Chapter 9

Organic Production in Serbia: The Transition to Green Economy

Vladimir Filipović  
Institute “Tamis” Pancevo, Serbia

Svetlana Roljević  
Institute of Agricultural Economics, Belgrade, Serbia

Bojana Bekić  
Institute of Agricultural Economics, Belgrade, Serbia

ABSTRACT
Faculty research is focused on the present state of organic agricultural production in the Republic of Serbia, with emphasis on existing legislation and activities planned in the next period, as well on the parallel between organic agriculture and basic principles of green economy, which represents great perspective of Serbia considering its natural potential. Having in mind that the green economy is recognized by leading world organizations for environmental protection as one of factors that could support realization of sustainable development concept through “greening” economy and opening of new “green” workplaces, the goal of this chapter is to indicate the potential and importance of the larger participation of farmers in organic production as one of the most realistic “green” chances of Serbia.

INTRODUCTION
In the process of accession to the European Union, Serbia has to reach very rigorous standards in the areas of environmental policy and sustainable development. Green economy represents the transformation of production processes, enabling more efficient use of natural resources and reducing adverse environmental impact. The essence of green economy is placed in the use of renewable sources of energy, its efficiency and organic agriculture aiming to eliminate the use of chemicals or at least reduce it to a minimum (Jacobs, 1991). The concept of a green economy has become the new buzz word in sustainability discourses, particularly in the sense of the Rio +20 Conference. Because of the current economic crisis and the perception that sustainability politics cannot be implemented efficiently, politicians have set their hopes on greening the economy. However, there are major problems with the aims and strategies linked to this concept. Specifically, if political, economical, and cultural constraints are not considered, green economy strategies will not
Organic Production in Serbia

be successful in their goals to end environmental degradation and reducing poverty (Ulrich, 2012). Green economy has identified organic farming as a sector of special interest for supporting government, economy, exports, and jobs.

Republic of Serbia has favorable natural conditions for organic production, developed and harmonized with EU legislation that deals with this production (Paraušić et al., 2008). There is no data to assess whether organic agriculture in Serbia creates additional jobs compared to conventional agriculture. On the other hand, research conducted in developing countries indicate the potential to create up to 30% more jobs dealing with organic agriculture in developing countries and transition countries in Africa and South Asia (Herren et al., 2012). The agricultural establishment of most countries has generally been resistant to organic agriculture, and this has certainly been the case in Western Europe and the USA. This is also exacerbated by the fact that companies by selling inputs to farmers are increasingly financing research and it is not in their interest to fund research that helps farmers to use local resources more efficiently. Research institutions have played a more positive role in several countries in the Eastern part of Europe, e.g. in Lithuania and Serbia (Källander & Rundgren 2008). First priority should be given to policies that compensate the production of a public good and, as second priority, policies that foster diversification in order to benefit from the nature potential through rural tourism, organic farming, collection of non-wood products, etc..

STATISTICAL DATA ON AGRICULTURE OF THE REPUBLIC OF SERBIA AND THE POTENTIAL FOR INTRODUCTION OF ORGANIC FARMING

Republic of Serbia has a large, not enough valorized, environmental, economic and social capacity of agricultural production. Natural features of land, availability of water resources and climate provide a wider framework for structuring the agriculture which on such grounds could be profitable and sustainable. Agricultural land, especially arable land, is decreasing for the last few decades due to numerous degradation factors. According to the World Bank, at global level, there is a 0.21 ha of arable land per capita, while according to data of the Statistical Office of the Republic of Serbia that area in Serbia is twice large i.e. 0.45 ha per capita. Available agricultural land gives Serbia a comparative advantage for agricultural development in the direction of cleaner production of sufficient quantities of very high quality food. At the same time, it does not mean that a reasonable and sustainable use of natural resources should be a priority in any future strategic planning of the development of communities, both rural and urban. Agricultural land, which accounts for approximately 65% of the total territory, by representation, solvency and way of use is very heterogeneous in space (Popović et al., 2011).

The arable lands cover even 82.8% of agricultural land of Serbia (Opštine i regioni u Republici Srbiji, 2011). The structure of agricultural land use is dominated by fields and gardens with 65.2%, followed by meadows with 12.4%, orchards with 4.8%, vineyards with 1.1% and 16.5% of pastures. The most common soil type is chernozem which is characterized by high productivity. Regarding the quality class, on the territory of Vojvodina the most common is first-class land, and in Central Serbia the sixth land capability class which largely determines the structure of production. In the structure of sown areas of arable land and gardens, at the level of the Republic of Serbia, wheat accounts for 57.5%, industrial crops for 13.3%, vegetable plants with 8.3% roughage with 14.0%.

Most of the farmland, about 85% is privately owned and this ownership structure has a negative impact on the average size of farms. The average total area of land used per farm is 2.46 ha. Serbia ranks among countries with a high degree of fragmentation of holdings, i.e. lowest