

**IBCM International Business College Mitrovica Conference 2014**

**AGRIBUSINESS OPPORTUNITIES UNLIMITED?**

FINAL REPORT

Date of event: 12 July 2014
Venue: International Business College Mitrovica, Cara Dusana b.b., North Mitrovica

**EXECUTIVE SUMMARY**

Agribusiness and agriculture are crucial sectors for economic development and job creation in the Mitrovica Region. Globally, agriculture and agribusiness value chains develop rapidly. International markets liberalize, customer behavior changes and new markets such as bioenergy and biofuels emerge. Regionally, CEFTA (Central European Free Trade Agreement) has diminished the market barriers and opened the doors for more severe competition.

With the aim to understand the challenges and problems that farmers and business people are facing in the North, the International Business College Mitrovica organized a conference entitled *Mitrovica Innovations 2014 – Agribusiness Opportunities Unlimited?*

The conference *Mitrovica Innovations 2014 – Agribusiness Opportunities Unlimited?*discussed the potentials and challenges in the agribusiness sector in the Mitrovica region.

The conference brought together more than 50 participants and partners from various fields, including people from the private and public sector. We had the honor to welcome the President of the Municipal Assembly of Zvecan Mr. Darko Radovanovic, as well as to welcome the participants from the academic community, including the Faculty of Agriculture in Lesak. International donors and financial institutions were also present. The conference was attended by representatives of international institutions such as Mr. Jim Thaler, Managing Director, Talier Trading Group, Inc., USA, Mr. Sten-Rune Lundin, Senior Advisor / Deputy Head of the Department of Rural Development / Trade and Industry, the Board of Dalarna, Sweden and Nenad Mikulic, procurator, Eko Invest in Croatia.

The event covered the following topics:

• Agribusiness value chain and potential analysis;

• Financing and investment for agribusiness development;

• Development and trade policies;

• Local economic development policies for agribusiness and agriculture development;

• Quality and food safety standards;

• Industry specifics from small-scale farming to logistics;

• Bioenergy.

The main outcomes of the event are recommendations for the decision makers:

**Recommendations for the donors:**

* Support pilot project that support the development of the sector in northern Kosovo such as:
	+ The development of agribusiness incubators
	+ Facilitating a strategy for agribusiness development
	+ Providing training for farmers (in combination with business incubators)
* Non-government organizations should work with Farmers Associations (Zvecan) and municipalities so that activities are coordinated and complementary
* Fund infrastructure development;
* Take pollution level in consideration when awarding grants – agriculture cannot be developed on soil with high level of heavy metals;
* Donors should start guaranty funds for the farmers, as collateral for their bank loans;
* Work closely with the private and public sector in setting-up the grant schemes;
* Finance bio-energy projects in the region of Mitrovica

**Recommendations for the educational institution:**

* Students should be educated and gain practical skills in how to develop a business that can access markets in a global environment.
* Provide a forum for a business club to share ideas and raise awareness of the industry
* Agribusiness must be based on knowledge and skills;
* Ensure high quality labor;
* Organize workshops for farmers;
* Introduce bio-energy as part of the study programs
* Organize conferences on bio-energy to increase the popularity of the topic and increase awareness of the population.

**Recommendations for the private sector:**

* Form cooperatives and a network to improve coordination of agribusiness activities and flow of information on new initiatives and build trust amongst various stakeholders.
* Private sector must be legalized;
* Title of ownership of the land should be clarified (to avoid the current problem with dead ancestors as owners of land);
* Strengthen links in the supply chains;
* Invest in bio-energy production as a source for competitive advantage and social responsibility

**Recommendations for the public sector:**

* Involve the private sector in the design of new programs created to support agribusiness development;
* Support the development of regional branding and work on improvements to the overall image of northern Kosovo as a place to do business;
* Invest in infrastructure;
* Develop policies that support and encourage bio-energy production and usage in order to improve the competitiveness of the agribusiness sector and protect the environment;
* Organize information campaigns on bio-energy to increase the level of awareness of the population.

**FORMAT AND STRUCTURE OF THE CONFERENCE**

The moderator, Ms. Natasa Savelic, invited the following speakers who gave their welcome notes to the participants in the conference:

* Mr. Stefan Schandera, Director of the International Business College Mitrovica
* Ms. Dragan Tomic, SPARK representative
* Mr. Darko Radovanovic, President of the Municipality Council of North Mitrovica
* Mr. Aleksandar Djikic, Mitrovica State University, Agriculture Faculty
* Mr. Milutin Nikolic, President of the Center for Employers’ Initiatives

The conference consisted of two parts. The first part was comprised of two moderated panel sessions, including panel discussion of around 60 min followed by a questions and answers session of around 30min. The second part of the conference consisted of three parallel round tables with opportunity for an open discussion by all of the present stakeholders.

**PANEL SESSION 1: Mitrovica Region and Beyond: CEFTA and International Agribusiness Potentials and Challenges**

**Objectives:**

* Understanding the consequences of the market liberalization for the Mitrovica region agribusiness sector (CEFTA, EU)
* Determining the requirements of the global markets
* Discussing innovative ways of gaining competitive advantage in the global market
* Anticipating future challenges of the internationalization for the Mitrovica region agribusiness sector
* Projecting future trends in the international agribusiness markets

**Panelists:**

The moderator, Mr. Aleksandar Djikic, invited the panelists in the session, which shortly introduced themselves/their organizations:

* Mr. Darko Radovanovic, President of the Municipality Council of Zvecan
* Mr. Jim Thaller, Managing Director, Talier Trading Group, Inc., USA
* Mr. Sten-Rune Lundin, Senior Advisor/Deputy Head of Department for Rural Development/Trade and Industry, Administrative Board of Dalarna, Sweden
* Mr. Igor Mishevski, Owner/Creative Director, Nova Solutions, Macedonia
* Mr. Milan Milentijevic. PGP Kolasin

**Main points of discussion and conclusions from the panel session:[[1]](#footnote-1)**

* **Consequences of the market liberalization** for the Mitrovica region agribusiness sector (CEFTA, EU) were discussed. Market becomes larger, competition stronger, market requirements more strict. Marketing activities must be undertaken in order to address the issue of the reputation of Mitrovica/northern Kosovo and find a positive place to position itself within an international market.
* **Local municipalities, specifically Zubin Potok, are active in two main sectors: construction and bread production**. They have achieved international certification and meet ISO standards and aim to help agribusinesses place their products in the local markets. Small agribusinesses with one approximately one acre of land each could join forces and form clusters to improve efficiencies
* **Business incubators** help widen the span of potential producers and support business plan writing.
* **CEFTA is a gateway for businesses in central Europe to prepare for competition in the EU market.** The EU provides a common agricultural policy and a common budget. Internationalization within the EU is regulated with a payment and subsidy system.
* **Global markets require** high quality standards, increased productivity and therefore reduced cost. Thus, the private sector should create a network with one voice and cooperate with the government rather than just criticizing; find a competitive advantage and reduce costs through economy of scale.
* **Advice for SMEs:** Organize cooperatives with members and build trust amongst each other in order to become stronger and build a bigger presence. SMEs need to do their own market research and find a place for their products in the market where they have a competitive advantage. Identify the market (consumers), where they shop and how to get their products properly placed, as well as what it will cost in order to get proper placement, such as shelf space in a prime location.
* **Use strong advisors and consultants** **with experience** in order to develop core competences that will help businesses grow. This is not limited to industry specific experience; also take advantage of marketing experts who can develop marketing plans that assist producers to build awareness of their products.
* **Innovative ways of gaining competitive advantage** in the global market were discussed. Using technology in every segment of the supply chain can create competitive advantage, increase quality and reduce cost. Take two existing ideas and combine them in order to bring something new to the marketplace
* **Future trends in the international agribusiness markets** were discussed – there is an increasing trend of people’s awareness of the quality and origin of food and its impact on human’s health. Environmental concerns and food security (i.e. the safe production of food builds trust for your customers). People are increasingly focused on healthy food from different parts of the world.

**PANEL SESSION 2: Fundraising and Investment**

**Objectives:**

* Understanding the current situation in the Mitrovica region agribusiness sector regarding fundraising and investment opportunities
* Exchanging regional experience related to fundraising and investment
* Understanding the support from the authorities in the area of fundraising and investment in the Mitrovica region
* Elaborating on a case study how could a donor-dependent organization become financially sustainable in the agribusiness

**Panelists:**

The moderator, Ms. Jelena Djokic, invited the panelists in the session, which shortly introduced themselves/their organizations:

* Mr. Nenad Mikulic, Procurator, Eko Invest – Croatia
* Ms. Marina Milivojevic, ProCredit Bank
* Mr. Raso Velickovic, owner, meat industry KOM Lesak
* Mr. Ivica Mihajlovic, Director of the Agricultural School Lesak
* Mr. Ljubisa Mijacic, UNDP Adviser

**Main points of discussion and conclusions from the panel session:[[2]](#footnote-2)**

* **Current situation in the Mitrovica region agribusiness sector** regarding fundraising and investment opportunities was discussed. Majority of the funds so far have been focused on conflict resolution rather than economic development. Currently the greatest funds come from the instrument for pre-accession assistance (IPA). Major issues related to the low absorption capacity are the lack of inspection and veterinary services. Another great problem is the soil pollution with heavy metals, so the only option for agricultural products would be industrial plants. The banks do not offer loans in the region of North Mitrovica due to the risk of political instability. No dairy plant exists in the region that would influence increase of the number of dairy cows.
* **Regional experience** related to fundraising and investment was exchanged. Only 50% of the available funds were used in Croatia in the pre-accession period. The mistake was that the national strategies were not designed in the way to prepare the beneficiaries for the upcoming available funds. In order to increase the absorption capacity Croatian Network for Rural Development was created. Environmental requirements are part of the pre-accession negotiations, which Croatia had to comply with.
* **Support from the authorities** in the area of fundraising and investment in the Mitrovica region was discussed. There are no government subsidies for agriculture. Lack of infrastructure is a great problem for agricultural development.
* **Case study** on how donor’s support triggered company’s growth was elaborated. Kom Leshak company is an example of a committed management which acquired support from foreign donors and thus expanded its operations and market.

**ROUND TABLE 1: Mitrovica Region and Beyond: CEFTA and International Agribusiness Potentials and Challenges**

The moderator, Mr. Aleksandar Djikic, opened the round table by introducing the main points of discussion and conclusions from the panel session: CEFTA and International Agribusiness Potentials and Challenges, as a basis for the round table discussion.

The following conclusions came out of the round table session:

* **The role of CEFTA (Central European Free Trade Agreement) is to stimulate trade and export of domestic products.** The treaty was first signed in 1992 in the former Yugoslavia and it now serves the role of preparing some member countries to enter the European Union. This includes helping businesses to prepare for EU integration and compliance with the World Trade Organization.
* **More work needs to be done to define the market for agribusinesses in northern Kosovo.** Coordination of activities between local businesses, policy makers, and donors should examine what the needs are and how known environmental issues and concerns can be remedied, including quality of land, soil, and sanitary issues.

**RECOMMENDATIONS**

**Recommendations for the donors:**

* Support pilot project that support the development of the sector in northern Kosovo such as:
	+ The development of agribusiness incubators
	+ Facilitating a strategy for agribusiness development
	+ Providing training for farmers (in combination with business incubators)
* Non-government organizations should work with Farmers Associations (Zvecan) and municipalities so that activities are coordinated and complementary

**Recommendations for the educational institution:**

* Students should be educated and gain practical skills in how to develop a business that can access markets in a global environment.
* Provide a forum for a business club to share ideas and raise awareness of the industry

**Recommendations for the private sector:**

* Form cooperatives and a network to improve coordination of agribusiness activities and flow of information on new initiatives and build trust amongst various stakeholders.

**Recommendations for the public sector:**

* Involve the private sector in the design of new programs created to support agribusiness development.
* Support the development of regional branding and work on improvements to the overall image of northern Kosovo as a place to do business

**Round Table 2: Fundraising and Investment**

The moderator, Ms. Jelena Djokic, opened the round table by introducing the main points of discussion and conclusions from the panel session: Fundraising and Investment, as a basis for the round table discussion.

The following conclusions came out of the round table session:

**Fundraising opportunities in agribusiness in the region of Mitrovica**

* Infrastructure is necessary, there should be funds for infrastructure development;
* Donors have different criteria, not applicable to all regions;
* Strict criteria by the EC;
* EC forces small farmers to register and become legal businesses;
* People don’t have information about available funds;
* Soil must be explored before grants are awarded, there is a lot of pollution with heavy metals in the region of North Kosovo;
* Banks in North Kosovo do not offer loans due to the risk of political instability.

**Absorption capacities for funds of the private sector**

* Only two of the participants in the workshop got grant;
* In practice farmers are not requested to pay taxes, even though formally they should. That makes them ineligible to apply for donor funds;
* So far there has not been agricultural census in North Kosovo (4 municipalities) in order to make a development strategy and project needed investment;
* Market research is needed and links should be developed though the public sector and farmers’ organizations;

**RECOMMENDATIONS**

**Recommendations for the donors:**

* Fund infrastructure development;
* Take pollution level in consideration when awarding grants – agriculture cannot be developed on soil with high level of heavy metals;
* Donors should start guaranty funds for the farmers, as collateral for their bank loans;
* Work closely with the private and public sector in setting-up the grant schemes.

**Recommendations for the educational institution:**

* Agribusiness must be based on knowledge and skills;
* Ensure high quality labor;
* Organize workshops for farmers.

**Recommendations for the private sector:**

* Farmers must be organized;
* Private sector must be legalized;
* Title of ownership of the land should be clarified (to avoid the current problem with dead ancestors as owners of land);
* Strengthen links in the supply chains.

**Recommendations for the public sector:**

* Investment in infrastructure
* Close cooperation with the private sector

**Round Table 3: Bio-energy**

The moderator, Mr. Ljubisa Mijacic, opened the round table by giving a short introduction on the current situation with the bio-energy in the region of Mitrovica..

The following conclusions came out of the round table session:

Bio-energy in the region Mitrovica, is something new and interesting for the society but still something that people don’t understand fully. The awareness about environmental protection is not on a satisfactory level in the region of Mitrovica. Majority of the people are using wood for heating by that harming greatly the environment. People from the rural areas are not well informed about the new ways of producing energy.

GMO is another topic that starts being more interesting for the people in the Mitrovica region. Yet, there is a lack of information on the issue in the region of Mitrovica.

**RECOMMENDATIONS**

**Recommendations for the donors:**

* Finance bio-energy projects in the region of Mitrovica

**Recommendations for the educational institution:**

* Introduce bio-energy as part of the study programs
* Organize conferences on bio-energy to increase the popularity of the topic and increase awareness of the population

**Recommendations for the private sector:**

* Invest in bio-energy production as a source for competitive advantage and social responsibility

**Recommendations for the public sector:**

* Develop policies that support and encourage bio-energy production and usage in order to improve the competitiveness of the agribusiness sector and protect the environment
* Organize information campaigns on bio-energy to increase the level of awareness of the population.

Pictures from this event you can see on the following link <http://share.shutterfly.com/share/received/welcome.sfly?fid=75d35bd1d4a955fa6cbbd47cbb382743&sid=1KbuWThu3dZ>

Videos you can watch on the following links

Part 1 <https://www.youtube.com/watch?v=7myr_L56_co&feature=youtu.be>

Part 2 <https://www.youtube.com/watch?v=x_YCfpKkFK4>

Part 3 <https://www.youtube.com/watch?v=CuAvWy5Dk88>

Part 4 <https://www.youtube.com/watch?v=eEfMKxBBGwM>

Part 5 <https://www.youtube.com/watch?v=1KFDtPQc3Ao&feature=youtu.be>

**ANNEX 1 – INFORMATION ON SPEAKERS AND THEIR ORGANIZATIONS**

**Darko Radovanovic, President of the Municipality Council of Zvecan**

The economy of Zvečan municipality is mainly based on production of batteries and battery recycling, agriculture and small trade businesses. There are 62 registered private businesses operating in the municipality.

**Jim Thaller, Managing Director, Talier Trading Group, Inc., USA**

Jim Thaller is the Managing Director of Talier Trading Group; a specialty food development company based in West New York, NJ (USA). For more than fifteen years, Mr. Thaller has been developing products and market linkages for international food companies, with a special focus on Africa. At Talier Trading Group, Mr. Thaller has been responsible for spearheading a variety of programs in emerging markets, and is well-known for designing and implementing the African specialty foods program in the United States and Europe. Mr. Thaller is also the Senior Agribusiness Advisor at the World Bank's InfoDev program, developing and implementing the Agribusiness Innovation Program globally. He is a much sought-after speaker on African development, and as a consultant for implementing agribusiness development initiatives. Mr. Thaller holds a bachelor’s degree and sits on the boards of several food companies and international organizations.

**Sten-Rune Lundin, Senior Advisor/Deputy Head of Department for Rural Development/Trade and Industry, Administrative Board of Dalarna, Sweden**

A Swede, Mr. Lundin has unsurpassed experience in the implementation of projects related to agriculture ranging from governance and management, to farm economy, farmers’ associations and rural development. A farmers’ leader in Sweden, Mr. Lundin has managed the successful implementation of projects in many European countries – from Sweden to the Baltic and the Balkan countries, especially in the periods prior to and during the accession to the EU.

**Igor Mishevski, Owner/Creative Director, Nova Solutions, Macedonia**

Entrepreneur and start-up business developer. Substantial experience in management of companies and organizations in internet and sustainable development sectors. For the mobile application called Farmarket Nova Solutions received the second prize in the Ericson competition in Stockholm, in May 2014. Farmarket is an innovative solution that connects the families, companies and restaurants with the local farmers enabling simple ordering of fresh food

**Milan Milentijevic. PGP Kolasin**

PGP Kolasin is a company that is involved in construction, but also in the food industry. As a resut of the growing market and requirements they implemented HACCP standards for their production

**Nenad Mikulic, Procurator, Eko Invest – Croatia**

EKO INVEST d.o.o. consulting company was established in 1992, and is specialized in environmental protection, including services in engineering, economy, management and technology, as well as comprehensive assistance services in obtaining the resources from both international, and other available sources of state support.

**Marina Milivojevic, ProCredit Bank**

ProCredit Bank is an important financial institution in the region of Mitrovica. However, in the past 3 years it has not been offering loans in the agribusiness sector due to the risk caused by the political instability.

**Raso Velickovic, owner, meat industry KOM Lesak**

Started as a local store, today KOM Lesak is a modern slaughter house with more than 20 employees. The modernization of the company was supported by 140,000 Euros grant from USAID.

**Ivica Mihajlovic, Director of the Agricultural School Lesak**

The school has around 400 students who are able to get a bio-agricultural degree after 4 years. They get a diploma to be able to work either as a baker, milkman or as a butcher. In order to enable the students to apply their knowledge Belgian KFOR has built a school farm outside of Lesak where the are taught practical skills.

**Ljubisa Mijacic, UNDP Adviser**

Expert with 15 year experience with developing grant applications for different donors, primarily European Commission. Special focus and expertise on environmental issues.

**ANNEX 2 – PARTICIPANTS IN THE PANEL SESSIONS**

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| **Mitrovica Innovation 2014 - List of participants** |
| **Nbr** | **Name and Surname** | **Company** | **Place** |
| 1 | Aleksandar Tanaskovic | NVO Eko  | Leposavic |
| 2 | Dragan Vicentijevic | NVO "CCD" | Z. Potok |
| 3 | Radomir Velickovic | Lesak com | lesak |
| 4 | Milutin Nikolic | CPI | K.M |
| 5 | Sasa Cosic | USAID AKT | Pristina |
| 6 | Ivica Mihajlovic | Poljoprivredna Skola | Pristina / Lesak |
| 7 | Jovica Nikolic | NVO Cpi | K.Mitrovica |
| 8 | Attila Nagy | IBCM | K.Mitrovica |
| 9 | Ljubisa Petrovic | MBA | K.M |
| 10 | Miroslav Petrovic | "CCD" | Leposavic |
| 11 | Aleksandar Bojovic | NGO "Prijateljstvo" | Leposavic |
| 12 | Milan Mitrijevic | PGP "Kolasin" | Zubin Potok |
| 13 | Darko Radovanovic | Predsednik SO Zvecan | Zvecan |
| 14 | Mirjana Markovic | SO Zvecan | Zvecan |
| 15 | Danica Radovic | NVO "EKOS" | Kos. Mitrovica |
| 16 | Milena Banovic | Radio Kontakt Plus | Kos. Mitrovica |
| 17 | Vladimir Lesevic | EDCL | Lesak |
| 18 | MilenaPrenovic | FTN K.M | Kos. Mitrovica |
| 19 | Milan Branovic | EVOK | PR |
| 20 | Lazar Lazarevic | CCD | Zubin Potok |
| 21 | Milica Djokic | IBCM student | Kos. Mitrovica |
| 22 | Nemanja Spasic | IBCM Student | Vranje |
| 23 | Marina Milojevic | Pro Credit | Leposavic |
| 24 | Nenad Mikulic | EKO Invest | Zagreb Croatia |
| 25 | Zoran Vucetic |   | Mitrovica |
| 26 | Manuela Petrovic | Student IBCM  | Mitrovica |
| 27 | Ljubisa Mijacic | UNDP | Mitrovica |
| 28 | Tatjana Sekulic | Dekor in | Leposavic |
| 29 | Aleksandar Mirkovic | IBCM student | K.Mitrovica |
| 30 | Mihajlo Petrovic | S. O. Leposavic | Leposavic |
| 31 | Irena Petrovic | NVO Prospera | Leposavic |
| 32 | Ivana Stoiljkovic | EKOS | Leposavic |
| 33 | Vujinovic Ilija | IBCM Student | K.Mitrovica |
| 34 | Mihone Krolhi | IBCM  | Mitrovica |
| 35 | Radomir Vucovic | Agricultural manufacture | Mitrovica |
| 36 | Radovan Jakovljevic | Agricultural manufacture | Mitrovica |
| 37 | Aleksandar Kostic | Dekor in | Leposavic |
| 38 | Aleksandar Studanovic | NVO "CRLS" | K.Mitrovica |
| 39 | Nermin Begovic | IBCM | Mitrovica |
| 40 | Bozidar Petrovic | Agricultural manufacture | lesak |
| 41 | Zivadin Ilic | Agricultural manufacture | Leposavic |
| 42 | Bozidar Stojanovic | NVO "EKOS" | K.M |
| 43 | Dalibor Stefanovic | S.Z.T.R Stefke | Leposavic |
| 44 | Nebojsa Djordjevic | NVO Slatki kutak | Leposavic |
| 45 | Dusan Minic | FTN KM | Mitrovica |
| 46 | Jacope Leone | OSCE | Mitrovica |

1. The discussion was continued in the round table CEFTA and International Agribusiness Potentials and Challenges, in the second part of the conference, where specific recommendations for the decision-makers were given [↑](#footnote-ref-1)
2. The discussion was continued in the round table Fundraising and Investment, in the second part of the conference, where specific recommendations for the decision-makers were given [↑](#footnote-ref-2)