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AGRICULTURAL FAMILY FARM IN MONTENEGRO

SUMMARY

Geographical, ecological, ethnic, economic and cultural diversity of Montenegro caused the prominent diversity of its rural communities. But the real development and structural problems of agricultural production in Montenegro and farms as its main promoter, were always the same everywhere, numerous and difficult. Globally seen, social and economic conditions for the development of family farms in the last two decades have deteriorated even more, and meanwhile many formerly marginal problems, have deepened and become insoluble. Global influences caused and continue to cause different effects in different local and regional structures, therefore the "tempo" of all social changes is faster in some areas and slower in others, while their devastating or rarely fertilizing impact varies in a multitude of different contrasts.

This paper presents an overview of the state of family farms in Montenegro, whose majority today are on the verge of agrarian minimum, their own stagnation and/or final disappearance.

Keywords: village, family farm, the agrarian minimum, social changes, the structure

INTRODUCTION

In the past decades Montenegrin rural communities are characterised by a distinctive discontinuity in development. In our country, as well as in economically developed part of the world influenced by industrialisation and urbanisation, a rapid process of land reclamation and deruralization has reduced the share of agricultural population in total population, as well as the number of inhabitants staying in rural areas. However, this process was very rapid in Montenegro, significantly more rapid than in the developed countries. In few decades, the share of agricultural population in the total population reduced many times – from about 75% immediately after the World War Two, to about 6% according to the latest estimates in the most of Montenegrin municipalities nowadays (Monstat, 2011, No. 98, and Bakic, Mijanovic, 2006.). In a short period of time (even unusually short for this type of social processes) a huge number of people changed occupation and residence. On the other hand, a significant number of rural inhabitants are not engaged in agriculture. According to the last census of agriculture in 2010, there are 48847 of agricultural family

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farms, but also 59360 ha of uncultivated agricultural land, which shows the great separation of village and agriculture in our country as well.

All of these, and much more in the prospect of technical-technological and economic (in)ability of rural households and thereby rural communities, do not correspond to extremely rich natural and other resources of our rural areas. The biggest part of these potentials is either generally unexploited or exploited irrationally and extremely extensively.

The result of this indicator is a visible social negligence of Montenegrin rural population, today mostly apparent in the example of fund and infrastructure usage from the domain of common use, manifested through the insufficient pension funds coverage, partial health insurance, insufficiency of health institution network, schools, as well as the institutions of culture and recreation. Additionally, the level of utility services, hygienic and technical equipment of houses and flats is very low, and therefore many villages have no water-supply line or canalisation (Vukadinovic 2004.). Based on these data we can confidently claim that the economic ability of our rural communities is mostly low, and that it rapidly deteriorated in the past few years. Rural households especially agricultural farms have a low productivity. This possibly has the best illustration in the fact that one our farmer hardly manages to produce for one inhabitant of Russia, whereas this ratio in most of European Union countries is one to sixty five, and in the USA, according to relatively new data (Taylor, 2010.), it is even one to one hundred twenty two. This is a consequence of numerous factors, the most significant of which is size degradation of Montenegrin village properties (2.13 ha of cultivated, utilised agricultural area per household, comparing to over 15ha in EU, and even more in the USA). This fact represents one of the major causes that limit faster development of overall economy, and is supported in a whole range of analytic parameters that describe nutrition of population, supplience of the industry that uses agricultural products as raw materials, export, import, prices of agricultural products etc. During the past six decades agricultural home-made products supply continually lagged behind the demand for these products at the market. According to Grabovac (2006), economic goal of agricultural development can be defined as: “settling aggregated demands for agricultural products, with even lower total (social) costs” (Grahovac.2006.). This goal in our country, as well as in others, where the domestic products supply legs behind the demand, is realised with the increased import and at the same time it tends to realize with dinamyzation of the agricultural productivity growth. Additionally, we must not omit economic and especially agrarian politics towards the Montenegrin villages, which certainly influenced the weakening of economic abilities of these farms.

Under given conditions a rural farm, to the extent possible, was after all oriented towards production. This orientation principally regarded satisfying basic needs of life, and as such for most of our farmers was a necessity rather than a commitment. However, production and investment in production, was considered as a common type of behavior, because even when achieving a certain

surplus in production (that exceeded the satisfactory level of existing needs, and the level necessary for its reproduction), it was returned to the production itself as a rule. However, the basic criterion of differentiation was the economic ability of the farm, mainly manifested through lands quantity and livestock in the farm – partly due to production orientation, and partly because of static character of rural society.

MATERIAL AND METHODS

The research presented in this paper is based on the information of the latest agricultural census obtained by the Statistical Office of Montenegro. The total number of farms in Montenegro, according to the results from 2010, was 48,870. Most of them were agricultural family farms, even 99%, i.e. 48824, while only 46 companies were engaged in agricultural activity. Census included land and livestock of agricultural households that met relatively low criteria. According to this methodology, the family farm would be listed if at the time of census it used at least 1000m2 of agricultural land, or less than 1000 m2 of agricultural land and owned: - 1 cow and 1 calf or 1 cow and 1 steer, or- 1 cow and two adult sheep or goats, or- 5 adult sheep or goats, or- 3 adult pigs, or- 4 adult sheep or goats or pigs together, or- 50 adult poultry, or- 20 beehives. (Monstat 2011)

The results reflect the real situation of rural areas in Montenegro. The emphasis of this paper is on the analysis of land holdings, livestock, family structure of included farms, which largely determine social viability of the farm itself and its future.

RESULTS AND DISCUSSION

Basic indicator of social and economic values of each agricultural farm is its demesne. The agrarian structure of Montenegro has had the same trends of changes for the past half of the century. According to the census in 1991 from the total of 163,274 of Montenegrin households, 60,043 or 3% of them were family farms, while only 7% were active farmers. In that period number of family farms, without the active members, increased from 10,995 (in 1981) to 15,826 (in 1991), or relatively measured, from 26% to 44% of the total number of farms. In the past two decades, socio-economic structure of family farms, viewed in accordance with the main sources of their owners' incomes, was as follows: from the total of 60,043 farms, 8,142 or 13.6% were agricultural, 44,319 or 73.8% nonagricultural, 6,528 or 10.9% mixed and 1,054 or 1.7% without a labor force. This was even then, socio-economically seen, a very unfavorable agrarian structure, especially from the point of view of using otherwise scarce agricultural potentials of Montenegro.

Therefore, statistic characterized this household with primarily quantitative measure, lands that the family possessed or the amount of livestock. This type of classification while defining "pure" agricultural farms is not completely reliable in our country, for as it seems, most of listed family farms are small units in the

suburbs (agrarian minimums). The above mentioned criteria were a chance for a huge number of suburban households to be listed as agricultural family farms, even if the only fulfilled condition is possessing two adult large animals (cattle and horses), or a land larger than 10 are. Therefore the number of only 588 households that represent real agricultural farms is not surprising, due to their only source of income – agriculture.

When it comes to the distribution of agricultural family farms from the total number, the least number of them is in Tivat 169, while Podgorica leads with a number of 7,245 farms. The most of farms are in those parts of the Republic where the most of inhabitants are - in towns, which explains a great number of these households existing on the peripheries while a fewer of them are in the areas of the most fertile soil, Danilovgrad, Plav, Rožaje… which certainly has a negative effect on agrarian and rural structure of Montenegro.

Concerning land property, agricultural family farms in the territory of Montenegro, have 210,766 ha of land at their disposal, out of which 104,213 ha are utilized agricultural land. Data shown in Table 1 indicates a total size of 59,360 ha of unutilized agricultural land.

Table 1. Total available land in hectares in Montenegro

Montenegro	Total available land in hectares		
	Hectares in total	Of that total utilized agricultural land in hectares	Of that total unutilized agricultural land in hectares
Agricultural family farms	210 766	104 213	59 360

Notes. In this area, the area of forest and barren land is included. In this area, the area of utilized common land (land communes and pastures) is not included.

If the comparison with the EU countries is made, we see that in Montenegro (which territorial area is one of the smallest in Europe) there is a notably smaller surface of utilized agricultural land in the total territorial area than in most of other countries (a modest 16%). It is also notable that the usage of total agrarian land from the total territorial area of observed countries varies, so that in Sweden and Finland it is 7%, while in Great Britain the participation of utilized agricultural land is 71% of the total territorial area.

Proportionally to this, purely mini agrarian properties prevail among agricultural family farms in Montenegro as well. The largest share (31.58%) are the farms from 0.10 - < 0.50 ha of the total utilized agricultural land. Within the size of the farm's structure over a half (54,07%) of utilized agricultural land is from 0.10 to 1.00 ha. An average agricultural family farm owns 6.0 ha of the total available land, i.e. possesses 4.6 ha of utilized agricultural land.

Table 2. The share of utilized agricultural land in the total territorial area of the country – the EU countries and Montenegro ratio. (Monstat, 2011).

The total utilized agricultural land **(%)**	Total territorial surface **(1000ha)**	Countries
41.5%	441,412	EU
28.4%	6456	Latvia
32.6%	32	Malta
44.7%	7,887	The Czech Republic
45.5%	11,100	Bulgaria
44.7%	3,053	Belgium
28.9%	13,198	Greece
61.2%	4310	Denmark
47.3%	35 713	Germany
9.3%	4523	Estonia
59.6%	7029	The Republic of Ireland
45.1%	50,537	Spain
55.1%	63,795	France
44.3%	30,132	Italy
13.4%	925	Cyprus
41.2%	6,530	Lithuania
50.5%	259	Luxemburg
62.2%	9,303	Hungary
50.1%	3,736	The Netherlands
37.8%	8387	Austria
50.5%	31,268	Poland
40.1%	9,191	Portugal
59.8%	23,839	Romania
8.3%	2,027	Slovenia
39.2%	4,094	Slovakia
6.8%	33,842	Finland
71%	24,410	The United Kingdom
7%	45,030	Sweden
16%	1,381	Montenegro

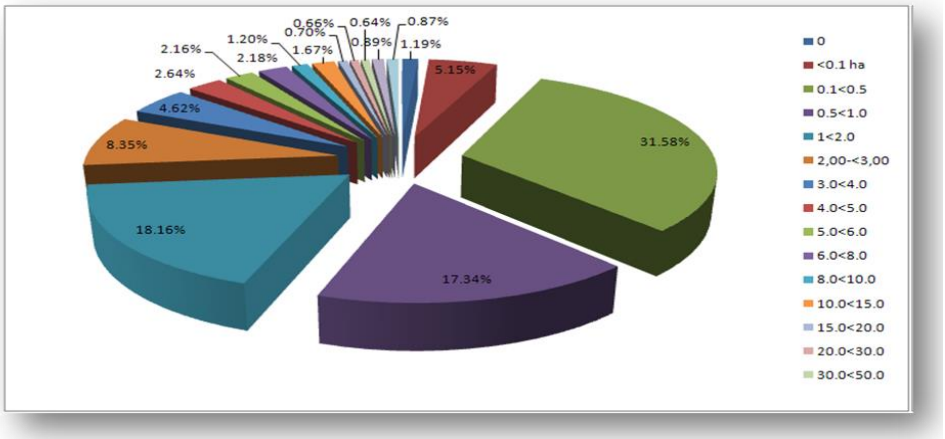

Figure 1. Agricultural family farms by the size of class of utilized agricultural land

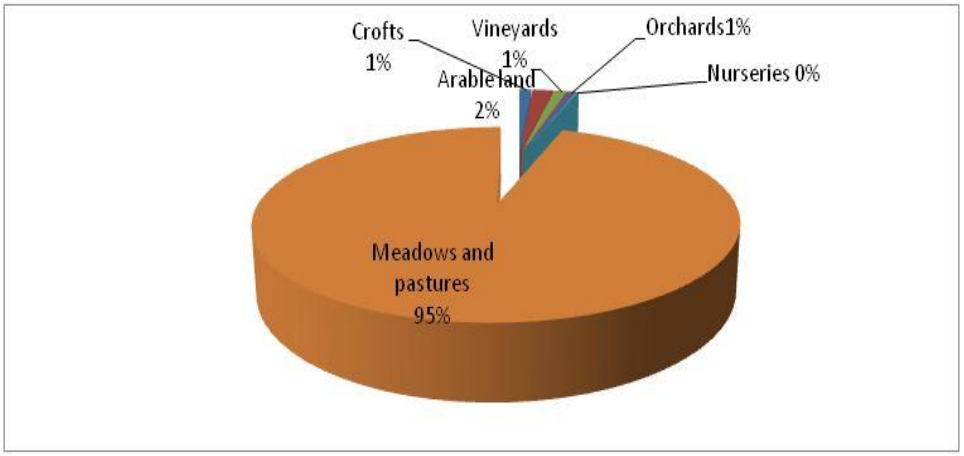

Figure 2. Family farms by the utilized agricultural land

As we can see perennial meadows and pastures make by far the largest part of the utilized agricultural land, which certainly has a negative effect on production of agricultural crops, especially in the central part of the country. However, even more unfavorable fact is derived when the percentage share of meadows and pastures is determined. Namely, according to Bureau of Statistics, the biggest share of utilized agricultural land are neither pastures nor meadows but summer mountain pastures (katuni) with over 58.66%, while meadows take 37.39% and pastures only 3.95%. This finding indicates that katuni in the Northern part of the Republic represent the biggest share of utilized agricultural land which basically is a very unfavorable agro-plot structure of that part of Montenegro. Nevertheless, its final effects always need to be considered as a part of other natural and economic conditions (geographic region, technical

equipment of the household, types of production and others), therefore the justification of such agro-plot relation shall be found more easily in the public announcements.

Livestock farming has been very important agricultural activity in Montenegro for centuries, and therefore we will present here the results obtained by the Statistical Office in 2011. Our attention will be focused on the basis of livestock production of Montenegrin farms – cattle and sheep. Census of agriculture in 2011 included 32,675 farms which raised livestock and made 66.9% of the total number of farms in the Republic. According to census data, the total number of livestock was 117,753, 95.7% of which was owned by the family farms. Of the 32,675 farms that were in the livestock business, 75.4% were farms which raise cattle, or 24,624 households. The average number of cattle per farm was 3.3 in relation to the total number of households engaged in raising livestock, while the number of cattle was 1.6 in relation to the total number of farms.

Of the total 48,870 farms, 6,088 were raising sheep. In the most farms there were in the range of 20-49 animals or 3.3 farms in relation to the total number of farms, or 25.6 in relation to the number of farms which bred sheep. An average number of sheep per farm was 36 in relation to the total number of farms which bred sheep, while the average number of sheep was 4.7 in relation to the total number of farms.

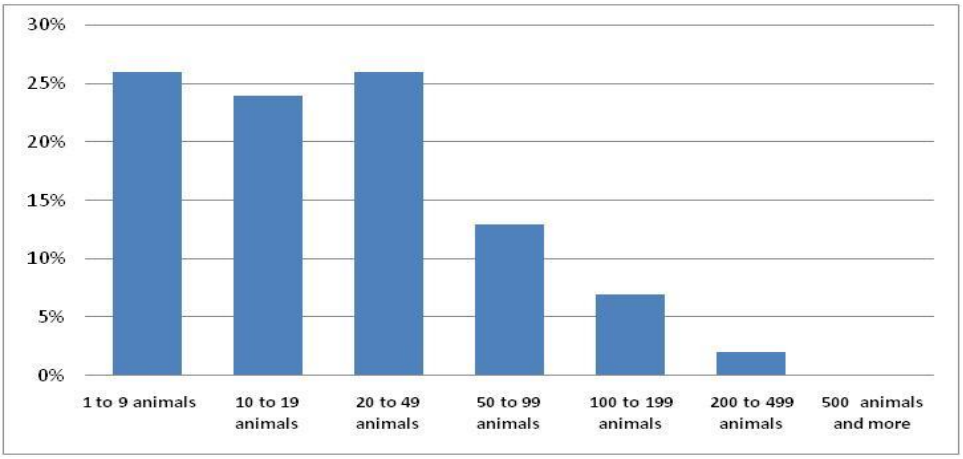

Figure 3. Sheep farms by the size of flocks

A more precise analysis of the presented results would include a huge number of listed entities in the broad category of "regressive farms". Production defective farms are those that lack one or more of the conditions for the development of agriculture: land, labor (workforce), livestock, capital, durable interest or motivation. (Mitrovic, 1998.) These households include those large up to 1 hectare (54.07% in Montenegro), which are statistically recorded as agricultural, but which were not the real production units, but households on the outskirts of cities in many cases. These include households whose owners live in

the suburbs or in cities and therefore could be defined as “hobby farmers”. This category includes the retired and older people, single people, the sick, the poor, and because of all of that they are not motivated to invest in the further development of agriculture.

Family structure

Significant social mobility of family members after socialist revolution has caused and accelerated the process of land reclamation and deruralization, which inevitably caused the emergence of a new social class in our villages, “half-breed”, or people living in villages but employed in urban areas. These people are peasants and workers at the same time and households in which they reside are classified in the group of mixed, (non)farm households. The main characteristic of these households is that they partly rely on land and partly on the status of a person employed in private or social enterprise or other type of legal activity in the city, where the financial income comes from outside of the farm. It should also be emphasized that the income realized outside the agriculture is dominant for mixed households, while the income realized in the household is of a secondary and supplementary character. Farm products are being used for personal consumption, but thanks to the income from the city the workers-peasants have more money than pure farmers. Compared to pure farms, mixed households are much worse equipped with the necessary means of production, because they are primarily focused on earnings outside the households. “Considering the attitude of the community towards the workers-peasants, they are in specific psychological gap. On one side, they are resented in the city for cultivating the land, and in the village for being employed outside the household. Thus, the both positions, depending on the side of the observer, have moral deficiency”. (Gudovic, 2008.)

Another dominant class, when it comes to the family households, is the class of pure peasants. They take up the most of rural population permanently attached to rural land, making all the income on it and engaging in agricultural work as their main occupation. However, the number of pure peasants in Montenegro is reducing and they are characterized by general social marginalization, insecure and low income, deprivation in many ways as the prevailing style of life and a negligible effect on the social and political circumstances.

According to the Census of Agriculture from 2011, there are 98,949 employed people on Montenegrin households, or two people per household. The share of people engaged in working on family farms, out of the total number of people employed on farms in Montenegro, is 99.4%.

When it comes to labor force and population on farms, it should be pointed out that out of the total number of 98949 working-age residents, 23,204 people are older than 65 years. Other age structures are presented in Figure 4.

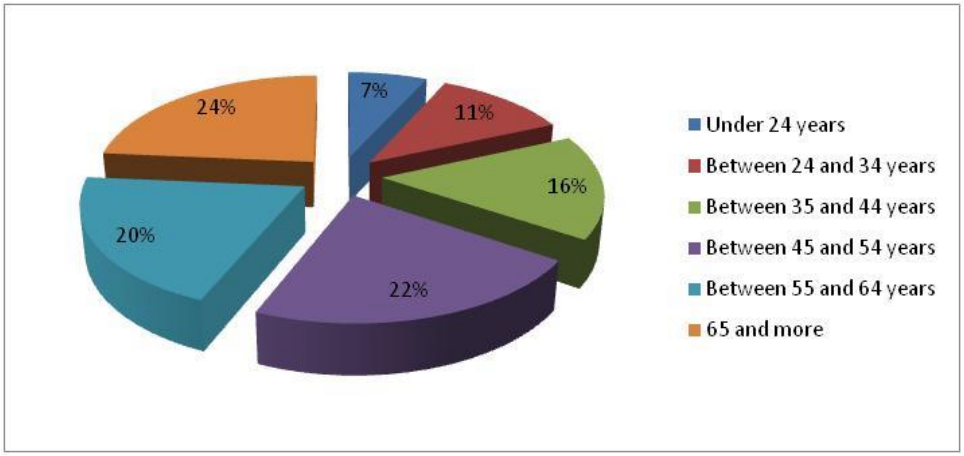

Figure 4. Age structure of the workforce on the farm

As it can be seen, age structure of farms in Montenegro is characterized by a high proportion of older people engaged in working on the farm and a small number of younger people. The process of senilisation of village has deeply affected all parts of Montenegrin rural communities, because almost 44% of the total number of people employed in households are over 55 years old today. The smallest number is of those who should take up the biggest number in future progressive farms, only 7% of workforce in the Montenegrin households is under the age of 24.

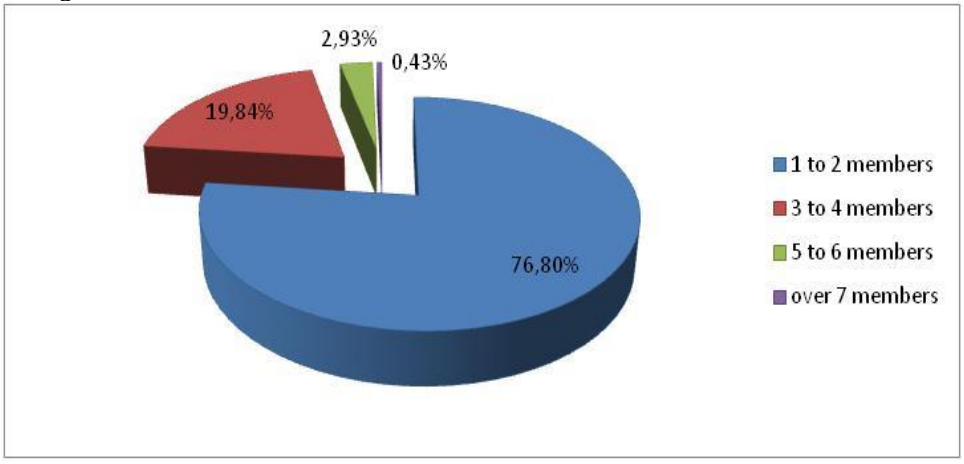

Figure 5. The number of members on family farms in Montenegro

Of the total number of households, the biggest number is of those that number 1 to 2 members, as many as 37,518 or 76.8%; 3-4 members 9,686 (19.84%); 5-7 members 1,424 (2.93%), while by far the smallest number is of those households that were once the backbone of the rural areas, counting over 7 members, there are only 196 or 0.43% of them in Montenegro today. Considering

the age structure and the size of the family on the household, we are free to argue today that mostly older couples or those who left to live in the village alone remained in the Montenegrin villages, and now they form a basis on which Montenegrin family farms are disappearing, as well as a Montenegrin village as a whole.

CONCLUSIONS

Depending on the approach (of agronomists, agricultural economists, sociologists, technicians or technologists of agriculture) and the extent of land reclamation, several causes for the stagnation of agriculture could be identified. However, undivided opinion of the experts and general public is that fragmented and segmented farms, as well as undeveloped agricultural land, are one of the key reasons for backwardness of agriculture in Montenegro. It is equally indisputable that the regional aspect of agricultural development in agricultural policy is almost ignored, unjustly of course, considering the great diversity of conditions for agricultural development in its production area as a whole.

Analysis of socio-demographic and agrarian factors for agricultural and rural development clearly shows that workforce becomes increasingly limiting factor of agricultural development and revitalization of the farm, while depopulation and aging of the village have been the main trends of the population in Montenegro over the last two decades. The demographic picture of the agricultural population of Montenegro is very bad because an intensive process of demographic aging of the total, as well as active agricultural, population has many negative implications, and it can also be expected (having in mind the effects of the demographic inertia) in the future. Fertile population is reduced and it is reflected in the low birth rate of the population, while the mortality is significantly increased due to the high share of older people, resulting in a negative natural growth of the agricultural population and depopulation expressed in many areas.

Having in mind the needs of modern agricultural production, the level of development of the agricultural sector in the developed countries, as well as current processes and trends, it can be concluded that the agricultural population of Montenegro which is characterized by unfavorable age and poor educational structure cannot represent the potential for agricultural development and reproduction of family farms, but rather a limiting factor for development.

If, however, all future plans, actions and strategies for revitalization of rural areas of Montenegro would be based on presented agricultural and demographic structure, the sooner the disappearance of already small number of rural communities would come. The impact of unfavorable demographic situation could be mitigated by using a functional demographic policy and the modern concept of revitalization of agriculture and rural areas, and making farms out of family households could be encouraged by consolidation of estates (with loans for the purchase of land, changes to the law of inheritance, the new shareholding), specialization of production, vertical and horizontal connecting into the wider agro-industrial units, through cooperatives and agricultural companies.

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PORODIČNO POLJOPRIVREDNO GAZDINSTVO U CRNOJ GORI

SAŽETAK

Geografska, ekološka, etnička, privredna i kulturna raznolikost Crne Gore, uslovila je i izražene raznolikosti njenih seoskih sredina. Međutim realni strukturno-razvojni problemi poljoprivredne proizvodnje u Crnoj Gori i gazdinstva, kao njenog glavnog pokretača, oduvijek i svuda bili su isti, veliki i teški. Globalno gledano društveni i ekonomski uslovi za razvoj porodičnog gazdinstava u poslednje dvije decenije još više su pogoršani, a mnogi, ranije marginalni problemi, u međuvremenu su se produbili i postali nerešivi. Globalni uticaji izazivali su, a i dalje izazivaju, različite posledice u različitim lokalnim i regionalnim strukturama, odatle je i "tempo" svih društvenih promjena negdje veća a drugdje manja, a njihov razarajući ili rijetko oplođujući učinak varira u mnoštvu različitih kontrasta. Ovaj rad predstavlja prikaz stanja porodičnih poljoprivrednih gazdinstava u Crnoj Gori, čiji se najveći broj danas nalazi na granici agrarnog minimumuma, sopstvene stagnantnosti i/ili konačnog iščezavanja.

Ključne riječi: selo, porodično poljoprivredno gazdinstvo, agrarni minimum, društvene promjene, struktura