

TABLE OF CONTENTS

FOREWORD	iv
BOSNIAN AND HERZEGOVINA – INTER-ENTITY CONSULTATION DECLARATION OF INTENT	vi
ACKNOWLEDGEMENTS	viii
ACRONYMS and ABBREVIATIONS	x
EXECUTIVE SUMMARY	xi
Efficiency and Profitability of Agriculture Production	xii
Marketing and Processing of Agricultural Products	xii
Rural Development	xiii
Land Use and Natural Resource Management	xiii
Agriculture Policy and Institutions	xiv
Inter-Entity Trade and Cooperation	xvi
PART A. THE CONTEXT FOR STRATEGY DESIGN AND IMPLEMENTATION	1
I. INTRODUCTION.....	1
II. WAR AND RECONSTRUCTION.....	2
2.1 Losses and Dislocation.....	2
2.2 The Dayton Accord.....	3
2.3 The Reconstruction and Recovery Programme	3
III. THE MACROECONOMIC FRAMEWORK	5
3.1 Pre-war Economic Conditions in BiH.....	5
3.2 Post-war Recovery of RS	5
3.3 Monetary Policy and the Banking System.....	5
3.4 External Trade.....	6
3.5 Fiscal Policy.....	7
3.6 Enterprise Privatization.....	7
3.7 Implications for Agriculture.....	8
IV. AGRICULTURAL PRODUCTION	9
4.1 The Natural Resource Base.....	9
4.2 Farm and Household Characteristics.....	9
4.3 Crop Production	10
Cereals.....	10
Forage and Fodder Crops.....	11
Industrial Crops.....	11
Vegetables.....	11
Fruit.....	11
Berry Fruits	12
Medicinal Plants.....	12
Farm Mechanization.....	12
4.4 Livestock Production	13
Cattle.....	13
Pigs and Poultry	14
Sheep.....	14
Fish and Honey Production.....	14
4.5 On-Farm Constraints to Increased Production and Profitability	15
Crop Production	15
Livestock Production	15

V. AGRICULTURAL POLICY	16
5.1 Public Expenditure on Agriculture, Forestry and Water Systems	16
5.2 Post-war Recovery, Re-integration and De-mining	16
5.3 Land Policy	18
5.4 Agricultural Trade	19
5.5 Agricultural Prices	20
5.6 Public Reserves and Rural Credit	21
VI. INSTITUTIONAL SUPPORT TO AGRICULTURE	22
6.1 Ministry of Agriculture, Forestry and Water Management	22
6.2 Rural Finance	23
6.3 Land Use	24
6.4 Agricultural Extension, Research and Education	25
Extension	25
Research	26
Education	26
Linking Education, Research and Extension	27
6.5 Plant Breeding and Seed Supply	27
6.6 Animal Health and Breeding	28
6.7 Agricultural Cooperatives	29
VII. AGRICULTURE MARKETING AND AGRO-PROCESSING	31
7.1 Cereal Products	31
Wheat	31
Maize/Animal Feed	32
7.2 The Dairy Industry	33
7.3 Meat and Wool	35
7.4 Fruit and Vegetables	36
7.5 Industrial Crops	36
Tobacco	37
Sugar beet	37
Oilseed Crops	39
7.6 Agricultural Inputs	39
7.7 Common Issues and Constraints	40
Development of Export Markets	40
Credit	40
Privatization	40
Producer Associations	42
Market Information	42
Inter-Entity Trade	42
State Border Control	42
Training in Business Management	42
PART B. STRATEGY PRESENTATION	43
VIII. A STRATEGY FOR AGRICULTURE SECTOR DEVELOPMENT	43
8.1 General Strategy Objectives	43
8.2 Strategy Design	43
8.3 Efficiency and Profitability of Agriculture Production	44
8.4 Marketing and Processing of Agricultural Products	46
8.5 Rural Development	48
8.6 Land Use and Natural Resource Management	48
8.7 Agriculture Policy and Institutions	51
8.8 Inter-Entity Trade and Cooperation	54
STRATEGY MATRIX	56