

TOWARDS THE UNITED NATIONS FOOD SYSTEMS SUMMIT

SERBIA

**NATIONAL PATHWAYS FOR FOOD SYSTEMS
TRANSFORMATION**

Outcomes of the National Dialogue in Serbia

INTRODUCTION

The system that supports the production, consumption and trade of food in Serbia is a vibrant sector that contributes to the food security, employment, economy, development of rural regions and exports. Its potential to contribute to a development that is inclusive and people-centered can be leveraged further, based on a better understanding of local and global market dynamics, technological improvements and strengthened capacities to adopt and implement policies and legal frameworks.

The two national and two local dialogues and the extensive preparatory consultations brought together farmers, development partners, civil society organizations, non-governmental organizations, private sector representatives, UN agencies as well as several Ministries of the Government of Serbia and local authorities. We agreed that urgent actions are required to build resilient and sustainable food systems that are customized to local realities, including their specific geographic conditions, current agricultural production patterns, as well as the local producers' and local people's expressed needs and priorities, while at the same time protecting the environment.

We believe that transforming the Serbian food system will be decisive for achieving the overarching objectives of the Government of Serbia and move toward a more inclusive, sustainable, and equitable growth model, that ensures no one is left behind and accelerating progress towards the SDGs.

CURRENT FOOD SYSTEMS IN SERBIA

The Republic of Serbia is committed to the 2030 Agenda for Sustainable Development. We see the upcoming United Nations Food Systems Summit as an opportunity to address challenges related to food and nutrition and leverage the power of food systems transformation to drive our recovery from the COVID-19 pandemic and add momentum to the achievement of all 17 Sustainable Development Goals (SDGs) by 2030, in Serbia and at the global level.

In recent years, Republic of Serbia has made progress towards sustainable development including through the implementation of the National Sustainable Development Strategy¹ where of particular relevance for the purposes of the Food Systems Summit are: SDG 2 – Zero hunger and SDG 3 - Ensure healthy lives and promote well-being for all at all ages. At the same time, a whole range of challenges remain to be met with joint efforts of the State, the business sector, and the society. Against this background, the Ministry of Agriculture, with support from the UN Serbia Country Team and in collaboration with other Ministries and authorities, including local authorities, organized two local and two national dialogues with the participation of a large range of stakeholders.

The dialogues examined the current dynamics and challenges of the national food sector, discussed the opportunities for the transformation, and the goals and targets for the future development of the Serbian food systems into more sustainable form. The importance of vertical and horizontal cooperation among all food system stakeholders for the achievement of national priorities stood out as one of the key findings from the dialogue.

Agriculture is one of the most important sectors in Serbia, where the potential for the development is not completely utilized. By comparing the indicators of productivity and profitability, the size of farms, the use of modern technology, the intensity of production, the level of the processing of export products as well as other parameters, that Serbia is lagging behind in agricultural development in relation to the achieved level of development in the European Union. Results of the national food sector are improving each year, but there's still a room for improvement, especially when it comes to mobilization of small scale producers, rural and marginalized population, whose integration into food system value chain can contribute greatly toward achieving of SDGs.

Even in emergencies, Serbia keeps working to ensure food security. For example, during the coronavirus pandemic, Serbia has continued to actively provide food assistance to those in need, as well as help in the creation of sustainable food systems and the strengthening of agricultural capacities. We are implementing a set of national measures to minimize negative effects of the coronavirus might have on the population and the business sector and agricultural sector showed particular resilience to this crisis.

Future activities should contribute to a better use of resources in agriculture simultaneously achieving a higher level of the competitiveness of the sector and a fairer distribution of added value.

¹ <http://www.gs.gov.rs/english/strategije-vs.html>

MAIN FINDINGS OF THE MEMBER STATE DIALOGUE IN SERBIA

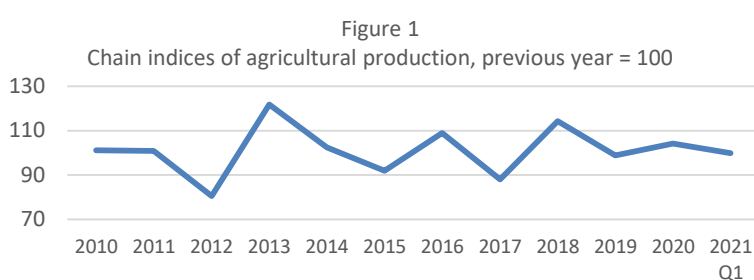
The dialogs helped to map the profound interconnections between food production, markets, nutrition, healthy lifestyle, economic gains, land and water management, the divide between the very small producers and the large, export-oriented businesses. It is clear that there is a need for an engagement to reduce environmental impact, pollution and enhance the safety and nutritious value of food, through wider sectorial integration and cooperation and cross fertilization, between agriculture, health, environmental policies, science and technology and education.

Food systems play an important role in the economy of Serbia. Agriculture is the fourth largest sector, accounting for 17.4 percent of employment and 5.4 percent of total exports. The growth of exports of both primary and processed food products provides evidence of the competitiveness of Serbian production in international markets and of significant potential to further leverage the sector's growth to create jobs and income. Serbia's agricultural sector growth, however, is still coexisting with regional disparities in sector performance and composition of crops, but also with persistent inequalities between urban and rural areas leading to a high degree of variability of living standards within the country. The autonomous province of Vojvodina is the key driver of Serbia's agricultural while municipalities in the southern and eastern parts of Serbia have a higher poverty incidence compared to the rest of the country. Participants agreed that **geographic disparities need to be at the center of policies and programs design to effectively support growth, jobs, poverty reduction, and social inclusion and leave no-one behind. Targeted effort to bring marginalized groups into the agricultural sector has a potential to be used further to foster integration and strengthen the social fabric.** ²

The increasing number of extreme climatic events and the limited use of risk management instruments exacerbate agricultural income volatility. Over the past two decades, droughts, floods, harsh winters and other weather-related extreme events (e.g., hail) have caused physical damage, financial losses and even loss of human lives, with significant impacts on the economy, especially in the agricultural sector.

Figure 1 shows how strongly recent disaster events have impacted Serbian agricultural production, reducing average crop yield by as much as 40% year on year. National climate projections indicate that Serbia will face a high probability of continuing

temperature increases, along with more frequent and prolonged droughts and wildfires. Projected increases in temperatures and declines in precipitation will affect rain-fed crops that dominate Serbian agriculture. Rain-fed corn production, for example, may decline by as much as 58 percent due to reduced rainfall and higher temperatures in summer. Increases in temperature have already brought about increases in fungal diseases and pests that reduce crop production. Cereals



² The example of prison inmates that were involved in agricultural production showcased at one of the events was regarded as successful, especially for the opportunity it offered participants to learn skills that could be of use at the end of their terms.

and fruits are the most important agricultural products in terms of production area and economic output; fruit production is particularly vulnerable to spring frost, hail, extremely low winter temperatures, low precipitation and/or heavy rainfall events. **Therefore, further climate adaptation actions require urgent funding.**

In terms of technical efficiency small scale producers are the most flexible, followed by large producers, that can take advantage of economies of scale and established procedures. However, middle size farms and companies are found to be the worst performers in this domain and market positioning posing a question on the adequacy of the enabling environment for their development and consolidation of production, in general. These producer segments specialize in agricultural products that are not scale intensive yet can hold important value proposition and can drive the generation of jobs and growth in rural areas, thus it is needed to bring the technically efficient and commercially viable small producers to scale and strengthen the performance of middle-size producers, especially in the sector of “fine food” and value added, labor intensive, products, without compromising quality.

Current sector policy has to be transformed to provide an enabling environment for small and medium-size farms to increase their size; invest, modernize or change their production systems to benefit from expanding markets; or develop a competitive agri-food sector and vibrant rural economy. This should also mean better connection within different value chain segments to boost the efficiency and effectiveness of whole Food System sector in Serbia.

Different support mechanisms and financial instruments may be required to enable small and medium scale producers to build resilience, access resources and strengthen their links to markets. A policy mix that focuses on the improvement of competitiveness and building capacity to respond to new market opportunities can also have important sectorial and economy-wide growth effects, including increased employment, poverty reduction and economic prosperity of rural areas. Financial instruments, such as matching grants and public guarantee funds, can stimulate financial inclusion of small and medium-size producers, reduce financial risk, and improve access to private investment funds and IPARD support to integrate value chains.

Improved sectorial policies can also support the implementation of agri-environmental and climate smart practices for small and medium-size producers. This would not only have important implications for better climate adaptation (improving resilience), but it would also help to increase agriculture’s climate mitigation potential and reduce individual producers’ exposure to climate risk and improve their real and perceived financial risk profile with financial institutions.

Alongside financial resources, technical assistance is needed in a number of areas, both at farm and processing. Areas of particular need for capacity building include adapting to recent consumer trends, branding, labelling, marketing, price negotiations, adaptation climate change adaptation and the use of new technologies.

As regards consumers, **permanent consumer targeted campaigns** are needed to promote healthy and nutritive diets. The introduction of healthier food habits through the school and kindergarten menus was also recognized as an important tool, especially in consideration of recent trends. In

particular, the WHO Childhood Obesity Surveillance Initiative reveals that the prevalence of overweight Serbian children aged 7–9 years increased from 18.8 in 2015 to 20.6 in 2019, with highest rates among children from marginalized communities.

The role women play in food systems was discussed during the dialogues, with a focus on specific challenges, including their lack of involvement in decision-making and access to finance. Because women are often the main custodians of knowledge on crop varieties and good management practices, empowering women farmers can not only increase their income, but also develop a stable rural livelihood and contribute towards adoption of new practices for improving productivity. Therefore it is suggested to pay more attention to their education and trainings and that it should be very useful to develop customized grant scheme for women agribusiness entrepreneurs.

Dialogue process in Serbia identified following goals for the next decade:

- growth of production and income stability;
- growth of competitiveness with adjustments to domestic and foreign markets requirements and technical-technological promotion;
- sustainable management of resources and environment protection;
- build resilience to climate change;
- implement nature-positive production methods that help mitigate climate change and reduce the impact of agriculture on natural ecosystems;
- improvement of quality of life in rural areas and poverty reduction;
- efficient management of public policies and promotion of institutional framework for development of food systems;
- strengthen regulatory enforcement;
- educate consumers on healthy eating habits as well as on food loss and food waste.

To achieve these goals it is necessary that proper monitoring response system both for external and internal challenges is developed, simultaneously defining the means and the comprehensive measures to overcome them, taking into account Serbia's obligations in the process of its integration into the EU. Also, increase in the budgetary support for agriculture and rural development, especially to further introduction of new technologies, knowledge transfer and environmental protection for all food system stakeholders would be of essential importance to support the successful transformation of food systems.

NATIONAL PATHWAYS AND STAKEHOLDER COMMITMENTS

1. **Promote nature-positive production methods and regenerative agriculture** based on environmentally sound technologies starting incrementally with trainings on the responsible use of pesticides and production methods and continue to promote organic and closed loop production.
2. **Promote and further develop “protected geographical origin”, “fine food” and “organic” products** from Serbia including both agricultural products from specific regions and traditional products on both the domestic and the export markets with an emphasis on products that satisfy high environmental and quality requirements, and highlighting the specificity of those produced by small scale farmer. Serbia has high quality agricultural products. What is even more important, Serbia also has space to majorly increase the production of superior quality goods. Organic production can also become one of Serbian trademarks.
3. **Development of short food supply chains and local food markets**, where local farmers and food producers sell their produce directly to consumers or through a very limited number of intermediaries as an alternative to conventional longer food chains where small farmers or cooperatives often have little bargaining power and the people cannot trace the food to a known producer or local area. The federation of small farmers into “zadrugas” could be explored.
4. **Regional specialization.** Professionalization of farmers results in their increased concern for the efficiency of their production, i.e. profit – which leads towards specialization in cultivating the crops for the production of which the conditions are the most favorable. This leads to specialization of regions, where different areas become recognized for their production of certain goods: sour cherry from Oblačina, paprika from Leskovac, raspberry from Arilje, grapes from Topola, peach from Grocka, sunflower from Banat, cabbage from Futog, to name just some of the products and their corresponding regions
5. **Development of value added products.** Much of Serbia’s agricultural exports are primary and unprocessed products, while basic transformed foodstuff is imported. In order to boost revenues and the retention of value by small-holders, the development, capacity building, innovation/infrastructure and partnership building of agribusiness and micro and small enterprises should be strengthened.
6. **Expansion of public-private partnership.** We recognize the considerable potential in the active involvement of business in the international food safety agenda, as well as in ensuring sustainable food system.
7. **Healthy diet and principles.** Serbia still needs to reduce the caloric intake of the population and increase the nutrient density of diets including by introducing more plant-based

proteins such as pulses as well as an adequate dietary intake of vitamins, minerals, and nutrients and discouraging consumption of highly processed foods which is well known to prevent diseases, increase life expectancy, and improve the quality of life of the population. Enabling access to quality, safe, and healthy food for children, older persons, patients in health-care settings, etc is particularly important.

8. **Food loss and waste.** In order to reduce food loss and waste, as well as the environmental impact of agriculture, a number of actions are needed. The first is an adequate understanding of the issue in the local context, so as to tailor needed response. Policy framework will have to be strengthened, as well as knowledge and awareness of the issue among all stakeholders has to be improved. Adequate capacities are critically needed to separate, collect and valorize organic waste of both farms and families. On the consumption side: public educational programs on conscious household food consumption, storage and use are also needed, alongside the development of targeted interventions such as community fridges, food banks and cooperation with supermarkets and restaurants with civil society organizations. Restaurants, supermarkets and food stores should be trained to analyze and optimize the requirements to the procedure of assigning the shelf life to food products in order to exclude the possibility to consider the good quality food products as waste.
9. **Digitalization.** Development of international cooperation on digitalization of agriculture and innovations. We focus on deepening the exchange of experience in the use of innovative and digital technologies in agriculture in order to ensure a technological breakthrough and accelerate economic growth in agriculture. Without digitalization, FSS will confront serious issues at production, processing and market level.
10. **Veterinary and phyto-sanitary cooperation.** Further development of international cooperation in the field of veterinary and phyto-sanitary by promoting effective balanced operational response to trans-border epizootics and plant diseases.
11. **Creation of a multi-sectorial mechanism.** Establishment of continuous form of local dialogues to plan and coordinate actions in developing balanced and inclusive food systems in Serbia. This working group should at a minimum involve key stakeholders and Ministries concerned with advancing food and nutrition security.
12. **Climate change mitigation and adaptation.** Further climate adaptation actions funding.

Republic of Serbia is well positioned to achieve this vision for food systems transformation by 2030. In order to do so, we must work in an inclusive and participatory manner, across stakeholders, sectors, and at national and sub-national level. To succeed, we must work together to create multiplier effects for poverty reduction, ending malnutrition and hunger, protecting our environment, increasing competitiveness of Serbian food sector and finally to shape the sustainable food system of tomorrow.