



BOSNIA AND HERZEGOVINA
MINISTRY OF FOREIGN
TRADE AND
ECONOMIC RELATIONS



Agricultural Policy Forum 2018

16th – 18th October,
Jahorina, Bosnia and Herzegovina

Exchange of good practices in the meat processing sector in Western Balkans

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MONTENEGRO

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INTRODUCTION, BASIC INFORMATION

Montenegro belongs to the Middle Mediterranean, or Southeast Europe, on the Adriatic Sea coast and covers an area of 13,812 km², with a length of 614 km and a coastline of 293.5 km.

By the 2011 census, Montenegro has 620,029 inhabitants.

Montenegro has a diverse climate: Mediterranean, continental to sub alpic

Montenegro has a deficit in meat production, including processed meat products, and satisfies only about 35-40% of its own needs.

The total number of agricultural holdings that raise livestock is about 32 500 (88 708 cattle, 270 503 of sheep, 41 001 goats and about 25 000 pigs (source DFSVA).

Traditionally, cattle breeding represents the most important branch of agricultural activity. The main characteristics of the livestock sector are reflected in the existence of small, family farms, although positive structural changes have been observed over recent years in recent years, in increasing the number of animals.





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- Montenegrin animal husbandry and, therefore, meat production is based on individual agricultural producers. There is a small number of legal entities with registered livestock production
- In more than 90% of cases, a man appears as the owner or owner of the household
- The age structure of the farmers is also unfavorable. The average age of the farmers is over 55 years





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Cattle breeding in Montenegro

The most common is cattle breeding, around 88,708 cattle of which about 65 000 cows and heifers. The pure breeds represented are Holstein, Simmental and Brown Swiss and a small percentage of Tyrolean gray cattle, unfortunately, the most common are crosses. Fattening of cattle are increasingly gaining in importance. Fattening is carried out in an intensive, and in extensive systems. Fattening in Montenegro is based on beef fattening from domestic cows and purchased calves, while there are no specialized fattening beef farm with cows for the production of fattening cattle.

Fattening of cattle is law, about 40% of calves are slaughtered on the farm because the price of veal is significantly higher than beef. There are a few specialized premises for cattle fattening. The breed composition is bad and predominate by crosses. The price of calves for slaughter ranges from 2.7 - 3.2 € / kg lw. The price for bulls is 1.7 - 2.0 € / kg lw.





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The total number of sheep is 278 503, of which about 150 000 are breeding sheep, while the total number of goats is 41 001, of which 15 000 are breeding animals. In sheep and goats, traditionally used for the production of milk and meat, nutrition is almost entirely based on the use of natural meadows and pastures of poorer quality. Regarding the breeding composition, crosses are dominant, and from pure races in sheep the most common are Sjenica sheep breed (pramenka) and Pivska pramenka breed, and in Balkan goat breed and Alpine breed, while other races are represented in small numbers.

Sheep breeding sector is mainly characterized by semi-extensive mode of production.

Price of the fattened sheep ranges from 70 to 100 € while the cost of the lambs range from 2,5 to 2,6 € / kg lw. The organized purchase price is 2.3 € / kg lw.

The price for the goat ranges from 70 to 100 € / head, while the cost of kiddies is 3 € / kg of live measure.

Pig farming is not developed in Montenegro. There are about 1 200 breeding sows and gilts out of the total number of pigs (about 25 000), on 10 farms. The leader in the pig breeding is the farm SPUŽ, with 400 sows. There are no organized sites for fattening.





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REGIONS IN MONTENEGRO





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MEAT PROCESSING INDUSTRY

The development of the Montenegrin meat processing industry has been quite dynamic over the past 15 years, with significant investments in the construction of modern facilities and the purchase of modern equipment for slaughtering and meat processing.

Montenegrin meat processing industry is currently "carrying" three relatively large establishments with a processing capacity of over 5 000 tons of meat annually, which have units for slaughter and meat processing. These are MESOPROMET - FRANCA in Bijelo Polje, GORANOVIC in Njasic and GRADINA in Rozaje. They export processed meat to Serbia, Bosnia and Herzegovina, partly to Macedonia and Kosovo.

There are two facilities with a capacity of 500 to 1,000 tons and about 30 small companies engaged in slaughtering and production of fresh meat, with limited processing capacities.





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Meat production and processing

The largest part of the total meat production in Montenegro has been obtained from ruminants:

- Beef meat (6.343 tons or 37.1%)
- meat from small ruminants- sheep and goats (3,823 tons or 22.3%).

The rest is:

- pork meat (3.844 tons or 22.5%) and
- poultry meat (3,100 tons or 18.1%).

Total meat production is around 17,110 tons per year, and covers 36% of total consumption in Montenegro.

The largest part is the consumption of pork meat. The rate of self-sufficiency is only 13%.





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Protected meat processing products with quality labels:

NJEGUŠKI PROSCIUTTO – Geographical label

MONTENEGRIN BEEF PROSCIUTTO – Protected designation of origin

MONTENEGRIN STELJA – Protected designation of origin

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NJEGUŠKI PROSCIUTTO – geographical label

Njeguški prosciutto is dry meat product of pork leg without the foot, with bone, skin and subcutaneous fat, without pelvic bones, dry sea salt salted, smoked by slow burn dry beech wood (-Fagus sp.-) and subjected to a drying process and in the ripening for at least nine (9) month. Traditional prosciutto production is mainly from imported pork.

"Njeguska prosciutto" is produced in Njeguši, in the area of about 8 km², between Cetinje and Kotor. The region of Njeguši has very specific microclimate conditions, with Mediterranean winds that positively influence the process of ham production, the process of maturation, and therefore the taste of products.





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MONTENEGRIN BEEF PROSCIUTTO—Protected designation of origin

Montenegrin beef prosciutto is dry meat product from beef meet extra, first and second category, salted and smoked on beech (*Fagus sp.*) or hornbeam (*Caprinus sp.*) tree.





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MONTENEGRIN STELJA –Protected designation of origin

Montenegrin Stelja is a product of deboned smoked and dried sheep meat. Montenegrin Stelja is a dry meat product, salted and smoked on beech (*Fagus* sp.) or hornbeam (*Caprinus* sp.) tree. Production takes place in the northern part of Montenegro.





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The barriers

- Domestic breeds are not very productive, predominate crosses (insufficient effect in the production of meat (cattle, sheep, goats and pigs)
- A long period of winter nutrition in the mountainous areas
- Many small, semi-natural farms, small plots, low labor productivity
- Poor connections between primary production and the market
- Reducing of livestock
- The decrease in purchasing power
- Insufficient market control
- Poor association of producers
- The constant growth in production costs and the tendency of the fall in the price of agricultural products
- Costs necessary for the reconstruction and modernization of production facilities
- The complexity and durability of procedures for obtaining available funds (high interest rates)
- Lack of training in the field of safety and quality
- Poor connection between primary production and the market
- Exposure to a more competitive market, poor competitiveness and insufficient capacity to enter the larger market



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Ways Forward

- Healthy population of cattle, sheep and goats
- Dynamic development of the meat processing sector as a driver of the production sector
- The existence of traditional skills and products
- Open market
- Expected market increase
- Potential for increasing competitiveness in terms of quality and safety of meat and meat products
- Export of meat to CEFTA countries, Russia, Turkey
- Reduction of customs tariffs for import and export
- Opening the market for export to the EU
- Aurochtonous traditional products
- New Trends in Tourist Demand
- Returning young people to the countryside with the State programs
- Improvement and promotion of products
- Association of producers





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