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## Montenegro Chronicle 2 – Food availability and security

by ADP-Zid

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Although the question of food quality is as old as human beings, in Montenegro we never paid sufficient attention to it. This very important security issue goes into the background of interests due to low purchasing power and decreasing living standards, because for a good percentage of the population topical problem becomes food availability and existence. For those who do not have this problem, there is the persisting pressure of economic uncertainty. This is the reason why there is a small number of people paying attention on how some products arrive to Montenegro – is it legal or illegal, what it is written on the label, if the label exists anyway. Therefore, it is not surprising to see that food security remains to be perceived as an issue concerning only a very small and privileged circle of people in the form of organic food safety and quality, and doesn't transform into a larger issue of food availability and product price.

Last year's inflation rate in Montenegro amounted to five per cent (source: Central Bank) and it did not follow the proper measure of average earnings, according to the announcement from the government that it will not grow again this year, along with the already carried pension freezes. Therefore, the question is how Montenegrin citizens can generally take into account the quality of the food if the average wage was 476 euros (Montenegrin Statistical Office - Monstat, April data that are not published yet), and the value of minimal consumer basket on April 2013 amounted to EUR 806.2 (Monstat), of which the food and beverages amounted to 260.8 euros. The value of minimal consumer basket for food and beverages increased by 2.6 percent in April compared to March, and the average salary remains lower compared to the month of February for nine euros. Bearing in mind that the allocated expenditure on food and drink rates more than half of the average wage, it is clear that the Montenegrin consumers predominantly prefer quantity rather than quality in food. Some professional groups claim that a significant correction of price policy to factor on the market should be to establish stockpiles, with a view to have influence on the potential growth of food prices as a way to increase the availability of basic food products to the most vulnerable groups. Stockpiles have allowed citizens of Montenegro and Serbia to survive UN sanctions at the end of the 90s of the last century, but obviously the state has no interest or money to enter into this process today.

So, you get the impression that citizens are fully aware of the importance of food quality and from the perception of the problem it does not take so much effort to raise awareness, but the problem is observed as a matter of accessibility and providing money to feed their families. According to Monstat newsletter "Montenegro in numbers," Montenegrin average household's had at disposal 347 euros in revenues from wages and salaries, and from the pensions that amount was 180 euros. The surveyed households (sample-1287 households) indicated that they are spending 187 euros per month for food, and 20 euros for alcoholic beverages and tobacco.

Gross domestic product (GDP) per citizen, according to the purchasing power standards in Montenegro in 2011 amounted to 42% of the EU average (source: Eurostat data for 2012. It should be published on December-author's comment), which means that the purchasing power of the citizens of Montenegro, is more than twice lower than the average in the 27 member countries of EU. A particular aspect of the problem is severe regional inequality. Due to high rates of unemployment and lower wages, the lowest purchasing power of the population is in the north of Montenegro. Exception is Municipality of Pljevalja because of the better paid working engagement for those employed in Steam power plant and Coal Mine (Source: Monstat). This picture is further complicated by the status of children.

The first study on child poverty in Montenegro (source: UNICEF, April 2012) showed that children make up the majority of the population living in poverty. In fact, 10% of children and 6.1% of adults living in poverty in Montenegro have a monthly consumption of less than 169 euros. A typical poor child is under five years old, and live in the north of Montenegro in the rural area. In the north of Montenegro child poverty rate is 19%, which is four times higher than in the central region (5%), and almost two times more than in the South (10%). The poverty rate of children living in rural areas in Montenegro is 23% and nearly six times higher than in urban areas (3.74%).

According to the data from the government's Strategy to combat poverty and the data on family material support in Montenegro at the end of 2007. percent of beneficiaries in the north ranged from 8.18% to 18.84% (depending on the type of income), and in the coastal municipalities of 1.53% to 3.24%. The study of Monstat "Analysis of Poverty in Montenegro



in 2010" states that the poverty rate in the north was 10.3%, and that 28.9% of the population live in this region, and 45.2% of all poor people. The poverty rate in the central region was 5.9%, and 2.6% in the South.

Allocations for social welfare and social benefits are also among the indicators revealing the serious existential nature of food availability as a security problem of separate groups of people. According to official data of the Ministry of Labour, we can see that in the last five years almost five million euros more than before were allocated for social welfare and benefits. In 2007, the allocated amount was 28 million euros, exceeding next year to 31 million, while in the election year of 2009 scaled up to 35.45 million of euros. Next year, in 2010, the surge continued up to 41 million, eventually peaking up to 47 million in 2011. This shows that the number of beneficiaries of social benefits has increased. The government has announced also that by the end of second quarter of this year the introduction of Social Cards will be completed. This project is essential to find out who really is entitled to use some form of social benefit, as there are often speculations in the public about this issue. These are illustrated by the examples of some social benefits being "awarded" to the voters of the governing coalition. This way, the state can achieve significant savings in the existence of a political will to "clean up" the lists of beneficiaries of such social welfare. It is interesting that even in the line ministry, they are not sure how many beneficiaries exist at the moment, but it is known that most of them live in Podgorica, Niksic, Pluzine and Savnik. At the end of 2011, according to the data from that department, 79 000 people receive some form of social assistance.

Bearing in mind the significant amount of uncultivated agricultural land, encouraging the agricultural production certainly could be a more efficient way to reduce the risk for the population. Unfortunately, the agriculture budget of Montenegro is one of the smallest of all countries in the region. The government primarily relies on cash withdrawals for agriculture from the EU pre-accession funds. It was announced that this year will be absent organized purchase of products because of the budget deficit, it will undoubtedly result in a decrease in production and a renewed increase in imports.

The most important item - safety and food security as well as control of its quality - is an issue that is "examined" in most cases only when the problem is already detected and when there is a withdrawal of a suspicious product in the region (examples of "Jaffa" biscuits, sardines and tuna from Croatian manufacturers, Serbian white corn for planting, etc.). Well-known example of the "aflatoxin affair" indicates that the issue of food safety must be considered at the regional level. Because of the media reports about the various aspects of the problem, including (not) allowed amount of harmful substances in the milk, there was almost no milk for a while in all stores in the country.



Montenegro has a systemic problem and security challenge of quality control, because we now import fifteen times more food than we export. We should bear in mind that the food is placed in the market not only for the 620 thousand inhabitants of Montenegro, but in summer time also for the enormous market of tourists and immigrants who visit Montenegro during the holiday season. According to Monstat, last year Montenegro imported food and drinks of 409 million euros, and exported to the value of 27 million euros. Imports of food and drink are for eight million higher than a year before. Even more disheartening is the fact that imports of food and drinks were 40 million more than the entire exports. The fact is that in the field of quality control and issuance of mandatory certification of product safety is significant positive move, but regardless there is enough space for abuse and corruption. According to the claims of representatives of the Center for Consumer Protection, charges of citizens that large retail chains restate expiration dates of certain food

products is practically impossible to prove. Although an increasing number of Montenegrin and regional producers implement appropriate quality standards, generally we cannot speak about the quality of the food in superlatives. This conclusion is based primarily on the long standing practice of large exporters who purchase food of dubious quality from exotic destinations on incredibly low price. Even though these are perishable goods, last year, for example, huge quantities of tomatoes came from South America to the Montenegrin market, which completely "finish off" the domestic producers and their products could not have been sold on the market on competitive prices. The so-called import lobby is quite informal talk, but officially, nobody wants to admit it, so this issue is still treated as a taboo. This question can be researched and actualized at a time when corruption becomes a serious challenge in the Administration fight for the rule of law. Then the risk of dubious quality of smuggled food that is available for final beneficiaries, with no quality control, and which is often sold in unhygienic conditions, from the pavement, and improvised stands will be reduced.

### **Montenegro returns Serbia 500 tons of milk contaminated with aflatoxin**

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Montenegro will return 500 tons of milk contaminated with aflatoxin to the exporting countries, mainly to Serbia, Spaso Popovic- Assistant Director of the Inspection said to the daily press "Dan".



Popovic said that 600 tons of milk is imported from Serbia, and expectation is that 400-500 tons of milk should be returned because analysis in Center for ecotoxicological tests showed that it was contaminated.

"Now we need to prepare documentation, because there is a procedure when the products should be returned from our country. In this case, the customs procedure was done, and the milk should be returned to the suppliers. We have already sent a letter to Serbian Veterinary Administration, with an explanation of what is necessary that importer return the goods from Montenegro". Popovic said.

As for the domestic milk, Popovic says that it will not be destroyed, because there are no supplies that are defective.

"As soon as problem occurs, we stopped production, and milk we import in Montenegro was correct. Day after day we conclude that all the procedures for the control of domestic production and imports were respected," said Popovic, adding that the situation is slowly normalizing.

He said that the shipment of milk got on Montenegrin border a few days ago. Only half of that was correct and safe.

"That milk which is entered the country was correct and safe, but rest of it was returned", Popovic said.