



Voluntary Report - public distribution

Date: 5/20/2003

GAIN Report #BK3007

# **Bosnia Herzegovina**

## **Livestock and Products**

### **Update**

### **2003**

Approved by:

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**U.S. Embassy Vienna**

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**Report Highlights: The livestock sector was seriously damaged during the war in Bosnia Herzegovina (BiH), which lasted from 1992-1995. Livestock losses were estimated at 80%. The poultry and pork sub-sectors have nearly recovered and are approaching pre-war numbers, while cattle and sheep are still recovering. Total consumption of meat and meat products is around 133,000 MT. There is a significant shortage domestically produced beef. Animal disease issues prevent Bosnia Herzegovina from exporting processed meats.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Vienna [AU1], BK

## Overview

A number cattle and sheep were imported in to Bosnia Herzegovina<sup>1</sup> (BiH) through humanitarian programs in the post-war period. Donated livestock were distributed mostly through humanitarian programs to non-commercial producers and refugees. Some were used for household production of milk and meat. In many instances, the animals were slaughtered shortly after distribution and thus the impact of those programs was not significant in terms of regenerating the livestock sector.

Cattle are usually used both for milk and meat production (mostly local Busa, Simmental and assorted crossbreeds). Generally, production is poor due to a lack of access to high energy feeds and haphazard genetic improvement plans. Controlled/artificial insemination is used in only about 25% of animals. It is estimated that total per capita consumption of meat is around 35 kg (of which 14 kg beef). Consumption is expected to grow to 40 kg (16 kg of beef) by 2006. Total pre-war consumption was 42 kg per capita. Therefore, total consumption of meat and products is around 133,000 MT and total consumption of beef is estimated at 53,200 MT. There are no reliable official data on number of animals or the production of meat.

There are three major meat processing facilities: “Lijanovici” in Siroki Brijeg, “Ovako” in Sarajevo and “Stanic” in Kresevo with daily capacity of 40 tons each. There are also smaller slaughter/packing plants such as “Brajlovic” in Blazuj and “Menprom” in Tuzla. A number of small-scale ‘backyard’ operations exists but have very little modern equipment. The meat processor “Ovako” has a daily capacity of 40 tons but the actual utilization is 80 t per month (both poultry and beef). The market for fresh meat and finished meat products is nearly covered by domestic production but when it comes to raw meat for processing, approximately 80% of the beef is imported. One factor limiting processors is that BiH can not export processed meat products to most destinations because there is no national-wide veterinary certification system. There are also a number of endemic animal diseases that have not been dealt with effectively.

There is ongoing tension between producers and the processors. Producers assert that domestic production is sufficient to meet the processing industry’s needs but processors prefer cheaper imported frozen meat.

There is also a dispute between the Ministry of Foreign Trade and the meat industry with regard to import tariffs for live animals for processing and for raw meat. Processors believe that high tariffs on meat imports, coupled with free trade agreements with neighboring countries (e.g., Slovenia and Croatia) put them at a disadvantage and lead to imported processed meats being cheaper than those produced domestically.

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<sup>1</sup> Under the 1995 Dayton Peace Agreement, Bosnia Herzegovina (BiH) is divided into two Entities: the Federation of Bosnia and Herzegovina (F BiH) and Republika Srpska (RS). Each Entity has its own Ministry of Agriculture. Understanding this dual governmental structure is important to doing business in the country. However, foreign trade is responsibility of the state level Ministry of Foreign Trade and Economic Relations.

## Trade

It is estimated that imports of live animals, meat and meat products are around 200 million KM (\$119.4 million). Officially reported imports<sup>2</sup> in 2001 were 145 million KM (\$86.5 million) or around 49,500 MT. The actual trade figure is probably larger since the RS reported only 2,000 MT in meat and meat product imports in 2001. Meat and meat product make up 70% of all animal product imports. Frozen beef accounts for 25%. Officially reported exports were around 3,500 MT.

Consumers have health concerns about some processed meat products and the image of some products (e.g. sudzuk) is poor and a common belief is that low quality imports are widely used. For example, in 1999, over 300 MT of kangaroo meat was imported and probably used for processing. There are also rumors about smuggled low quality meat from Europe and other suppliers. One tariff avoidance scheme is to import breeding animals (at a lower import duty) and then immediately slaughtered. Beginning in 2003, the import duty was increased for lower quality meat categories. Countries that export meat and products to BiH are mainly Slovenia, Croatia, Austria, Italy and Hungary.

## Import Procedures

A prior approval by the Entity Ministries of Agriculture must be requested both for imports of meat, meat products, or live animals. In addition, after the Entity Ministry of Agriculture provide their technical opinion and approves import of live animals, the Ministry of Foreign Trade and Economic Relations (MOFTER) issues a final import permit.

Approvals for live animals, meat and meat products:

1. Ministry of Agriculture, Water Management and Forestry of the Federation of BiH

Phytosanitary Department

Titova 15

71 000 Sarajevo

Bosnia and Herzegovina

Contact person: Hasena Rovcanin

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Fax: +387 33 206 638

2. Ministry of Agriculture, Forestry and Water Management of the Republika Srpska of BiH

Phytosanitary Department

Miloša Obilica 51

76300 Bijeljina

Contact person: Aleksandra Popovic

Tel: +387 55 201 854 Fax: +387 55 210 353

<http://www.vladars.net/lt/min/mps.html>

E-mail: [mps@mps.vladars.net](mailto:mps@mps.vladars.net)

Final import permits for live animals:

Ministry of Foreign Trade and Economic Relations:

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<sup>2</sup> FBiH and the RS Statistics Institutes

71000 Sarajevo  
 Contact person: Marijo Perc  
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 Fax: +387 33 220 546  
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## Tariffs

Table 1:– Import Tariffs for Live Animals, Bosnia and Herzegovina

Commodity	Import Tariff
<b>Live Cattle</b>	
<i>0102.10 - Breeding animals</i>	
0102.10.10 - breeding heifers	5%
0102.10.30 - breeding cows	10%
0102.10.30 - other	10%
<i>0102.90 Other Live Cattle</i>	
0102.90.05 - less than 80kg	5%
0102.90.21 - for slaughter, 80 – 160 kg	5% + 0.50 KM/kg
0102.90.29 – other, 80 – 160 kg	10% + 0.50 KM/kg
0102.90.41 – for slaughter, 160 – 300 kg	5% + 0.50 KM/kg
0102.90.49 - for slaughter, 160 – 300 kg	10% + 0.50 KM/kg
0102.90.51 – heifers, for slaughter, more than 300 kg	5% + 0.50 KM/kg
0102.90.59 – other, for slaughter, more than 300 kg	10% + 0.50 KM/kg
All other cattle for slaughter less than 450 kg	10% + 0.50 KM/kg
Breeding sows	0%
All other live pigs	10% + 0.50 KM/kg
Breeding sheep	0%
All other live sheep	10% + 0.50 KM/kg
Breeding goats	0%
All other live goats	10%

For meat, fresh, chilled and frozen, tariffs are 10% + 1,20 KM – 2,50 KM, depending on origin and cuts.

For finished meat products tariffs are 10% + 3,00 KM – 3,50 KM.

BiH has signed free trade agreements (FTAs) with Slovenia, Croatia, Serbia and Montenegro, and FYR Macedonia. FTAs with Turkey, Romania and Moldova have been signed but not enforced yet. Croatia is currently charged for 40% of customs duties and 0% starting from January 1, 2004. Slovenia is currently charged for 50% of import duties, but duties will be reduced to 30% in 2004 and 0% starting from January 1, 2005. Serbia and Montenegro is charged 40% of import duties as of January 1, 2003 and 0% as of January 1, 2004. Customs duties for Macedonian products are reduced to 50% as of January 1, 2003, and will be reduced further to 40% as of January 1, 2004 and 0% as of January 1, 2005.

Currency note: \$1,00 = KM 1,675, May 20, 2003

### **Meat Industry/Processor Contact Information**

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71260 Kresevo  
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“OVAKO”

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