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CURRENT STATE AND PERSPECTIVE FOR DEVELOPMENT OF MONTENEGRIN AGRICULTURE

BASIC PRECONDITIONS FOR DEVELOPMENT OF AGRICULTURE

There is a good reason for Montenegro to be named as a ornament of the Balkan peninsula, having in mind that on the area of 13812 km² has four national parks, 293 km of coast, 5 canyons of the world beauty and value, 40 lakes (within that 28 mountain lakes and Skadar lake, biggest lake on Balkan) and many truly beautiful mountains. In Montenegro exists 2833 vegetable species from which 212 is Balkan endemic. Animal world in Montenegro is very rich and versatile.

From the whole territory of Montenegro, the forests cover around 40% or 543000 ha, which puts Montenegro in the richest countries in terms of forests in the Balkan and even Europe. For example, Serbia has 25% territory covered by forests, Slovenia 46%, Bosnia and Herzegovina 41%, Austria 30%. These data are more favorable if we compare that with number of citizens. In that case Montenegro has 0,9 ha per capita, Serbia 0.3 ha, Croatia 0,49, Slovenia 0,6.

Montenegro, although has a relatively small area, has natural conditions for versatile production in agriculture, from Mediterranean culture in costal area, to live stock rising on extensive way in area of mountain pastures of Durmitor, Sinjajevina, Bjelasica, etc.

Only on first sight, Montenegro has a poor agricultural land. When we relate whole area of agricultural land and population, we can see that in Montenegro we have 0.80 ha of agricultural land per capita. Workable areas are about 0,29 ha per capita, which is significantly higher then in other countries. Netherlands, which has only 0,06 ha per capita, today is the biggest net exporter of food and yearly on that way receives over 15 billions US \$ of exports.

Montenegro has significant resources when comes to cattle. According to livestock per capita of 0,2, we are in better position than many countries in the Europe. Slovenia, for example, as a country with higher level of economic development has roughly 200.000 cows, and three times bigger population (0,1 cow per capita), and in the same time exports milk and meet. The same country has less number of sheep's and goats then Montenegro. If we have in mind that Montenegro before Second world war had over 900.000 sheep's and goats, or over three times more then today, than it is clear that available resources enable increase in the existing number of sheep's and goats, and by that not to overuse natural resources.

Besides the previous mentioned ones, recources in sea fiscing and fresh water fishing were not enough utilized as in part of intesiv nurture of vegetables in sealed space, nurture of profitable sorts of fruits and vine, forestry's and medicinal herbs, beekeeping and etc

There are many reasons why disposable agricultural resources were not utilized as good as they could. One of the most important reasons, which exist long period of time, is levied sence

of inferiority, i.e. conviction than Montenegro and its inhabitants should be maintained by someone else. Industrialisation and socialist wise og production organization had also negative effects on agriculture. It was provided, for our condition, cumbersome sector of society at the one side, and the most efficient part of labor force migrated from the countryside to the city on the other side. That caused negative circumstances for development of agriculture in private sector.

Despite these mentioned inconveniences, Ministry undertook in last few years and undertake at present lots of activities in order to provide faster development and structural adaptation of our agriculture toward modern trends, first toward European Union requirement.

RESULTS IN AGRICULTURE PRODUCTION

Production in majority of agriculture branches has been increasing during the last several years, which is presented in the following table. According to some analyses, agriculture production increased 5% during the year 2001.

Tab. 1. Livestock and agriculture production from 1999 to 2001

	1999	2000	2001
Livestock			
-Cattle -total	177693	178904	178223
-Cows and heifers	(123473)	(124373)	(127567)
-Sheep	332795	302772	290347
-Goat	N/a	57800	58100
Apiarist			
-Number of beehives	32000	38000	45000
-Honey production	410	608	630
Processed milk, tons	22236	23600	16952 (First 6 months)
Vineyards			
- Area, ha	3896	3888	3980
- Wine production	69912	70363	
Fruit growing			
- Area, ha	11376	11499	11594
Vegetable growing			
-Area, ha,	174244	18347	18524
-Potatoes	10008	10557	10626
-Tomatoes	961	989	1038
-Papers	796	827	817
Trout production \	260	260	300

Montenegro has deficit in majority of food products, but it has significant surplus in the primary production, table 2

Tab. 2. Surplus of the primary production products

Products	Quantity	Value, EURO
Potatoes (especially early)	35000 t	10,500,000
Tomatoes	15300 t	9,200,000
Paprika	8398 t	8,398,000
Other vegetables (cabbage and similar vegetables)	14200 t	2,140,000
Grapes *	8700t	8,700,000
Mutton and lamb meat, t	600 t	2.700.000

*Real surplus is much higher, over 30000 t, but it is realized through wine and brandy

Significant surplus is realized in the production of wine and brandy, table salt, medicinal herbs, and wild fruits. During the year 2001, 1350.000 bottles of wine and 120.000 bottles of brandy has been exported in total value of 4,5 million DEM. Surplus of table salt is 20000 t or 6,3 mil. EURO. Total value of export of other medicinal herbs and wild fruits in 2001 was 1,5% DEM, although the possibilities are much higher.

Honey production significantly increased in last few years. According to Apiarist Association of Montenegro results honey production in 2001 exceeded consumption, thus there is a honey production surplus in Montenegro.

The fact that all surplus products in Montenegro have significant demand is very important, no meter if they are deficit product on European market (early vegetable and fruit), or exclusive high quality products with recognized geographic origin (lamb meat, wine, brandy). These products can be launched, without difficulties and by very cheap prices, through tourist consumption and export.

FURTHER DEVELOPMENT DIRECTIONS

Priorities:

- Efficient private sector - specialized good producers
- Sustainable rural development with environmental protection
- Efficient process capacities development as prior production generator
- High-value and exclusive products and their launching through tourism

Investments and financial support sources:

- a. Entrepreneurial initiative,
- b. Investing from budget through incentive measurements
- c. Credits from donor goods magnetization
- d. International project implementation,
- e. NGO help, etc.

The main priorities of agro-budget:

- ✓ Better conditions creating for agriculture through rural infrastructure investments,
- ✓ Professional other services,
- ✓ Direct incentives to specific branches - development premiums,
- ✓ Agriculture producers social protection,
- ✓ Institutions building and improving - supervising,
- ✓ Product quality control, including product standardization,
- ✓ Agriculture development with environmental protection,
- ✓ Producers education and their association incentives,
- ✓ Staff investments,
- ✓ Information system building in agriculture

Reforms in agriculture:

- Veterinary service,
- Cooperative society,
- Technical advisory service,
- Adjustment of the legislation with the EU regulations.