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Fresh Deciduous Fruit
 General Summary

For reporting purposes, Yugoslavia includes the Republics of Serbia and Montenegro. As of November 22 1995, economic sanctions against Yugoslavia were suspended by the UN (United Nations). As of December 27 1995, the U.S.

has had an executive presidential order to the same effect.

The official estimate for 1995 production of Yugoslavia's fresh apricots is 12,000 MT, down 48 percent from a year earlier. In 1995, unseasonable cool weather and excessive precipitation prevailed during spring 1995, adversely affecting pollination of apricots. The excessive moisture also caused various quality problems. Sharply reduced input application was another factor behind the production decline.

Yugoslavia's 1996 apricot output is projected to increase to 17,000 MT, up 30 percent from a year earlier. The increase will be attributed to higher yields stimulated by improved weather conditions and increased use of agricultural inputs (mainly pesticides and fertilizers).

Until November 1995, the Yugoslav foreign trade sector was restricted by the UN sanctions, introduced in June 1992, which prohibited the export of all Yugoslav commodities including fruit. As a result, there were no exports of fresh apricots during 1994 and 1995. Due to limited domestic production, fresh apricots exports are not forecast for 1996. According to trade sources, in 1995, Yugoslavia imported about 1,000 MT of fresh apricots in order to compensate for the domestic production shortfall. The imports came mainly from Hungary. We currently project 1996 fresh apricot imports at 1,500 MT. However, the level of imports will mainly depend on Yugoslav exporters' ability to quickly market high-value apricot products (such as apricot brandy and juices) into the EU market.

The outlook for Yugoslavia's fresh apricot production has brightened along with the suspension of the UN sanctions against Yugoslavia. Improved export prospects should boost producer's returns which have been declining consistently in the past three years. This, in turn, should stop and eventually reverse a negative trend in the number of apricot trees and positively influence total apricot production. However, in the near term, Yugoslavia will likely continue to be a net importer of fresh apricots especially if foreign demand for the Yugoslav value-added apricot products picks up as is predicted by most of Yugoslavia's processors/exporters.

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 Fresh Apricots

Global Economic Data Exchange System						
Commodity: Fresh Apricots (0579301) (HA) (K TREES) (MT)						
Beg. Month/Year of Marketing Year:	01 / 94		01 / 95		01 / 96	
YUGOSLAVIA > 0	Revised 1994		Prelim 1995		Forecast 1996	
	Old	New	Old	New	Old	New
Area Planted	0	3396	0	3360	0	3360
Area Harvested	0	2837	0	2800	0	2800
Bearing Trees	0	1575	0	1561	0	1560
Non-Bearing Trees	0	310	0	300	0	300
Total Trees	0	1885	0	1861	0	1860
Commercial Production	0	19000	0	10500	0	14000
Non-Comm. Production	0	4084	0	1500	0	3000
TOTAL Production	0	23084	0	12000	0	17000
TOTAL Imports	0	0	0	1000	0	1500
TOTAL SUPPLY	0	23084	0	13000	0	18500
Domestic Fresh Consump	0	6000	0	1500	0	2000
Exports, Fresh Only	0	0	0	0	0	0
For Processing	0	16500	0	11000	0	16100
Withdrawal From Market	0	584	0	500	0	400
TOTAL UTILIZATION	0	23084	0	13000	0	18500

PRODUCTION

General

The official estimates of the 1995 apricot crop indicate a 48 percent decline in the 1995 production of fresh apricots. The decline is primarily due to poor pollination of this year's apricot crop, mainly as a result of unseasonable cool and rainy weather which prevailed during April. In addition, the 1995 fruit set was hurt by sharply reduced input application.

Yugoslavia's 1996 apricot output is projected to increase to 17,000 MT, up 30 percent from a year earlier. The increase will be attributed to higher yields stimulated by improved weather conditions and increased use of agricultural inputs (mainly pesticides and fertilizers).

The main Yugoslav apricot growing regions are located near the large rivers - Danube, Sava, and Morava. However, more than 96 percent of the orchards rely on precipitation. Irrigation is not normally used because historically, its costs have exceeded its potential benefits.

The main apricot varieties grown in Yugoslavia are: Hungarian Best, Kechkmet Rose and Cacansko Zlato, an apricot variety created in the Institute for Fruit Growing in Cacak.

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 PRODUCTION

Inputs

As a result of the UN trade embargo (introduced in June 1992-suspended in November 1995), major inputs such as fuel, fertilizers and pesticides continued to be extremely scarce and expensive during 1995. These shortages, coupled with a general lack of financing and high interest rates, forced producers to again reduce their usage of inputs to a minimum.

As a result of the suspension of the UN sanctions against Yugoslavia, the input sector is expected to show some improvement in 1996. Prices of major inputs (fuel, fertilizers and pesticides) are expected to decline due to reduced transportation costs. This, in turn, should stimulate a larger use of inputs in 1996.

Crop Area

Yugoslav official statistics give the total number of fruit trees and trees of bearing age, but do not contain information on the production area, planted or harvested. The estimate of 3,360 HA planted of apricots in 1995 are AgOffice estimates, based on an average number of trees per hectare and on recommended planting distance.

Culling of low producing areas continued during 1994 and 1995, while, at the same time, planting of new orchards remained sluggish due to reduced profitability in the fruit sector. This trend is forecast to discontinue in 1996.

Yields

In general, weather conditions are the most important variable in determining yields of the Yugoslav fruits. Assuming a return of normal weather conditions in 1996 and somewhat higher use of agricultural inputs, apricot yields are expected to increase in 1996 to 6 MT/HA, compared to the 1995 average yield of 4.30 MT/HA.

Crop Quality

As a result of wet weather conditions, the quality of the 1995 apricot crop was reportedly significantly lower than a year earlier. The weather conditions badly affected major quality components such as sugar content and acidity/aromatic substances levels making a significant fraction of last year's crop suitable only for processing. Although, the weather conditions in

1995 had been generally conducive to the development of various pests and diseases there were no reports of any serious disease outbreaks. However, in non-commercial orchards where plant protection is carried out less intensively, some disease-related quality losses likely occurred.

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 CONSUMPTION

General

Official data on fresh apricot consumption, are not available. All estimates used in this report are unofficial, based on press reports and our contacts with traders and processors.

Utilization Pattern

Due to reduced supply, total consumption of fresh apricots declined 45 percent in 1995. The largest decline was registered in the "fresh segment" due to weather-related quality problems, increased competition from imported tropical fruits and relatively strong demand for processed apricot products; mainly apricot brandy.

For 1996, an increase in total apricot consumption is projected resulting from the expected production recovery. Again, most of the consumption increase will be confined to the "for processing" consumption segment because of improved export prospects. Yugoslavia's processors and exporters are having high hopes for exporting the Yugoslav apricot brandy playing up on the naturalness of the brandy since it contains no artificial additives and comes from pesticide free apricots.

Prices

On average, consumers paid about 1.5 USD/kg for apricots during 1995. Although 1996 apricot output is estimated to increase, the prices of apricots are forecast to remain strong during 1996 due to improved demand from the processing sector.

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 TRADE

General

Yugoslav foreign trade statistics, such as import/export data, stopped being published in 1991. It should be noted that all trade-related estimates presented in this report are unofficial and based on agriculture office contacts with industry officials and may be subject to revision when official information finally becomes available.

Until November 1995, the Yugoslav foreign trade sector was restricted by the UN sanctions, introduced in June 1992, which prohibited the export of all Yugoslav commodities including fruit. As a result, there were no exports of fresh apricots during 1994 and 1995. Due to limited domestic production, fresh apricots exports are not forecast for 1996.

According to trade sources, in 1995, Yugoslavia imported about 1,000 MT of fresh apricots in order to compensate for the domestic production shortfall. The imports came mainly from Hungary. We currently project 1996 fresh apricot imports at 1,500 MT but the volume of the imports will mainly depend on the Yugoslav exporters ability to quickly market high-value apricot

products (brandy and juices) into the EU market.

POLICY

Production Policy

There are no direct producer subsidies or support prices for fruit production, including cherries. Prior to 1994, large producers (socially-owned orchards) and fruit processors were receiving subsidized loans from the National Bank for the establishment of new orchards and the purchasing of crops. However, since 1994 these credits were eliminated in line with the Government policy of strict financial discipline and fiscal austerity. The only provision given to fruit producers is contained in the GOY's tax policy. Producers who decide to establish a new orchard do not have to pay income tax on its profits for five years.

Tariff Changes

The current level of apricot (fresh and processed) import tariffs totals 21 percent and consist of a 12 percent normal customs tariff, a four percent equalization tax, a four percent additional import tax and a one percent customs evidence tax. The level of the equalization and additional import tax was reduced from nine to four percent in November 1995 (Official Gazette of FR Yugoslavia No. 54, 1995).

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 POLICY

In addition, imports of fresh apricots during July 1-August 31 are subject to a 20 percent seasonal import duty.

Non-Tariff Barriers

Imports of apricots, both fresh and processed, are under an import quota regime which is aimed at protecting domestic producers. Information on 1996 import quota is not available. However, we believe that the Government will positively respond to any requests submitted by the Yugoslav processors due to insufficient domestic production.

Export Subsidies

Fruit exporters are eligible to receive an export subsidy paid through the Yugoslav Association of Fruit Producers and Processors. The level of the 1995 and 1996 subsidy has not been changed from the 1994 level and is currently set at only 1 percent of export price.

Import Regulations

Fresh fruits including fresh apricots are subject to the "Regulation of Health Control of Plants that are crossing the National Border" (Official Gazette of Yugoslavia No. 59, 1991) which states that imports from third countries must be accompanied by a phytosanitary certificate. This certificate declares that the consignment has been inspected according to appropriate procedures, that it is considered to be free from any quarantine diseases and practically free from other injurious diseases, and that is considered to conform with the current phytosanitary regulations of the importing country.

MARKETING

General

In general, only a few value-added products derived from apricots are known to Yugoslavia's consumers. These are juices, jams and jellies and apricot brandy. Canned apricot sauce and slices, dried apricots, fruit yogurt and

frozen apricot slices are not produced due to consumers' general lack of awareness of such products.
END OF REPORT

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