

SERBIAN AGRICULTURAL PRODUCTION IN THE CONDITIONS OF ITS ADAPTATION TO EU REQUIREMENTS¹

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Abstract

The aim of this paper is to present the agricultural production of Serbia in the conditions of its adjustment to the requirements of the EU, and in this paper, it will be observed many times. First, Serbia's agriculture must adapt to EU standards in order to place its products on the European market and be competitive. Secondly, competitiveness in the EU market is most easily achieved and maintained when farmers act together, with their form of organization and work based on modern standards. Thirdly, the authors believe that it would be easier for our farmers to market their products if they were produced in compliance with the requirements and principles of environmentally friendly production. The production of such food is becoming more and more represented on the world market and could be an export opportunity for our farmers.

Key words: *agricultural production, competitiveness, farmers associations, organic agriculture, EU.*

Introduction

Serbia's agricultural production is in conditions of adjustment to EU requirements to become its full member. *The Strategy of Agriculture and Rural Development of the Republic of Serbia for the period 2014-2024* by adopted. (Službeni glasnik RS, br. 85/14). Provides information on the planned activities that need to will carry in the agricultural sector. The initiator of the changes, also the bearer of the Strategy, by the Government of the Republic of Serbia, indicates in which direction agriculture would develop agricultural producers, represent the executors of the required requirements and principles.

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The adjustment of Serbian agricultural production on EU requirements can also be by the angle of the joint appearance of our agricultural producers on the European market. As an example of a good way of uniting farmers, fruit and vegetable growers by singled out because we believe that they have the best chances to become and remain competitive in the union market.

On the way to full membership in the EU, in the agricultural sector Serbian farmers should gradually reorient themselves to the introduction and application of the principles of environmentally friendly production. These changes are due to the increasingly demanding EU markets and necessary for the common, i.e. joint presence on the European market. By the way, organic agricultural products are also known as organic or biological products and often identified with the so-called by producing "*healthy food*." This type of agricultural production is complex than conventional and is gaining in importance. As such, they are recognizable in the EU market and can become competitive.

Agriculture development strategy in Serbia

The adoption of a strategy for the further development of agriculture, i.e. agricultural production, would significantly facilitate the further development of Serbian agriculture. The adoption strategy is inevitable at all levels of organizational production units in modern agriculture. The implementation is necessary at the same time to manage the risk and business opportunities offered by the market. Agriculture can be said to be a high-risk production area because there is a lot of uncertainty in business. In the world, agricultural production is much more influential than it is in Serbia. Hence, integrated production management by developed market economies is still considered a key factor in increasing income and reducing risk. In that sense, the fact that there is no complete planning in one agricultural enterprise until the alternatives of the plan are included by inevitably emphasized. When looking for an answer to the question of what makes an agricultural enterprise competitive in any conditions, it should always be assuming that the strategy must provide alternative proposals for adapting production to all possible changes. They adopt strategies in large agricultural systems that have an impact on a large number of people through the prices, volume, and structure of goods sold by farmers, as well as expectations of return, namely, risk on the invested capital by investors. Consumers also are influenced by the price, quality, and variety of products. Thus, the strategy of these large firms differs significantly from that practiced by individual farmers. Many external factors influence the im-

plementation of the development strategy. We are thinking of new market conditions caused by free-market principles. These principles are conditioned primarily by the EU requirements that the market of agricultural products in Serbia be opened and become easily accessible to EU countries.

Serbian farmers' associations on their way to the EU

Cooperatives, as one of the key stakeholders within the sector of agriculture have to actively support the strengthening of agricultural holdings in order to enable their easier approach at the local markets and realize available productions' surpluses (Simonović et al., 2012, p. 548). Nowadays, at national level cooperatives could be considered as highly real organizations, while majority of their members are trying to run the business activities in contemporary way, constantly thinking to fulfill actual commitments. Such a mentioned approach affects the Serbian cooperatives to experience the path to the upcoming business models (Simonović et al., 2016, p. 700).

Farmers' associations have an advisory, educational, and lobbying role and represent the first link of a "small" agricultural producer with all relevant institutions and organizations in the area: line ministry, scientific institutes, local economic development teams, domestic and foreign development agencies, NGOs and centers donor funds, etc. (Paraušić, 2018, 45).

Here, we primarily mean modern associations and cooperatives, whose bond is also the basis of a common for common interest, as well as providing a better life. The next step would be how much farmers can produce and thus their associations. The market must have listened. In our country, farmers have at their disposal a system of reporting on market conditions, which can indicate price trends, their values for certain types of vegetables in the off-season, the demand for certain varieties of kind of vegetables. Also, there is a way to explore what is in Europe, demand whether only the color of the product is still important while the taste is full on the sidelines or something has changed there as well. Namely, what helps farmers in Serbia, thanks to our climate, is the fact that large hypermarket chains in Europe are giving up products of colors and waxy appearance, which have such a taste, in favor of the full flavor of certain vegetable species. Of course, the appearance of the product by neglected, but it is no longer paramount.

What is very important, regardless of whether it is a market or sale in supermarkets, wholesale or retail, is the packaging and packaging of products, their calibration, and classification. A bar code label and a complete product ID card are also indispensable. Advancement of the certain cooperative is directly linked to the

improvement of its agri-food products' quality, pointing to the successful transfer of modern tech-tech knowledge into its business activities (Simonović, 2014, p. 160). No needs to think about selling fresh produce any other way. Here should be emphasized one point. The started process of joining agriculture in the EU will touch every area of life and every activity in our country. The means that both trade and consumers, each in their domain, follow the same path.

The process of joining the EU for vegetable growers in Serbia means that they need to agree with their fellow producers to enter the market with as much calibrated and well-packaged product of the same quality which can be check over at any time. The farmer should not produce at the recommendations of his family already the request of the market and be always informed about new needs and requirements.

Ecologically acceptable agricultural production and possibilities of its development in Serbia

Ecologically acceptable agriculture includes tech-tech approach to the production that will not jeopardize the farm ambiance, while it is socially and economically admissible for the cultivation of plants and animals. It enables and helps the action of strongly expressed laws characteristic for the nature that will boost the productivity and resilience of grown crops and animals. This form of agricultural production seeks to create a mixed agricultural holdings consisting of two key elements: utilized land area (i.e. arable land, meadows and pastures, fruit plantations, gardens and vineyards) and grown animals. By this, it will be created the entirely harmonized farm, which is in the same time stabile and resistant to impacts outside the holding (e.g. environmental, socio-economic, etc.), (Simonović, 2014, p. 222).

Agricultural production that is environmentally essence is essentially production that uses manure and plant extracts instead of mineral fertilizers and pesticides. In this production, artificial fertilizers and pesticides by used more practically and professionally. This type of production cannot be considered ecological, but it can be a significant step towards its reorientation. Organic farming seeks to prevent the introduction of chemicals into the agro-ecological system. There is a real danger of getting a large number of diseases caused by eating unhealthy foods. (Schaer, at all, 2002, 9).

The fact is that organic farming has been growing around the world in recent years. The ecological, social, and economic crisis in which conventional agriculture has fallen is creating an increasing need in the markets for environ-

mentally friendly products. Finally, this situation leads to a growing demand for agricultural products produced by the principles of organic production. The current situation in world agriculture shows that a request for quality food is continuously growing, especially in industrialized countries, while the production capacity of many areas is drastically reduced. (Tabaković, et al., 2017, 46).

Currently, on the Serbian food market, there is considerable uncertainty in determining products that carry the mark “Healthy food” or bring similar labels, which incorrectly mislead the customer that it is a product produced according to the standards of organic production. Think that our citizens are increasingly interested in using healthy food. On the other hand, producers abuse this situation for their material gain, for the simple reason that the products of organic agriculture on the market are 20% to 80% more expensive by the production of conventional agriculture. (Sredojević, 2002, 130).

We hope that this situation will change with the adoption of the amended Law on Organic Production (Službeni glasnik RS, br. 30/10 i 17/19), which first came into force in 2011. This Law regulates the production of agricultural products obtained by ecological methods, i.e. organic production, determines the goals, principles, way, control, labeling, storage, transport, trade, import and export of organic products, as well as other issues of importance for organic production. (Simonović, 2014, 223).

The current situation in world agriculture shows that the demand for quality food is permanently growing, especially in industrialized countries, while the production capacity of many areas is decreasing. Субић, Бекић, & Јелочник, 2010, 51).

There are more and more demands coming from the international market of agricultural products that require the production of high-quality health-safe food. Starr, et al., (2003, 305). There is great potential for the production of such food in Serbia. For that reason, the agri-food industry should focus on such.

The current situation in Serbia indicates that there is no interest in ecological agricultural programs. An exception to this attitude exists in by certain regulation protected areas that correspond to their natural values. Preservation of the environmental reserves is affected by agricultural practice established through ecological programs. It means that this policy highly correlates to the used EU policies, as the running of agri-environmental programs represents the obliged segment of accession process to the EU, precisely considered by the CAP. Demand for organic food products is becoming severely determined by consumer awareness of their quality. The part of market turned to organic food products will become one of the rapidly grown sectors, represented worldwide, especially in the EU (Türk, Erciş, 2017, p. 195).

Conclusion

By modern agricultural production must be based on meeting the needs and desires of consumers while respecting innovation. Also, the products must have a certain quality while achieving a high degree of food hygiene and respecting food safety standards.

Further development agriculture would be based on natural potentials, demand that absorbs most of the domestic production, demand dynamics in the world as well as on existing processing capacities that need by reconstructed and modernized and establish price competitiveness for the most important export products.

In order to implement the previously mentioned activities, is strong and aggressive marketing at the individual and collective level is necessary, along with the development of cooperation with farmers and associations of agricultural producers. The products of the agricultural sector obtained in this way would meet high standards of food quality and safety with optimal use of capacity.

By meeting these requirements, the agricultural sector of Serbia could be recognizable by-products with a protected geographical indication, with a designation of origin and products based on traditional recipes. (Ministry of agriculture, forestry and water management, 2010).

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