

Serbia Could Be A High-Quality Food Brand

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Serbia can find "niche markets" where it will, primarily with high-quality food, succeed in achieving the best prices on the world market, which will ensure production becomes more profitable

Al Rawafed Serbia, which was founded with the aim of contributing to the advancement and development of agriculture in Serbia, has launched one of the largest projects in the field of irrigation in Serbia, worth about 22 million euros.

Serbia last year started implementing a strategic project for the construction of irrigation systems, while Al Rawafed Serbia also plans to invest heavily in such projects. What kind of projects and investments does this relate to?

The project launched by Al Rawafed Serbia is one of the largest projects in the area of irrigation in the country. We process about 10,600 ha of a ploughland in Vojvodina, while an irrigation system on 1,700 ha is currently in operation. By the end of the project, which we expect to happen before next year's watering season, it is planned for the latest watering systems to cover about 6,400 ha.

This entire irrigation concept will cost around 22 million Euros. Around 13 million euros has already been invested, with the remaining amount to be fully invested by the middle of next year.

Such a system provides exceptional comparative advantages in agricultural production and a certain level of security in terms of protecting crops from drought. It needs to be considered that it also implies significant operational costs, so it is necessary to turn towards the cultivation of highly profitable crops, in order to secure a return on the investment within a reasonable timeframe.

It is known that your company monitors global and market trends, especially in organic products. What are your plans in this production and which markets are you focused on?

We currently have 120 ha of certified land for organic production. Our plans are focused on the organic production of vegetables, but also other "alternative" crops –provided they are accepted by the market.

Unfortunately, the share of organic agriculture in Serbia is only about 2%, unlike some European countries where it can reach up to 20 per cent. This fact leads us to focus on exports and foreign markets, primarily European, but also in the Middle East region.

We also encounter significant logistical problems in planning exports of highly profitable organic products to foreign markets, especially those which require air transport.

Large producers in Western Europe have the support of organised cargo fleets when sending hundreds of tonnes of their goods to the markets of the Middle East on a daily basis, at very competitive prices.

As we in Serbia still don't have these opportunities, we barely achieve competitiveness and an adequate presence on those demanding markets.

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Al Rawafed Serbia was established with the purpose of investing in the development of agriculture in Serbia. How would you assess the comparative advantages and disadvantages of the agriculture industry in Serbia?

One of the great advantages is the absence of GMO production, and I hope that it will remain the case in the future. On the other hand, Serbia cannot compete in terms of quantities with large cereal producers, but it can find so-called "niche markets" where it will, primarily with high-quality foods, succeed in achieving the best possible prices on the world market, which will certainly make production more profitable.

From that to achieving the status of a brand, as a country with high-quality food, is not an insurmountable step.

AL RAWAFED SERBIA Ltd. is the result of a joint investment by the Republic of Serbia and agriculture investment company Al Rawafed Holding from Abu Dhabi. The main goal is to contribute to the advancement and development of agriculture in Serbia through investments in modern mechanisation, a new logistics structure and the highest quality inputs. The company's main activity is the conventional and organic production of cereals. It has to date invested more than 50 million euros in mechanisation, silos, irrigation systems and land. The company currently has 130 employees.

