesel Rexhaj " in Korishë of Prizren Date: 13.06.2018	25
8	Cultivation of medicinal plants	Company „AGROPRODUKTI" in Istog Date: 27.06.2018	25
9	Cultivation and collection of mushrooms	Company „FUNGI SHPK" in Kamenica Date: 11.07.2018	25
10	Dairy	Company „MAGIC ICE" in Lipjan Date: 25.07.2018	31
11	Manufacturer and processor of raspberry	Company „AGROPRODUKTI" in Podujeva Date: 15.08.2018	25
12	Medicinal plant	Company „AGRO EKO" in Ferizaj Date: 29.08.2018	30
13	Manufacturer of wheat seed	Company „AGRO ELITA" in Klina Date: 19.09.2018	25
14	Rural tourism	Farmer „Xhemajl Bunjaku" in Novobërdë ETNO TURIZËM Date: 26.09.2018	27
15	Growth of broilers	Company „ANDI'' in Gjilan Date: 10.10.2018	25
16	Women's association	Women's association „HORTIKULTURA" in Viti Date: 02.11.2018	30
Total participation			**429**

Source: Department of Advisory and Technical Services

Publications:

Brochures for farmers were published in 10 subjects, for each subjects there were 3,000 copies that is 30 copies in total were distributed to all municipalities of Kosovo through the municipal information centres for agriculture and rural development.

Subject titles:

- Breeding of broilers for fattening - Broiler;
- Breeding of bovine for fattening;
- Oat production - Agro technical measures;
- Role and importance of production and usage of renewable energy;

- Production of alfalfa – Agro technical measures;
- Pastures, maintenance and importance of their use for livestock feeding;
- Role and importance of grain and with green quantity in nutritional rations in livestock;
- Role and importance of mineral matters in fattening calves and other animal and poultry categories;
- Role and importance of the use of by-products of oil crops in nutritional rations in livestock;
- Role and importance of vitamins in normal development and health of animals and poultry.

10 informative and awareness-raising messages on the farmer's work in agriculture and 10 video recordings of good agricultural practices have been prepared and broadcasted on local TVs.

Training of potential applicants in the program for grants

In the first (I) phase of the project, the following topics were arranged:

- Presentation of MAFRD's Rural Development Grant Programme;
- Farm investments to support profitable livestock farming;
- Farm investments to support fruit and vegetable production;
- Investments in agriculture and agro-processing as well as marketing;
- Agri-environmental measures including WB policies on environmental safeguards;
- Preparation of the complete application file;

A total of **506** participants attended the training (**113** females and **393** males).

In the second (II) phase of the project the following was arranged:

Providing Individual Advice - farmers' follow-up, providing application advice, completed until the deadline of the application.

176 participants received individual advice (**49** females and **127** males).

The project "Support farmers on land analysis, training, advice, and recommendations on land analysis results," funded by Kosovo budget

This project is funded by the budget of MAFRD, the implementation of which is performed by "ESG" company. During the reporting period, the implementation of the following activities provided for by the contract was accomplished:

- Sampling and analysis of soil samples - **380** samples were taken;
- Soil/earth sampling and analysis - **380** laboratory samples were analysed;

- Presentation of analysis: all results were presented and each farmer was provided the analysis document, where **1401** farmers participated in the presentation of the analysis;
- Preparation of promotional materials - brochures, the brochures for soil analysis was prepared, and **1500** copies were printed thereof.

Based on the results of the analysis, the doses of fertilizers for the planned crops was calculated for each farmer. The doses of fertilizers were calculated in both quantity and relevant formulation, while in order to explain/raise awareness on the role of soil analysis in the use of fertilizers, the dose of fertilizers with more appropriate formulation and the dose of fertilizers that farmers use based on current practices has been calculated as well (NPK 15:15:15).

Project "Providing trainings for farmers, capacity building for municipal advisor and opening of CICs in municipalities: Leposavic, Zubin Potok, North Mitrovica, and Zvecan," funded by the Kosovo budget

- Mobilization of municipal advisors and opening of CICs in **4** municipalities of the Republic of Kosovo;
- Organization of **149** expert consultations in different sectors;
- **1,802** farmers of all municipalities participated in these consultations;
- **8** visits were organized for farmers within the country where 100 farmers participated;
- **8** farmer brochures were published, with **1,500** copies thereof;
- **6** messages were delivered for farmers on local TVs;
- **5** video recordings of good agricultural practices have been prepared,
- Opening of Agricultural and Rural Development Advisory Centres in 4 municipalities of Kosovo: Leposaviq, Zubin Potok, North Mitrovica, and Zvecan;
- Engagement of an information technology expert for the DTAS website.

Project "Training to certify candidates for advisory services in agriculture and rural development and improve effectiveness of advisory Staff", funded by the World Bank

119 candidates, who met the criteria for certification according to the Administrative Instruction 07/2015 applied for certifications, and trainings were delivered in **5** modules for **10** days, in **5** groups. 110 candidates have undergone the test, while **109** candidates passed it; that is, **109** advisors for agriculture and rural development were certified in 2018.

Training on advisory services on advanced technologies in agriculture and rural development

The "Training Program for Advanced Technologies in Agriculture and Rural Development" (TAT) is organized for the advisory staff, municipal advisors and private advisory staff. A total of **73** participants were identified by MAFRD, confirmed by ARDP and divided into five groups by their region of origin: Group 1 in Prishtina consisting of 13 participants; Group 2 in Mitrovica consisting of 14 participants; Group 3 in Peja consisting of 7 participants; Group 4 in Prizren consisting of 14 participants; and Group 5 in Gjilan consisting of 25 participants.

TAT training consists of six (6) two-day modules:

Module 1 – Primary plant and livestock production;

Module 2 – Farm planning, management and analysis;

Module 3 – Post-harvest handling and agricultural marketing;

Module 4 - Agroprocessing and rural diversification;

Module 5 – Agricultural production, transport and agricultural trade;

Module 6 – Information and communication technology in agriculture.

Licensing of companies at providing advice on agriculture and rural development, whereby the following 8 companies were licensed:

1. "KDC"
2. "PMC" Shpk
3. "KMI" NSH
4. "Ekrem Straba B.I."
5. "Novus Consulting"
6. "KCG"
7. "Recura" ShA
8. "Agrovinifera"

DTAS is responsible for planning, coordinating, and supervision of advisory services at the local and national level.

6.6.2. Local Action Groups

Local Action Groups (LAGs) were established with EU funding, and are composed of 25 members, with a 50:50 participation of organizations or public and private persons. 30% of the council members must be women. In addition to LAGs, Kosovo Rural Development Network (KRDN) was also established that connects 30 LAGs, in order to contribute to the economic development of rural areas by providing support to local communities in implementing local development strategies. The network serves as a platform for discussing ideas, different proposals, providing technical assistance and sharing experiences between the LAGs. These two groups together with DRDP/MA, AAD, various NGOs and private experts have prepared the Measure 303 with its sub-measures 303.1 and 303.2. During 2018, various activities were carried out within the LAGs, as presented below. The budget allocated for the Measure 303 for 2018 is € 300,000.

Table 155: Funds planned for implementation of measures 303, 2018

Measure 303	Budget %	Budget in €
Activity (I) The acquisition of skills and promotion/animation of inhabitants of the LAGs territory" For municipalities with 10,000 - 50,000 inhabitants up to € 5,000 For municipalities with 50,000 – 90,000 inhabitants up to € 7,000 For municipalities with 90,000 - 150,000 inhabitants up to € 9,000 For Network for Rural Development € 7,000	30	89,000
Activity (II) " Implementation of local development strategies"		
Activity (IIa) " Functionalization of LAGs selected, by supporting their operating costs"	26	78,480
Activity (IIb) " Support for the implementation of selected LAG's LDS"	44	132,520
Total budget for LAG and KRDN	100	300,000

Source: Department of Technical and Advisory Services

MEASURE 303, THE LEADER consists of three main activities:

- Activity (I) " The acquisition of skills and promotion/animation of inhabitants of the LAGs territory for selected LAGs";
- Activity (II) "Drafting and implementing local development strategies LEADER approach - for selected LAGs";
- Activity (III) "Cooperation" which will be started at a later stage, after the LAGs are well-structured, their employees are trained and the inhabitants of their territories have demonstrated the capacity to earn from those activities.

Activity (I) Following the publication of the call for application for measure 303 "The acquisition of skills and promotion/animation of inhabitants of the LAGs territory" for this sub measure have applied 13 LAGs and KRDN, and for 2017 they have implemented projects foreseen with the prepared project proposals.

Within the framework of Measure 303, several activities have been conducted aimed at identifying the needs of the LAGs, defining the priorities, preparing projects that have mainly covered rural areas, and several projects of LAG members have been implemented within the framework of LAGs, where the network has held the responsibility of organizing information sessions, and in some cases the Network has also provided support in organizing joint fairs.

The network with its members has actively participated in the preparation of measures within the annual program, namely Measure 303, Local Action Groups - LEADER approach.

KRDN in cooperation with the Helvetas Swiss Intercoorporatin Organization with their “Skills for Rural Employment project (S4RE)”, aiming to promote mutual cooperation between the parties. Cooperation with Helvetas / S4RE, the project "Activating and Strengthening Local Action Groups in Municipalities: Kamenica, Shtërpca, Dragash, Novobërdë, Viti", within the project through meetings, trainings, information sessions, all containing different topics, there was an exchange of experiences and capacity building for LAGs staff and KRDNs. Through this project, the KRDN has benefited from the “Your Trainer” platform that has been offered to the Rural Development Network, Local Action Groups, Local Youth Action Councils and Business Associations. The platform is incorporated into the website of the Network and aims at easier access for more information about training providers.

The official website has been redesigned which is now operational and contains activities carried out by the Network and the LAGs.

KRD has also prepared the LAG's draft for four municiplities where APR operated, such as: municipality of Kamenica "LAG Lamenica", municipality of Dragash "LAG Bio Sharri" and municipality of Novobrdo "LAG Kalaja". The LDSs drafted were evaluated by a four-member committee established by the KRDN with three board representatives and one representative from the MAFRD,. The three LDSs were analyzed and all three strategies were found to meet the criteria set out in the terms of reference foreseen in the contract. In addition, beneficiaries of this cooperation are LAGs and LAG stakeholders.

KRDN has established mutual cooperation at LAGs with the Helvetas/APR organization, with particular emphasis on the agricultural sector, as follows:

- The LAG "Vitia" has supported 290 farmers from Vitia in the area of livestock, arboriculture and vegetables, and beekeeping, organizing of the annual fair within the framework of the beneficiary project of Measure 303 "Let us preserve our traditional values".
- LAG "Kalaja" in Novo Brdo municipality has distributed: 3 pumpkin cultivation equipment (10 farmers benefited), livestock working tools (12 farmers benefited) and Lacto freezer (benefited 17 farmers).

- LAG "Kamenica" in cooperation with "Ana Morava" Association, have conducted the following activities: support of ten (10) farmers with milking machines and distribution of 100 bee hives without bees for 20 farmers.

- Local Action Group "Gjeravica" has implemented projects such as "Eco Products Valorization in the Cross-Border Area" and "Establishment of a Local Mobile Market for Regional Producers”.
- Local Action Group "LAG Agrotourism" organized the fair "Promoting local products Peja 2017”.
- Local Action Group "LAG Natyra" held one-day camping in the village of Llanishtë, whereby various attractive activities were held.
- The LAG “Narcissus” has supported the traditional multi-year “Honey Days” fair”.

Activity (II) has been implemented, and now there are functional 12 LAGs operational offices which have been accredited, as well as KRDN, and office managers have been selected who have developed their activity on the basis of job descriptions.

6.6.3. Promotion, efficiency and structural development

The Advisory Service continues to give special importance to promotion through the website which is in place by the Department of Advisory and Technical Services, providing services, statistical data and advice from all areas. The website is continuously updated with new information.

6.6.4. Diversification of farms and business development

Rural areas are of great importance for the development of the country and represent a great potential for diversifying economic activities, creating jobs and creating additional income.

Measure 302 "Diversification of farms and business development" aims to create new jobs and maintain the existing ones. Supporting new economic activities should lead to poverty reduction in rural areas and improvement of living conditions.

With regard to measure 302, which contains 4 sub-measures or sectors, the value applied for a total of 342 applications for 2018 was €9,128,064, while the approved value was €1,095,499 including a total of 130 applications.

Table 156: Number of applications and value applied for Measure 302

Measure 302	No. of applications	Value applied in €
302.1 1 Sub measure - Production/processing and marketing of honey	192	3,641,944
302.2 Sub measure - Processing of agricultural products (cultivated)	42	1,200,113
302.3 Sub measure - Development and promotion of craftsmanship activities	46	1,188,046
302.4 Sub measure - Development and promotion of rural tourism	62	3,097,962
Total	**342**	**9,128,064**

Source: AAD (Agency for Agricultural Development)

6.6.5. Irrigation of agricultural lands

Almost every time during the summer season there is insufficient atmospheric precipitation, whereas in other seasons precipitation is abundant, thus there is a need for accumulation, collection and arrangement of water in order to use it during summer for plant crops irrigation needs. Without the rational use of water resources, and without the deployment, rehabilitation and expansion of irrigation infrastructure, sustainable agriculture cannot be achieved.

The measure for irrigation of agricultural land with a value applied for a total of 13 applications for 2018 was €2,416,389, while the approved value was €475,412, including a total of 3 applications.

Table 157: Irrigation of agricultural lands

Measure	No. of applications	Value applied in €
Irrigation of agricultural lands	13	2,416,389
Total	**13**	**2,416,389**

Source: AAD (Agency for Agricultural Development)

6.7. Policies on markets, trade and international policy development

Regarding the development of agricultural trade policies, following the entry into force and the beginning of the implementation of the SAA and CEFTA Chapters 1-24, as far as agricultural products are concerned, there is a slight increase in export of some agricultural products, but at the same time there is a slight increase in the import of agricultural products from EU countries since the implementation of the SAA.

Based on the data from Kosovo Customs, products that are exported in small quantities are: Potatoes, Peppers, Flour, Beer, Wine, Water, and in larger quantities are exported all kinds of aromatic medicinal plants and forest fruit.

During 2017, the Inter-Ministerial Evaluation Commission of Special Import Duties for the protection of flour producers, recommended to the Minister of MTI to take special measure to impose an additional tariff for flour imported from the Republic of Serbia in the Republic of Kosovo in the amount of 0.04 € / kg of imported flour.

In order to protect this sector and develop the flour industry, as well as increase the wheat production, on 19.10.2017, MTI issued a decision regarding the recommendation made by the Inter-Ministerial Evaluation Commission of Special Import Duties related to import of flour from the Republic of Serbia.

This policy instrument yielded results, since there is success achieved in protecting the wheat industry and wheat production in Kosovo.

But since the imposition of the 100% customs tariff on products imported from Serbia and the Republic of Bosnia and Herzegovina, the special flour tariff has now been replaced with the 100% tariff.

The Common Agricultural Policy Reforms over the last decade have spurred the country's agriculture and food industry to improving its orientation towards European markets and other countries outside the EU, thus making our agricultural products competitive with the regional countries and beyond.

As a result, the export value of agri-food products has doubled and Kosovo has gradually secured the position of a competitive supplier at several levels of the agricultural products value chain.

In order to develop agricultural trade policies and support small and medium-sized enterprises, MAFRD has established a working group for developing a draft strategy for "Advancing Agro-processing Enterprises". The working group has started working and is in the process of preparing of this draft. In support of this important sector by 2020, the implementation of the IPA Common Market Organization (CMO) project is expected to begin.

7. Annexes

7.1. List of laws and legal acts related to Agriculture, Forestry and Rural Development

7.1.1. National legislation in force

Law no.03/L-098 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo No.56/27 July 2009)

7.1.2. Administrative Instructions adopted by the Ministry of Agriculture, Forestry and Rural Development in 2018

1. Administrative Instruction (MAFRD) - No.01/2016 for Financial Compensation for Veterinary Services in the Field of dt. 12.02.2018.
2. Administrative Instruction (MAFRD) - No. 02/2018 on Identification and Registration of Pet Animals of dt.02.03.2018.
3. Administrative Instruction (MAFRD)-No. 03/2018 on Direct Payments in Agriculture for 2018 of dt. 13.02.2018
4. Administrative Instrusction (MAFRD) - No. 04/2018 on Tracebility Requirements for Food of Animal Origin of dt. 21.03.2018.
5. Administrative Instrusction (MAFRD) – Nr.05/2018 on Measures and Criteria of Support for Rural Developement 2018 of dt. 16.02.2018.
6. Administrative Instrusction (MAFRD) - Nr. 06/2018 of dt.05.04.2018 on Amendment and Supplement of the Administrative Instruction (MAFRD) No.06/2016 on Pharmacologicaly Active Substances And Their Clasification Regarding Maximum Residue Limits In Foodstuffs Of Animal Origin of dt. 03.08.2016.
7. Administrative Instruction (MAFRD) No.07/2018 on the Use, Authorization and Content of Plant Passport, dated. 06/22/2018.
8. Administrative Instruction (MAFRD) - No. 08/2018 on the way of Announcement and Publication of Data Regarding the Occurrence and Spreading of Harmful Organisms for Plants and Plant Products in Kosovo, of dt. 06/22/2018.
9. Administrative Instruciton (MAFRD) - Nr.09/2018 on Special Program "Less-developed Rural Areas" – Enhancing Competitive Skills in Agricultural Sector and Inclusion of Community in Rural Development in the North Mitrovica Region and Measure for Investment in Rural Infrastructure of dt. 24.05.2018.
10. Administrative Instruction (MAFRD) - No.10/2018 on the content and manner of keeping records of production, packaging, processing, import, export, warehousing, distribution of plants, plant products and other objects, of dt. 29/05/2018.

11. Administrative Instruction (MAFRD) – No. 11/2018 on Honey Quality, Standards and import Conditions, Royal Jelly and other Products of Apiculture of dt.14.08.2018.
12. Administrative Instruction (MAFRD) - No. 12/2018 Laying Down Animal and Public Health and Certification Conditions for the Import of Fishery Products, Live Bivalve Molluscs, Echinoderms, Tunicates asd Marine Gastropods intended for Human Consumtion of dt.14.08.2018.
13. Administrative Instruction (MAFRD) - No. 13/2018 fo dt. 23.07.2018 on Amendment and Supplement of the Administrative Instruction (MAFRD) – No. 03/2018 on Direct Payments in Agriculture for 2018.
14. Administrative Instruction (MAFRD) - No. 14/2018 on Amending and Supplementing of the Administrative Instruction (MAFRD) - No. 06/2017 on the Special Conditions for Evidencing, Control and Marking of Flour which is Placed in Free Circulation in the Market of the Republic of Kosovo, dt.14.08.2018.
15. Administrative Instruction (MAFRD) - No. 15/2018 of dt. 16.08.2018 on Amending and Supplementing of the Administrative Instruction (mafrd) - No. 09/2018 of Special Program "Less-Developed Rural Areas"- Enhancing Competitive Skills in Agricultural Sector and Inclusion of Community in Rural Development in the North Mitrovica Region and Measure for Investment in Rural Infrastructure, dated 24.05.2018.
16. Administrative Instruction (mafrd) - No.16/2018, dated 19.10.2018 on Amending and Supplementing of the Administrative Instruction (MAFRD) - No.09/2018 of Special Program "Less-Developed Rural Areas"- Enhancing Competitive Skills in Agricultural Sector and Inclusion of Community in Rural Development in the North Mitrovica Region and Measure for Investment in Rural Infrastructure, amended and Supplemented by the Administrative Instruction (MAFRD) - No. 15/2018.
17. Administrative Instruction (MAFRD) No.17/2018 , dated 19.10.2018 on Amending and Supplementing of the Administrative Instruction (MAFRD) - No.05/2018 on the Measures and Criteria of Support in Agriculture and Rural Development for 2018.
18. Administrative Instruction (MAFRD) - No.181/201, dated 16.08.2018 on Amendment and Supplement of the Administrative Instruction (MAFRD) - No.05/2018 on Measures and Criteria of Support for Rural Development for 2018 Amended and Supplemented by the Administrative Instruction (MAFRD) No.17/2018.
19. Administrative Instruction (MAFRD) - No.19/2018 of dt. 10.12.2018 on Amendment and Supplement of the Administrative Instruction (MAFRD) - No.09/2018 on Implementation of a Special Program "Less Developed Rural Areas" - Increase of Competiveness in Agriculture Sector and Involvement of Community in Rural Development in North Mitrovica Region, and the Measure for the Investments in Rural Infrastructure Amended and Supplemented by the Administrative Instruction (MAFRD) - no. 15/2018.
20. Concept Paper on changing fiscal and agricultural policies for tobacco and cigarette production in Kosovo (Decision OPM Nr. 20/64 of dt. 11.09.2018).

7.2. Comparative statistics

Table 158: Real Annual GDP Growth (%)

Countries	2015	2016	2017	2018
Eurozone	2.1	2	2.4	1.8
Germany	1.5	2.2	2.5	1.5
France	1.1	1.2	2.2	1.5
Italy	0.9	1.1	1.6	0.9
Austria	1.1	2	2.6	2.7
Spain	3.7	3.2	3	2.5
Greece	-0.4	-0.2	1.5	2.1

Source: FMN, WEO

Table 159: Real GDP Growth

Countries	2016	2017	2018
Albania	3.4	3.8	4
B. Herzegovina	3.1	3	3.2
Kosova	4.1	3.7	4
Macedonia	2.9	0	2.5
Montenegro	2.9	4.3	3.8
Serbia	2.8	1.9	3.5

Source: World Bank in Kosovo

Table 160: Net Average Wage by Economic Activities, 2018

Activities	Net Wage
A Agriculture, forestry and fisheries	237
B Mining and quarrying	569
C Output	300
D Supply of electricity, gas, steam and air conditioning	743
E Water supply, sanitation, waste management and land revitalization activities	443
F Construction	421
G Wholesale and retail; repair of vehicles and motorcycles	315
H Transport and storage	404
I Accommodation and food service activities	225
J Information and communication	635
K Financial and insurance activities	508
L Real estate activities	336
M Professional, scientific and technical activities	458
N Administrative and support activities	350
O Public administration and protection; mandatory social insurance	555
P Education	439
Q Human health and social welfare activities	523
R Art, entertainment and leisure	314
S Other service activities	236
U Activities of extraterritorial organizations and bodies	330

Source: Kosovo Agency of Statistics

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