

The background of the cover is a photograph of a vineyard. In the foreground, there are rows of grapevines with green leaves. In the middle ground, a blue irrigation system with multiple parallel pipes runs through the vineyard. In the background, there are rolling hills under a clear blue sky.

# GUIDELINES

## INVESTING IN AGRICULTURE IN MONTENEGRO

2025



Montenegrin  
Investment  
Agency





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# INTRODUCTION

The main goal of these guidelines is to demonstrate investment potentials in the field of agriculture in Montenegro.

NB: Throughout the preparation of these guidelines, authors were following the requirements set by the contacting party. These referred to:

- **The investment potentials in the field of agriculture,**
- **Long term lease of state-owned agricultural land, and**
- **Ongoing programs within the Ministry of agriculture, forestry and water management and the Development Bank of Montenegro**

These guidelines provide the overview of investment opportunities of Montenegrin agriculture with an overview of economic conditions, alongside the programs of incentives within this field.

Author does not guarantee that provided conditions will remain unchanged by the respective institution, especially in cases where the investor wants to realize an investment that is not described in these guidelines.

These guidelines only provide general information on steps required for the realization of the investment and shall not represent the basis for detailed financial projections or timetable for the realization of the project.

# DOCUMENTATION

Authors have based the study according to following documents and information from the following institutions:

- Government of Montenegro ([www.gov.me](http://www.gov.me))
- Ministry of Agriculture, forestry and water management (<https://www.gov.me/en/mpsv>)
- Ministry of Spatial Planning, Urbanism and State Property (<https://www.gov.me/mdup>)
- Cadaster and State Property Administration ([www.kdi.gov.me](http://www.kdi.gov.me)),
- Statistical office of Montenegro (Monstat) ([www.monstat.org](http://www.monstat.org)),
- Development bank of Montenegro (<https://www.rb.me>)
- Food and Agriculture Organization of the United Nations ([www.fao.org](http://www.fao.org))
- 2023-2028 Strategy for Agricultural and Rural Development, Ministry of Agriculture, forestry and water management



- 2025 - 2029 Strategic Plan for the Development of Organic Production in Montenegro, Ministry of Agriculture, Forestry, and Water Management
- 2024 Concession Granting Plan in the Water Sector, Water Administration
- 2014-2018 Strategy for the Development of the Processing Industry of Montenegro
- 2023 Statistical Yearbook, MONSTAT
- Smart Specialization Strategy
- IPARD III Program - Agricultural and Rural Development Program of Montenegro within IPARD III 2021-2027
- 2025 Investment Credit for Production Support, Development Bank of Montenegro
- Macroeconomic Report of the Central Bank of Montenegro (Q3 2024)
- 2025 Agro-Budget, Ministry of Agriculture, Forestry and Water Management
- Analysis of the Business Performance of the Montenegrin Economy in 2024, Chamber of Commerce of Montenegro

## OVERVIEW OF MONTENEGRIN ECONOMY AND AGRICULTURE

The territory of Montenegro is characterised by extraordinary genetic and ecosystem diversity of species, which makes it one of the most important centres of biological diversity not only in Europe, but in the entire Palaearctic.

### Economic Trends in Montenegro

From January to September 2024, Montenegro's economy exhibited a significantly slower GDP growth compared to the previous year, when it stood at 6.3%. Preliminary data from the Statistical Office of Montenegro (MONSTAT) indicate that real annual GDP growth for this period was 3.1% (4.4% in Q1, 2.7% in Q2, and 2.6% in Q3). International institutions project Montenegro's GDP growth for 2024 between 3.4% and 3.9%, while the Ministry of Finance forecasts 3.8% and the Central Bank expects 3.6%.

Available statistics for the first nine months of 2024 show positive results in the transport, trade, and construction sectors. However, the tourism and forestry sectors experienced declines, alongside an overall drop in industrial production due to reduced output in electricity, gas, and steam supply. Despite these setbacks, labor market conditions improved, with a notable rise in employment and a decrease in unemployment.

Inflation in Montenegro slowed compared to the previous year, influenced by global trends and a decline in inflation within the EU, a key trade partner. The European Commission's November 2024 re-

port anticipates accelerated economic growth in 2025, driven by Montenegro's Fiscal Strategy (2024-2027), which takes effect in October 2024. Key measures include increasing the minimum wage (from €450 to €600 or €800), reducing pension insurance contributions, and boosting infrastructure investment. However, risks such as geopolitical instability and high external financing costs could impact economic performance.

Agriculture remains a key sector for Montenegro's economic progress, contributing 5.5% to GDP in 2023 at current prices, ranking as the fourth most important sector behind wholesale and retail trade (13.7%), accommodation and food service activities (8.7%), and public administration and defense (5.9%).

The share of agricultural products in total exports is 13.9%, while in total imports, it is 24.6%. The total import of agricultural products in 2023 increased by €136.1 million (or 17%) compared to 2022, while total exports increased by €26.9 million (or 40.3%). The coverage of imports by exports amounted to 10.04%.

## **Census of Agriculture 2024**

2024 marked the implementation of the Census of Agriculture, the largest and most complex statistical survey conducted every ten years by MONSTAT in accordance with UN, FAO, and European Commission standards. The legal basis for this census is the Law on Census of Agriculture for 2024 (Official Gazette of Montenegro No 77/2024 of 5 August 2024). The purpose of the census is to obtain internationally comparable data on agricultural holdings, providing a realistic picture of Montenegro's agriculture and supporting informed decision-making for its development.

Preliminary results of the census, alongside budgetary allocations and strategic initiatives, provide a comprehensive overview of the current state and future direction of Montenegrin agriculture.

## **2025 Agricultural Budget and Investments**

In March 2025, the Montenegrin government allocated €77.1 million to the agricultural sector, marking the largest agricultural budget in the country's history. This funding supports direct payments in animal husbandry and plant production, market interventions, rural development measures, and general agricultural services.

## **Strategic Partnerships and Future Outlook**

In December 2023, the Government of Montenegro and the Food and Agriculture Organization (FAO) established the Country Programming Framework (CPF) for 2023-2027. This partnership aims to

enhance natural resource management and promote inclusive, climate-resilient economic development. Key objectives include increasing productivity through digitalization, supporting sustainable practices, and improving the competitiveness of agri-food value chains.

Additionally, initiatives such as Investment Credits for Supporting the Development of Agricultural Production and Food Production provide financial support to MSMEs, entrepreneurs, and agribusiness clusters, focusing on improving production capacities, adopting new technologies, and enhancing overall competitiveness.

## Challenges and Opportunities

Despite advancements in the agricultural sector, Montenegro faces challenges in the insufficient competitiveness of domestic products, which affects their market placement both domestically and internationally. Producers must meet increasing demands regarding quality and pricing due to significant competition from imports. Key barriers include limited financial resources, debt collection issues, the presence of the informal economy, and high property tax rates in certain municipalities.

For rural residents, agriculture remains the most important sector, particularly livestock breeding, which allows Montenegro to exploit less productive areas such as pastures and meadows. Montenegro's primary trade partners are CEFTA and EU countries. Individually, Serbia is the most important trade partner.

Total Value of Agricultural Product Imports and Exports (2012-2023)			
Year	Export	Import	Export-import ratio
2012	63.989.280	446.530.232	14,33%
2013	62.630.990	455.654.022	13,75%
2014	97.414.191	483.822.843	20,13%
2015	59.351.963	465.030.261	12,76%
2016	56.052.339	491.127.982	11,41%
2017	52.767.041	529.975.248	9,96%
2018	51.337.408	543.289.963	9,45%
2019	53.222.926	580.304.915	9,17%
2020	51.703.197	478.885.797	10,80%
2021	62.441.643	601.101.796	10,39%
2022	66.944.011	799.414.337	8,37%
2023	93.926.432	935.496.393	10,04%

Source: MONSTAT



Country	Import, EUR		Country	Export, EUR	
Serbia	339.035.349	36,2%	Serbia	34.355.971	36,6%
Croatia	64.661.690	6,9%	Bosnia and Herz.	11.868.357	12,6%
Bosnia and Herz.	60.826.152	6,5%	Lithuania	6.359.259	6,8%
Germany	59.470.983	6,4%	Kosovo	6.229.287	6,6%
Italy	55.274.363	5,9%	USA	5.874.307	6,9%
Spain	43.594.431	4,7%	Israel	5.358.987	5,7%
Netherlands	40.972.301	4,4%	Germany	4.058.210	4,3%
Poland	25.582.179	2,7%	Albania	3.061.633	3,3%
Brazil	20.983.639	2,2%	N. Macedonia	2.235.913	2,4%
N. Macedonia	17.217.924	1,8%	Italy	2.111.412	2,2%
Austria	15.020.547	1,6%	Latvia	2.104.000	2,2%
Greece	14.154.465	1,5%	Croatia	1.537.871	1,6%
Romania	12.666.202	1,4%	Austria	1.108.575	1,2%
Albania	12.076.855	1,3%	Slovenia	551.883	0,6%
Hungary	11.376.844	1,2%	UAE	527.131	0,6%
Turkey	11.248.506	1,2%	China	510.378	0,5%
Other countries	131.333.963	14,0%	Other countries	6.583.636	7,0%

Source: MONSTAT

For the period January-December 2023, the following agricultural products stood out in exports:

Export of Agricultural Products (January-December 2023)			
		EUR	Export share
1.	Meat – dried and smoked	25.791.659	27,5%
2.	Vodka	22.646.617	24,1%
3.	Wine	13.453.370	14,3%
4.	Meat products	6.229.990	6,6%
5.	Vegetables	4.802.937	5,1%
6.	Beer	3.838.603	4,1%
7.	Cocoa and cocoa products	2.822.660	3,0%
8.	Fruits	2.660.361	2,8%
9.	Waste and residues from the food industry; prepared animal feed	1.540.674	1,6%
10.	Cereal products, flour, and starch	682.030	0,7%
	Others	9,457,531	10.1%

Source: MONSTAT

For the same period, the import of agricultural products is as follows:

Import of Agricultural Products (January-December 2023)			
		EUR	IMPORT share
1.	Meat	144.154.360	15,4%
2.	Various food products	78.412.716	8,4%
3.	Cereal products, flour, and starch	77.116.649	8,2%
4.	Carbonated non-alcoholic beverages	51.054.409	5,5%
5.	Milk and dairy products, excluding cheese	49.221.750	5,3%
6.	Live animals	48.372.215	5,2%
7.	Fruit	42.720.130	4,6%
8.	Tobacco and tobacco products	38.703.692	4,1%
9.	Fruit and vegetable products	35.466.784	3,8%
10.	Vegetables	35.413.943	3,8%
	Others	334,859,745	35.8%

Source: MONSTAT

To improve production, investments in new technology, modernized greenhouses, irrigation systems, and mechanization is crucial. Enhancing quality can improve market placement, especially in tourism, where premium products, attractive assortments, and quality packaging can help substitute imports and strengthen the domestic market.

By focusing on modernization, sustainability, and strategic partnerships, Montenegro's agricultural sector is poised for growth, bolstering competitiveness and resilience in the face of emerging challenges.





## AGRICULTURAL LAND

A favorable climate for the production of different types and varieties of plants, well preserved nature, including high quality, preserved and fertile land, low pollution due to poor use of mineral fertilizers and pesticides, are elements that emphasize the development of agriculture in Montenegro.

Climate, rich biodiversity, nature and clean environment are excellent prerequisites for the development of organic agriculture. Also, available land resources are an added advantage along with the traditional production of typical products and the use of autochthonous varieties and species in several sectors. The increased demand for agricultural products, which is a consequence of tourism development, gives realistic expectations for the progress of this sector. In recent years, processing capacities have developed in several areas, and are a good example of the development of new value-added products offered on the market.

As one of the most important natural resources, the land cover of Montenegro is quite diverse and is characterized by heterogeneous system units that occur due to different conditions: the basic substrate of different geological and lithological characteristics, specific types of soil.

Structure of agricultural land is unfavourable in terms of the size of agricultural holdings compared to the size of farm holdings in Member States and countries in the region.

According to 2024 Census, Montenegro recorded 26,711 agricultural holdings, a 31.2% decrease from the 38,798 holdings documented in 2010. Despite this decline that is the result of the change in methodology of the Census, the total agricultural land in use expanded to 248,234 hectares, a 13.13% increase compared to 219,167 hectares in 2010.

This growth encompasses various land categories:

- **Meadows and Pastures: 107,505 hectares (85%)**
- **Arable Land: 8,542 hectares (6.7%)**



- **Perennial Crops: 9,434 hectares (7.5%)**
- **Other Uses: 1,031 hectares (0.8%)**

Farms in Montenegro are predominantly mixed farms (80%), with only 8% being specialized pig and poultry farms, 4.5% focusing on mixed livestock breeding, and 2.9% classified as unclassified farms (e.g., family homesteads). The majority of holdings are concentrated in municipalities such as Bijelo Polje, Nikšić, and Pljevlja.

Bearing in mind the size and structure of the distribution of agricultural land Montenegro is one of several European countries that has favorable land resources for the development of agriculture. Despite this, land in Montenegro is divided into numerous small parcels. Significant potential for planting olives and grapevines is seen in areas caught by fire, and these investments, the Government of Montenegro monitors and encourages with special care!

**Meadows and pastures covered areas are slightly increasing in the period 2016-2021. Natural meadows have relatively low yields, because agro-technical measures of any kind are not applied to large parts of these meadows.**

Unused agricultural land, both privately and state-owned, represents a significant potential for increasing agricultural production.

Work is ongoing on the register of agricultural holdings. There was progress in establishing IACS by significantly increasing the land area encoded in the land parcel identification system (LPIS ). The rolling out of LPIS across the whole territory should be accelerated to advance the closing benchmark of chapter 10 in the EU Accession process. Preparations are still ongoing to secure new orthophotographs to update the system.

The development of the farm accountancy data network (FADN), its extension to environmental and social data in line with the EU acquis, and the strengthening of farm advisory services should be accelerated.

**State-owned agricultural land in Montenegro can be taken into long-term lease!**

For additional information contact institution is:

**Ministry of Agriculture, forestry and water management (MAFWM)**

Rimski trg 46, Podgorica, Montenegro

<https://www.gov.me/en/mpsv>

According to the Law on State property the procedure of renting agriculture land in Montenegro follows the procedure listed below.

## Procedure

	STEPS	DETAILS
1	Request submission	1. Precise location of the land 2. Size of the area 3. Period of lease 4. Original of the Real estate folio (obtained from the local cadaster office) accompanied by the cadastral plan copy/digital plan abstract 5. If the area is not an entire parcel, but the part of it, the request must contain the Elaborate of conditional parcels (executed by the licensed geodetic office) Clearly stated intentions of renting the agricultural land.
2	Value assessment of the property	
3	Obtaining an opinion of -Ministry of Spatial Planning, Urbanism, and State Property	15 days MAFDW requests the opinion of the opinion the Ministry of Spatial Planning, Urbanism, and State Property, in terms of spatial planning and state property.
4	Obtaining an opinion of other relevant institution if necessary	
5	Review of the submitted documentation	Only once the documentation has been properly submitted the request can enter the procedure.
6	Decision making procedure of the Government	10 days
7	Public call	30-60 days
8	Tender procedure	4-5 months
9	Signing the contract	1 day
	<b>TOTAL</b>	<b>Approximately 5-6 months</b>

## Time

RENTING PERIOD	DECISION-MAKER
Less than 30 years	Government of Montenegro
Over 30 years	The Parliament of Montenegro



## OLIVE GROWING

### Montenegro has extremely favorable climate conditions for olive growing!

Olive is the oldest subtropical culture on the Montenegrin coast with a **tradition** of growing for more than 2000 years (one of the three oldest olives in the world is Mirovica in Stari Bar -2.240 years old).

Most of the olive groves are **traditional plantations**. Olive growing predominates in the coastal area of Montenegro (about 550,000 olive trees are planted in an area of approximately 3,400 ha, average tree age is over 200 years, and about 15% of all orchards are newer plantations); vast majority of orchards are old, extensive plantations, usually planted on inaccessible terrains and in highly fragmented plots (average size of one orchard is 0.3 ha). The most important is the oily, domestic variety Žutica (65%), from which the oil of excellent quality is obtained. In recent years, there has been a trend of planting table varieties such as Picholine, Arbequina, Leccino.

Olive fruit is mostly processed into oil (90%). In the years when **the yield** is good, olive production is about 1000 tons of oil annually!

The preliminary data of estimated total amount of olive fruit produced in 2023 is 683,5 tons, of which the plantation production is 414,1 tons (MONSTAT 2024). It is estimated that of the total number of neglected and overgrown olive groves, about 2/3 of the total number of trees have been revitalized to some extent (assessment of key relevant stakeholders). The average yield is very modest and ranges between 2 and 3 t/ha (2,6 in 2023), which reflects, among other things, the high age of mature olive groves on the one hand, and the incomplete yield of new plantations, due to their relative immaturity



**Rising above the coastal areas there are significant parcels that can be cultivated for growing new olive trees, and which have ideal conditions for olive cultivation.** Also, the use of pesticides in our country is reduced, and there are many sites that are ideal for **organic production!**

Possible investments in this sector should be directed to:

- Increase in production by restoring existing ones and raising new olive trees - especially on unused stone soil, which is suitable for olive cultivation;
- Modernization of technologies in order to increase the competitiveness of domestic olive oil - procurement of processing lines;
- Organic production;
- Locations suitable for rural tourism - Stari Bar, Valdanos, Luštica areas.



## VITICULTURE

Montenegro has a significant and traditional viticulture and winemaking production, but it has insufficiently used potential that could significantly contribute to improved standards of living of people in rural wine-growing areas and promotion of Montenegro as a wine country.

If compared with surfaces under vineyards of the world's leading wine countries, surfaces under vineyards in Montenegro are not large. However, when compared with surfaces under other agricultural crops or surfaces under vineyards in neighbouring countries, Montenegro has significant surfaces under vineyards, considering the total surface of the country and the needs of the population and tourists. Given that the new regionalization of wine-growing geographical production areas in 2017 has expanded the area where is possible to successfully grow vines and produce high quality grapes and wine, there are conditions for more intensive raising of vineyards, especially in areas where they cannot cultivate other agricultural crops.

The main feature of the viticulture and winemaking sector of Montenegro is that the one subject – winery Company “13. Jul - Plantaže” owns nearly 90% of the area of vineyards (vineyard plots) entered in the Vineyard Register (VR), with an annual production of 89,411 hl, which is 95.32% of total average production, which is the main factor in the development of viticulture and winemaking sector of Montenegro. The second part of the sector consists of producers, mainly family farms with small vineyards and small wine production capacities.

The significance of this agricultural sector became even more prominent with the current climate changes, with reduced possibilities for cultivation of certain agricultural crops, and with expanded areal possibilities for cultivation of grapevine in areas without previous tradition in production of grapes and wine.

However, this new situation should be valorized in the best possible manner and enable production

of high-quality wine, typical for the relevant wine-growing areas, and production of grapes and wine should be adjusted to the climate changes. Cultivation of grapevine and increasing areas under vineyards will enable establishment of ecological balance and preservation of the natural environment from urbanization, this will also contribute to preventing land erosion, in particular in sloped hilly terrains, where vineyards are traditionally cultivated.

When compared with surfaces under other agricultural crops or surfaces under vineyards in neighboring countries, Montenegro has significant surfaces under vineyards, considering the total surface of the country and the needs of the population and tourists. Of the total surface under vineyards, the majority are modern plantation vineyards intended for commercial production of grapes and wine.

According to preliminary information from MONSTAT, surfaces under plantation vineyards were 2.617,1ha in 2023.

Also, MONSTAT states that total grape production in 2023p is 15.293,5 ha with 10,545,382 grapevines of productive age that give a yield of 5.9 t/ha, that is 1.4 kg per vine.

If the distribution of vineyards by wine-growing regions is observed and the vineyards are excluded, that is, the producer's vineyard plots, "13. July - Plantations" Podgorica, the same conclusion is reached about the distribution of vineyards. The Montenegrin Basin of Lake Skadar is also the dominant wine-growing area.

Montenegrin wines are made from a wide range of grape varieties including Vranac, Krstač (autochthonous sorts), Cabernet Sauvignon and Chardonnay.

Very favorable environmental conditions (climatic, edaphic and biotic factors that enable the normal development of vine, regular fruiting and obtaining of high-quality grapes) and specific positions for wine in the wine-growing regions of Montenegro make this area ideal habitat for growing vines.

Montenegro harmonized its regulations (with the exception of new regulations from 2019) with respect to quality policy, that is, geographical indications with the EU's PDO/PGI system.

There are currently seven protected designations of origin in Montenegro, in particular: „Crmnica“, „Podgorički subregion“, „Ulcinjski subregion“, „Boka Kotorska“, „Nudo“, „Katunska Nahija“ and „Bjelopavlići“, as well as two geographical indications for wine, in particular: „Crnogorski Basen Skadarskog jezera“ and „Crnogorsko Primorje“.

Such a high number of designations of origin and geographical indications that have been registered recently is a huge success for viticulture and wine production in Montenegro, and is also a condition



for promotion of Montenegro.

The most important form of state support for agricultural development is achieved through the agricultural budget. Agrobudget includes a set of incentives in the form of non-repayable grant from the overall budget of Montenegro for the development of agriculture.

In recent years there has been a major qualitative shift in production, there are new producers, with a modern approach and modern equipment.

Old vineyard sites are renewed while existing vineyards are revitalized, with famous autochthonous varieties which create the basis for further development of this sector.

With respect to the quantity of exported wine, on average, Montenegro exports twice as much wine as it imports.

## **INVESTMENT OPPORTUNITIES**

- 1. Construction of the cold storage for receiving peaches, nectarines and grapes**
- 2. Investment in new large-scale vineyards**
- 3. Plant for production of briquettes from the vine**

## **ORGANIC PRODUCTION**

Organic agriculture, as a system of sustainable production, represents one of the key priorities for the development of Montenegro's agriculture. In the last decade, interest in organic production has been constantly growing, both in terms of total areas and the number of organic producers. While it is a relatively new agricultural approach, the tradition of farming in harmony with nature has deep roots in Montenegro. For generations, rural communities have practiced farming methods that rely on organic fertilizers, crop rotation, and biodiversity preservation.

However, with the rise of modern agriculture, driven by chemical inputs and high-yielding varieties, these traditional practices have gradually disappeared from the fields. The area dedicated to organic farming in Montenegro makes up only 1.6% of total agricultural land, a proportion similar to that of other Balkan countries. To ensure sustained growth in organic production, it will be essential to focus more on the marketing of organic products in the coming years, so that increased market recognition can drive higher demand.

Montenegro has excellent conditions for the production of high-quality organic food, and with continuous state support and the cooperation of producers, it could become a recognized producer of organic products in the region.

The first significant step in the development of the organic production sector in Montenegro was made in 2004 with the adoption of the Organic Production Law. This law provided the legal foundation for the development of this sector, established production standards, and implemented a control system.

Favorable agroecological conditions, preserved natural resources, unpolluted land, and a tradition of producing agricultural products in a sustainable manner represent a significant potential for the growth and development of the organic sector. Although organic production in Montenegro has seen continuous growth, it is still underdeveloped. The sector faces numerous challenges, with the most important being: small production volumes, insufficient knowledge of producers about the principles of organic production and certification procedures, an underdeveloped market, and inadequate promotion of organic products.

Despite these challenges, significant progress has been made over the last decade. Recognizing the advantages of organic production and its market potential, as well as the generous state support, an increasing number of farmers are choosing this mode of production. As a result of continuous efforts by all relevant stakeholders, the area under organic production has expanded, and the number of organic producers and the variety of organic products has increased.

From 2016 to 2023, the utilized agricultural area, excluding homesteads, increased by 39%, while the number of registered organic producers rose by 84%.

Montenegro has just over 500 organic producers in 2025, with the goal of reaching 750 by 2029. The highest number of organic producers is among beekeepers.

According to data from the certification body Monteorganica d.o.o. for 2023 (as outlined in the Report on the Work of the Certification Body Monteorganica d.o.o. for 2023), the structure of organic production is primarily dominated by meadows and pastures, covering 3,568 hectares, which are mainly used for mowing and grazing livestock. Following these, perennial crops account for 564 hectares, while field crops cover 307 hectares.

The organic products market in Montenegro is still quite underdeveloped. However, demand for organic products has been growing year by year, as more and more consumers are recognizing the benefits of organic food. Organic products are generally more expensive than conventional ones, which limits their accessibility to a wider range of consumers. The availability of organic products in Mon-

tenegro is mostly confined to specialized stores and certain shopping centers. A lack of education and public awareness about the advantages of organic production and consumption, as well as the underdeveloped processing industry sector, are the main barriers to the faster development of the organic products market in Montenegro.

This kind of wealth enables their exploitation, but at the same time obliges for protection from irrational consumption.

- 1. Investing in technological (processing) equipment for organic production**
- 2. Investment in processing in inputs of organic production**
- 3. Investments in products for packaging, labeling and promotion**



## **ANIMAL HUSBANDRY AND MEAT INDUSTRY**

Montenegro has a rich gastronomic tradition where meat and meat products hold a significant share of total production and consumption. Animal husbandry plays a vital role in utilizing less productive areas, such as pastures and meadows, which dominate the structure of the country's agricultural land.

Large areas of pastures and meadows, along with small arable lands used for producing animal feed for stall-based breeding, enable extensive grazing fattening, particularly in the north. This method of farming significantly contributes to the quality of the meat. In contrast, the central region supports intensive and semi-intensive milk production, which requires logistical support, storage capacities, and equipment for quality management.

### **Traditional and Market Production**

A large number of agricultural households produce their own food, processing milk into dairy products like cheese, cream, or skrup, and meat into specialties such as smoked hams, sausages, and

other traditional products. In addition to production for personal consumption, Montenegro also has a well-developed market production in small and medium-sized registered or unregistered establishments. These establishments process meat into:

- 1. Cured Meat Products** – including cured beef (smoked beef, tenderloin, beef ribs), smoked mutton (stelja and kastradina), and smoked ham (njeguška, crnogorska pršuta).
- 2. Fermented Sausages** – such as Njeguška sausage, sudžuk (beef or mutton).
- 3. Smoked Products** – including dried meats and beef products.
- 4. Fresh Beef and Lamb Meat** – with particular quality, primarily from the central and northern parts of Montenegro.

These products are closely tied to the territory, with the quality of the meat being a result of farming practices and the high-quality mountain pastures.

The meat sector in Montenegro has seen an increase in production and revenues in 2023, with some companies experiencing growth up to 45%. However, this is accompanied by rising costs of raw materials and supplies.

- **Pork imports** have increased by 15.2%, with prices rising by 30%.
- **Poultry meat imports** have grown by 6%, with import prices remaining unchanged.
- **Beef imports** have decreased by 5.2%, but import prices have risen by 9%.

The breed structure in Montenegro is mainly adapted for milk production rather than meat. The Simmental breed, which is the most widespread, is primarily raised for milk. Despite this, new breeds are being introduced, although not on a significant scale yet. Market-oriented beef production in Montenegro is profitable, with growth potential driven by the increasing demand for processed products, both in tourism and local markets.

The majority of market production takes place in the northern region of Montenegro, which benefits from better land conditions, proximity to Serbia and Bosnia and Herzegovina (for animal feed imports), fewer employment opportunities in other industries, and the presence of a processing industry that not only buys large quantities of livestock but also has its own production.

Milk production in Montenegro has been relatively stable for several years, with minor fluctuations in quantity and type. Cow's milk dominates production, representing about 93% of the total, followed by sheep's milk (4-5%), and goat's milk (just over 2%).

In recent years, there has been a growing trend in poultry meat consumption in Montenegro. While poultry production is still less represented compared to other types of meat, its share in consumption and production is expected to increase in line with global trends.

The dominant method of cattle farming in Montenegro is extensive pasture fattening. This system reflects the country's natural conditions—large areas of pastures and meadows and limited arable land for growing feed for indoor farming. This system guarantees the production of high-quality meat. Meat processing in Montenegro has advanced significantly, with many companies now using state-of-the-art technological solutions to ensure the production of high-quality and safe products. Traditional methods, particularly in dried meat and beef production, are also still widely practiced. Over the past decade, substantial investments have been made in the meat industry to meet European standards, and many establishments now comply with EU food safety standards and hold HALAL certifications.

Potential investments in this sector should be directed to:

- Primary production and processing area;
- Growing of livestock (with special emphasis on excellent conditions for dealing with organic livestock breeding);
- Animal waste disposal and destruction
- Intensive buying and expanding lamb meat
- Investments into meat and milk processing





## APICULTURE

Apiculture has a long and rich tradition in Montenegro. The presence of several climatic zones, large areas of natural meadows and pastures and a spacious karst area with rich floral composition and abundance of honey plants have provided very favorable natural conditions for the development of this economic activity. Ordering potential is lying in the **organic production of honey**, which has also been identified as a priority in government policies!

In Montenegro, more than **500 species of significant honey plants** have been identified, many of which are related to medicinal plants whose properties are transferred to honey. Hence, honey from these areas is characterized by a high level of nutritional and medicinal properties. Some of the most important honey-bearing plant species are sage, seagrass, willow, hazelnut, hay, red and white clover, thyme, black and white linden, raspberry, wild blackberry, chestnut, conifers and others.

Moreover, the importance of beekeeping is especially important given the role of bees in pollinating plants, which directly influences the increase in yields of various fruits and cereals. Compared to other industrialized countries, **Montenegro has an unpolluted and healthy nature, which leads to the production of high quality and healthy honey.**

The average annual production of honey in Montenegro is 733t (2023, preliminary), which continues to indicate the low utilization of the huge potential of this sector!

By adopting the 2023–2028 Agriculture and Rural Development Strategy, Montenegro chose to accept the concept of sustainable development; this means achieving a good balance between economic development, environmental protection and other social aspects. The starting point for the strategy was the recognition of the multifunctional role of agriculture; it was evident that agriculture should be viewed in a broader context than just as a contributor to GDP.

Possible investments in this sector should be directed to:

- Increasing production of honey,
- Expansion of assortment of bee products,

Significant unused potential is lying in the part of branding and packaging of honey in packaging for export and direct sale, with special emphasis on small packaging (25gr) that can be placed in catering facilities.

# PRODUCTION AND PROCESSING OF POMEGRANATE, ROSE HIPS AND FIGS

## **Montenegro represents a potential oasis for growing rose hips, pomegranate and figs!**

Pomegranate grows in almost every garden on the Montenegrin coast. Fruits ripen from early October until January, depending on which variety it is. This is still insufficiently exploited wealth of Montenegro, however, as the interest of an increasing number of producers shows - the plantation of the pomegranate and figs will increase. The cultivation of pomegranate is considered as one of the most profitable investments of all fruit species, even more profitable than the cherry, apricot, pears or apples.

This is a fruit that is known to people from the earliest times, at the same time exceptionally delicious and healthy. Numerous advantages are the use of fresh fruit of pomegranate or juice from nourishment in the diet: protects the health of the heart, destroys bad cholesterol and triglycerides, strengthens blood vessels, destroys harmful bacteria, slows down aging, strengthens immunity, improves mood. It is important to note that, at least in the area of Montenegro, **this plant is never treated with chemicals**, so it is therefore advantageous to other fruit trees! Also, hot summer and mild winter is suitable for this plant, so Montenegro is an ideal place for this production line to be intensified!

The fig is also a type of fruit that brings significant yields! It is especially cost-effective for breeding because of its diverse use - in Montenegro it is consumed as fresh fruit, dried or processed into jams. Figs are also not treated with chemicals.

## **In Montenegro, there are no significant larger plantations of figs and pomegranate, which represents a huge market opportunity for investors who are able to recognize them!**

Along with the potential of growing these fruits, the processing capacities for these fruits are directly linked! In Montenegro, one of the traditional products that every household has is wild pomegranate juice. Plantations of pomegranate and figs are especially suitable in the municipalities of Podgorica, Danilovgrad, Bar and Ulcinj.

Possible investments in this sector should be directed to:

Plantation of pomegranate and figs,

- Opening of processing capacities for pomegranate and figs, jam made of figs, fresh pomegranate juice, as well as other products.
- Open the fig fruit drying plant.

# PRODUCTION AND PROCESSING OF CORNELIAN CHERRY (Cornus Mas)

The fruit that we really can boast of because it represents the true symbol of health is cornelian cherry. The extraordinary natural resistance and healing properties of this fruit is confirmed by the saying: "To be as healthy as a cornelian cherry," which has been with the right of ancient times in our nation.

Cornelian cherry grows on dry, sunny, rocky sides of deciduous forests as a self-branched tree in the shape of a tall grass. It flowers in February and March, and is ripen in September and October.

The potential for raising plantations in Montenegro is truly remarkable, bearing in mind that this valuable gift of nature extends from the shore of the sea to the crossroads and altitudes up to 1,300 meters above sea level. This is a big, but not the only advantage for growing this fruit. Cornelian cherry does not require chemical protection to bring a large amount of fruit every year. That is why it is extremely appreciated in organic production.

Each part of cornelian cherry is considered as a medicament. Fruits are an abundance of vitamin C, natural sugar, organic acids, antioxidants, pectin and tannin, and due to their high nutritional value, they have an extremely beneficial effect on health. They are consumed in fresh condition, dried or processed in jam, sweet, compote, fruit juice, liqueur, brandy. Products do not require any additional attention in order to preserve them!

In our climate, cornelian cherry grows as a homogeneous species and there are only a few plantation farms, but due to the extraordinary potential that Montenegro provides, the plantation dredging and a rich assortment of quality products would ensure a safe profit!

Possible investments in this sector should be directed to:

- Plantation growing of cornelian cherry,
- Opening of processing capacities.

## WATER USE

Water resources are one of Montenegro's most significant development potentials. In terms of water wealth relative to its surface area, Montenegro ranks among the most water-rich regions globally. Existing studies of the country's surface watercourses highlight an exceptional water flow relative to its relatively small area. The European Union's adoption of the Water Framework Directive (2000/60/EC) marked a complete overhaul of its water policy. The Directive establishes conditions to enable the implementation of sustainable water use and protection practices.

Montenegro's total water flow is 604 m<sup>3</sup>/s, with an average runoff of 44 l/s/km<sup>2</sup>, amounting to approximately 19.5 km<sup>3</sup> annually. This places Montenegro among the top 4% of the world's territories with the highest average runoff. Given that 95% of its watercourses originate within the country, water can be considered Montenegro's greatest natural resource.

52% of Montenegro's territory (7,251 km<sup>2</sup>) is drained by rivers that eventually flow into the Danube (to the north), while the remainder flows toward the Adriatic Sea (to the south).

The Ministry of Agriculture, Forestry, and Water Management oversees water management, with a dedicated department handling the policy and organization of operational water management. Concessions for public water resources can be granted for irrigation of agricultural land where water usage exceeds 175 m<sup>3</sup> per day. For smaller quantities, less than 175 m<sup>3</sup>/day, local self-governments issue permits.

In 2024, Montenegro imported goods worth over 4 billion euros, of which nearly 14 million euros were spent on imported water, according to the Chamber of Commerce.

The country's capacity to produce bottled water is not being fully utilized. There are seven bottled water factories in Montenegro, but they struggle to increase sales both domestically and internationally. Challenges include limited marketing efforts, the lack of a strong export brand, and high competition, particularly with bundled sales of water alongside other products. This limits water distribution both within Montenegro and abroad.

Over the past five years, Montenegro has imported natural and mineral water worth approximately 50 million euros, while exports of water were valued at around 1 million euros. In 2022, the value of water imports rose to 11.5 million euros, a 19% increase compared to 2021. This growth in imports highlights the untapped potential of Montenegro's water resources, revealing numerous opportunities for water exploitation and management.



Montenegro boasts several important watercourses flowing toward the Black Sea and the Adriatic Sea. The Black Sea catchment area spans 7,454 km<sup>2</sup>.

In addition to its water resources, Montenegro is rich in high-quality underground and surface waters. Hydropower is the country's most important energy resource, and Montenegro is ranked highly in terms of hydropower potential.

## Concession Granting Procedure

Concession rights for using natural resources are granted under the conditions specified by law. The legal framework governing the concession process in water management includes the Concessions Law, the Water Law, the Law on Financing Water Management, the Regulation on Public Tender Procedures, and the Decision on Water Fees and Pollution Standards.

The procedure for granting concessions is initiated by the competent authority through the preparation of a concession act, in accordance with the annual plan outlined in Article 7 of the Concessions Law. However, interested parties can submit proposals to amend the plan as per Article 7, paragraph 1 of the same law. These proposals must include an economic feasibility assessment, as well as data and information required by Articles 18 and 19, paragraph 1, points 1, 2, 4, 5, 10, and 15 of the Concessions Law, including evidence of the actual costs of the investment's feasibility assessment.

If the competent authority deems the proposal acceptable, it is incorporated into the concession plan for the current year, which is then submitted for approval by the Government.

The concession act is adopted by the Government of Montenegro. Prior to adoption, the competent authority organizes a public consultation period of 15 to 30 days following the issuance of a public call for discussion.

Once the concession act is adopted, the competent authority publishes a public notice in the Official Gazette of Montenegro, in at least one daily newspaper distributed throughout the entire country, and on the competent authority's website.

The duration of the concession is determined based on the subject of the concession, the time required for investment returns, and the generation of profit from the concession activity. The concession period cannot exceed 30 years if the decision is made by the Government, or 60 years if the decision is made by the Parliament.

Investment potentials:

1. Export to international market
2. Investing in strengthening competitiveness and adapting to market demands - Investment in packaging equipment - Marketing activities

## IPARD III

The Montenegrin Agriculture and Rural Development Program under IPARD III (2021-2027) was developed based on strategic and other necessary documents related to agriculture and rural development. It also relies on a socio-economic analysis built upon previously conducted sectoral studies (meat, dairy, fruit and vegetable, wine, olive, and fisheries sectors, as well as economic diversification).

Through the implementation of the IPARD III program, Montenegrin farmers will have access to a total of €81,975,947 in non-refundable funds.

The objective of IPARD is two-fold:

1. to provide assistance for the implementation of the acquis concerning the Common Agricultural Policy
2. to contribute to the sustainable adaptation of the agricultural sector and rural areas in the candidate country.

The approved measures aim to enhance competitiveness, increase the added value of products, create new jobs, improve living conditions in rural areas, strengthen connections with tourism, upgrade rural infrastructure, and provide support through agro-environmental-climatic measures, organic production, and afforestation and forest protection. The program includes the following support measures:

**Measure 1 – Investments in the physical capital of agricultural holdings**

**Measure 3 – Investments in the physical capital related to the processing and marketing of agricultural and fisheries products**

**Measure 4 – Agro-environmental-climatic measures and organic production**

**Measure 5 – Implementation of local development strategies – LEADER approach**

**Measure 6 – Investments in rural public infrastructure**

**Measure 7 – Diversification of farms and business development**

**Measure 9 – Technical assistance**

**Measure 11 – Afforestation and forest protection**

IPARD III is by choosing a measure appropriate to meet the objectives presented in the strategic documents and international commitments. Taking into account the financial strength of the population in rural areas, national and IPARD measures are complementary in parts of the amount of investment, which means that no category of the population is excluded from potential support.

Investments covered by the IPARD III programme are primarily aimed at harmonizing the primary production and processing sector with EU standards in the areas of food-free, disease prevention and plant and animal health, as well as improving traceability and food labelling. Montenegro pays special attention to the promotion of organic production, which as such reduces the use of synthetic chemicals in food production, such as pesticides, veterinary drugs and fertilizers. Through the IPARD III programme, farmers involved in organic production will be favoured as recipients of support through measures selection criteria.

Investments in renewable energy sources are included through almost all IPARD III measures in order to create resource-efficient, safe and sustainable low-carbon economies on farms and processing facilities. In this regard, investments will be provided in the construction of plants for the production of energy from renewable sources - photovoltaic systems, equipment, machines and devices for energy saving.

Additional information: <https://www.gov.me/ipard>

# DEVELOPMENT BANK OF MONTENEGRO

The Development Bank of Montenegro A.D. Podgorica was established in 2025 through the transformation of the Investment and Development Fund of Montenegro A.D., recognizing the need for additional and innovative incentives for the Montenegrin economy through new products, services, and a more dynamic approach to development. This transformation represents a strategic step toward enhancing support for the Montenegrin economy, financial stability, and service quality for our clients. It marks the evolution of the institution, which, by supporting sustainable projects and increasing investment scope, will contribute to improving citizens' living standards and reducing unemployment in Montenegro.

Development Bank of Montenegro provides investment loans for agricultural production support.

## Goal

The primary goal of the program is to support the development and growth of existing micro, small, and medium-sized enterprises and entrepreneurs by encouraging investments in production modernization, building new production capacities, increasing the degree of processing, using local resources, and introducing new technologies and products. It also aims to finance projects of local, regional, and national importance.

## Loan Purpose and Conditions

### 1. Purpose of Loan

Loans are intended for investments in:

- Fixed assets:
  - Tangible assets: land, buildings, equipment, devices, small inventory, etc.
  - Intangible assets: product and/or service development, patents, licenses, concessions, copyrights, franchises, etc.
- Working capital.

### 2. Financing Conditions

- RBCG Financing: RBCG can directly finance up to 50.00% of the total investment value.
- Own Capital Requirement: The amount of own capital must not be less than 25.00% of the total liabilities, increased by the amount of the requested loan (applies to direct loan arrangements).
- Working Capital Investment: The loan amount intended for investment in working capital can be up to 30% of the total loan amount.

### 3. European Investment Bank (EIB) Financing

- If the loan is financed from the funds of the European Investment Bank (EIB), the funds cannot be used to finance VAT.

## Exclusions from Financial Support

Financial support will **not** be approved for the following purposes:

- Military-related Activities
- Construction of residential and commercial spaces for sale, except for **CONDO hotels**, as well as the construction of gas stations.
- Participation in projects that violate internationally recognized workers' rights, including safety at work, rules, and procedures in Montenegro;
- Any activity considered illegal or harmful to the environment and dangerous to human health;
- Banking and insurance;
- Activities related to publishing newspapers and other periodicals, activities related to the production and broadcasting of radio and television programs, activities of news agencies;
- Purchase of shares in other companies, stocks, and other securities;
- Currency trading and securities trading;
- Immoral and illegal activities

## Loan users

Loan users can be legal entities and entrepreneurs in all forms of organization provided by the Law on Business Entities, as well as individuals engaged in activities defined by the rules of the activities they perform (craftsmen, agricultural producers, etc.).

The ultimate beneficiaries of these loan arrangements can be entities that obtain a certificate from the Revenue Administration (Tax Administration) confirming that they are in compliance with their tax obligations.

There is no entitlement to a loan; rather, Development Bank of Montenegro (DBM) makes a separate decision for each individual request.

## Lending methodology

DBM implements this Program by:

- Directly lending to credit users;
- Lending to the ultimate credit beneficiaries through business banks with which DBM has established a business partnership.



Loan applications that are not supported by the mandatory prescribed documentation will not be considered.

Based on the loan agreement between the business bank and DBM, the business bank will enter into an agreement with the ultimate credit beneficiary.

## Lending Terms

**Loans under this line, financed by the European Investment Bank (EIB)**, will be approved at an interest rate 0.5% to 0.7% lower than the interest rate defined below.

A) Direct Lending:

- **Maximum Loan Amount:** Up to €10,000,000 (for entrepreneurs up to €50,000).
- **Minimum Loan Amount:** €10,000.
- **Interest Rate:** 4.90% annually with a proportional interest calculation system.
- **Repayment Period:** Up to 12 years (including grace period).
- **Grace Period:** Up to 4 years.

### Stimulative Measures for Direct Credit Arrangements:

- For entities implementing projects in municipalities in the northern region and those with less than 100% of the average development index value in Montenegro, special incentives will be granted by reducing the interest rate by 0.50%.
- Existing direct credit users of RBCG may reapply for additional funds, with consideration given to ensuring the total exposure of RBCG to a client through direct credit arrangements aligns with the client's balance sheet indicators.
- The maximum exposure per client, including associated parties, will be defined by RBCG's internal regulations.
- Depending on the cost of available financing sources, the interest rate may be higher, with the RBCG user being duly informed.

B) Financing via Commercial Banks:

- **Maximum Loan Amount:** Up to €7,000,000.
- **Minimum Loan Amount:** €10,000.
- **Interest Rate:** 7.50% annually, of which 3.00% goes to the bank. The bank may agree to a lower interest rate with the client, but the RBCG interest rate must not be lower than 4.00%.
- **Repayment Period:** Up to 12 years (including grace period).
- **Grace Period:** Up to 4 years.

## Obligations of the Commercial Bank

- The commercial bank through which the credit arrangement is realized must ensure that the final borrower meets all legal obligations related to the implementation of the investment/project supported by RBCG's loan.
- Depending on the cost of available financing sources, the interest rate may be higher, with the RBCG user being duly informed.

## Fees

- **Direct Arrangements:** Fee of 0.20% on the approved loan amount.
- **Loans via Commercial Banks:** No fees charged by RBCG; the final user will agree on the fee amount with the commercial bank.

## Loan Usage

- **Loan Usage Period:** Up to 24 months. The final usage period will be determined individually for each credit arrangement based on the actual needs and investment dynamics.
- **Loan Purpose:** The loan must be used for the intended purpose in accordance with this program and the agreement signed between RBCG and the user.
- **Monitoring:** RBCG will monitor the proper use of the loan.
- **Loan Line Duration:** This credit line is valid until December 31, 2025, or until its modification or termination.

## Additional information:

<https://www.rb.me>

Call Center

Toll-Free Info Number:

080 012 012

### Development Bank of Montenegro

Bulevar Svetog Petra Cetinjskog 126/I, Podgorica

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