Export of Agricultural and Food Products of Serbia

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ABSTRACT

Agricultural production is supported by the food industry allowing the placement of agricultural products with a higher processing phase achieve higher value of surplus of balance payments in this activity. The work structure can be analyzed in two parts. The first part considers the key specifics and problems of financing agriculture and food industry of Serbia (low contribution of agriculture in the creation of gross domestic product - GDP, small allocations for the agrarian budget, unfavorable agrarian loans with commercial banks, etc.). The second part of the article presents the structure of exports of agriculture and food industry of Serbia from 2011 to 2016. In the six-year period, cereals and cereal-based products, as well as fruits and vegetables, dominate the country’s total exports. The average share of cereal exports in total exports of the country was around 5.5%, and fruit and vegetables about 5.2%.

KEYWORDS

Financing, Production, Surplus

INTRODUCTION

Agriculture of Serbia is underdeveloped regarding the European countries and countries of the world, but this segment certainly records enviable results. The success of agricultural production and the food industry is reflected in the fact that the state succeeds to produce quality (standardized) market surpluses and places it on the international markets. Despite the greater number of specifics of agricultural production (seasonal character of work, mismatching production time and work, increasing the starting material, slow turnover of funds, expertise of agricultural producers, etc.), agricultural and food industry are the only activity of the economy which records the growing value of agricultural participation in GDP creation. In 2016, the contribution of agriculture, forestry and fishing (AFF) to GDP was 6.5%, and real GDP growth was 8.1%.

Agricultural and food industry are the only activities of the Serbian economy that record surplus in foreign trade. In the period 2011-2016, the share of exports of AFF in total exports of the country ranged from 5.9% in 2013 to 8.5% in 2012, and in 2016 it was completed with a share of 7.1%. The foreign trade balance of the agro-food industry in the six-year period recorded a surplus, with a total of EUR 1,624 mln in 2016. Considering that the share of agro-food industry export in 2016 was 22% it can be said that the importance of agriculture for the country is very high.
Considering that the data about the export of agricultural and food products from the SORS is characterized as the most wanted, it is important to mention the first 5 export partner countries: Bosnia and Herzegovina, Montenegro, Macedonia, Croatia and Germany.

Therefore, in the agricultural and food industry, there is constant export growth, both by the number of participating companies and by the value of their exports. The results show that Serbia’s development strategy must be based on increasing exports of agricultural food products and can be realized by intensifying existing production.

Materials and Method

The goal of this paper is to point out the significance and role of export agriculture and food industry in the development of Serbia. This paper, also, seeking solutions for its improvement and increase. Researched results related to the contribution of export agriculture and food industry in the development of Serbia are based on relevant data which are taken from the electronic data base of the Statistical Office of the Republic of Serbia (SORS). Figures are prepared by authors based on the original data of SORS. The goal of research of significance and role of export of agriculture and food industry in the development of Serbia was accomplished by the application of descriptive and comparative analysis, using statistical and mathematical method to explain export of economy, agriculture and food industry.

Specificity of Agricultural Production

Agricultural production of each country is characterized by multiple specificities. But the purpose of dealing with this activity is that associated characteristics neutralize as much as possible and adapt to the climate in which it is being implemented. The basic specifics of agricultural production could be divided into following groups: biological, organic, technical-technological, social, economic and similar. This issue has been dealt for a long time by numerous authors who have come to multiple conclusions, and for agricultural producers they become an unreachable and unsolvable problem. The only correct solution, that is imposed, is accepting the fact that it all depends from natural factors (water, soil, climate, etc.). Consequently, in the primary plant production, phases in development of plant culture only can be accelerated and facilitated using appropriate agro-technology and selection, but not skipping.

It is evident that there are a lot of published papers and conducted research dealing with influence reduction of natural factors on the production process, but neither has led to the conclusion that the impact has been completely eliminated. Below are the most significant specificities of primary agricultural production (Kljajić N., 2014):

- Land represents a non-renewable natural factor and place where the production process is being realized. It should improve its fertility in order to provide quality yields for as long as possible. From an economic point of view, land can be bought, sold or leased at a certain price.
- Mismatch of production time and work because work processes are realized before, during and after the production process. In order to avoid overlapping of work processes it is necessary to cultivate plant crops with different production and labor periods.
- Increasing the initial material implies that seed is enlarged and developed in plant. Except natural and land factors, this process is influenced by people, tools and objects for work.
- The slow turnover of the invested funds arising from the characteristics of the biological process of plant development. This specificity is explained by the fact that from the moment of initial investment in the process until the moment of harvesting of the product (harvest/picking) can pass for several months, and up to the moment of billing a few additional days/months.
- Slow adaptation of agriculture to new technical solutions because variety, fruit, breeding form, etc. cannot change during the vegetation period. Possible changes can only be carried out when the production process is completed and sometimes it takes even a whole year.
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