

**ECONOMIC IMPORTANCE AND OF EXPORTS POSSIBILITIES YOUNG
POTATO FROM REPUBLIC OF SERBIA**

Rasko STEFANOVIĆ*, Zoran BROČIĆ

¹Faculty of Economics and Engineering Management in Novi Sad, Serbia

²Faculty of Agriculture, Zemun, Nemanjina 6, Serbia

*(Corresponding author: mirarat@ptt.rs)

Abstract

Potato is an important agricultural cultivar that is consumed worldwide. It is a quality vegetables from which they prepare different types of food. Proteins potatoes have a high the nutritive value, and this vegetable uses as an addition to meals a with meat and dairy products, enhances the flavor, reducing energy intake and reducing the cost of food. According to the current estimates, FAO is expected that the global demand for potato in the coming decades to increase by about 35%. Potato production in Serbia meets all the needs of consumers, while the very fertile years, appear and significant market surplus that can not be absorbed by the market. Due to the limited of domestic market and saturation of demand, the development of potato production today, more needs to be based on export orientation. The problem in the realization of market surplus potatoes, may be solved only by structural changes in production, which must adapt to modern trends in the global market through increased competitiveness of supply and changing structures. In this context, market segment deals represents attractive and new potatoes. Demand for these products defines good taste, seasonal character maturities, the freshness of the product, the ability to create different specialties and so on. Good market perspective in the placement of young potatoes, can be achieved through the development of high quality of production at low costs, branding and active advertising appearance at the domestic, regional and international markets.

Key words: production, young potatoes, development, export

Introduction

Potatoes are a very important field crop in the country and has a great economic importance. The economic importance of the potato market, is determined by its use value, in the structure of vegetable and overall agricultural production, the importance of nutrition, processing and trade, foreign trade, etc. About the production and economic importance of potato farming in Serbia, can be judged on the basis of its share in the value of agricultural production. In terms of the structure of the created value of agricultural production, potatoes are in the past participated in an average of about 2.8%, while the level of production value ranged on average about 221 million dollars. Today, the potato market is becoming more segmented in terms of variety, purpose, time of arrival, etc. Production of young potato production predstavnja physiologically immature and incompletely formed tubers that are in that condition used in human nutrition. Young potatoes in Serbia for the coming harvest in the spring, when there is not a huge selection of other vegetables, and the exceptional quality of food is very appreciated, that is required on the international market. This opens perspktive for international placement home early potato.

Materials and methods

The defined goal of the research will be carried out with the use of different methodological approaches. For an analysis of the production and export of potatoes used methods of descriptive statistics. Descriptive statistical analysis including methods of collection, processing and presentation of data and the methods of determining certain parameters that are relevant for the description and explanation of the changes in the observed characteristics. The main sources of data were obtained from the database of the UN Food and Agriculture Organization and the Institute of Statistics. The research is based on data available for the period 2004-2012. Relevant data were grouped and analyzed. Pimen statistical and mathematical methods are presented through tables. Applied the comparative method of analysis. We used the available literature that deals with the issue of production and export of potato and its comparative and competitive advantage.

Results and discussion

Potato production in Serbia in recent decades, and has fast zna jne developmental changes, both in quantitative and structural terms. Such direction and character tendencies, followed by a permanent effort to achieve higher levels of development of this production, which caused its dynamic changes. This, among other things, reflected in the growing production, changing the traditional production-intensive, and the specific application of modern technological solutions. Despite the positive changes, potato hampered many development restrictions, which have adversely affected the country's economic position. In the current socio-economic circumstances, the basic characteristics of this production are very unsure of actual production volume of an irregular pace, unstable and underdeveloped production structures, inferior position of producers in the primary distribution which is manifested through fluctuations in product prices and price disparities, fragmentation and fracturing of possession of family farms, uncertain and unpredictable placement of the purchase price, the low level of investment to underdeveloped system of financing and lending production and processing uncertain accumulative potential, etc.

Potato producers are forced to pay particular attention to their costs of production because of market circumstances include disorganization, problems with the sales prices of potatoes, difficulties in product sales and an increase in the level of prices of inputs in production, which can cause the restrictions on establishing higher production.

In today's conditions, the production of potato were a number of non-permanent manufacturer and a small number of specialized manufacturers. It should be stressed that a number of potato reached a level of technology and competitiveness that make foreign producers in which they specialize. This group includes a number of highly specialized companies that use the latest technology. On the other hand, there are a large number of small producers who produce for their own use, the sale of the house or in the local markets. Unlike large manufacturers dominated acre specialized production, in this case, is a diversified garden and greenhouse production.

Potato producers must understand the importance of monitoring and adjusting to the needs of the modern market, both in terms of product range and volume of production and the dynamics of the arrival and delivery times and product placement. At the same time, they need to know not only the developments in the market, but long-term trends and developments as well as the legality of that act, in order to determine the proper market strategy to focus on its production. Otherwise, the business is inevitable surprises, loss or unprofitable business. Also, manufacturers should recognize the legality and the overall price

formation mechanism, demands and desires of consumers, both domestic and international markets and such needs to adapt and direct the production.

In Serbia, the average volume of actual production of potatoes has varied over the past ten years, in 2012. were produced around 578 tons. The expression of different tendencies in the movement of potato production is the result of certain economic conditions. The economic crisis has resulted in increased interest for the establishment of family farms in the production, which increased its revenue and income. At the same time, with economic development, expansion and strengthening of the internal market of agricultural and food products and increased export demand, increasingly creates conditions for increasing potato production, especially the young-early.

Potato production in the country meets all the needs of consumers, while the extremely fertile years, emerging market and a significant surplus that can not be absorbed by the market. Due to the limited domestic market and reduced demand of traditional markets, the development of potato production today, more needs to be based on export orientation. The problem in the realization of surplus potatoes, can be solved only by structural changes in production, which must adapt to modern trends in the global market by increasing the competitiveness of supply and changing structures.

Table 1. Exports of potatoes from the Republic of Serbia in terms of volume and value, 2004-2012.

Year	Total exports (tonnes)	Index 2004=100	Total exports 000 \$	Index 2004=100	The average export price \$/tonnes
2004.	9506	100	790	100	83
2005.	51235	539	2800	354	55
2006.	38529	405	2080	263	54
2007.	13576	143	2201	278	162
2008.	9961	105	1777	225	178
2009.	12578	132	1855	235	147
2010.	11423	120	2013	255	176
2011.	9321	98	3230	409	347
2012.	6116	64	1510	191	247
Ø 2004/2012	18027	-	2028	-	161

Source: FAO Database

In market conditions, the development of a sustainable and competitive production and adaptation to new consumer demands and tastes, are key factors for the development of potatoes in the need to find new approaches to markets through the promotion and diversification of production. Significant potential in this approach is the dynamic development of the young potato.

Table 2. Exports of potatoes from the Republic of Serbia by countries of destination, 2004-2012.

Year	2004.	2005.	2006.	2007.	2008.	2009.	2010.	2011.	2012.
Quantity, tonnes									
Montenegro	-	-	1063	1351	5534	4305	4913	3805	2977
Bosnia and Her	-	748	2263	5778	4329	6478	5543	625	1108
Macedonia	1711	71	204	694	25	1349	279	313	269
Croatia	4	81	197	4599	22	-	286	31	499
Romania	6801	41609	34202	-	-	23	-	-	12
Bulgaria	83	8479	421	142	-	-	-	-	-
Russian F.	63	179	59	78	31	-	305	4337	1042
Moldova	-	-	68	582	21	424	23	-	-
Albania	-	22	7	87	-	-	36	4	25
Value 000 \$									
Montenegro	-	-	237	330	1036	760	788	792	589
Bosnia and Her	38	209	342	802	702	795	900	128	270
Macedonia	145	6	23	81	4	261	73	90	51
Croatia	1	25	38	819	23	-	62	8	97
Romania	329	1939	1373	-	-	5	-	-	1
Bulgaria	5	591	32	28	-	-	-	-	-
Russian F.	7	22	19	29	10	-	177	2107	415
Moldova	-	-	6	57	2	35	3	-	-
Albania	-	4	1	17	-	-	4	1	4

Source: Statistical Office of the Republic of Serbia

Young potatoes always have a special demand and thus achieves a higher price, and on this basis, growing interest of farmers to produce potatoes before. In the areas of early production winters are mild, frost and daytime temperatures allow the unhindered development of tubers. However, it may occasionally occur nightly frosts, which can cause damage to crops. Young potatoes are usually taken out between the months of April and June, and in contrast to the traditional old potatoes, it is a fresh product that comes directly to consumers without the need for storage. Among its major market attributes, stand the taste, which is of the utmost importance for consumers. Its freshness, ease of placement on the market, the amount of sales prices, relatively little need for the use of protective chemicals and low impact on the environment during production, early production of potatoes are very attractive to manufacturers. Most of the produced young potato remains mainly in the domestic market, where it is produced, as an alternative or substitute for old potatoes from the previous year.

The economic value of this production, based on outside the of season, which allows the production of young potato and sell in foreign markets. In our country, the production is still done in small areas with a high frequency of production on small plots. Length of the cycle of production of early potatoes is the variable and it ranges from 100 to 140 days. Early potato varieties have the greatest economic impact, since grown out of season, in a cycle that is usually much earlier than the typical spring-summer cycle. Choosing the most suitable varieties is the most complex aspect of the production. Since the criteria used, the growth rate of tubers showed the greatest importance, and agricultural techniques used for growing young potato vary by region.

Based on current trends in the global market potatoes, especially noticeable growth in demand early potato. In these circumstances, new potatoes can be exported to countries in the region, which in low-yielding years have deficits in this production, but also in the Russian Federation, whose customers are more interested in local new potatoes. Exports of potatoes in

the EU, it can be competitive, because this market is close, and the cost of transport for short distances potatoes are much lower, given the fact that the potato bulky product, which suffers from low transportation costs, especially to distant markets. These processes in the market can provide a strong impetus to producers of potatoes, in establishing this production and achieve positive economic results in penetrating export markets.

For successful performance on the international market it is necessary to approach the design of optimal marketing model, determining the supply and demand forecasting, as well as creating an effective marketing mix. Young potato marketing involves delivering quality products that meet consumers' needs and achievement of profit for the manufacturer.

Conclusion

Potato production in the Republic of Serbia has a long tradition and is characterized by rapid change and development. In the fertile years, there are significant surpluses that can not be realized in the domestic market, which implies the need for the development of potato production based on export orientation. Significant potential in this strategy, and a young potato production. Young potato is defined as a culture that is planted after winter, harvested in the spring before full maturity and sales right out. The potatoes are seasonal and fresh products of good quality, easy to use and prepare. There is a high degree of market realization, since the period of its tender is only an old potato. Our country has a favorable agro-ecological conditions for young potato, which creates good development prospects.

In the global market of potatoes, the present growth trends in demand early potato. Exports of such potatoes can be competitive and are exported to countries in the region, which in low-yielding years have deficits in this production in the EU, because this market is close to the high demand and the Russian Federation, whose customers are more interested in domestic new potatoes. This indicates that in the future there is a real market principles and a chance for local producers in the implementation of quality early potato in the international market.

References

- Bajkin A., Markovic, V. Ponjican, O. (2007). Technical and technological aspects of early potato, *Agricultural Engineering*, Vol. 32, no. 1, pp. 47-54.
- Brocic Z. Zivkovic D., Muncan P., Stefanovic, R. (2002). The level of agricultural practices in potato production in Yugoslavia Proceedings of the international participation, Food-factor of regional integration in the Balkans, Institute of Agricultural Economics, pp. 273-282, Belgrade.
- Brocic, Z., Momirovic, N., Barćik Biljana Dekic, R. (2000). Testing of agricultural practices and productivity of early potato varieties. *Archives of Agricultural Sciences*. Vol.61, no. 215, pp.131-143, Belgrade.
- Brocic, Z., Stefanovic, R., (2012). Potato production, and market economics, Faculty of Agriculture, 1-408, Belgrade.
- orovic M, Stevanovic S, Lazic, V. (2008). Serbia in the international market vegetables. *Industry 36*, pp. 107-126.
- FAO (Food and Agriculture Organization), *Faostat Agriculture*, FAO, Rome.
- Ilin, Z., (2003): Production of early potatoes, "Modern vegetable production", Vol 5, p.36-37.
- Maletic, R., Stefanovic, R. (1998). Dependence of the scope of the industry streamed area sown and the yield of potatoes in Serbia, *Contemporary Agriculture* vol. 47, pp. 85-89.
- Momirovic, N., Misovic, M. Brocic, Z. (2000). Modern technology of potatoes for different purposes. *Archives of Agricultural Sciences*. Vol. 61, No. 215, pp. 45-72.

- Momirovic, N., Brocic, Z., Postic, D., Jasna Savic: (2010). Effect of fertilization level on potato yield for processing under subsurface drip irrigation, 9th Alps-Adria Scientific Workshop Špi ák, Czech Republic, DOI 10.1556/Novenyterm. Vol.59.2010. Suppl.4, pp. 365-368.
- Stefanovic, R. (1998). Regulated market and measures to improve the economic status of potato production in the Republic of Serbia, the monograph: "The social and economic development of agriculture", pp. 359-375, Faculty of Agriculture, Belgrade.