

AGRICULTURE

*and*

PROFIT

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## Foreword by the High Representative

**M**odern commercial farming is potentially one of the most profitable industries in this country. I would like to tell you a true story:

It's about a former BiH factory worker, employed for 17 years as a lathe operator. After the war, he saw that the future of the economy - in BiH as in the rest of Europe - did not lie in heavy industry but in alternative kinds of production. So he took the initiative in order to provide a better future for himself and his family. He decided to become a farmer. He took out a bank loan and bought a flock of twenty sheep. Now, five years later, his flock numbers more than 200 sheep and he has expanded his farming business into tourism too. He's making money, and providing a future for his children.

Farming has the potential to be one of the most successful sectors of the BiH economy - an engine for new jobs, successful businesses and export growth. There is a huge untapped market, both domestically and internationally.

That is why this brochure is so important. It has two objectives:

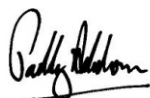
First, to get people to think about setting up farming businesses, who may never have considered this before. Students. Unemployed factory workers. Displaced people. And to explain in very practical terms what help is available to do this.

And second, to encourage BiH's farmers to modernize, to seize the opportunity to become more commercial, to compete more effectively in the BiH market and to make a profit for themselves and their families.

This booklet aims to help you identify which kind of farming would be most profitable for you and where you can go to turn your ideas into action.

Good luck

Paddy Ashdown  
High Representative in BiH



## Foreword by World Vision International

World Vision International gives full support to OHR in their efforts to encourage the revitalisation of agriculture in this country.

Bosnia and Herzegovina is a wonderfully rich country, in agricultural terms, but in previous times this sector never received the attention it deserves. Bosnia and Herzegovina today needs to use its farming potential to its full capacity. If it manages to do so, large volumes of imported food could be replaced by quality home grown food, and many more people would make a better living from their land.

It is not easy to start farming and never easy to expand an existing farming business, no matter how small. In this booklet an effort has been made to highlight those aspects that can help farmers develop their capabilities as far as they can, using new techniques and management skills, developing their markets and their product range and not always at great cost to the business.

This booklet provides a basis of reference points for a farmer to pursue all avenues of information and help that are now rapidly developing in the country.

We trust that this booklet remains a good companion and guide that helps farmers expand into a profitable and successful farming business in the future.

Sue Birchmore  
Country Director



## Introduction

**P**re-war and post-war agriculture are two completely different things. For many people, agriculture was not the main source of income, and they grew crops for their own consumption and the local markets. There are fewer jobs now, and farmers often completely rely on their land. Another important change is that farmers cannot simply sell their produce to State buyers but have to find their own markets. In addition, the competition is more intense than it was, the imports from abroad are cheaper than they were, and the consumers in Bosnia and Herzegovina have less money to spend than they had before the war. In this setting, it is not easy to make money in agriculture. You only stand a chance if you develop a way of thinking that is very different from the way of thinking a decade ago: market-oriented thinking.

To make money, you need a clear mind and sufficient information. Of course you need to know what sort of land, machines and manpower you have or you can get access to but that is only the first step. You need to know the types of product you could sell in different places, and the price range you could expect. You need to know the quality that your buyers require. You need to consider products that may have good profit potential even if no one in your area has ever produced them before.

It is worth visiting organisations that support agricultural activities. Depending on where you live, that may be extension services, cooperatives, associations, factories, municipal support programs, banks or credit organisations, and local or international support organisations. There are some overviews of these organisations in the back of this booklet. The support you can get from some of these organisations can be very substantial, but will only be available to you if you prepare yourself carefully before going there.

This booklet helps you in your preparations. It does so by placing everything you already know (about your choice of activities, the quality of your produce and your farm finances, for example) in the light of Bosnia and Herzegovina's newly developing market economy.

## **Choosing activities**

A farmer's most important decision is the first one: choosing what to produce. That decision is difficult to reverse. Once you choose to grow grapes, for example, you are faced with high costs if you change to another product.

If you were a farmer before the war, you may be inclined to simply start producing what you produced in the past. That makes sense if your aim is to produce your own food, as your decision is simply based on what you can safely produce and what you eat. You have the skills and you know your land is suitable for that type of product. But products that used to complement a salary from employment elsewhere may not provide a sufficiently high income today.

If you want to engage in agricultural activities to make money, you need to know the profit potential, and it would be unwise to resume your pre-war activities before doing some research. The aim of this research is to find the best match between your resources (what could you produce) and the market (what could you sell). If your land is suitable for many different types of product, it will take a lot of time and energy before you have all the information you need to choose which products are best for you now.

### ***Step 1: What do you have and what can you do with it***

You know the amount of land you have available, its soil condition and slope, the temperature, the amount of rainfall and the other sources of water you have access to. You know if a part of your land is mined. You know your skills and the skills of other people who will work on the farm, and you know how much time everybody has available. You know how much money you could invest in the farm. You know what equipment you already have and you know if you have electricity.

But you may not be fully aware of the full production potential of what you have. A lot has changed in recent years. Greenhouses are gaining ground and have vastly increased the production of many small farms. New pruning techniques allow many more apple trees to grow on a hectare of land. New crops and new varieties of existing crops are being tried on the soil of Bosnia and Herzegovina. In a few areas, farmers are producing 'organic' products - crops that fetch high prices in the European Union because they are certified as being grown according to strict health-related conditions. To become as successful a farmer as possible you need to know all your land's possibilities.

Much of the knowledge you need you gain simply by observation. What do the farmers in your region do, and how successful are they? How vulnerable are their products to disease, insects, flooding or drought? Once you have a good sense of what is commonly produced by the farmers in your area, look further. There may be products for which your land is ideally suited but that just have not been tried in your region yet. There may be no farmers with chinchillas anywhere close to you, for example, but chinchillas might nonetheless be your best bet if you have little land but good buildings.

It may be worth spending some time outside the area in which you live. It is useful to observe what other farmers do and, in addition, to visit agricultural institutes, universities, extension services and a range of other organisations that aim to increase agricultural productivity. Some good contact points are listed in the back of this booklet.

## Step 2: Expanding your options

If you produce for your own consumption, you do not have to compare your farm with anybody else's. It does not matter, as you do not compete with them. However, if you produce for the market you will not be able to make money if your production costs are higher than the costs of your competitors. A commercial farmer needs to produce efficiently. That means two things:

1. Producing efficiently means avoiding wastage. Transporting your produce in a half-empty truck is a waste of space and it may be better to use that truck together with another farmer. A machine that is not used all the time is partly wasted, and renting that machine for the period in which you really need it may be cheaper than buying it. Full-time ownership of underused equipment is one of the greatest costs encountered in farming, but is often the easiest cost to reduce.
2. Producing efficiently means making as much money as possible while spending as little as possible (without, of course, allowing the long-term quality of your land to deteriorate). For many reasons, your costs per production unit generally go down if the size of your farm increases. You may be able to buy your seeds, fertilisers and pesticides at a lower price because a seller finds a large volume more interesting than a small volume. Per ton, transporting three tons of peaches costs less than transporting half a ton of peaches. Renting a machine to harvest five hectares costs less than five times what you pay for that machine if you only want to harvest one hectare. It takes less time per cow to machine-milk 20 cows than it costs to milk two cows only and, in addition, you may fetch a higher price per litre in milk sales.

As important as knowing what you could do with your resources is knowing how you could increase these resources. It may well be possible to increase the amount of land you have available, and to improve your access to whatever you need to work that land - skills, machines or finances, for example.

### 1. Access to land

To be able to make a profit you can live from, you may need more land than you currently have available. There are different ways to increase your access to land. These different methods have different price tags, conditions, advantages and dangers.

- An obvious option is to buy agricultural land from a private owner. This can be tricky. Land ownership in Bosnia and Herzegovina has a history of complexity, and archive destruction during the war added to the problems. Using forged papers, people have sold land that was not rightfully theirs. If the real owner shows up, the 'buyer' loses the land and the money.<sup>1</sup> Therefore, make sure you follow the right procedures related to cadastral and land-book records. This procedure goes through the municipality.

<sup>1</sup> *Though the owner has to compensate for investments made and you can keep the crops that were already harvested. If the owner does not show up and you use the land legally and in good faith (that means that you did not know you were not the real owner) it is possible to gain the right of ownership in ten years. For details on this and the other possibilities, see the Law on Agricultural Land, the Law on Transfer of Property and the Law on Legal-Ownership Relations (in FED) or the Law on Basic Legal Ownership Relations (in RS).*

- It is possible to lease privately owned agricultural land. Owners and holders of agricultural land are *obliged* either to use that land or ensure its usage by renting that land to somebody who will use it. If they are unable to ensure usage of the land, they have to inform the agricultural authorities. If the land remains unused for more than two years, these authorities could give you a contract for temporary usage of the land. This is for a maximum of five years and, during this period, the land cannot be taken away from you before the end of the harvest season. The contract states what fee you have to pay to the owner. In practice, this system (based on the Entity Laws on Agricultural Land) does not seem to work very well. Instead, many farmers simply use unoccupied land until the owner shows up and claims it. That means that major investments in the land are impossible, which in turn makes commercial farming difficult (though you could of course increase your grazing area without any cultivation investment at all).
- It is possible to *lease* or, under very strict conditions, even *buy* socially owned agricultural land. At least until 15 May 2003, both leasing and buying requires an OHR land waiver. Granting such a waiver is considered upon the request of the allocation right holder usually the municipality.
- If part of your land is mined, the Mine Action Centre might be able to help you. Given the limited funds available and the large areas that are still mined, the chance is small that your land will be de-mined any time soon - but it might be worth checking.

*Note: Increasing the area of land you farm is only really useful if it is combined with the right choice of activities and methods of production.*

## **2. Access to finances**

Without investing in your farm the opportunities for profitable farming are very limited. Until recently, it was almost impossible to get a bank loan for farming purposes. But things have changed in the past year, and a number of banks and micro-credit organisations now do consider loans for agriculture. These banks and organisations are listed in the back of the booklet. As it is important to get the right *type* of loan, a later section in this booklet looks at the different loan types and conditions.

## **3. Access to labour and machinery**

Your production costs do not only depend on the size of your land. The efficiency of your workers is important, even if they are just your family. Similarly, the machinery you use trucks, tractors, seeders and the like - and the price you pay for that use are vital for your success.

You can only produce efficiently if, informally or through commercial cooperatives, you work together with others. As buying machinery is often unaffordable (and unwise if you do not need to use the equipment all the time), you depend on others. Similarly, you depend on others when you need additional workers in the peak periods. Remarkably in a country with so much unemployment, it is often difficult to attract those workers. Therefore, if only to ensure your access to labour and machinery, it pays off to maintain good relations with other farmers in the region. This may be more difficult for some than for others returnees who are now a minority in the community may feel they in particular face obstacles and every form of cooperation carries a certain amount of risk. But you do not have much of a choice with limited personal capital: without helping each other out occasionally, there is little chance to really make a profit.



### **Step 3: What could you sell**

If you have farming experience, you may want to focus on what you did before. That is not necessarily the best thing to do. The people, companies or organisations that you sold your products to may not exist any more, and it is not certain that somebody else has taken their place. In addition, your pre-war products may now face stiff competition from cheap imports, consumer tastes may have changed, or consumers may have less money available now and may therefore have turned to cheaper alternatives. You cannot just 'take a guess', as your decision will govern your operations for years.

You have already, during the first two steps, estimated what assets you have and what assets you could get or share. That information tells you what you could produce and in what volume and at what level of quality you could produce it. You need to link that knowledge with information about the market. In particular, you need to find out:

- The average price and the price fluctuations of different products and the certainty of the market for these products. What proportion of the retail price goes to the farmer? What happens to the price if the harvests are very meagre or very abundant? What is the chance that cheap imports will be dumped in your region and how would that affect the price?
- Your access to alternative markets. Can you sell your products elsewhere if the factory you thought you would sell your cabbage to goes bankrupt or changes its mind?
- The expected total profit and the expected profit per hectare of land, for each of the products you are considering.
- The minimum total profit (or the maximum loss!) and the minimum profit per hectare of land. This is important information, as you need to be able to survive a bad year.

The steps below are merely an example of what your research could look like. At every step, you should keep in mind each of the criteria listed above.

#### **1. Look at your neighbours**

What do farmers in the area produce and why? Are these farmers able to live off the land? Whom do they sell their produce to, and where, and do they sell or produce jointly with other farmers? If, for example, the farmers are organised in a co-operative that helps the farmers to access low-cost inputs and machinery and to get a good price for the products, and if you can join that co-operative, joining may well be both the easiest and the most profitable decision to take. But don't be lured too easily. Cooperation with other farms can be very advantageous, but cooperation mechanisms do not always work well. Why did other farms in your area chose not to join that co-operative, what do they do, and how are they performing now? Are there farms that produce something totally different - and are they successful? Among the farmers whose resources are comparable to yours, the more successful ones should be your benchmark. You can do as well, and possibly better.

Copying good ideas from within your region does pose a risk. If many people copy the idea of a successful farmer, they may cause an oversupply of that particular product. The factory in your region may need strawberries, for example, and may pay relatively high prices for them because there are not many strawberries on the market. If too many farmers in the region start producing strawberries to fill the gap, the production may exceed the demand of the factory, and the price

may drop. As long as facilities that keep fruit and vegetables fresh for long are lacking in Bosnia and Herzegovina, the last minute alternative – selling your produce on the local markets in the midst of the harvesting season – may result in such low prices that you do not make a profit at all. Conversely, you might have done good research and be among the first to grow raspberries when the factory expands its operations. Raspberries need more effort and investment, but they fit into the farm's seasonal plan just as easily as strawberries and the profits will be higher (until the other farmers copy your example).

## **2. Look at the markets in the region**

What is sold on the local markets and shops for what prices in what seasons? What proportion of these prices goes to the farmer? The prices farmers get paid for some products may well be so low that you would be unable to generate a profit. This could be because the harvests were too good, because the region's farmers did not do their research well or just sell what they cannot consume themselves, or because cheap imports are flooding the market. Whatever the reason: unless you have distribution channels that other farmers do not know of, or if you are able, for whatever reason, to harvest your produce in the off-season, these are not the products you want to produce on your farm.

Products that fetch high prices are more attractive, but care is needed. Why are the prices high? There are many possible reasons and merely checking the prices is only the first part of the research: you have to uncover the story behind the prices. If the prices are high because the harvest failed, you may not want to get into that type of activity as such failure may happen again, or the price may drop dramatically when the harvest is better. If the prices are high because the product is a specialty and in very low demand you run the risk of not finding a market. Edible snails, for example, may earn a lot if you manage to sell them, but your market is not secure. If the prices are high because the crop is prone to failure, say, raspberries, you should only consider it in combination with other activities or if you have enough reserves to get through a bad year.

## **3. Look at the markets elsewhere**

As long as the country does not have a very refined distribution network, there will be regional price differences and it may be very worthwhile to check the market value of your products in other parts of Bosnia and Herzegovina. If there are consistent price differences, you might be able to arrange transport and fetch higher prices elsewhere (and that could be anywhere). But be careful: because of the transport cost, the retailers' profit margins and all other expenses that need to be made, there is a large difference between the price consumers pay and the price you get.

## **4. Look at other distribution channels**

What other potential markets exist, either in your region or outside of it? Many farmers sell their products to the food-processing industry or to domestic or exporting wholesalers. These are worthwhile markets to explore and may lead to secure and long-term arrangements that may include provision of credits, inputs and technical advice. But these markets are not easy to tap into. The quality requirements are often high, and these buyers may only be interested in buying volumes that you are unable to produce all by yourself. To reach the volume, and to be able to bargain for a better price, starting up or joining a co-operative may prove useful (or even necessary).

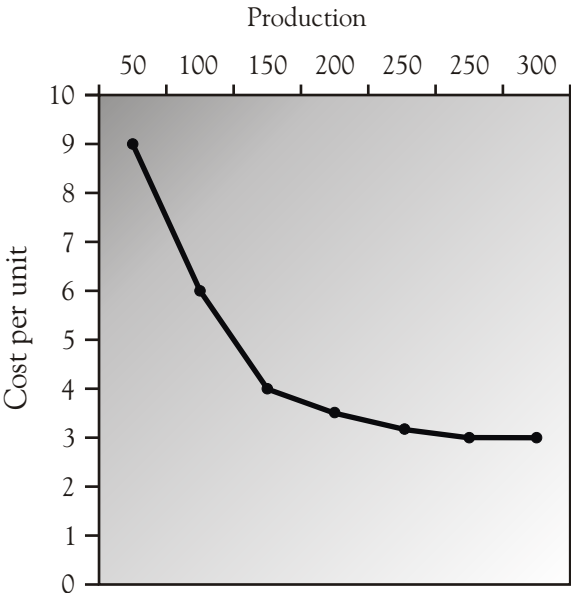
### Step 4: What do you chose to produce

In agriculture, you never know what is going to happen. Floods, drought, diseases, price fluctuations and many other things can spoil your plans. But good research at least tells you what activities you could *probably* engage in successfully, what prices you could *probably* expect for the different products, and what the risks are of the different possible activities. On the basis of this incomplete information you need to decide what you are going to do.

Your goal is to make as much profit as possible without running too much risk. Essentially, your profit is the difference between the amount of money you get for all your produce and your expenses. These expenses include the money you spend on seeds, fertilisers, pesticides, workers, machines, transport, water, electricity and everything else that costs you money. Your expenses also include taxes you might have to pay, interest payments for loans you may have, and even a sum that you need to save each year to be able to maintain or replace whatever you use (machines, but also land, buildings and everything else that plays a role in the production process). Lastly, your expenses include in-kind payments. If you managed to arrange transport in return for eggs, you need to consider the cash you could have earned by selling those eggs.

The larger your operations, the higher your expenses but *the lower your expenses per unit of production*. Because of the gradual reduction in costs per unit of production, almost all activities have a breakeven point: the size of production where you get back as much as you spent. You make exactly zero profit if you produce that much. If you produce more you make a profit and if you produce less you operate at a loss.

It makes sense to produce as much as possible of one type of product. Your costs go down, you get past the breakeven point and you might get a good price for your products because of the volume you sell. But just focussing on one product is risky. If the price is disappointing, or you are unable



to sell your products for any price at all, the financial blow might drive you to bankruptcy. Unless you do not mind that risk (if you have another job or substantial savings that could help you through bad times, for example), it is probably unwise to focus on one product only. At the other extreme, it is unwise to produce too many different types of products, as you might not reach the breakeven point for any of them.

### Crop rotation and the cycle of nature

Selecting the best activities is a good idea. But of course your decisions are temporary, as you have to work with the balance of nature. Crops and other activities must be rotated to enable the land to maintain fertility, to reduce disease and pest build-up. Similarly, buildings in which you store harvest or raise animals must rest periodically to reduce disease infection and pest infestation.

### Economies of scale

Economies of scale apply in many ways.

- The more you buy the lower the cost
- The more you produce the lower the cost per unit of production
- The greater the area of land you have the lower the costs of managing per unit of production

You do not need to be a mathematician to decide what combination of activities is likely to result in significant profits while posing not more than a reasonable risk. It takes a lot of time, but if you are able to add up and subtract, you can make a rough analysis.

Take a look at the following example. This example is based on one family with four members, who farm three hectares of good quality land at 500-550 metres above sea level and with good sources of water. The family has apples on 0.5 hectare. Three cows are using the remaining 2.5 hectares of land and the grass under the apple trees. The family would like to expand its agricultural activities because the cows use more land than they need, and 0.5 hectares could be used for another activity. In addition, there is a building on the farmland that is not currently in use. The family considers four options, two of which do not even include cows anymore. Based on their experience with their existing activities and on information gathered from neighbours and commercial buyers, they made a rough calculation for each of these options. Whilst reviewing these options the family constantly compared these options with the existing dairy income and the available family labour.

#### Option A

	3 cows/2 ha grass	0,5 ha maize	0,5 ha apples
Costs of production	<b>1000</b>	<b>400</b>	<b>2000</b>
Probable income	3 x 3500 litres x 0,7 KM + 3 calves x 1000 = <b>10500</b>	2000 kg x 0,3 = <b>600</b>	20 ton x 0,5 KM/kg = <b>10000</b> (100 kg/tree)
Minimum income	<b>9500</b>	1500 x 0,3 = <b>450</b>	<b>5000</b>
Risk level	Low	High	Medium
Overall risk for the business: low, but the output is low and the harvest of maize and apples clashes.			

#### Option B

	0,5 ha raspberries	1 ha cabbage	1 ha: 10 sheep	0,5 ha apples
Costs of production	<b>1000</b>	<b>1000</b>	<b>450</b>	<b>2000</b>
Probable income	6 ton x 1,3 = <b>7800</b>	25 ton x 0,3 = <b>7500</b>	<b>2500</b>	20 ton x 0,5 KM/kg = <b>10000</b> (100kg/tree)
Minimum income	3 ton x 1,3 = <b>3900</b>	10 ton x 0,3 = <b>3000</b>	<b>2000</b>	<b>5000</b>
Risk level	High	High	Low	Medium
Overall risk for the business: <b>medium-high</b> because of the weather risk, the delay in return of the long-term investment in raspberries, and the lack of secure milk income from the cows.				

### Option C

	5 poly tunnels with salads (0,25 ha)	2000 broiler chickens	2,25 ha wheat and barley	0,5 ha apples
Costs of production	<b>8000</b> (annual costs of poly-thene for 4 years)	<b>9000</b>	<b>1100</b>	<b>2000</b>
Probable income	<b>17000</b>	1950 x 1,75 kg x 4,5 KM = <b>15000</b>	10 ton x 0,28 KM = <b>2800</b>	20 ton x 0,5 KM/kg = <b>10000</b> (100kg/tree)
Minimum income	<b>10000</b>	10000	7 ton x 0,28 KM = <b>1960</b>	<b>5000</b>
Risk level	High	High	High	Medium
Overall risk for the business: <b>high</b> , as there is no secure milk income from the cows and the poly tunnels require a high capital investment. But the unused building could house the chickens. This option needs a lot of labour.				

### Option D

	3 cows/2 ha grass	0,5 ha raspberries	0,5 ha apples
Costs of production	<b>1000</b>	<b>1000</b>	<b>2000</b>
Probable income	3 x 3500 litre x 0,7 KM + 3 calves x 1000 = <b>10500</b>	6 ton x 1,3 KM = <b>7800</b>	20 ton x 0,5 KM/kg = <b>10000</b> (100kg/tree)
Minimum income	<b>9500</b>	3 ton x 1,3 KM = <b>3900</b>	<b>5000</b>
Risk level	Low	Medium-high	Medium
Overall risk for the business: <b>lowmedium</b> . There is a delay in return from the long-term investment in raspberries, but there is relatively secure income from the apples and the cows. The workload is also spread over the season.			

Option D appears to be a safe change to the farm plan. It increases the cash income (though not as much as the poly tunnels in Option C do, and only after a delay following the capital investment), it spreads the workload over the season, and the different activities do not inter-connect, which reduces the risk from disease and bad weather. This option is developed further in the farm plan at the back of this booklet.

## Arranging finances

### ***Lending terminology***

*Repayment:* you pay the borrowed money back to the bank (mostly in monthly instalments)

*Interest rate:* you pay an additional percentage of the loan to the bank (mostly in monthly instalments)

*Grace period:* the period before you start to repay the loan capital. Interest is payable over this period and can be reflected in the following fixed payments, or, at times, can be paid separately during the grace period.

*Loan maturity:* the period of time it takes before you have repaid the entire loan and its interest.

*Collateral:* something of value (usually land or a house) that the bank can confiscate if you do not repay your loan.

*Guarantor:* a person who formally and legally takes the responsibility of repaying your loans if you fail to do so yourself.

Before the war, Bosnia and Herzegovina had neither much commercial agriculture nor a well-developed banking system. A consequence is that most farmers still do not consider the possibility of a loan to finance their activities. This is unfortunate. To reach the level of production that makes farming profitable, commercial agriculture needs investments. Not many people have the savings to make those investments.

Farmers may need loans for large initial investments, for annual investments, and to cover running costs that vary with the fluctuations within the farming season. These different types of expenditures need different types of loans.

### 1. Loans to cover large initial investments

You may have to make a large investment to start or expand your activities. To buy land, for example, or to buy cows. Making this investment may require a loan that you could only repay in the course of a number of years. Depending on your activities, you should try to arrange a loan that requires either constant or increasing repayments (see textbox).

### 2. Loans to cover expenses at the beginning of the agricultural cycle

At the very beginning of each agricultural cycle, farmers incur significant expenditures to get everything ready for the new season. Some banks and micro credit organisations have loans that are designed to cover those expenditures. You do not have to pay back anything until after you have sold your products 6 months later and occasionally longer. Some credit programmes are even suitable for activities where the volume of production is not very high in the first year, as they allow the repayments to spread over 18 or even 24 months.

### 3. Loans to cover running costs

In many countries it is easy to get an arrangement with a bank that enables you to take short-term credit to cover running costs (up to a limit, of course). The moment you have some cash again, you pay off this credit. Interest is charged only for the actual amount of credit taken for the actual amount of time that passed until you paid it back.

Unfortunately, most banks in Bosnia and Herzegovina do not yet offer such a service to farmers. This means that, unless there are alternative ways to finance production activities, farmers who are at risk of running out of cash have to plan their income and expenditure carefully, and might have to arrange a loan at the beginning of the season that does not only cover investment costs, but also cash shortfalls in the course of the year.

### ***A credit example***

*In Bosnia and Herzegovina, most farmers have some livestock. The banks and credit agencies increasingly recognise that farmers do not have enough money to buy livestock before the winter and to survive with little income until the following spring. As a consequence, it is now possible to get credits with a half-year grace period and a repayment period of one year.*

*An example. A farmer already has some cash inflows from cows and crops but sheep could easily be added as the farmer has some forest and orchard that could be used for grazing. He knows that the sheep will generate a good cash return in the first year but has no cash lump sum at the time of year when sheep are at their lowest purchase price.*

*The farmer has 500 KM himself and needs a 5,000 KM loan to buy the sheep. He will be paying interest on that loan from November onwards, but it is worth the effort as, by the end of next July, he has accumulated 5,405 KM and, in addition, has an asset value in the 25 sheep he bought.*

*The cash flow forecast could look like this:*

#### **Cash flow forecast**

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Credit	5.000								
Income from wool (25 sheep x 1kg x 1.5 KM)						37			
Income from lambs (33 lambs x 180 KM)							1.800	1.800	2.340
Other inflows	500	500	500	500	500	500	500	500	500
<b>TOTAL INFLOWS</b>	<b>5.500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>537</b>	<b>2.300</b>	<b>2.300</b>	<b>2.840</b>
Buying 25 sheep	5.000								
Food costs in winter 120 days x 25 sheep x 0.4kg x 0.28 KM	84	84	84	84					
Food costs in summer 120 days x 33 lambs x 0.15kg x 0.56 KM					83	83	83	83	
Credit rate	50	50	50	50	50	50	469	469	466
Other expenditures	300	300	300	300	300	300	300	300	300
<b>TOTAL OUTFLOWS</b>	<b>5.434</b>	<b>434</b>	<b>434</b>	<b>434</b>	<b>433</b>	<b>433</b>	<b>852</b>	<b>852</b>	<b>766</b>
<b>CASH BALANCE</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>67</b>	<b>104</b>	<b>1.448</b>	<b>1.448</b>	<b>2.074</b>
<b>CUMULATIVE CASH</b>	<b>66</b>	<b>132</b>	<b>198</b>	<b>264</b>	<b>331</b>	<b>435</b>	<b>1.883</b>	<b>3.331</b>	<b>5.405</b>



## **Loan calculations**

For the time being, the banking sector in Bosnia and Herzegovina is not very well developed (though rapidly improving), and access to capital depends on a wide spectrum of conditions and circumstances. If you have a business that is not officially registered, you will probably have to spend a lot of time and energy researching the market to find an appropriate loan. It will be less complicated if your business is officially registered, but even then it will not be very easy.

The following are three forms of loans available to agricultural enterprises.

### **Option 1: short term, flat rate interest with grace period**

A short-term loan with a flat rate of interest and possibly a grace period is currently the most common type of agricultural loan. A typical example is a 3,000 KM loan, borrowed at 1% a month, repayable over 12 months and preceded by a grace period of 6 months. Interest over the loan is payable over the grace period and will therefore be paid for 18 months. Normally, collateral or a guarantor will have to be offered to secure this loan. The total interest payment on this 3,000 KM loan after 18 months at 1% a month is 540 KM.

### **Option 2: constant payments**

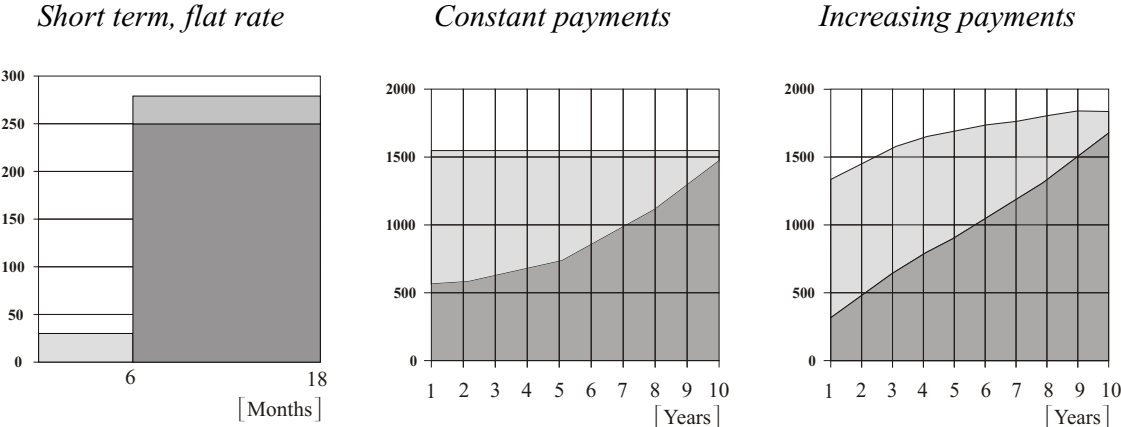
For secure borrowers, loans that you repay in equal instalments are becoming more common in Bosnia and Herzegovina. Sometimes, such loans are appropriate for agricultural investments. If you buy land and grow crops that bear fruit in their very first year, for example, you may be able to repay as much in the first year as you could pay in the last one. Part of this money repays the loan and part of it is the interest you have to pay over each period. Over time, you pay less interest and make more repayments but the overall annual amount is always the same. Assume that you need a 10,000 KM loan. The annual interest rate is 10 percent and you repay the loan in 10 years time. The total interest payment on this 10,000 KM loan after 10 years at 10% amounts to 6,275 KM. Every year, you pay a total of 1,628 KM.

### **Option 3: increasing payments**

If you buy calves, it takes some time before you have milk or meat to sell. Therefore, you are not in the position to repay much of the loan in the first years. But in the course of a number of years, the amount of milk and meat you sell increases, and you can pay a lot towards the end of the ten-year period. Loans that fit such purposes cost a lot of interest. Assume again that you need a 10,000 KM loan. The interest rate is 10 percent and you repay the loan in 10 years time. The total interest payment on this 10,000 KM loan after 10 years at 10% depends on the speed in which you repay the loan, but is always higher than 6,275 KM. Loans for which repayments increase over time are not yet common in Bosnia and Herzegovina and rarely apply to agricultural investments, but might become more available for established commercial farmers in the foreseeable future.



The following graphs show how this operates. The dashes on the horizontal bar represent the 18 months in the first graph and 10 years in the second and third graphs. The dark area is what you repay and the light area represents interest payments.



Loans for farmers are particularly difficult to get. One problem that banks face is that farmers live in rural areas and are therefore difficult to reach. Another problem is that many farmers are not creditworthy and do not have a good plan that indicates how they are going to be able to repay the loan. Consequently, the types of loans that are offered do not always suit agriculture. Many credit lines do not have a sufficiently long grace period, for example. Immediate repayment is fine if you have a shop, but is impossible for farmers, who only get their cash income parallel with the farming seasons. Similarly, the lack of credit possibilities to cover running expenses restricts agriculture considerably.

But some good loan systems do exist. As they are hard to find, and as the loan conditions vary widely even within the agricultural credit schemes, you should check with more than one bank if you are looking for credit. Compare the interest rates. Ensure you are not expected to start repaying the loan before you have seasonal cash inflows. Make sure that repayment of the loan does not take longer than necessary, as you need to pay interest for each day that the loan has not yet been repaid. In the back of this booklet you will find a list of banks and micro credit organisations. In addition, cooperatives sometimes provide loans to their members - and of course many people arrange loans through family and friends.

Taking a loan is no joke. As long as the interest rates in Bosnia and Herzegovina do not go down (and that is unlikely to happen, as banks consider this a high risk lending country), loans are expensive. As is explained: a 10.000 KM loan, repaid in equal annual instalments over a ten-year period and with an interest rate of 10 percent, costs you 6,275 KM in interest payments. And if you do not manage to repay your loan, the bank may take your collateral instead (such as your land; see the explanation of 'lending terminology'). Therefore, your plans need to be good. If they are, you will be able to make the repayments *and* develop a profitable farm.<sup>2</sup>

<sup>2</sup> As any loan carries a risk, the farmer's spouse should not sign anything on behalf of the farmer. If both partners sign the commitment or guarantee declaration, the farmer's partner will take over any liabilities in case the farmer fails to pay back the credit.

### ***Possible barter arrangements (or 'merchant credit')***

*The market economy in Bosnia and Herzegovina does not yet function very smoothly. In addition, there is a widespread lack of cash. Many people and companies try to deal with this by making arrangements that do not involve money.*

*There are now a lot of companies that supply agricultural inputs such as livestock feed, young livestock, seed and fertiliser without initial charge. You indirectly pay for these inputs when you sell your livestock or produce to the company on a contract basis, later in the farming season. For many farmers, this type of arrangement makes farming possible. But it is important to calculate how much you really pay for these inputs, as it might be cheaper to get a bank loan and buy all these inputs yourself.*

## Writing down your choices

Most farmers have some sort of plan before they start the season. They do not normally write this plan down - and that is unfortunate. Once you have done the necessary research and decided which product or products you want to produce, it is a good idea to write down your plans because:

- A plan forces you to think through all the choices you make and steps you take.
- A plan provides you with a track to follow, with periodic checks and benchmarks that tell you if the farm is developing as you had planned.
- When you make your plan, you will think of potential problems - and solve them before they actually appear.
- If you have a plan, banks are more likely to provide you with the loan you need.

One of the annexes to this booklet is an example of such a plan. If you take a few minutes to read it, you will see that such a plan is not very difficult to prepare once you have a clear idea of what you want to do. You will also see that the plan is:

- Complete - once you read the plan, you have a good idea of what this farmer will do and why the activities will be profitable.
- Precise - any good plan avoids using vague terms such as 'a lot' or 'considerable'.
- Concise - a good plan is not longer than necessary.

Of course your activities will be different from the ones this plan describes. Nonetheless, you can probably use the same frame and answer the same questions as this plan did. After you have finished writing your plan, it should address the following issues:

- What you are going to do?
- When you are going to do it?
- How you are going to do it?
- With what means you are going to do it (i.e. how much money you will need at which times in the coming year)?
- What inputs you are going to need and from where you are going to get them?
- How many workers you are going to need, if any, what they are going to do and?
- What skills they will have?
- At what costs you are going to produce your products?
- How you are going to sell your products?
- Who you are going to sell your products to?
- For what price you are going to sell your products?
- What options you have if your buyers drop out?
- What differences there are between you and comparable farmers (the type or quality of your products, the proximity to the buyers, the access to machinery, etc.)?
- How much you will have to sell before you start making a profit?
- And how long that is going to take you?
- What you expect the results will be (i.e. what your profit will be)? It is also useful to give an indication of what will happen if things do not go as well as you hoped.
- Will you survive the first year if the crops fail, for example, or if the prices go down significantly?
- What changes you expect in the market for your products in the near future?
- What problems you expect and how you are going to deal with them?

Are all these issues addressed? Then your plan is ready!

## Producing quality

Higher quality products fetch higher prices. Often, it is possible to improve the quality of your products without adding much to the costs. Using your powers of observation, inquisitiveness and ingenuity, you may even be able to increase your quality without any additional costs at all.

By being on time, for example. Farming is an industry that responds greatly to timeliness. Being on time or even better, early - often provides a reward. If a neighbour with a similar farm is doing something a day or so ahead of you, ask yourself why you weren't doing it three days ago.

### **The value of timeliness**

*Your neighbour's first picking of peaches may not have been quite ripe, but she picked them early and got them into the market before the bulk of the local crop. Being of a little harder texture than normal they did not suffer as much bruising as ripe fruit do, so their low blemish quality was obvious to the buyers. Consumers buy a seasonal fruit or vegetable the first time they see it in the shop and pay a premium on the usual price. A week later, when the bulk of the crop is ready, this price will go down significantly. Your neighbour achieved a quality premium (early availability and low bruising) with no extra cost, by just giving a little more thought to the market and the habit of the buyer.*

### **Building trust to build your profit**

*A modern farmer knows how to produce. Equally important, a modern farmer knows how to sell. Farmer X, for example, sells apples to an exporting wholesaler. The wholesaler requires high-quality apples and it is in the interests of Farmer X to meet these standards. She signs a contract to sell that wholesaler a volume of apples that is smaller than the volume she produces, as part of her harvest is not of premium quality. She does not even offer this other part of the harvest to the wholesaler, but instead sells these apples through other channels. The wholesaler is consistently satisfied, and that is obviously to the farmer's advantage.*

In the boxes above, there are two simple examples of a farmer who thinks ahead. This principle can be applied to all aspects of farming, from planning, through working in the fields in the season, and to selling your produce for the best price. The point is that profit-making farmers do not always follow traditional methods and do not always do what their neighbours are doing. Managing your farm by questioning your methods and constantly making changes, no matter how small, is better than just coping with the seasons as they come, and looking no further than your boundary fence.

While some improvements are possible without any additional costs at all, a quality premium often requires a little extra expenditure during the production or growing season. Take supplies, for example. For all farm supplies, there are minimum standards that must be observed by the seller, and a good farmer will always buy supplies at least at those minimum standards. But it may well be wise to buy supplies that are slightly above these minimum standards. Whether you buy seed, fertiliser, livestock feed and even when you consider the health standards of animal breeding stock, buying a slightly higher quality often costs very little extra and may increase the value of your products significantly.<sup>1</sup> To minimize your losses if your trial goes wrong, it is best to experiment with this type of innovation on a small scale first.

<sup>1</sup> *But make sure that the high-quality inputs are appropriate for the local conditions. Expensive high yielding breeds of cattle eating poor hillside pasture, for example, will give you nothing but low quality milk and health*

## *A quality checklist*

The following list helps you ensure that your products will be of marketable quality and meet basic standards of production.

Sector/activity	Points to note	Your Check
<b>Fruit, vegetables and arable crops</b>	<b>Only use virus tested and disease free seedlings and plants</b>	
	<b>Only use good, certified, proven varieties that are suitable for your region</b>	
	<b>Have adequate fertiliser of the correct chemical analysis available for the crop</b>	
	<b>Plan varieties for your market and to give a good spread of harvesting period.</b>	
	<b>Is irrigation available?</b>	
	<b>Check availability of basic crop protection products to control pests and diseases in advance of the high season</b>	
	<b>Apply products in accordance with the label instructions and avoid tainting the produce</b>	
	<b>Plan harvest timing ahead with buyers</b>	
	<b>Use good quality, damage-free containers</b>	
	<b>Train pickers in damage-free handling of produce</b>	
<b>All livestock</b>	<b>Buy in healthy breeding stock with a veterinary health certificate</b>	
	<b>Use sires with good breed confirmation from successfully productive parents, and which have already sired productive offspring.</b>	
	<b>If using artificial insemination, nominate a sire if possible, and if in doubt gain some training in early recognition of oestrus</b>	
	<b>Ensure that your stock accommodation is sufficiently light and well-ventilated, with plenty of water and adequate room for stock to move around</b>	
<b>Cattle</b>	<b>Use a breed suited to your field conditions and feed availability. (E.g. high yielding breeds eating poor hillside pasture will give low quality milk and have health problems)</b>	
	<b>Make sure that water is available 24 hours per day, as a cow can drink up to 70 litres of water per day, 50% of which will be in the early evening. If water supply is restricted, milk output will be restricted as well</b>	
	<b>Whenever the weather is kind, keep cattle outside but provide shade when it is hot. Only put them inside at night or when the weather is poor</b>	
	<b>Try to put cattle on good bedding, away from manure, and not on bare boards or floors</b>	
	<b>Consider a breed developed both for milk and meat production</b>	

Sector/activity	Points to note	Your Check
Sheep	Breed first from females that often have twin lambs	
	Control grazing and try to separate sheep from other types of livestock	
	Control foot rot in sheep. The organism lives in the soil for 2 years, so separating sick sheep from healthy ones is no cure for the problem. Keep other farmers sheep away from your land	
	Remove older sheep with broken teeth	
	Breed for the market. Before some national festivals the price can rise by 200 percent or more	
	Supply your buyer with sheep of his preferred age and condition	
Poultry	Buy in good quality vaccinated stock	
	Keep poultry in an even environment. No drafts, no cold areas etc.	
	Provide food ad-lib, not restricted	
	Observe strict hygiene rules. A disinfection and rest period between batches of birds is as important as the raising period	
	Remember that the choice between battery, deep litter and free-range poultry is not only a moral one, but also one related to product quality and price.	
Pigs	Use breeds suited to whatever conditions you can provide whether outside in season or in buildings all the year round.	
	Make sure concentrate feed contains soya in the right amount	
	Supply your buyer with pigs of an agreed weight	
Small animals (chinchillas etc.)	Get expert advice on the best way to create the right environment for your small animals	
	Breed in connection with a buyer	
Feed and fodder	Harvest bulk fodder in the best conditions and store it without mould forming, preferably inside a building	
	Never use spoiled feed	
	Store concentrate feed in a separate dry and dark area, free of mould	
	Control all vermin and keep all birds away from feed	
	Use clean containers and troughs for feed. Never contaminate the feed or feed area with manure. Clean areas before feeding	
	Remember to feed minerals and micro nutrients	
	Harvest hay when it has most energy content. If you wait until the hay reaches its biggest volume, part of the energy is already gone	
Animals for slaughter	Only send fit healthy stock to the buyer	
	Send stock of the correct age, maturity, and condition as agreed with the buyer	
	If you are producing as well as slaughtering the stock, ensure you have the correct permits for your premises and methods. Ensure you joint meat according to the buyers preference	

Sector/activity	Points to note	Your Check
<b>Milk</b>	<b>Find a responsible buyer who will analyse your milk and pay you according to the analysed quality of the milk (standard levels of fat, protein, solids-not-fat, no antibiotic residues, bacteria cell count, freezing point).</b>	
	<b>Discard all milk from animals with udder diseases</b>	
	<b>Never add water to milk</b>	
	<b>Cool milk immediately after milking</b>	
	<b>Produce to a consistent guaranteed quality. That is how you get a premium price paid</b>	
<b>All activities and products</b>	<b>Pack in consistent size/shape/colour/weight containers</b>	
	<b>Be recognisable, use your name or individual mark on all the quality produce that you sell (but not on your second-grade produce)</b>	
	<b>If you produce outgrades or sub-standard produce through no fault of your own, use other buyers for this, quite separate from your quality output market</b>	
	<b>Store produce carefully in as ideal conditions as possible</b>	
	<b>Transport in dedicated containers, which must be handled gently, preserving the quality of the contents</b>	
	<b>Livestock should be treated quietly and considerately, moved at comfortable temperatures and with the transport driven conscientiously</b>	
	<b>Train your staff-even your family-to understand the importance of care and attention to detail and quality</b>	
	<b>Remember that high-yielding crops and fast-growing livestock are not always the best in quality or flavour and that they are unlikely to achieve quality premiums</b>	

## *Other quality standards*

### **What are European Union Quality Standards?**

This is a very specialist subject, which your buyer will know about best. Standards are changing constantly and you need to deal with people who are very familiar with current standards. These are usually people who are currently buying to meet this very demanding market.

### **What are Organic Quality Standards?**

Organic standards are based on the use of natural fertilisers, natural crop protection and natural remedies for animal health maintenance. The basis is that no man-made inputs have been applied to soil, livestock, or the soil that produces feed for the livestock, for usually a minimum of 3 years.

Those buying organic produce regularly conduct chemical analysis of all produce. If the smallest quantity of chemicals, fertiliser etc. has been involved in the growing or rearing of the produce, it will be rejected, and thus not receive the premium paid over and above 'ordinary' produce.

Bosnia and Herzegovina is fortunate in that the traditional agriculture here can meet these standards in some products. Wild herbs and honey have been among the first products to meet organic requirements but only after official certification of the producer. Genuine certification can lead to good price premiums for the producer, but in turn requires a good level of management and husbandry.

There are now some very efficient farmer co-operatives producing to organic standards in Bosnia and Herzegovina and they are worth contacting if you are serious about this form of production. In addition, there are some agencies operating in the country that help farmers meet these requirements and some of these agencies are listed at the end of this booklet. They must be consulted for specific guidance before considering any organic production. When satisfied that a farmer meets a basic standard they might be able to arrange to have the farm certified as an organic holding. But it does not stop there. From certification onwards there are regular inspections to ensure that current standards are being maintained. The farmer pays for certification and regular inspections on an ongoing basis. This outlay should be more than recouped by the higher prices paid for all produce sold as organic.



## Safety

### *Personal safety*

Many farmers face health problems and have to stop working before the age of retirement. Bad posture, inadequate use of machinery and careless use of pesticides all cause health problems. Some hazards are unavoidable in the farming business. However well you manage your operations, you will occasionally have to carry heavy loads and have to work very long hours, for example. But at least equally important are the hazards that are not specific to farming and easy to overcome. Live electric cables, lack of first-aid facilities, unprotected open machinery, spraying pesticides against the wind, too much exposure to the sun and lack of sanitary facilities, for example, are all hazards that could be avoided.

There are some things you can do to limit the health risks.

1. Ideally, you should eliminate the source of danger. Replace a dangerous pesticide with a safe one, or install a rollover frame on your tractor, for example.
2. If it is not possible to eliminate the source of danger, perhaps you can reduce the hazard. Don't let inexperienced people spray pesticides and spray in lower concentrations, for example.
3. If it is not possible to reduce the hazard, you could perhaps arrange collective protection (such as a first-aid kit or good ventilation in livestock housing) or individual protection (such as face masks and ear-plugs).

In many farms, the entire family works in the business. It is important to realise that children face all the hazards adults face, but that the impact of the hazards are greater, as:

- Children are often assigned the most menial (and thereby most hazardous) jobs.
- Children have less resistance against diseases, and suffer more from vibration, heat, contact with chemical substances, noise and other hazards than adults.
- Children work with tools, carry weights and protect themselves with equipment that is likely to be designed for adults.
- Many accidents are caused by the combination of children's lack of mature judgement of dangers and their inclination to experiment. Children operating machinery or working with chemicals face particularly high risks. Such responsibilities for the young should be avoided.

In addition to risking injuries, children's *development* may be hampered by the things they do. The younger children are, the greater the impact of inappropriate work. The work could harm their physical development. Carrying heavy loads or working in inappropriate positions, for example, may cause deformation of their bones and muscles. In addition, work might affect children's ability to learn. Working for more than a few hours a day, for example, decreases a child's ability to concentrate, and thereby affects school performance.

## *Consumer safety*

You have a duty to your customers to provide food that is safe to eat. Therefore it is worth remembering to:

- Use crop protection chemicals at the minimum level of concentration and ensure that neighbouring crops are not affected by the application.
- Use animal medicines only as recommended by a veterinarian.
- Avoid sending sick animals for slaughter.
- Bury animals that have suffered a natural death on the farm. Do not sell them.
- Maintain high standards of personal hygiene if you prepare meat for sale.
- Ensure premises for food production meet minimum legal standards.

## **Annex 1: An example of a farm plan**

### ***Introduction***

This example is based on a family with four members, who farm three hectares of good quality land at 500–550 metres above sea level, with good sources of water. They have apples on 0.5 hectares and three cows of the Simmental breed, which are using the rest of the land and the grass under the apple trees. They wish to develop their agricultural activities with raspberries on 0.5 hectares of land because the cows have enough food on the remainder of the land, and they can see potential for expansion with minimal investment. Before the choice for raspberries was made, four options were studied to help choose a suitable direction for their expansion (summarised in the main body of this booklet).

### ***Technical analysis of the current situation***

The cows at the beginning of the farming year are between three and five years old and they are in their prime for production. The Simmental is a high yielding breed for both milk and meat production. The average yearly production of milk is about 3,500 litres (well below the breed's potential) and each cow gives birth to one calf per year. There is a ready market for calves of this breed. Artificial insemination using a nominated Simmental bull is practised. The milk is marketed through the local dairy and the price for one litre is 0.70 KM (including a premium from government sources). The calves are usually sold when they are three to four months old and weigh 180 to 200 kilograms. The average price they fetch is 1,000 KM each.

The apple trees are seven years old and the 0.5 hectares orchard is wide planted with 200 trees. Each tree is expected to yield 100 kilograms of apples. There is an existing irrigation facility that was used more often when the trees were younger. The average price for apples is 0.5 KM per kilogram as sold on a contract with a major national processing purchaser. The retail market prices are higher but sales directly to industry are guaranteed and the harvest is quicker and has lower labour and transport requirements. In addition to the processor, there are alternative local buyers of apples, who provide an outlet for any surplus or outgrades. Their price is sometimes higher than the contract buyer but they do not buy in such large quantities in the harvest period.

### ***Action plan***

Evaluating the past few years, the family compared the rough estimated figures with all actual costs and returns, and the farm turned out not to make as much money from the cattle as had been expected. Therefore, the family decides to make some adjustments in the management of milk production activities. This will entail almost no additional cost.

As part of this new plan, the farm starts to save one good heifer calf a year to supply its own herd replacements in order eventually to keep the age of the cattle to a maximum of six years. All bulk fodder is produced on the farm's own land, and concentrate food is bought in. There is enough capacity in the available grazing to feed young stock.

2.5 hectares will be more than adequate to provide grazing for the cattle and to produce bulk fodder for their winter-feed. Therefore, there is plenty of scope for developing the raspberry

production on the remaining land. The land will be prepared in June with clearance of surface vegetation, to be followed immediately by an application of 20 tonnes of composted farmyard manure that is already available on the farm. In the future, 15 tonnes of manure will have to be applied annually together with 300-500 kilos of nitrogen mineral fertilizer (KAN UREA). In July and August, the land will be deep-cultivated and levelled, followed in the autumn with final cultivations and making furrows for planting. The space between the rows will be 2.5 metres and the plant spacing within the row 40 centimetres. To spread the risk of disease and bad weather, and to give the widest range of harvest dates possible, several varieties of raspberry have been chosen using the guidance of a large processor buyer and the local technical institute.

The land is not prone to drought. If required, the existing irrigation equipment will be used for the raspberries, and the farmer will develop the system in the course of a few seasons. For the time being, it will not be an investment priority.

In the following year it is planned to install 2,000 posts and wire to support the raspberry canes. All the cultivation is done using the service of a local machinery ring that has the right equipment and tractor power to do the work at a fraction of the cost that a farmer owning his own equipment would incur. Regular seasonal tractor operations are also made with machinery ring help. All other activities are within the capability of the family, and hardly any additional labour is required.

The raspberries will be sold on contract to the established buyer of the farm's apples. If there are problems with the planned buyers, the family has two alternatives. It could prepare cheese for the local market, and it could sell raspberries and apples to the local market if the processor drops out.

The farm development will be funded mostly from a commercial loan of 2,000 KM for posts and wire to support the raspberries, borrowed at an annual interest rate of 12 percent, with immediate repayment over the following year (i.e. no grace period). The total investment in the raspberry crop will be 16,000 KM, which will be returned within four years (i.e. the raspberry production needs two years to start producing an income and an additional two years is a realistic estimate for the investment to be totally returned). The raspberries will be capable of uninterrupted production over the next ten years. (The investment will be staged over 2 years, which is a more acceptable alternative to the poly tunnel option).

Good quality land, an assured market, and many years of farming experience are the principal advantages for this family. The farm's individual activities are not related to or reliant on each other and the income from one can cover any seasonal problems in another.

The business plan is based on a farming year that starts on 1<sup>st</sup> April. It covers 3½ years of production to allow for the full return-on-investment of the raspberry crop.

## *Financial analysis*

### **Amortization**

In any business it is necessary to make allowances for the cost of replacement of the major business assets, be they livestock, perennial crops such as fruit stock, fixed equipment such as raspberry supports, or machinery. For registered businesses, these amortization figures can usually be deducted from taxation.

<b>TABLE OF AMORTIZATION (asset replacement fund)</b>					
	<b>Price</b>	<b>Amortization years</b>	<b>I YEAR</b>	<b>II YEAR</b>	<b>III YEAR</b>
<b>Apples</b>	600	30	20	20	20
<b>Raspberries</b>	750	10	75	75	75
<b>Supporting pillars posts, canes</b>	8.000	10		800	800
<b>Wire</b>	2.000	10		200	200
<b>TOTAL</b>	<b>11.350</b>		<b>95</b>	<b>1.095</b>	<b>1.095</b>

Note that if the farmer was not breeding his own replacement cows, there should also be an amortization calculation for cattle replacement.

### **Profit and loss statement**

This shows the 'paper' results of each of the production activities for a final financial comparison of the efficiency of each. Note that this statement does not show the value of the complementary effects each activity may have on another, such as the value of manure from cows for crops and grass fodder from the orchard.

<b>PROFIT AND LOSS STATEMENT</b>				
	<b>I YEAR</b>	<b>II YEAR</b>	<b>III YEAR</b>	<b>TOTAL</b>
<b>Income</b>	<b>19.566</b>	<b>20.566</b>	<b>38.382</b>	<b>78.514</b>
<b>Cost</b>	<b>9.954</b>	<b>22.562</b>	<b>17.193</b>	<b>49.709</b>
<b>Profit</b>	<b>9.612</b>	<b>-1.996</b>	<b>21.189</b>	<b>28.805</b>

## Income table

This table helps in planning activities in terms of setting-out timing of income during the farming season and calculating total annual incomes from farm activities.

I N C O M E										
	Cows <sup>1</sup>			Apples			Raspberries			TOTAL
	Quan	Price	Total	Quan	Price	Total	Quan	Price	Total	
APRIL 2003	1230	0.70	861	-	-	-	-	-	-	3.861
	3*	1000	3.000							
MAY 2003	1125	0.70	787	-	-	-	-	-	-	787
JUNE 2003	1080	0.70	756	-	-	-	-	-	-	756
JULY 2003	990	0.70	693	-	-	-	-	-	-	693
AUGUST 2003	945	0.70	662	-	-	-	-	-	-	662
SEPTEMBER 2003	900	0.70	630	-	-	-	-	-	-	630
OCTOBER 2003	690	0.70	483	20000	0.50	10.000	-	-	-	10.483
NOVEMBER 2003	-	-	-	-	-	-	-	-	-	0
DECEMBER 2003	-	-	-	-	-	-	-	-	-	0
JANUARY 2004	500	0.70	350	-	-	-	-	-	-	350
FEBRUARY 2004	750	0.70	525	-	-	-	-	-	-	525
MARCH 2004	1170	0.70	819	-	-	-	-	-	-	819
TOTAL I YEAR			9.566			10.000			0	19.566
LOAN										2.000
APRIL 2004	1230	0.70	861	-	-	-	-	-	-	2.861
	2*	1000	2.000							
MAY 2004	1125	0.70	787	-	-	-	-	-	-	787
JUNE 2004	1080	0.70	756	-	-	-	-	-	-	756
JULY 2004	990	0.70	693	-	-	-	-	-	-	693
AUGUST 2004	945	0.70	662	-	-	-	-	-	-	662
SEPTEMBER 2004	900	0.70	630	-	-	-	-	-	-	630
OCTOBER 2004	690	0.70	483	20000	0.50	10.000	-	-	-	10.483
NOVEMBER 2004	-	-	-	-	-	-	-	-	-	0
DECEMBER 2004	-	-	-	-	-	-	-	-	-	0
JANUARY 2005	500	0.70	350	-	-	-	-	-	-	350
FEBRUARY 2005	750	0.70	525	-	-	-	-	-	-	525
MARCH 2005	1170	0.70	819	-	-	-	-	-	-	819
TOTAL II YEAR			8.566			10.000			0	20.566
APRIL 2005	1230	0.70	861	-	-	-	-	-	-	2.861
	2*	1000	2.000							
MAY 2005	1125	0.70	787	-	-	-	-	-	-	787
JUNE 2005	1080	0.70	756	-	-	-	-	-	-	756
JULY 2005	990	0.70	693	-	-	-	2000	1.30	2.600	3.293
AUGUST 2005	945	0.70	662	-	-	-	1000	1.30	1.300	1.962
SEPTEMBER 2005	900	0.70	630	-	-	-	-	-	-	630
OCTOBER 2005	690	0.70	483	20000	0.50	10.000	-	-	-	10.483
NOVEMBER 2005	-	-	-	-	-	-	-	-	-	0
DECEMBER 2005	-	-	-	-	-	-	-	-	-	0
JANUARY 2006	500	0.70	350	-	-	-	-	-	-	350
FEBRUARY 2006	750	0.70	525	-	-	-	-	-	-	525
MARCH 2006	1170	0.70	819	-	-	-	-	-	-	819
APRIL 2006	1230	0.70	861	-	-	-	-	-	-	2.861
	2*	1000	2.000							
MAY 2006	1125	0.70	787	-	-	-	-	-	-	787
JUNE 2006	1080	0.70	756	-	-	-	-	-	-	756
JULY 2006	990	0.70	693	-	-	-	4000	1.30	5.200	5.893
AUGUST 2006	1070	0.70	749	-	-	-	2000	1.30	2.600	4.849
	1**	1500	1.500							
SEPTEMBER 2006	1100	0.70	770	-	-	-	-	-	-	770
TOTAL III ½ YEARS			16.682			10.000			11.700	38.382
TOTAL ALL YEARS										78.514

NOTE: <sup>1</sup> Milk price based on information from Milgor Gorazde, 23/09/2002.

\* = sales of calves. \*\* = sale of removed (culled) cow

## Cost table

This table is essential to make a full analysis of all costs to each activity and ascertain exactly when these costs are incurred during the farming season.

<b>C O S T</b>				
	<b>Cows</b>	<b>Apples</b>	<b>Raspberries</b>	<b>TOTAL</b>
<b>I YEAR (April 03 -March 04)</b>				
Concentrate for cows (2100 kg x 0.41)	861			861
Concentrate for calves (360 kg x 0.48)	173			173
NaCl (livestock minerals)	50			50
Vet services	150			150
Mineral fertilizer (0.50 per kilo)	200	200	400	800
Land cultivation	150	200	800	1.150
Seedlings for raspberries (1500 x 0.50)			750	750
Spraying		500	125	600
Wrapping material and equipment	50	100		150
Irrigation		100	100	200
Other costs	50	50	50	150
Amortization		20	75	95
Living expenses				4.800
<b>TOTAL I YEAR</b>	<b>1.684</b>	<b>1.170</b>	<b>2.300</b>	<b>9.954</b>
<b>II YEAR (April 04-March 05)</b>				
Concentrate for cows (2450 kg x 0.41)	1.004			1.004
Concentrate for calves (360 kg x 0.48)	173			173
NaCl (minerals)	50			50
Vet services	150			150
Mineral fertilizer (0.50 per kilo)	200	200	400	800
Land cultivation	150	200	400	750
Spraying		500	500	1.000
Supporting canes (2000 x 4 KM)			8.000	8.000
Wire and other material			2.000	2.000
Wrapping material and equipment	50	100		150
Irrigation		100	100	200
Other costs	50	50	50	150
Amortization		20	1.075	1.095
Living expenses				4.800
Credit rates				2.240
<b>TOTAL II YEAR</b>	<b>1.827</b>	<b>1.170</b>	<b>12.525</b>	<b>22.562</b>
<b>III YEAR (April 05-September 06)</b>				
Concentrate for cows (4258 kg x 0.41)	1.746			1.746
Concentrate for calves (480 kg x 0.48)	230			230
NaCl (minerals)	75			75
Vet services	250			250
Mineral fertilizer (0.50 per kilo)	400	400	800	1.600
Land cultivation	300	400	800	1.500
Spraying		875	900	1.775
Wrapping material and equipment	50	100	400	550
Irrigation		200	200	400
Other costs	75	75	75	225
Amortization		30	1.612	1.642
Living expenses				7.200
<b>TOTAL III ½ YEAR</b>	<b>3.126</b>	<b>2.080</b>	<b>4.787</b>	<b>17.193</b>
<b>TOTAL ALL YEARS</b>				<b>49.709</b>

## Cash flow table

This table brings together all the farm's costs and income detailed in the previous tables and converts the figures to real cash inflows and outflows during the farming year. This is critical as it illustrates the matching - or mismatching - of income against costs, giving a critical figure in the 'cash balance' line. From this illustration of the farm's cash situation the farmer can adjust his sales timings, input purchases, capital investments etc. To ensure that the farm always has sufficient funds to at least cover business costs and even the family living expenses.

		CASH FLOW																							
		Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04			
Milk sales	861	787	756	693	662	630	483	-	-	-	350	525	819	861	787	756	693	662	630	483	-	-			
Calf sales	3,000	-	-	-	-	-	-	-	-	-	-	-	2,000	-	-	-	-	-	-	-	-	-			
Apple sales	-	-	-	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-			
Raspberry sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Concentrate for cows	71	72	72	71	71	72	72	72	71	72	72	72	72	83	84	84	83	84	84	83	84	84			
Concentrate for calves	-	-	-	-	-	-	-	-	-	57	58	58	58	58	58	58	58	58	58	58	58	58			
NaCl (minerals)	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4			
Vet services	-	-	-	-	-	-	-	-	-	150	-	-	-	-	-	-	-	-	-	-	-	-			
Mineral fertilizer	500	200	100	-	-	-	-	-	-	-	-	-	500	200	100	100	-	-	-	-	-	-			
Land cultivation	-	150	225	75	200	0	-	-	-	-	-	-	200	200	75	75	75	-	400	-	-	-			
Seedlings	-	-	-	-	-	750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Spraying	100	100	100	100	-	-	-	-	-	-	-	-	225	225	225	100	-	-	-	-	-	-			
Wrapping material	-	-	-	-	-	-	150	-	-	-	-	-	-	-	-	-	-	-	-	150	-	-			
Supporting canes	-	-	-	-	-	-	-	-	-	-	-	-	8,000	-	-	-	-	-	-	-	-	-			
Wire	-	-	-	-	-	-	-	-	-	-	-	-	2,000	-	-	-	-	-	-	-	-	-			
Irrigation	-	-	100	100	-	-	-	-	-	-	-	-	-	-	-	100	100	-	-	-	-	-			
Other costs	12	13	12	13	12	13	12	13	12	13	12	13	12	13	12	13	12	13	12	13	12	13			
Amortization	8	8	8	8	8	8	8	8	8	8	8	7	91	91	91	91	92	91	91	91	92	91			
Living expenses	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400			
Credit repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	186	187	187	186	187	187	186	187	187			
TOTAL COST	1,095	947	1,021	772	695	1,748	646	497	495	704	554	780	11,701	1,204	1,278	1,053	778	1,180	926	780	778				
CREDIT	-	-	-	-	-	-	-	-	-	-	-	-	2,000	-	-	-	-	-	-	-	-	-			
CASH BALANCE	2,766	-160	-265	-79	-33	-1,118	9,837	-497	-495	-354	-29	39	-6,840	-417	-522	-360	-116	-550	9,557	-780	-778				
CUMULATIVE CASH	2,766	2,606	2,341	2,262	2,229	1,111	10,948	10,451	9,956	9,602	9,573	9,612	2,772	2,355	1,833	1,473	1,357	807	10,364	9,584	8,806				

		CASH FLOW																							
		Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06			
Milk sales	350	525	819	861	787	756	693	662	630	483	-	-	-	350	525	819	861	787	756	693	749	770			
Calf sales (H1 cow)	-	-	-	2,000	-	-	-	-	-	-	-	-	-	-	-	-	2,000	-	-	-	-	1,500	-		
Apple sales	-	-	-	-	-	-	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-	-	-			
Raspberry sales	-	-	-	-	-	-	2,600	1,300	-	-	-	-	-	-	-	-	-	-	-	5,200	2,600	-			
Concentrate for cows	83	84	84	95	96	96	95	96	96	95	96	96	96	95	96	96	107	108	107	108	84	84			
Concentrate for calves	57	58	58	-	-	-	-	-	-	-	-	-	57	58	58	58	58	58	58	58	58	58			
NaCl (minerals)	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4			
Vet services	150	-	-	-	-	-	-	-	-	50	-	-	-	150	-	-	-	-	-	-	-	-			
Mineral fertilizer	-	-	-	500	200	100	-	-	-	-	-	-	-	-	-	-	500	200	100	-	-	-			
Land cultivation	-	-	200	225	225	225	100	-	400	-	-	-	-	-	-	-	200	-	75	75	-	400			
Spraying	-	-	225	225	225	225	100	-	-	-	-	-	-	-	-	-	225	225	225	225	100	-			
Wrapping material	-	-	-	-	-	-	-	-	-	150	-	-	-	-	-	-	-	-	-	200	-	-			
Irrigation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100	100	-			
Other costs	13	12	13	12	13	12	13	12	13	12	13	12	13	12	13	12	13	12	13	12	13	13			
Amortization	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91			
Living expenses	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400			
Credit repayment	186	187	187	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
TOTAL COST	984	836	1,064	1,527	1,029	1,103	1,079	603	1,055	752	605	603	810	661	889	1,539	1,060	1,133	1,111	591	1,043				
CASH BALANCE	-634	-311	-245	1,334	-242	-347	2,214	1,359	-425	9,731	-605	-603	-460	-136	-70	1,322	-273	-377	4,782	4,258	-273	-			
CUMULATIVE CASH	8,172	7,861	7,616	8,950	8,708	8,361	10,575	11,934	11,509	21,240	20,635	20,032	19,572	19,436	19,366	20,688	20,415	20,038	24,820	29,078	28,805	-			





## **Annex 2: Support services**

The support you can get for your agricultural activities can be very substantial, but will only be available to you if you prepare yourself carefully before going to the organisations that provide assistance to farmers. Another good reason for thorough preparation is that not all advice and support from each organisation may be equally sound. If you are well prepared you will be able to judge the quality of the services provided by the organisations you approach.

### ***Extension services***

Extension services can help you with the technical part of farming. Depending on your region, they may provide detailed training courses on pruning techniques, cattle hygiene, cost-effective and safe use of fertilisers, and on many other issues. Often, they are also available for individual advice. How could I prevent this piece of land from flooding? How could I minimise mould in my harvest? In addition, many extension services can help you write down a plan that could improve your farming and enable you to get access to credits.

Currently, the extension services listed in the back of this booklet do not normally charge you anything for their support but this may change in the coming years.

### ***Agricultural cooperatives***

Before the war, agricultural cooperatives were part of a planned economy. They organized land use and bought produce from farmers and sold it elsewhere. Post-war cooperatives are *not* part of a planned economy and the cooperative's objective is simply to maximise its members' profits.

To reach that objective, cooperatives may potentially be involved in all stages of the agricultural cycle. They may be able to buy seeds or seedlings, fertilisers and pesticides in bulk for their members, and therefore at lower prices than you could manage as an individual buyer. They may take large bank loans and distribute the funds among the co-operative members. They may manage machinery rings, buy (and then sell again) the members' produce, negotiate contracts with the food processing industry, and provide a number of other services.

There are many different types of agricultural cooperatives in Bosnia and Herzegovina and most of them provide only some of the services listed here. Some cooperatives are inactive and, while joining a cooperative can be a very wise move, it is not without risks. A cooperative is a type of commercial enterprise and its members are shareholders. If the cooperative goes bankrupt or is unable to sell its members' products, you as a member bear part of the financial risk. A cooperative's failure might in part be your own mistake, as a post-war cooperative is only as good as its members are. Unless the members are actively involved in the cooperative's activities and its management, nothing much will happen.

### ***Agricultural associations***

An agricultural association can provide some of the services a co-operative can provide - but cannot engage in commercial activities. An association will not sell your produce, for example. Logically, an association membership does not carry the financial risk a co-operative membership carries, while it does offer the advantage of working together to share resources.

### ***Banks and credit organisations***

Until recently, it was practically impossible to access credits for farming activities. This has changed in the past year, as a number of banks and micro credit organisations have opened up credit lines that specifically target agriculture. Getting a loan is now possible in almost all areas of Bosnia and Herzegovina. But it is not easy - this booklet explains what the conditions are - and of course you take a risk as, in the worst-case scenario, you may not be able to repay your loan and the bank may

### ***Local and international support organisations***

There are a lot of local and international support organisations in this country. They do practically everything that is listed above. In the past few years, they have:

- Brokered many deals between agricultural cooperatives and the food processing factories or otherwise helped to find markets for agricultural products;
- Provided grants and loans to enable farmers' families to start-up or commercialise agricultural activities when these families were not yet ready for commercial credits;
- Bought machinery for cooperatives;
- Organised many different types of training for farmers.

While these organisations have improved the lives of many farmers, a word of warning is in order. The decrease in the availability of international donor money will soon decrease the activities of these organisations. In addition, the quality of the services provided differs significantly among

### ***Food processing factories***

Food processing factories need agricultural inputs. Often, the farms in Bosnia and Herzegovina are too small to be of interest to these factories, and they prefer to deal with cooperatives (or, unfortunately, to import their inputs from abroad). As there are no auctions in Bosnia and Herzegovina, these factories often work through contract production: in the beginning of the season, the factories agree with the cooperatives to buy a certain volume at a certain quality for a certain price. Such an agreement often comes with the provisions of seedlings (partly because the factories want to ensure that the products they buy will be of uniform quality) and with technical support provided in the course of the season. The security and technical assistance are the most important advantages of contract production. A disadvantage is that the prices offered are generally

### ***The government***

The extension services listed in this annex are organised and paid for by the government. In addition, the government offers some financial incentives in order to increase the attractiveness of agriculture. If you sell milk to a dairy factory, for example, the government will add a premium to the price paid by the factory. The municipality or Cantonal Ministry of Agriculture may be able to provide you with more information. And again a word of warning: you cannot always be sure that support offered will be support given.

### Annex 3: Extension Services

Place	Address	Tel/fax	e-mail
Banja Luka	Krajiških brigada 155	051 317 989	banjalukaŽpssbih.org
Bihać	Bosanska 16	037 323 218	bihacŽpssbih.org
Bijeljina	Poljoprivredni zavod Bijeljina	055 240 035 055 240 034	bijeljinaŽpssbih.org
Brčko Distrikt	Dositeja Obradovića 2	049 205 263	brckoŽpssbih.org
Doboj	Kralja Dragutina 66	053 241 181	dobojŽpssbih.org
Goražde	Min. Privrede kantona Goražde	038 224 028	gorazdeŽpssbih.org
Livno	Stjepana II Kotromanića bb	034 200 364	livnoŽpssbih.org
Mostar	Stjepana Radića 3	036 312 173 036 312 174	mostarŽpssbih.org
Odžak	Trg 3	031 762 861	orasjeŽpssbih.org
Posušje	Fra Grge Martića bb	039 682 162 039 682 161	posusjeŽpssbih.org
Kanton Sarajevo	Zmaja od Bosne 33	033 206 418	sarajevoŽpssbih.org
Sokolac	Majdani bb	057 448 709	sokolacŽpssbih.org
Travnik	Stanična 43	030 518 335 lok. 203	travnikŽpssbih.org
Trebinje	Republike Srpske 37	059 224 177	trebinjeŽpssbih.org
Tuzla	Zmaja od Bosne10	035 251 385	tuzlaŽpssbih.org
Zenica	Čurkovića 2	032 407 593 032 415 270	zenicaŽpssbih.org

## Annex 4: Agricultural cooperatives

A more comprehensive list of agricultural cooperatives can be obtained from the Cooperative Association of Bosnia and Herzegovina, Branislava Đurđeva 10/III, 71000 Sarajevo (033-209317, fax: 033-664769). The cooperatives listed below are only those that responded to OHR enquiries.

### *Federation BiH*

Municipality	Name	Address	Tel/fax	Director
Bihać	Alija Alijagić	Kamenica, Plitvička bb, 77000 Bihać	037 388-350	Omer Galić
Bosanska Krupa	Halkići	Halkič, 77240 Bosanska Krupa	037 472 835	Fehim Halkić
Bugojno	Poljoprodukt	Bosanska 42, 70230 Bugojno	030 251 893	Edin Čišić
Bužim	Trgozad	Bužim, 77245 Bužim	037 410 043	Vehbija Džulić
Čitluk	Agroplod	Duhanska bb, 88260 Čitluk	036 642 122	Blago Markota
Goražde	Agropodrinje	Seada Sofovića 20, 73000 Goražde	038 224 528 061 156 - 667	Mirsad Hubanić
Goražde	Poljoprom	Kulina Bana bb 73000 Goražde	038 225 203	Junuz Kanlić
Gračanica	Koka Produkt	Armije BiH 15a 75320 Gračanica	035 703-369	Nedim Musić
Gračanica	Agrozem	Korica Han bb, 75320 Gračanica	035 703 450 035 781 - 222 035 787 - 303	Senad Grbić
Gračanica	Gračanka	XXII divizije 15/3, 75320 Gračanica	035 703 277	Rasim Husić 075 787-509 private
Gradačac	Peradarstvo	M.Tita bb, 76250 Gradačac	035 816 444	Hajrudin Terzić
Gradačac	Trebava	Husein kap Gradašćevica bb, 76250 Gradacac	035 817 488 035 817 - 602	Alija Beširović
Grude	Vino-Duhan-Voće	88340 Grude	039 674 074	Ante Božić
Hadžici	Hranisava Tarčin-Hadžici	Vrbanja 5b, 71244 Tarčin	033 418 845	Durmo Đula
Ilidža	Sarajevsko Polje	Bojnička 31, Stup, 71210 Ilidža	033 545 950 033 456 - 444	Marinko Musa 033 468 - 363 private
Ilidža	Ilidža	Blažujski Drum 40, 71217 Rakovica	033 627 042	Nagib Hadžić
Ilijaš	Ilijaš	Podlugovi bb, 71385 Ilijaš	033 400 543 033 400 518	Fikret and Enida Mališević
Jablanica	Jablanica	Doljanska bb, 88420	036 752 405	Emir Sukman
Kakanj	Agrovemix	Zgošća 41, 72240 Kakanj	032 752 332 032 752 333	Midhat Vejzspahić

Municipality	Name	Address	Tel/fax	Director
Kladanj	Kladanj	Patriotske Lige 2, Kladanj	035 621 380	Hajda Hajdarević
Ključ	Centar	Maršala Tita 170 b 79280 Ključ	037 661 251	Dudaković
Konjic	Buturović Polje	X Herceg Brigade 8, 88409 Buturović Polje	036 728 886	Seid Uzunović 036 28-974 private
Konjic	Neretva	M. Tita bb, 88400 Konjic	036 728 947 036 726 258	Čazim Buturović
Ljubuški	Poljoprivreda	Zrinsko-frankopan 44, 88320 Čitluk	036 835 186 036 834 190	Milivoj Skorput
Lukavac	Puračić	Trg Bratstva 6, 75305 Puračić	035 563 058 061 142 310	Safet Mahmutović
Mostar	Drežnica	88215 Drežnica, Mostar	061 142 836	Dž. Beglerović
Mostar	Radobolja	M. Tita 132, 88000 Mostar	036 550 739	Osman Divanović
Mostar	Blagaj	Čaršija bb, 88201 Blagaj	036 572 013	Mubera Berberović
Olovo	Olovo	Branilaca grada 17, 71340 Olovo	032 825 169 032 825 111	Vehbija Hadžiabdić 061 780 437
Orašje	Zadruga	Franjevačka 54, 76272 Tolisa	031 754 021	Borislav Dabić
Orašje	Agropromet	Sv. Ane 16, 76233 Domaljevac	031 791 703	Ivica Rosić
Orašje	Univerzal	Osma bb, 76270 Orašje	031 754 105	
Prozor / Rama	Agropromet	Rama, 88440 Prozor	036 770 087	Mato Anđelić
Široki Brijeg	Poljoprem	88226 Kocerin, Široki Brijeg	039 711 677	Ivan Sabljčić
Travnik	Travnik	Mali Niz bb, 72270 Travnik	030 818 259 030 512 - 173	Nisvet Lozo
Tuzla	Agropromet	Aleja bos. vladara 16, 75000 Tuzla	035 236 808 035 232 878	Ramiz Halilović
Vareš	Varios	71330 Vareš	032 845 020	Amir ? 032 847 417
Visoko	Visoko	Bakračeva bb, 71300 Visoko	032 735 602	Blagoje Damjanović
Zavidovići	Zadrugar	Zlatnih ljiljana bb, 72200 Zavidovići	032 876 915	Izet Bašić
Živinice	Živinice	Bisinska bb, 75270 Živinice	035 772 131 (fax)	Safet Đulić

## Republika Srpska

Municipality	Name	Address	Tel/fax	Director
Banja Luka	Agrokrajina	Banja Luka	051 218 266 051 218 311	Milovan Vucić
Banja Luka	Agropromet	Save Mrkalja 8, Banja Luka	051 213 096	Lovre Anđelko
Banja Luka	Eko Sadnica	Banja Luka	051 309 148 065 635-395	Slobodan Simić
Bijeljina	Agrar-Janja	Karađorđeva bb, 76316 Janja	055 541 864 055 541-261	Milan Savić
Bijeljina	Agro Semberija	Majevička 101, 76300 Bijeljina	055 206 699 065 643 455	Mile Mirković
Bijeljina	Amajlije	Amajlije	055 392 154	Gordana Bajalović
Bijeljina	Batković	Batković	055 576 352 055 389 352	Pantelije Bogdanović
Bijeljina	Balatun	Balatun	055 330 024 055 209 763	Milorad Popović
Bijeljina	Bijeljina	Bijeljina	055 205 070 055 472 397	Slavko Mihajlović
Bijeljina	Bobar	F. Visnjića 211, Bijeljina	055 204 580	Jovan Jović
Bijeljina	Brodac	Brodac	055 521-029	Jovica Perić
Bijeljina	Čađavica	Čađavica	055 370 088	Slavko Vidaković
Bijeljina	Crnjelovo	Crnjelovo	055 301 075	Milan Mirković
Bijeljina	Dragaljevac	76323 Dragaljevac	055 370 021	Pantelija Milinković
Bijeljina	Dvorovi	Dvorovi	055 550 651	Radan Simeunović
Bijeljina	Kojčinovac	76316 Janja	055 553 170 055 553 171	Milorad Stjepanović
Bijeljina	Lazarevića	Glavičice	055 551 007	Stajka Cvjetinović
Bijeljina	Mdaaši	Bijeljina	055 330 027 055 404 127	Rajko Nikolić
Bijeljina	Obarska	Obarska	055 383 484	Spomenka Đokić
Bijeljina	Popovi	Popovi	055 578 185 051 392 007	Slobodanka Bokarić
Bijeljina	Trnjaci	Trnjaci	055 330 022	Branko Misić
Bijeljina	Trnova	76335 Donja Trnova	055 552 253 055 552 252	Stojan Jović 065 521 155 private
Bijeljina	Tutnjevka	Tutnjevac, 76333 Zabrdje	055 471 788 055 209 788	Tomislav Avramović
Bijeljina	Vršani	Bijeljina	055 371 059 055 571 023	Milenko Škorić
Bijeljina	Zagoni	Zagoni	055 325 283	Biljana Panić
Bileća	Agroprom	Vladimira Gačinovića bb, Bileća	059 370 313	Lazar Jokanović

Municipality	Name	Address	Tel/fax	Director
Bos. Dubica / K. Dubica	Knežica	79246 Knežica	052436451; 436 450 065 585-533	Veljko Garača
Bos. Gradiška / Gradiška	Gradiška	Prote Subotića 2, Bos. Gradiška / Gradiška	051 813327 051 814 108	Savo Borković
Bos. Gradiška / Gradiška	Potkozarje	Romanovci, 78255 Aleksandrovac	051 780 587	Ljubo Bijelić
Bos. Gradiška / Gradiška	Prodeks	Mitropolita Nikolajevića 24, B. Gradiška / Gradiška	051 814 788; 065 528 487	Pero Dukić
Bosanski Novi / Novi Grad	Agići	Donji Agići, Bosanski Novi / Novi Grad	052 751 150 065 589 886	Mico Pauković
Bosanski Novi / Novi Grad	Agrojapra	Bosanski Novi / Novi Grad	065/523-011	Milovan Antičić
Bos. Novi / Novi Grad	Rudice	Rudice, Bos. Novi/Novi Grad	065 523 631	Marinko Erceg
Bos. Novi / Novi Grad	Sana Svodna	Svodna 79229, Bos. Novi/Novi Grad	052 776 194 (fax)	Bojana Carakovac
Bos. Novi / Novi Grad	Strižna	Bos. Novi / Novi Grad	052 752 322 (fax)	Ljuban Trninić
Bos. Šamac / Šamac	Obudovac	76235 Obudovac	054 641 542 054 641 543	Pero Živković
Bratunac	Bratunac	Bratunac	056 881 180; 065 938 781	Marko Blagojević
Čajniče	Sloga	Serdar Janka Vukotića bb, Čajniče	058 315 236	Gligor Petrović
Čelinac	Ukrina	Stara Dubrava bb, Čelinac	051 701 150 051 701 151	Dalibor Dajić
Derventa	Derventa	Alekse Šantica bb, Derventa	053 333 311	Zajko Kulaga
Derventa	Sloga	Derventski Lug , Derventa	053 321 273 065 636 891	Milenko Vujović
Doboj	Bosnakop	Kralja Aleksandra 68, Doboj	053 242 195 053 242 190	Dušan Gavrić
Doboj	Podnovlje	Doboj	053 680 019 053 241 126	Novak Danilović 053/680-064
Foča / Srbinje	Zelengora	Kralja Petra I, 6 Foča/Srbinje	058 210 540 058 572 165	Milenko Vladičić
Gradačac / Pelagićevo	Pelagićevo	76256 Pelagićevo	054 810 129; 810 019 065 529 786	Gavro Brkić
Gradačac / Pelagićevo	Agroposavina	Lončarska bb, 76273 Donji Žabari	054 875 210 065 649 540	Zeljko Marjanović
Kostajnica	Agrokop	Kostajnica	052 663 553	Zdravko Bundalo
Kostajnica	Budućnost	Kostajnica	052 663 562; 663 300 065 693 660	Milan Vasić
Laktaši	Crni Vrh	Ljubatovci, Laktaši	051 832 443; 768 300 065 523 631	Zdravko Rudić
Laktaši	Laktaši	Laktaši	051 832 917 051 832 010	Božana Zec
Laktaši	Župa	Kriškovci, Laktasi	051 783 140	Jovan Bajić
Ljubinje	Agros	Sretosavska bb, Ljubinje	059 621 103 059 621 115	Simo Kučinar
Ljubinje	Ljubivit	Ljubinje	059 621 652; 621 643 065 640 927	Stevo Drapić



Municipality	Name	Address	Tel/fax	Director
Milići	Milići	Milosa Obilica bb, Milići	056 741 032	Mlađan Milanović
Nevesinje	Nevesinje	Nemanjica bb, Nevesinje	065 640 892	Tripo Nastić
Pale	Koran	Silos bb, Gornje Pale	057 223 095 057 224 866	Branislav Đorem
Pale	Pale	Srpskih Ratnika 26, Pale	057 223 045 057 223 097	Nenad Tešević
Pale	Mokro	71428 Mokro	057 238 812	Rajko Prodanović 057 224-866 private
Prijedor	Agroplod	Orlovci bb, Prijedor	052 234 660 052 212 948	Dejan Vila
Prijedor	Poljopromet	Omarska, Prijedor	052/333-003 065/588-208	Obrad Kos
Prijedor	Prijedor	Kozarska 3, Prijedor	052 232 985	Duško Zgonjanin
Prijedor	Razvitak	Rakelici, Prijedor	052 340 505; 232 100 065 512 190	Borislav Torbica
Prnjavor	Kooperativa	Trg Srpskih Boraca Prnjavor	051 860 740 051 860 772	Goran Sarić
Sanski Most / Srpski S. Most	Oštra Luka	79263 Sanski Most / Srpski Sanski Most	052 337 143 052 337 141	Vukašin Zorić
Srbac	Sitneši	Srbac	051 840 310 051 772 251	Slavko Tatić
Srbac	Srbac	Danka Mitrova 4a, Srbac	051 840 036 051 840 420	Ljubo Rakić
Srebrenica	Skelani	Skelani	056 657 888	
Srebrenica	Zadrugar	Živojina Mišića 12, Srebrenica	056 386 711	Mirsad Salimović
Skender Vakuf / Kneževo	15 Maj	Gavrila Principa bb, Skender Vakuf / Kneževo	051 891 510 065/641 698	Mirko Čelić
Sokolac	Agrookop	Podromanija bb, Sokolac	057 480 044; 480-523 065 622 708	Slavko Dobrilović
Sokolac	Glasinac	Cara Lazara 57, Sokolac	057 447 068 057 447 639	Nenad Pavlović
Trebinje	Lastva	Trebinje	059 223 018	Vlado Janković
Trebinje	Trebinje	Vojvode Stepe 12, Trebinje	059 220 384 059 224 729	Dragan Bukvić
Ugljevik	Orlovići	Ugljevik	055 401 100 055 471 569	Mladen Stojanović
Ugljevik	Ratko Perić	Priboj, Ugljevik	055 665216 055 665149	Zdravko Milovanović
Višegrad	Župa	Prelevo, Višegrad	058 620 943	Slavomir Papić
Vlasenica	Polet	Svetosavska 12, Vlasenica	056 730 185 056 732 057	Milenko Rebić
Zvornik	Agropodrinje	Trg Kralja Petra 25, 76400 Zvornik	056 211 894 056 211 895	Tomo Simić

## *Brčko district*

Municipality	Name	Address	Tel/fax	Director
Brčko	Ratar	76206 Brka	049 500 387 065 602 886	Šaćir Rahman
Brčko	Poljotrg	76205 Seonjaci	049745 490	Marko Amidžić

## Annex 5: Banks and credit organisations

Name	Address	Tel/fax	Field offices	Amount of credit in KM
Benefit	Vuka Karadžića 42, Lukavica	Phone: 057 340 290 057 671-359  Fax: 057 671 359 057 340 290 057 340 498	Bileća, Gacko, Han Pijesak, Nevesinje, Pale, Rogatica, Sokolac, Foča/Srbinje, Trebinje, Višegrad, Ljubinje, Čajniče, Kalinovik, Bratunac, Zvornik.	500-20.000
Bobar banka a.d. Bijeljina	Filipa Višnjića 211, Bijeljina	Phone: 055 201 862	Banja Luka, Doboј, Pale, Zvornik, Brčko	Min 5.000-100.000
BosVita	Kojsino 23 Tuzla	Phone: 035 252 483		700 - 15.000
CeBEDA Central Bosnian Economic Development Agency	Zenjак 21b, Travnik	Phone: 030 511 877 030 518 945		10.000-50.000
Central profit banka Sarajevo	Zelenih beretki 24, Sarajevo Contact Šefket Teskeredžić	Phone: 033 533 666 Faks: 033 532 318	Bihać, Bugojno, Cazin, Fojnica, Mostar, Vareš, Visoko, Zavidovići, Zenica, Tuzla	Min 10.000
COSPE Cooperazione Per Lo Sviluppo Dei Paesi Emergenti	X hercegovačke udarne brigade / K. Stepinca 13, Mostar	Phone: 036 326 867 036 326 868 Faks: 036 326 867 036 326 868		Currently in the process of analysing micro credit market.
EKI	Hasana Kikića 13, Sarajevo		Bijeljina, Brčko, Bugojno, Derventa, Doboј, Gradačac, Laktaši, Mostar, Prnjavor, Sarajevo, Tuzla, Zenica, Zvornik	1.000-20.000
HYPO-ALPE -ADRIA BANK d.d.	Sjedište Kneza Branimira 2 b, Mostar	Tel: 036 444 444 Faks: 036 444 235	Grude, Ljubuški, Tomislavgrad, Posušje, Čapljina, Široki Brijeg, Livno, Neum, Rama, Brčko, Domaļjevac, Kreševo, Nova Bila, Uskoplje, Jajce, Novi Travnik, Kiseljak, Stolac, Busovača, Žepče.	

Name	Address	Tel/fax	Field offices	Amount of credit in KM
IRWW Islamic Relief Worldwide	Jukićeva 75, Sarajevo	Phone: 033 666 233 033 666 234 Fax: 033 268 350	Tuzla	Up to 10.000
LT Komercijalna banka d.d. Livno	Gabrijela Jurkića bb, Livno	Phone: 034 201 942 034 202 322	Bosansko Grahovo, Drvar, Glamoč, Jajce, Kupres, Tomislavgrad	Credits for physical persons from 10.000 100.000 (mostly up to 40.000).
LWF Mikrokredit	Alagića sokak 7, Sanski Most	Phone: 037 681 710	Prijedor, Bos. Novi / Novi Grad, Bosanska Krupa	1.000 5.000. Given to groups of 4 persons. A group can get maximum of 20.000.
MI -BOSPO	Mirza Delibašić 5, Tuzla	Phone: 035 252 448 035 260 016 Fax: 035 281 607	Lukavac 035 572 479 Srebrenik 035 645 295 Kalesija 035 631 502 Živinice 035 772 559	Credits given for all agricul tural activities, for already es tablished  Businesses. Up to 20.000.
MIKROFIN	Save Kovačevića 23, Banja Luka	Phone: 051 301 535 Fax: 051 301 535	Bijeljina, Brčko, Bosanska Dubica, Derventa, Bos. Brod/Brod, Gradiška, Modriča, Bos Novi/Novi Grad, Prijedor, Šipovo, Srbac	Up to 30.000, and up to 5.000 for the first time.
Raiffeisen Bank d.d. BiH	Danijela Ozme 3, Sarajevo	Phone: 033 214 900 033 213 851	Banja Luka, Bihać, Bjeljina, Brčko, Goražde, Kakanj, Livno, Mostar, Orašje, Široki Brijeg, Tešanj, Trebinje, Tuzla, Vitez, Visoko, Zenica, Žepče	Credits for companies Short term credits: amount depends on bank ap proval conditions. Long-term credits for small and medium-sized com panies: up to 100.000. Credits for financing in rural areas from EU funds: from 5.000-100.000.
Razvojna banka Banja Luka	Kralja Petra I Karađorđevića 85a, Banja Luka	Phone: 051 242 100 051 242 107	All large towns in RS	There is no credit line for ag ricultural production. Citizens can be given un specified purpose credits up to 15.000.
SINERGIJA	Braće Podgornik bb, Banja Luka	Phone: 051 314 530 051 314 531	Gradiška, Kozarska Dubica, Bos. Novi / Novi Grad, Prijedor, Prnjavor, Srbac, Šamac, Derventa, Bosanski Brod.	Up to 30.000.

Name	Address	Tel/fax	Field offices	Amount of credit in KM
TUZLANSKA BANKA	Maršala Tita 34, Tuzla	Phone: 035 259 259 035 250 596	Banovići, Brčko, Čelić, Doboj-Istok, Gračanica, Gradačac, Kalesija, Kladanj, Orašje, Srebrenik, Teočak, Živinice, Lukavac.	For physical persons: Micro business: up to 20.000; Small business: 20.000-50.000; Medium size business: 50.000-250.000; Large business: up to 500.000.
Udruženja mještana Babunovići	Babunovići bb, Srebrenik	Phone: 035 642 044 035 644 898	Tuzla, Gračanica, Živinice.	500 5.000.
UMCOR	Sjedište Tvornička 3, Sarajevo	Phone: 033 465 182	Banja Luka, Kupres, Mostar, Zenica, Zvornik.	
Volksbank BiH d.d.	Fra Anđela Zvizdovića 1, Sarajevo	Phone: 033 483 265 033 263 832	Mostar	Credits for companies: Short term and long term ones: amounts depend on individual assessment for each request. Unspecified purpose credits for physical persons: up to 25.000 with guarantors, over 25.000 with guarantors and mortgage.
Zagrebačka banka BH d.d.	Sjedište Kardinala Stepinca bb, Mostar	Phone: 036 312 112 Fax: 036 312 116	Čapljina, Čitluk, Međugorje, Grude, Livno, Ljubuški, Neum, Orašje, Posušje, Rama, Široki Brijeg, Tomislavgrad, Vitez, Stolac, Uskoplje, Tuzla, Žepče, Sarajevo, Odžak, Kiseljak, Jajce, Banja Luka, Brčko.	
Zepter komerc banka a.d.	Jevrejska ulica bb, Banja Luka	Phone: 051 241 115	Bijeljina, Brčko, Prnjavor, Prijedor, Bos. Dubica/ K. Dubica, Srbac, Bos. Gradiška/ Gradiška, Trebinje, Sarajevo, Srpsko Sarajevo	Up to 10.000

## Annex 6: Nongovernmental organisations supporting agricultural development

Name	Address	Tel/fax	Field offices	Activities
Agrinas Agricultural International Assistance	Sanski Most, Banjalučka 76	Phone: 037 682 782		Providing seeds, fertilizer and technical advice. Implementing a sheep program and developing a cow program.
ALDI Agency for Local Development Initiatives	Goražde, Panorama bb	Phone: 038 227 850 Fax: 038 228 594		Providing returnees with seeds and machinery.
BAG Balkanactie van de Gemeenten	Maglaj, 11. Ulica bb	Phone: 032 603 917 Fax: 032 603 917		Providing returnees with machinery, seedlings and cattle.
CARE International	Banja Luka, Studenička 14	Phone: 051 214 146 Fax: 051 211 309		Providing donations to returnees, working with local NGOs.
Caritas biskupije Banja Luka	Banja Luka, Kralja Petra I Karađorđevića 125	Phone: 051 300 890 051 319 771 Fax: 051 312 149	Kotor Varoš, Cara Dušana bb Phone: 051 882 955 Fax: 051 882 955 Ljubija, Ljubija bb Phone: 052 360 456 Fax: 052 360 456 Bosanska Gradiška Vladimira Nazora Phone: 051 815 884 Fax: 051/815-884 Prijedor, Branislava Nušića 15 Phone: 052/232-795 Fax: 052/232-795; Prnjavor, Alekse Šantića 1, Phone: 051 863 403 Fax: 051 863 403	Providing returnees with machinery, cattle and micro-credits without interest.
Caritas Switzerland	Sarajevo, Sime Milutinovića Sarajlije 1/1	Phone: 033 210 704 033 210 704 Fax: 033 668 184	Bihać, Braće Radića bb Phone: 037 320 800 Fax: 037 320 800 Bijeljina, Vojvode Stepe 3 Phone: 055 220 811 Fax: 055 220 811	
CEFA	Mostar, Mladena Balorde 35	Phone: 036 552 219 Fax: 036 552 219	Travnik, Pirota bb (Konak) Phone: 036 552 219 Fax: 036 552 219 Goražde, Senada Kulina Čelke 1 Phone: 038 224 198 038 518 349 fax: 038 224 198	Involved in land cultivation and milling. Providing returnees with seeds. Training farmers. Working with Agroprod on the development of organic production.
CRS Catholic Relief Services	Sarajevo, Muhameda Kantardžića 3/IV	Phone: 033/205-827 Fax: 033/205-373	Mostar, Maršala Tita 60 Banja Luka, Duška Koščice 49	Providing returnees with tools, seeds, cattle, fertilizer and micro-credits.

Name	Address	Tel/fax	Field offices	Activities
CWS Church World Service	Sarajevo, Kralja Tvrtka 21	Phone: 033 668 938 Fax: 033 668 938		Providing farmers with seeds, machinery and tools in RS, Mostar and Canton 10.
DEZA GTZ	Gradačac, Reufa Huseinagića, 76250	Phone: 035 817 103 Fax: 035 819 918		Supporting development of fruit and vegetable growing in Tuzla and Banja Luka area. Working with association of producers.
Dorcas Aid	Sanski Most, Mahala 33a	Phone: 037 681 502		
ECON Economic Cooperation Network	Sarajevo, Ferhadija 13	Phone: 033 444 141 033 444 912 Fax: 033 444 141 033 444 912		Support for forest-based production and herbs. Support for organic certification.
Handicap International	Bihać, Džemala Bijedića 11 (this office will move to Sarajevo in the near future)	Phone: 037 332 604 Fax: 037 332 558		Providing financial help and equipment for handicapped people.
Hilfswerk Austria	Sarajevo, Josipa Stadlera 8	Phone: 033 230 847 033 230 849 Fax: 033 230 849	Derventa, Trg oslobodenja 24 Phone: 053 333 532 Fax: 053 333 531 Tuzla, Filipa Kljajića 22 Phone: 035 255 175 Fax: 035 255 165 Sarajevo, Trg Muhameda Kantardžića 3 Phone: 033 217 329 Fax: 033 217 329 Sokolac, Cara Lazara Phone: 057 447 152 Fax: 057 447 152 Ilijaš, 126. Brigade 62 Phone: 033 402 198 Fax: 033 402 197 Sarajevo, Džemala Bijedića 160 Phone: 033 543 440 033 545 216	Tailor-made assistance to farmers, with a focus on returnees.
ICMC International Catholic Migration Commission	Sarajevo, Trampina 12/V	Phone: 033 710 510 Fax: 033 230 568	Banja Luka, Grčka 12 Phone: 051 221 260 Fax: 051 213 186	Providing agricultural equipment to support sustainable return.
IOCC International Orthodox Christian Charities	Banja Luka, Milana Kraljevića 21a	Phone: 051 321 860 Fax: 051 304 520	Sarajevo, Travnička 13 Phone: 033 218 735 Fax: 033 218 735 Drvar, Hrvatskih branitelja 36 Phone: 034 819 068 Fax: 034 819 068	Agricultural support; providing micro credits through local partners.
IOM International Organization for Migration	Sarajevo, Aleja Bosne Srebrenice bb	Phone: 033 452 707 033 452 714 Fax: 033 452 640		Providing support to demobilized soldiers.

Name	Address	Tel/fax	Field offices	Activities
LWF Lutheran World Federation	Tuzla, Rudarska 65	Phone: 035 281 503 Fax: 035 280 132		Providing different types of agricultural support.
Maja Kravica, Bratunac, Women Association	Bratunac, M.Z. Kravica	Phone: 056 480 000 Fax: 056 480 107		Providing support in wheat, potatoes, seeds, cattle and raspberry production.
Mali privrednik	Višegrad, Užičkog korpusa 37	Phone: 058 682 786 065 915 258 Fax: 058 621 367		Overall support to agricultural activities.
Mercy Corps Scotland	Tuzla, XVII hrvatske brigade 25	Phone: 035 250 561 035 250 562 Fax: 035 250 560	Brčko, Cara Dušana bb Phone: 049 204 077 Fax: 049 204 077 Doboj, K. Dragutina 46 Phone: 053 221 497 Fax: 053 221 497	Providing returnees with cattle, machinery, fertilizer, green houses and orchards.
Merhamet, Doboj	Doboj, Kralja Aleksandra 15	Phone: 053 233 955 Fax: 053 233 955		Providing farmers with support in seed, cattle, chicken breeding and legal advice.
Milićanin, Milići	Milići, Ustanička 20	Phone: 056 740 706 056 741 409 Fax: 056 740 706 056 741 410		Supporting economic projects and providing assistance related to the protection of human rights.
Naprijed, Šipovo	Šipovo, Branka Radičevića	Phone: 050 321 089 Fax: 050 372 404		Assisting returnees.
National Support Unit	Tuzla, Franjevačka 20	Phone: 035 251 533 Fax: 035 251 533		Supporting economic development.
PFD Partners for Development	Sarajevo, Zmaja od Bosne 8/2	Phone: 033 205 187 Fax: 033 205 185	Bugojno, Sultan Ahmedova 82 Phone: 030 251 043 Fax: 030 251 043	Implementing projects that are designed to assist systematic rehabilitation of the agricultural sector.
Premiere Urgence	Zvornik, Majevička bb	Phone: 065 687 426 Fax: 056 584 905	Pale, Romanijska 1 Phone: 057 223 066 Fax: 057 223 066 Goražde, Alije Hodžića 1 Phone: 038 220 977 Fax: 038 220 977	
Solidarnost za jug	Trebinje, Luke Vukalovića 49	Phone: 059 225 387 Fax: 059 225 387	Nevesinje, Obilića bb Phone: 059 601 238	
Swiss Agency for Development and Cooperation	Sarajevo, Piruša 1	Phone: 033 233 408 033 233 147 Fax: 033 271 500	Sarajevo, Potoklinička 16 Phone: 033 232 772 Fax: 033 232 772 Banja Luka, Vase Pelagića 15 Phone: 051 318 294 Fax: 051 311 861	



Name	Address	Tel/fax	Field offices	Activities
UMCOR United Methodist Committee on Relief	Sarajevo, Tvornička 3	Phone: 033 465 182 Fax: 033 718 770	Banja Luka, Jovana Dučića 40 Phone: 051 221 320 Fax: 051 221 321 Mostar, Trg Ivana Krndelja 21 Phone: 036 552 069 Fax: 036 552 069 Kupres, Industrijska zona Phone: 034 274 419 Fax: 034 274 419 Zenica, Prve Zeničke brigade 1b, (Dom penzionera) Phone: 032 401 683 032 401 684 032 415 260	Providing a range of agricultural support services.
UNHCR	Sarajevo, Fra Anđela Zvizdovića 1	Phone: 033 666 160 Fax: 033 290 565	Orašje, 12. Ulica 30 Phone: 031 712 392 Fax: 031 713 342 Zvornik, Karađorđeva bb Phone: 056 210 039 Fax: 056 210 981 Banja Luka, Miše Stupara 32 Phone: 051 322 780 051 322 790 Livno, Zrinsko Frankopanska 11 Phone: 034 202 447 Fax: 034 202 448 Višegrad, Kožačka 18 Phone: 058 620 676 Fax: 058 620 676 Zenica, Zmaja od Bosne Phone: 032 406 599 Fax: 032 406 527 Jajce, Hrvoja Vukčića Hrvatinka bb Phone: 030 657 499 Fax: 030 657 499 Bihać, Bećira Islamovića bb Phone: 037 331 758 037 331 759 Goražde, Alije Hodžića 9 Phone: 038 224 120 Fax: 038 224 024 Trebinje, Zasad bb Phone: 059 225 120 Fax: 059 220 170	Quick support in areas where displaced people and refugees are returning.
Vidra Women Action	Banja Luka, Dr. Kecmanovića 27	Phone: 051 305 841 Fax: 051 303 685		Providing support in the field of economic empowerment of women.

Name	Address	Tel/fax	Field offices	Activities
World Vision International	Sarajevo, Zvornička 9	Phone: 033/230-426 Fax: 033/652-403	Zenica, Kralja Tvrtka 17 Phone: 032 410 409 Fax: 032 410 409 Tuzla, I.Mujezinovića do 25 Phone: 035 255 213 Fax: 035 255 213 Banja Luka, Braće Čubrilovića 8 phone: 051/464-490 fax: 051/464-442	Providing agricultural support in different forms.
Zdravo komsija Udruženje građana povratnika	Gorazde, Muhidina Mašića Munje	Phone: 038 220 563 Fax: 038 220 563		Providing legal advice.

## Annex 7: Agricultural land lease agreement

Concluded on \_\_\_\_\_ between NN from N., owner of agricultural land as the Lessor, on one side, and d.o.o. "K" from K, represented by the Director, as the Lessee on the other side as follows:

- The Party to the Agreement, Lessor NN from N, shall grant a rent of its agricultural land located in \_\_\_\_\_, cadastral municipality, cadastral unit square surface of \_\_\_\_\_ ha to the other Party to the Agreement, d.o.o. "K" as the Lessee,
- The Lessor NN shall ensure that the leased land plot has the square surface referred to in Item 1 of this Agreement so if the smaller surface is established s/he agrees that the rent would be decreased consequently,
- The Lessor N shall be bound to compensate the Party to the Agreement "N" for all damages arising from the property or any other disputes regarding the leased land plot and s/he expresses an obligation that s/he shall not alienate the sold land during the lease period.
- The mutual Agreement between the Parties to the Agreement has established that the lease period shall be \_\_\_\_\_ years as of the day of concluding this Agreement.
- The Party to the Agreement, Lessee d.o.o. "K", shall accept all aforesaid conditions of the lease and is granted the lease of the land plot described in Item 1 of this Agreement and it shall be obliged to pay Lessor NN from N the rent to the amount of \_\_\_\_\_ KM each year upon expiry of two months after collecting the products.
- According to the agreement between the Parties legal regulations shall be applied in all matters that failed to be regulated by this Agreement.

In the event of the dispute the competent court shall be regular court in \_\_\_\_\_.

- The Agreement hereto shall be written in four identical copies out of which each Party shall take two copies.

LESSOR  
NN from  
K

LESSEE  
Director  
K from K

OHR  
Office of the  
High Representative

World Vision