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ASSESSMENT OF ECONOMIC VIABILITY OF SMALL-SCALE FARMS IN SERBIA

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SUMMARY

This paper deals with production and economic results of small-scale farms in the Republic of Serbia. Small-scale farms include farms with standard output value from 4,000 to 25,000 euros. The main aim of the paper is to determine and evaluate profitability and productivity of farms engaged in different types of farming. Economic viability of farms was determined based on profitability and productivity indicators. Although these indicators are not the only indicators of economic viability, they are most commonly used and the most reliable. The farms are divided into seven groups of farming: field crops, horticulture, vineyards and fruits, dairy production, livestock production – grazing livestock, granivores, mixed crops–livestock. The analysis was based on FADN data for a 5-year period (2015-2019). The number of farms in the sample was increasing over the years, reaching 1,655 in 2019, while a large number of them belonged to a class of small-scale farms (48.5%). Utilised agricultural area on average ranged from 9.2 ha to 10.8 ha per farm. The highest labour input was recorded in horticulture (2.5 – 4.0 AWU), while the lowest labour input was determined for field crops (1.5 – 2.0 AWU). The values of profitability and productivtity indicators were the highest for horticulture farms, which had the highest ROE indicator (0.257) and FNVA per AWU (11.4 thousands euros) in 2019. On the other hand, farms involved in grazing livestock had the lowest results, with ROE of 0.127 and FNVA per AWU of 6.4 thousands euros in 2019. As expected, more intensive types of farming (horticulture and granivores) achieved better results, so these farms are considered as more economically viable. Furthermore, less intensive types of farming (grazing livestock and mixed crops-livestock) should make better use of natural and internal resources, while farmers, especially younger ones, should withdraw from traditional and old-fashioned ways of production and be more innovative and creative in farm management.

Key words: *farms, FADN, Republic of Serbia, ROE, farm net value added*

Abbreviations: FADN - Farm Accountancy Data Network; AWU - annual work unit; ROE - return on equity; FNVA - farm net value added

INTRODUCTION

According to the World Bank data for 2020, agriculture accounted for 6.5% of the total gross domestic product (GDP) in the Republic of Serbia (RS) (World Bank, 2021). Over the past five years, this share has been fairly stable at 6-7%, which places Serbia in the "upper middle income" group according to the World Bank classification. However, the developed countries of the European Union (EU) have a slightly different structure of social product and a significantly lower share of agriculture in the total GDP – not exceeding 2%. This is primarily due to product sophistication, as in developed countries sophisticated products, i.e. products with a higher degree of processing, have a larger share in GDP, which is the goal RS should strive for.

There are around 3 billion rural inhabitants in the world involved in agriculture, while small farms, i.e. farms cultivating less than 2 hectares of land, account for as much as two thirds of the total number of farms (Hazell et al.,

2010). These farms mostly rely on family labour, while family members often have off-farm sources of income in order to make a living.

According to the Census of Agriculture (2012), there are about 620 thousand farms in RS, while there are only about 200 thousand farms (32.0%) with the economic size exceeding 4,000 euros of standard output (SO), and only these farms enter FADN[1] sample (Cvijanović et al., 2014). On farms with the economic size below € 4,000, agricultural production is usually an additional job for farm household members, i.e. their secondary source of income. According to the last Census, the largest share of farms with the economic size over € 4,000 (91.1%) are very small and small-sized farms, while there are less than 18 thousand mid-sized and large sized farms (Cvijanović et al., 2014).

There are no precise definitions of family farms and small-scale farms[2]. They depend primarily on the criteria used by researchers and their research purposes. Family farms are generally considered to be farms managed by a household member, while the largest part of the labour force (50-75%) consists of family members. On the other hand, small-scale farms can be defined by the following criteria: utilized agricultural area (UAA), total livestock units (LU), total labour input (LI), farm economic size (ES), etc. (Guiomar et al., 2018). Accordingly, very small farms comprise farms whose average UAA is below 2-5 ha per farm, while small-sized farms are those with UAA not exceeding 10-20 ha per farm (Lowder et al., 2016). However, applying only this criterion in defining farm size is not sufficient, as UAA cannot cover all the complexities of agricultural production on a farm. Therefore, it is necessary to consider other criteria, as well. Kryszak et al. (2021) suggests that the most objective criterion for defining the economic size of a farm is the standard output value, obtained by multiplying the standard output coefficient by the area on which the crop is cultivated (for crop production), or by the number of heads of the livestock (for cattle breeding).

Small-scale farms are dominant also in developed EU countries, as evidenced by the average size of the farms, so they should certainly be given appropriate attention when assessing the efficiency of farms. Namely, in EU countries (EU28) an average cultivated area is 15.3 ha per farm, while in Italy, for example, this area is even below 10 ha per farm. In RS the average size of all farms is 6.1 ha per farm (Tošović-Stevanović et al., 2021; Galluzzo, 2016).

Assessment of the efficiency of agricultural holdings[3] (AH) is very complex due to instability of weather conditions, and even more because of large variability of farms in terms of the economic size and production structure (Błażejczyk-Majka et al., 2011). In this regard, assessment of farm efficiency by using the concept of economic viability is becoming increasingly relevant. Economic viability is one of the three main pillars of sustainable agricultural development, together with environmental protection and social dimension. O'Donoghue et al. (2016) recognize two concepts of economic viability of farms: (1) United States concept and (2) European concept. American and Canadian experts define viability in terms of meeting the income needs of the farm family. An older but comprehensive definition of economic viability by US authors says that a farm is defined as economically viable when it generates a certain "level of annual cash income sufficient to cover farm operating costs, meet the households minimum consumption needs, replace capital items at a rate that ensures constant serviceability of the capital stock, and finance loan retirement as scheduled" (Smale et al., 1986).

On the other hand, the focus of European approach to farm viability is on measuring opportunity costs. Economic viability based on opportunity costs is best defined in the Dutch study conducted on EU data by Vrolijk et al. (2010). In this study, the authors distinguish between five levels of economic viability based on the relationship between income and opportunity costs. This study has served as a basis for many researchers in determining the level of economic viability of farms in European countries (Coppola et al., 2020; Hlavsa et al., 2020; Slavickienė & Savickienė, 2014).

This paper focuses on determining profitability and productivity indicators which, according to literature sources, are commonly used in assessing economic viability of farms (Spicka et al., 2019; Balezentis & Novickyte, 2018; Latruffe et al., 2016). The research deals with production and economic results of small-scale farms of the Republic of Serbia. The main aim of the research is to determine and assess profitability and productivity of farms engaged in different types of production. The established indicators are used for determining the level of economic viability of different farms. The following section of the paper describes the procedure for defining a representative sample and the applied method, followed by the research results and finally conclusions and recommendations.

[1] FADN (Farm Accountancy Data Network) is a network for collecting production, economic and financial data from agricultural holdings. In the Republic of Serbia, establishment of the FADN system began in 2011 and since 2015 the system has been operational and the data are relatively reliable (FADN Serbia, 2021).

[2] Small-scale farms is going to be used for very small and small-sized farms together in the following text.

[3] Agricultural holding (AH) is used as a synonym for "farm" in the following text.

MATERIAL AND METHODS

The research in this paper is based on FADN data for RS for the period 2015-2019. The FADN sample is gradually increasing every year, so according to the last available data (year 2019), the sample includes 1,655 farms. In an attempt to make an accurate analysis of profitability, farms are classified into four groups according to their economic size: very small farms (SO value from 4,000 to 8,000 euros), small-sized farms (8,000 - 25,000 euros), medium-sized (25,000 - 100,000 euros) and large sized farms (SO value above 100,000 euros) (Miceikiene & Girdžiute, 2016).

The focus of this paper is on very small and small-sized farms (smale-scale farms), considering their dominance compared to other farm sizes and their importance for agricultural development of the country. In the first analyzed year (2015), the total number of small-scale farms in the sample was 694. Over the following years (2016-2019), the number of these farms increased: 802, 905, 923 and 934, respectively. For the purposes of this research, 2% of the farms having extreme values of the analyzed indicators were excluded from the sample.

According to the official FADN methodology, there are 62 different types of farming, including all possible types of agricultural production taking place in the countries of the FADN system (FADN Europe, 2021). In this research, farms are divided into 7 basic types of farming most commonly practised in RS: Field crops (FC), Horticulture (Hor), Vineyards & Fruits (VF), Dairy production (DP), Grazing livestock (GL), Granivores (Gran), Mixed crops-livestock (CL). For certain analyzes, farms are also grouped by regions: Belgrade (Bg), Southern and Eastern Serbia (SES), Šumadija and Western Serbia (SWS) and the Autonomous Province of Vojvodina (APV).

In the Republic of Serbia, farms of economic size over 4,000 euros are dominated by mixed crops-livestock farms (CL), followed by FC and DP farms. The same is the case with small-scale farms which, according to the Census of Agriculture (2012), comprise about 75 thousand CL, 38 thousand FC and 36 thousand DP farms (SORS, 2021).

These three types of farming also have the largest share in the FADN sample, but in somewhat different order (Tab. 1). In the observed five-year period (2015-2019), FC farms on average accounted for 23.7% of small-scale farms in the sample, followed by DP and CL farms with 23.2% and 23.0%, respectively. On the other hand, farms with the smallest share in the sample were horticulture and vegetables farms (indoors and outdoors) – Hor farms (3.6%) and pig and poultry farms – Gran farms (2.1%).

Table 1. Number of small-scale farms by type of farming

Type of farming	Farms				
	2015	2016	2017	2018	2019
FC	181	186	215	210	218
Hor	22	23	29	42	39
VF	53	66	92	145	152
DP	155	178	203	227	225
GL	108	120	124	87	91
Gran	10	15	19	20	25
CL	165	214	223	192	184
Total	**694**	**802**	**905**	**923**	**934**

Source: Authors' calculations based on FADN data

In terms of the regional distribution of farms in the FADN sample, it can be observed that on average 45.3% of farms are located in SWS region, followed by SES region (32.5%) and APV (17.0%). Considering the type of farming practised in these regions, CL, DP and VF farms are mainly located in SWS and SES regions, while FC farms are mostly located in APV.

This paper deals with the most important production indicators including: average utilized agricultural area, rented UAA, total labour input, paid labour input, aiming to identify the main capacities in domestic agricultural production. In addition, the study looks at total assets, subsidies and investments. Capital is expressed as Total Assets variable, which includes total fixed and current assets of farms, and in FADN methodology this variable is coded SE 436. Income from subsidies is SE 605 – Total subsidies (excluding subsidies on investments). Investments are coded SE 521 – Net investments on fixed assets, obtained as follows: Gross investments on fixed assets (SE 516) minus Depreciation (SE 360).

Assessment of farm efficiency, i.e. its economic viability, is most commonly carried out using the following indicators: profitability, liquidity, stability and productivity (Latruffe et al., 2016). The research in this paper is based on relevant profitability and productivity indicators, which are among the most important tools for assessing

performance of all economic entities, including AH. Also, high profitability and productivity of economic entities creates environment favourable for economic growth.

Profitability assessment can be carried out using several different indicators, the most commonly used being ROA (Return on assets) and ROE (Return on equity). The main difference between them is that in ROA farm net income is placed in relation to total assets value, while in ROE farm net income is divided by net worth (equity).

Spicka et al. (2019) argue that ROA and asset turnover ratio are the least reliable indicators of farm economic viability because the assets include only owned assets, excluding rented ones. However, in some years, the share of rented land on some farms was as high as 85.7%. This land is not included in the value of total assets, so the results obtained by this indicator could create a distorted picture of the situation on farms. In this regard, the above mentioned authors state that ROE (Return on equity), ROIC (Return on invested capital) and ROS (Return on sales) are more suitable indicators for this type of analysis, as they measure profitability for owners (ROE), profitability for owners and creditors (ROIC) and profit margin (ROS). In this paper, economic viability of farms is determined using the following profitability indicator:

$$\text{ROE} = \frac{\text{Farm net income (SE 420)}}{\text{Net worth (SE 501)}}$$

In addition to the previously described indicators, productivity of small-scale farms is commonly determined by Farm net value added (FNVA) expressed per annual work unit[4] (SE 425) and Family farm income (FFI) per family work unit[5] (SE 430). FNVA per AWU is a key indicator for determining the level of farm economic viability, while a farm is considered to be economically viable if capable of covering labour, land and capital costs by FNVA (Spicka et al., 2019). On the other hand, economic viability of farm workers is commonly expressed using Modified FNVA (MFNVA), which can be compared to the average labour cost in the respective region. This indicator is calculated according to the following formula: FNVA (SE 415) minus rent paid (SE 375) minus interest paid (SE 380) (Spicka et al., 2019).

All values are expressed in euros according to the average exchange rate of the National Bank of Serbia for the respective year (NBS, 2021).

RESULTS AND DISCUSSION

One of the criteria for determining the average farm size is the utilized agricultural area. According to the Census of Agriculture (2012), the utilized agricultural area in RS was 5.5 ha per farm (SORS, 2021). Tošović-Stevanović et al. (2021) point out that the average farm size has meanwhile increased to 6.1 ha per farm. The main cause of this increase is the fact that, according to the Survey in 2018, the number of agricultural holdings was reduced to about 565 thousand, which is by around 57 thousand less compared to the Census (SORS, 2021). In the observed period (2015-2019) in RS, the average UAA of small-scale farms in the sample showed a significant downward trend from 10.8 ha per farm to 9.3 ha per farm. In terms of regional distribution, farms from APV region had the largest average UAA with a sharp decrease (from 13.0 ha per farm to 10.6 ha per farm), while farms in SWS region had the smallest areas, on average from 8.5 ha to 10.3 ha per farm (Fig. 1).

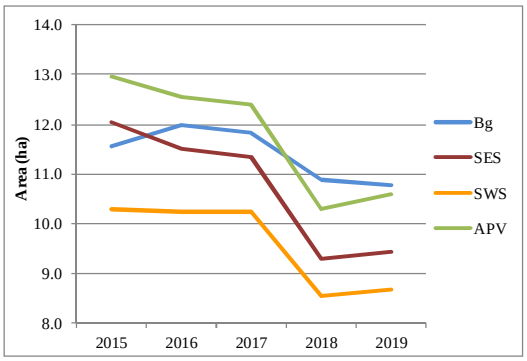


Figure 1. Utilised agricultural area by regions of the Republic of Serbia (Source: Authors' calculations)

[4]Annual work unit (AWU) – full time equivalent of workers. In the Republic of Serbia AWU is equal to 1,800 hours of work, i.e. 225 days of work with 8 working hours per day (FADN Serbia, 2021).

[5]Family work unit (FWU) – refers generally to unpaid labour (family) (FADN Serbia, 2021).

The relation between rented UAA and total UAA is very important from the aspect of capacity analysis. The share of rented UAA on domestic farms in 2019 ranged from 8.3% for VF farms to 26.3% for GL farms. This situation is expected bearing in mind that livestock farms have the preemptive right to rent the land in our country to manage production of the animal feed (Miljatović et al., 2020). Furthermore, there is a trend of reducing the total labour input, from 2.2 AWU to 1.8 AWU at the level of RS (Tab. 2). The average labour input was the highest in more intensive types of farming: Hor (ranging from 2.5 to 4.0 AWU) and VF (ranging from 2.1 to 2.5 AWU). Farms engaged exclusively in field crop farming had the lowest labour input (1.5 - 2.0 AWU). The share of paid labour input in total labour input for the observed farms was not high, primarily because these are small-scale farms relying mostly on family labour. Horticulture and vegetable farms (Hor farms) have the greatest needs for seasonal workers and the share of paid labour ranged from 30.1% to 45.4%, followed by HF farms (with the share of 27.8% - 40.9%), while DP farms had the lowest share of paid labour (1.4% - 3.5%) of all small-scale farms.

Table 2. Total labour input in AWU by type of farming (Source: Authors' calculations)

Type of farming	Labour input				
	2015	2016	2017	2018	2019
FC	2.0	1.7	1.7	1.6	1.5
Hor	3.7	3.6	4.0	2.5	2.8
VF	2.5	2.4	2.4	2.1	2.1
DP	2.3	2.1	2.0	1.9	1.9
GL	2.1	2.0	1.9	1.8	1.7
Gran	2.1	1.9	1.8	1.8	1.6
CL	2.2	2.4	2.0	1.8	1.7
Weighted average	**2.2**	**2.1**	**2.0**	**1.9**	**1.8**

The value of total assets for small-scale farms ranged from 87.5 thousand euros to 108.9 thousand euros at the level of RS. FC farms had the highest value of assets (103.8 - 161.1 thousand euros). These farms have large areas of land, machinery and equipment, storage capacities and mechanization facilities, while the value of stocks is not significant. VF farms also had high value of assets (93.8 - 128.0 thousand euros), owing to considerable value of equipment (machinery, implements, irrigation systems), hail protection and facilities at their disposal. Other types of farms had significantly lower value of assets, Hor farms having the lowest value (44.5 - 74.8 thousand euros). In terms of regional distribution, farms from APV region had the highest value of assets (107.0 - 124.0 thousand euros). The highest amounts of subsidies per farm in 2019 were received by GL farms (3.8 thousand euros) and DP farms (3.2 thousand euro), while the lowest subsidies on average were given to Hor farms (158.6 euros). Livestock farms are entitled to subsidies per head, which together with subsidies per hectare for crop production, significantly affect their business income. Net investment on fixed assets value was negative in 2019 for all types of production. This practically means that depreciation of fixed assets was on average higher than investments in fixed assets. This situation can be accounted for by the fact that the farms in the sample generally have new machinery of high purchase value, which entails high depreciation that exceeds the value of investments. Also, it is possible that there were no significant investments in fixed assets on the observed farms in the past period, which is why the depreciation is higher than the value of investments.

Assessment of farm profitability should indicate which farms are economically viable and have laid the foundations for achieving economic growth in the future. It can be observed that the dynamics of ROE indicator (Farm net income / Net worth) for the period 2015-2019 showed a positive trend in all types of farming. Gran farms had the highest average annual growth of this indicator at a rate of 9.1%, while Hor farms had the lowest growth rate of 1.1% (Tab. 3). The average growth of profitability for farms in RS was not negligible, as evidenced by the annual rate of change of 5.3%.

Table 3. Profitability of farms by type of farming

Type of farming	Return on equity					Change in 2015-2019 (%)
	2015	2016	2017	2018	2019	
FC	0.129	0.182	0.143	0.155	0.157	5.0
Hor	0.246	0.268	0.261	0.248	0.257	1.1
VF	0.172	0.173	0.197	0.176	0.192	2.8
DP	0.145	0.138	0.144	0.157	0.184	6.1
GL	0.113	0.125	0.111	0.163	0.127	3.0
Gran	0.160	0.188	0.235	0.233	0.226	9.1
CL	0.144	0.137	0.146	0.171	0.182	6.0
Weighted average	**0.148**	**0.175**	**0.172**	**0.185**	**0.182**	**5.3**

Slavickienė & Savickienė (2014) suggest that a farm can be considered as economically viable if ROE exceeds 0.05 (5%). Certainly, this is not the only criterion for assessment of farm efficiency, but it is a very useful one. In addition to ROE, the above mentioned authors examine costs to revenues ratio, farm indebtedness, dependence on subsidies, etc. The results of our study show that, according to the given criterion, all types of farming had quite good profitability indicators. The highest results were achieved by Hor farms (0.246 - 0.268), and Gran farms also had fairly high coefficients (0.160 - 0.226), which is understandable given high turnover ratios in these two branches of agriculture. In contrast, GL farms had the lowest profitability indicators in the observed period, with the lowest coefficient in 2015 (0.113). However, there was a positive trend in these farms as well, considering that the observed indicator increased at a rate of 3.0% per year in the studied period.

Balezentis & Novickyte (2018) also found that mixed farms, i.e. farms with less intensive production, have the lowest profitability indicators among family farms in Lithuania. Mixed crops-livestock and grazing livestock types of farming are most commonly found in areas with natural constraints (ANC) and they are often managed by older farmers, with considerable costs of manual labour and use of depreciated machinery and equipment, which generally results in low intensity of production and production outputs.

At a regional level, there was a positive trend among farms in all regions in RS. According to available data, SWS region had the highest profitability growth at a rate of 10.4% per year in the observed period, while SES region achieved the highest profitability indicators (0.182 - 0.214). In contrast, farms located in Bg region had the lowest growth and the lowest profitability indicators. Namely, the average annual rate of change in these farms was positive, but only 0.3%, while ROE indicator ranged from 0.101 to 0.123.

Farm net value added (FNVA) per AWU is a derived indicator of farm economic performance, from which rents and interest need to be paid and own factors remunerated. This indicator is primarily used when determining productivity of farms (Davidova et al., 2005). FNVA is calculated as the difference between Gross farm income and Depreciation, while Farm net income is obtained when total external factors (wages paid, rent paid and interest paid) and balance subsidies and investment taxes are subtracted from FNVA. Hor farms had the highest FNVA per AWU in 2019 (11.4 thousand euros). These farms are highly profitable and during the observed period this value grew at a rate of 16.6% (Tab. 4). In contrast, GL farms had rather low values of this indicator, which is in line with the finding that they are the least profitable farms in domestic agricultural production. The dynamics of FNVA per AWU shows that only VF farms had a negative trend in the past five years (rate of change: -9.2%), while Gran farms had the highest average growth of this indicator at a rate of 33.8%.

Table 4. Farm net value added per AWU by type of farming

Type of farming	Farm net value added per AWU					Change in 2015-2019 (%)
	2015	2016	2017	2018	2019	
FC	8,699.6	10,948.1	8,062.9	9,749.6	10,309.1	4.3
Hor	6,149.4	7,354.1	11,690.2	9,452.6	11,363.7	16.6
VF	10,031.8	9,211.7	9,727.7	6,729.6	6,822.5	-9.2
DP	4,808.8	5,211.6	6,283.3	6,085.0	6,681.8	8.6
GL	4,716.0	4,712.7	4,273.3	6,640.6	6,375.8	7.8
Gran	2,860.6	5,174.6	8,897.3	7,471.7	9,180.1	33.8
CL	5,106.9	5,331.2	5,967.6	6,832.0	7,809.5	11.2
Weighted average	**6,293.3**	**6,889.2**	**6,931.2**	**7,411.1**	**8,006.0**	**6.2**

Source: Authors' calculations

In recent studies, assessment of farm profitability has been frequently carried out using Modified FNVA (MFNVA). Spicka et al. (2019) point out that MFNVA should be sufficient to cover not only the paid wages but also provide the expected income to unpaid labour and household members (opportunity cost of equity). In the case of the observed farms in RS, MFNVA ranged from 10.5 to 11.7 thousand euros in the studied period. Hor farms had the highest value of MFNVA, which amounted to 17.1 thousand euros in 2019, but these farms also had the highest average annual labour investments of 2.8 AWU in 2019 (Tab. 2). In addition, these farms had the greatest needs for seasonal and permanent workers, as the share of paid labour was up to 45.4%. Nevertheless, if we consider also other profitability indicators, it can be concluded that these farms have good preconditions for sustainable economic growth if properly managed. FFI per FWU is another indicator that confirms this thesis, as Hor farms achieved the best results according to this indicator (10.4 thousand euros in 2019). On the other hand, GL farms had the lowest value of MFNVA of 10.1 thousand euros, but it should be born in mind that these farms also had the lowest labour investments.

CONCLUSION

Assessment of farm economic viability can be carried out by analyzing the main profitability and productivity indicators. The dominant farms in the Republic of Serbia, as well as Europe as a whole, are small-scale farms, which are a basis for agricultural development. According to FADN data for the period from 2015 to 2019, the average size of small-scale farms ranged from 9.2 ha to 10.8 ha per farm. The average labour input on the observed farms ranged from 1.8 to 2.2 AWU, with a decreasing trend. This is a result of accelerated development of production technologies in agriculture, which require less human labour for certain farm operations. On the other hand, there are farms with more intensive production which require more labour input, such as Hor farms (2.5 - 4.0 AWU). In any case, it is very important that production processes on farms are as highly mechanized as possible, bearing in mind that farm managers face very serious problem with the labour force (both seasonal and permanent).

Determining economic viability of farms is based primarily on assessing profitability and productivity of their performance. Certainly, these are not the only indicators used for assessment of economic viability of farms, but they are most commonly applied and very reliable. According to the available data, Hor farms are the most profitable and productive, as all used indicators were mostly very favourable and better compared to other types of farms. For these farms, ROE ranged from 0.246 to 0.268, while FNVA per AWU and MFNVA in 2019 amounted to 11.4 thousand euros and 17.1 thousand euros, respectively. Such high values of the observed indicators suggest that Hor farms are economically viable, which is primarily the result of highly intensive production. On the other hand, GL farms are least economically viable, as they achieved the lowest values for all calculated indicators. Nevertheless, we believe that there is potential for achieving better production and economic results on these farms with certain innovations in production. In particular, being located mainly in mountainous and hilly areas, these farms could take advantage of this locality by constructing facilities for development of rural tourism, which has become a trend in recent years in the hilly areas of European countries.

In recent years, investments from various funds (both state and EU funds) in agricultural capacities (facilities, equipment) have increased and young farmers have priority when applying for these funds. Of course, local and state authorities should continue to encourage innovations in production, allocate funds to more profitable, i.e. highly intensive branches of agriculture, keep providing subsidies on a regular basis, invest in cooperatives and other farmers' associations, etc. We believe that the main problems of small-scale farms in our country are the lack of ideas and inventiveness, production in an old-fashioned, traditional way and insufficient cooperation of producers when entering the market. The described efforts, together with great human and natural potential of our country, will significantly foster economic viability of small-scale farms, contributing thus also to overall agricultural development in RS.

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