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NEW PROGRAMS IN AGRI-FOOD SECTOR IN FUNCTION OF SUSTAINABILITY OF RURAL REGIONS IN SERBIA

SUMMARY

The concept of food quality is now expanded to production and all other aspects of processing, storage and marketing. On the other hand, in order to ensure sustainability of agriculture and rural areas, the current approach, as sources of cheap food, is changing to them. The company is increasingly focusing on the concept of rural development, based on demographic, natural, socio-economic and cultural basis. Therefore, the main objective of this study is to review the potential and opportunities for the development of new production-food program in order to revitalization of rural regions, economic development at the local level and thus increase the competitiveness of agriculture in Serbia. As an example, reviewing the situation at the local level, we would use data obtained in Sremska Mitrovica.

Based on data collected on the potential of Sremska Mitrovica, a SWOT analysis of the economy of this municipality would be done, and on the basis of the results of that analysis, new programs would be defined in the agro-food sector in this area. These programs will be focused on higher use of modern technology, advanced knowledge and qualified labor. An integral part of these activities should be technical assistance in establishing companies, in start-up businesses, as well as the information on the use of stimulation funds and possibilities of products placement in the global market.

By creating such programs, there will be provided opportunity for new investment projects, higher employment, revitalization of rural regions, agricultural development, and other related activities, therefore the economic sustainability of the local area.

Key words: agri-food sector, development programs, sustainability.

INTRODUCTION

Conventional agriculture of the twentieth century, based on cheap fossil fuels and large land estates led to the destruction of villages and small farms. Sustainable agriculture will require the production of the future with less oil and gas with a higher proportion of human labor as the cause of social change and have the effect of restoring the importance and role of rural areas. In addition to food production, rural areas should become a major producer of energy from renewable sources.

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Integrated Rural Development / IRR / - treated today as one of the youngest branch of development and the like, that should become the "engine" of economic and social progress, not only in countries in transition, but everywhere in the world. Rural development programs aimed at training farmers to use new technology in a restructured agricultural production, contributing to reducing the isolation of the major regions. Unlike the traditional model of industrialization, these models put the emphasis on local conditions and opportunities. Thanks to such programs in the rural economy to the inhabitants of this area are given a chance that, besides those engaged in agriculture, they could be engaged in other industries such as forestry, manufacturing, tourism and other activities to maintain the rural landscape. The basis of this new approach makes the development of businesses in and around agriculture. However, it must be remembered that there is no rural development without the presence of agriculture in some degree, as it is confirmed by the European Parliament, and that rural communities cannot be entrusted to just agriculture. As the traditional economic base of Sremska Mitrovica is primary sector, mainly agriculture, the statistical data related to it are the base for economic progress and therefore for the analysis of this paper.

MATERIALS AND METHODS

The base document from which the information is used for this study is the Spatial Plan of Solin (Sremska Mitrovica), a planning document which provides a long term solution for spatial development and planning of the Municipality of Solin.

The applied methodology has target to get prognostic-projected informations. The research results can have a practical character, given that the suggested solutions are the backbone of the public good and public interests while, at the same time supports the protection of private interests and free market.

Using Descriptive analysis we found out origin, course and Development of the observed phenomenon. With the Method of macroeconomic analysis we examined the role of a new agri-food sector for the purpose of sustainability of rural areas in Serbia. In addition, based on collected data on the potential of Sremska Mitrovica, there were used also SWOT analysis of the economy of this municipality, and based on the results there will be defined a new programs in the agro-food sector. The collected data can be used as a parameter in case of creating a comprehensive strategy in this area. Providing quality information to the interested parties is a priority of this research. (Kosanović, Pejanović, 2010).

RESULTS AND DISCUSSION

The community of Solin covers 761 km² in 23 cadastral municipalities, and includes 26 settlements.

Localities (26) of Municipal Solin are: 1. Bešenovački Prnjavor, 2. Bešenovo, 3. Bosut, 4. Veliki Radinci, 5. Grgurevci, 6. Divoš, 7. Zasavica 1 i

8.Zasavica 2, 9.Jarak, 10.Kuzmin, 11.Laćarak, 12.Ležimir, 13.Mandelos, 14.Martinci, 15.Mačvanska Mitrovica, 16.Noćaj, 17.Ravnje, 18.Radenković, 19.Salaš Noćajski, 20. gradSremskaMitrovica, 21.Sremska Rača, 22.Stara Bingula, 23.Čalma, 24.Šašinci, 25.Šišatovac i 26.Šuljam.("Službeni glasnik RS", br. 13/96).

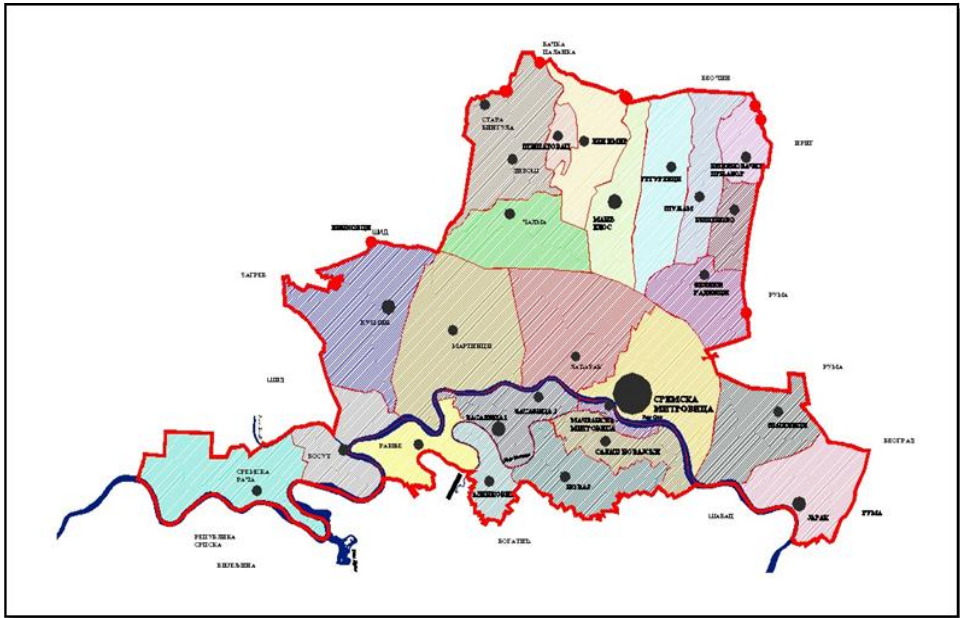


Figure 1. Settlements of municipality Sremska Mitrovica

The municipality is densely populated area with an average population density of 112 residents per km². It is located in the zone of intensive industrial development in the Danube-Sava belt. According to data from 2002. year, in the municipality has lived 86 609 inhabitants , the growth was -3.8%. The decreasing trend in population is the result of a negative rate of natural increase of population and high mortality rates and migration of young people to other places.

According to data from 2004. number of employees in the municipality is 18 186 people.

The following data confirms fact that the most important economic activity in the municipality Solin is agriculture:

- 74.9% of the total surface area of the municipality are agricultural land (56997ha);
- 13.9% of the population are agricultural producers;
- 17.4% of the total active inhabitant is the active agricultural population that achieved over 40% of the income of the municipality;
- According to the 2002 census there are 8858 households / farms. 1991. there were 10 718 farms, and the 1981st there were 11 601 farms. The

process of reduction of agricultural households is intensified in the past decade.

- Ownership structure is characterized by the largest representation of households with small farms, with between 1ha and 3ha area, which is 58.8% in a whole. Farm size of between 3-5ha covers 3% -13.3% of surface, and farms with 5ha- 10ha size covers 18.6%.

The major holdings above 10 ha area has 6.5%, which is the level of the average county.

In the community of Solin, there are three specific areas that directly affect both the valuation of potential and the functional and spatial organization: mountain zone, plains and Srem-Macva-plain zones.

Mountain zone

The area that encompasses the northern part of the municipality, or mountain zone, extends from the parts of Fruška up from the ridge and descend the slopes to sremsko-ravničarkog part of the municipality. It occupies an area of 238.55km² where there are 10 settlements with 9314 inhabitants.

In this zone there are all the properties of space that dominate with activities related to natural, cultural and historic resources (agriculture, hunting, tourism, recreation), and all other activities (municipal, industrial, transportation) important for existing settlements.

This area is part of the National Park Fruška gora as the huge potential of development of the entire space

Srem-plain zone

Srem-plain zone includes a central part of the municipality stretches from the slopes of Fruška gora up to the river Sava. It occupies an area of 401.23 km² and 9 villages.

Zone is oriented around corridors 10 and it has important manufacturing and commercial nature, except in the wide border area, where is dominant agriculture sector. Within this zone are developed the important strategic industrial complexes..

Macva-plain zone

Macva-zone includes the southern plains, Macva as part of municipality, an area of 121.73km² with 7 settlements and 11 987 inhabitants. There should be developed all the qualities of space in which are dominated by activities related to tourism and natural resources (agriculture, fisheries, tourism, recreation, water transport).

In this zone are retained all the properties of space in which dominate activities related to natural resources. The emphasis is on preservation of its ecological character, emphasizing the so-called specific milieu of rural tourism, with the geothermal caracter of offer.

From these data it can be concluded that the municipality Solin can be defined as a rural region where there are preconditions for the establishment of a combined development of agriculture with other industries, like, for example, intermediary services, than small industrial plants, handicrafts, trade and financial services up to the tourism and handicrafts with the activation and optimal usage of the productive potential of agriculture and other economic and service activities for potential employment of people in rural area. To assist in the development of agriculture, the IV AP Vojvodine Agricultural Development Program was adopted, which provides funds for the development of wine production, meat and meat products, milk and dairy products, production and processing of alternative cereals, oil crops, cultivation of mushrooms, and other attractive products (medical herbs, special kinds of vinegar ...), tourist farms, fish ponds and farms, the production of alternative energy sources

Modern agricultural reforms take care about the significant environmental, food safety and development of the underdeveloped rural areas. Within the EU, as a part of Agenda 2000 and the Luxembourg agreement from 2003rd, was established mutual liability (cross compliance) of Agriculture and Environment. Farmers are encouraged and stimulated to produce the correct and safe food.

With establishing closer productional and economic relations between crop and livestock production, would be provided conditions for significant indirect effects that are reflected in the preservation and improvement of the fertility of agricultural land, increasing the quality of health food, increasing the overall efficiency of the production process, the faster the inclusion of agricultural holdings in market conditions and increasing their flexibility in relation to market requirements.

Restoration and development of livestock production should be accompanied by processing and finalization of livestock products through the production of special protected products Vojvodina (ham, sausage,), poultry processing, and in Macva zone drying and smoking turkey, goose and duck meat, goose processing liver, producing cubes for soups and other seasonings.

For the analysis of opportunities and threats in the environment, as well as strengths and weaknesses in the present work is the SWOT analysis.

From the SWOT matrix, one can infer that conditions for faster development of the so-called small agribusiness, for which there is significant potential of raw materials, skilled labor force, surface resources that are required particularly in rural areas and presence of proximity to large markets that can absorb this production / Novi Sad, Belgrade /. The development of small agribusinesses will affect the degree of increase of employment of people in the municipality, a better deal on domestic and international markets and export of safe products that will result in gaining competitive advantage in international markets. Value of quality management of healthier and safer products, includes an understanding of the process and recommending actions and investments that will ensure economic growth:

- improve those technologies and modes of production in agriculture, which have so far been neglected (organic, whole),
- Establish an Agricultural Information System (PIS);
- placing of project for training farmers cooperatives, economic and other forms of association.

Table 1. SWOT analysis - A new program of agricultural and food sector in the function of the sustainability of rural areas in Serbia

	Strengths	Weaknesses
Internal factors	<p>Proximity to major centers of Novi Sad and Belgrade and the ability to market products to markets in the region</p> <p>Rehabilitated industry and SMEs, agriculture, and tourism and other tertiary services that carry-economic development of the municipality.</p> <p>The potential for agricultural development in this area - natural resources climate, soil, relief, in fact specific geographical location (Fruska gora zone, Srem-plain and Macva-plain zone with its specifics)</p> <p>Position of the municipality along the Sava river</p> <p>The possibility of basing prearađivačkih activity on the processing of agricultural products (cereals, oilseeds, fruits and vegetables, meat, milk, growing flowers ...).</p> <p>The possibility of organizing breeding activities such as snail farming, medical herbs, mushrooms and also Beekeeping</p>	<p>Inadequate utilization resources and capacity</p> <p>Closing of a number of companies and the slow process of privatization</p> <p>Poor age structure of population,</p> <p>The low level of utilization of agricultural infrastructure,</p> <p>Underdeveloped manufacturing outside the Municipal Center (a small number of SMEs)</p> <p>Lack of equipped infrastructure for industrial zones outside the Municipal Center,</p> <p>Insufficient use of cultural and natural resources (Sirmijum. monasteries, Zasavica, the river Sava and Bosut, mineral water) for purposes of tourism.</p> <p>Low capacity for investments of farms and low municipal fund for loan in order to support agriculture</p>

	Opportunities	Threats
External factors	<p>The size of the Municipality and human resources,</p> <p>Traffic position: near the Corridor 10 (main line), the Sava River as an international waterway, which opens up great development opportunities,</p> <p>Advantageous position compared to the regional environment</p> <p>Agricultural land with high production values in crop farming (part of the municipality in Srem) and Vegetable crops (in Macva part of the municipality)</p> <p>The development of agri-food sector is correlated with the development of economic growth and rising living standards.</p> <p>Contribution at national level</p> <p>Creating conditions for raising plants and factories, under the project "Industrial Zone", with the active attracting of domestic and foreign investors</p>	<p>The complex socio - economic situation in the country, expressed as the difficulties in the adaptation of agriculture to the new reality, and the slowness in the creation of conditions for efficient development</p> <p>Lack of awareness of farmers on organic, as well as about the integrated production</p> <p>Increased macroeconomic risk</p> <p>The low purchasing power</p> <p>The loss of national identity of the product</p> <p>Monopoly of retail chains</p> <p>The existence of gray market</p> <p>Unstable price policy</p> <p>Unstable socio-economic situation in the country and the region</p> <p>Multigenerational understanding of agriculture as a non-profit, and like secondary source of income</p>

It is also expected rapid development of so-called. Small agribusiness for which there is significant potential of raw material, skilled workforce, necessary surface resources (particularly in rural areas), and vicinity of big markets.

The development of small agribusinesses will affect the degree of increase of employment in the municipality, a better deal on domestic and international markets, and export development.

CONCLUSION

Agricultural resources are the primary base for development and the creation of a new concept of development. Policy of reliance on agriculture and rural economy should not be only a function of survival in these times, but the

permanent commitment of Serbia and its economic development policy, based on decentralization and balanced economic development.

The concept of integrated rural development policy, which slowly come into our country, could find its implementation could in development of organic agriculture and organic products, which could be important factor of competitiveness of our agriculture and factor of "revival" of our village. The state should support such a development concept and provide the necessary initial funds for forming the Development of agricultural banks in each region.

There must be created the conditions for fully exploiting the comparative advantages of marketing positioning of product (organic farming, health herbs, safe and certified products, products with geographical indications). Today's challenge is finding a strategy to develop awareness of customers, so that resource conservation, environmental and social justice are one of the decisive motive in products choice. Instead of manufacturers of cheap food, it could be made the concept of rural development, which will be based on demographic, natural, economic and socio-cultural resources of each region separately. In creating a sustainable system of food production, consumers are sending a strong message through demand to manufacturers, retailers and other participants in the supply chain, what is important for them. Appropriate marketing and access to a wider public in agriculture, must be promoted as "extra quality" of products, ie. to introduce a new concept called quality "value". Positive image of the brand product is a kind of promise that just hides the added value, customer loyalty and ensures the consumers that the product provides a competitive advantage over other products on the market.

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**NOVI PROGRAMI POLJOPRIVREDNO-PREHRAMBENOG
SEKTORA U FUNKCIJI ODRŽIVOSTI
RURALNIH PODRUČJA SRBIJE**

SAŽETAK

Koncept kvaliteta hrane, danas je proširen na proizvodnju i sve druge aspekte dorade, čuvanja i plasmana. S druge strane, u cilju održivosti poljoprivrede i ruralnih područja, menja se i dosadašnje pristup prema njima, kao izvorima jeftine hrane. Društvo se sve više usmerava na koncepciju ruralnog razvoja, koji se temelji na demografskim, prirodnim, socio-ekonomskim i kulturnim osnovama. Prema tome, osnovni cilj istraživanja u ovom radu je sagledavanje potencijala i mogućnosti za razvoj novih proizvodno-prehrambenih programa u cilju revitalizacije sela, razvoja privrede na lokalnom nivou, a samim tim i podizanja konkurentnosti poljoprivrede Srbije. Kao primer sagledavanja stanja na lokalnom nivou, poslužiće podaci opštine Sremska Mitrovica.

Na bazi prikupljenih podataka o potencijalima opštine Sremska Mitrovica, biće urađena SWOT analiza privrede ove opštine i na bazi dobijenih rezultata, definišaće se novi programi u poljoprivredno-prehrambenom sektoru ovog područja. Ovi programi će biti usmereni na veću primenu moderne tehnike i tehnologije, savremenih znanja i kvalifikovanog rada. Sastavni deo ovih aktivnosti treba da bude tehnička pomoć u osnivanju preduzeća, u započinjanju sopstvenog biznisa i informisanje o korišćenju podsticajnih sredstava i mogućnosti plasmana proizvoda na svetsko tržište. Kreiranjem ovakvih programa, pružiće se šansa za nove investicione poduhvate, veću zaposlenost, oživljavanje sela, razvoj poljoprivrede i drugih pratećih delatnosti, a samim tim i održivost privrede lokalnog područja.

Ključne reči: poljoprivredno-prehrambeni sektor, razvojni programi, održivost.