



Republic of Serbia



Programme Funded by EU



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Assessment

AGRICULTURE PRODUCER GROUPS AND GEOGRAPHIC INDICATION

European PROGRES

Contract No. 2014/LICA-SP/55834, as of 1 December, 2014

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Belgrade, 14 May 2015

EXECUTIVE SUMMARY

The existing legal framework relevant for the work of associations and cooperatives has not been perfect but does not limit their establishment or operations. State agricultural incentives have been implemented in all LSG units. In addition, all LSG units have allocated specific funds for agricultural development.

It is identified that there are some 20–25 active cooperatives and 80–85 associations in the region. Cooperatives are mostly engaged in purchase of products, education and information dissemination, procurement of inputs, sale, processing, storing, provision of service related to equipment and machinery and extension service in livestock farming. The largest number of active associations is engaged in education and information dissemination to producers.

Cooperatives face a set of problems in their business operations. The project support should be directed primarily towards the newly established cooperatives. A certain number of cooperatives have quality projects ideas (export, development of new products and technologies) that should be supported.

Associations may be supported by provision of basic operational conditions, activities related to improvement of local production and/or support to establishment of their own business activities.

A clear goal and sustainable business concept must be defined when establishing new associations and innovative ideas and creation of a product with added value should be encouraged. New farmers' groups should be supported primarily in areas where such groups do not exist.

The project support of European Progres to associations and cooperatives may be provided in a form of: technical assistance to farmers' groups grouped by production sector, similar programs and problems, or publication of a call for proposals to support a certain number of best project ideas.

There are eight products in the surveyed region with approved elaborated study on protection of GI, but only the association Leskovacki ajvar is the authorized user of the rights to GI. Elaborated studies for protection of GI for sour cherry from Merosina and lamb meat from Svrlijig have been submitted but are not yet officially approved. There are traditional products in the region that may protect of GI, but there are various problems in the planning of the protection process, like fulfilment of necessary conditions related to food safety, lack of processing capacities, small volume of production, lack of knowledge, disorganization, etc.

In the next period, the Project may support the process of protection of GI by: development of a studies on protection of GI, certification of products with approved elaborated study on protection of GI, improved marketing approach and raising the level of knowledge in relation to development of the study and certification of the beneficiaries aiming at being authorized users of the right to GI of traditional products.

In general, it is necessary to support innovative approaches, ideas and products in surveyed region, as well as all activities contributing to development of new knowledge, business contacts and ideas.

Technical assistance programs should be based on: educational programs, trainings, workshops, development of various documents and plans, acceptance of different food quality standards/schemes, study tours, mentoring, etc. Due to this training need assessment should be done through participatory rural appraisal approach with key stakeholders and beneficiaries.



LIST OF ABBREVIATIONS

AC – Agriculture cooperative
ARDA – Accredited Regional Development Agency
ECD – European Commission Delegation
FRY – Federal Republic Yugoslavia
GI - geographical indication of origin
LAG – Local action group
LED – Local Economic Development Office
LSG – local self-government
MAEP – Ministry of Agriculture and Environmental Protection
PC – Public company
PCM – Project cycle management
RAH – Registered agriculture households
RS – Republic of Serbia
SRBA – Serbian Business Registers Agency
WB – World Bank

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INTRODUCTION

Purpose and scope of the assessment

The purpose of the assignment is to obtain inputs for Programme's interventions targeting agricultural producers from early 2015 until mid-2017.

Under the direct supervision of the Sector Manager for Competitiveness and the Business Development Programme Associate, the consultant task was to conduct assessment of existing AC, associations, and informal farmer groups showing potential to form agriculture producer groups. More specifically, the consultant had to conduct the following activities:

- Collect and analyze available secondary data and create an inventory of existing agriculture producer groups in the 34 Programme municipalities in South East and South West Serbia;
- Conduct in depth assessment of selected formal and informal agriculture producer groups through field visits, interviews and survey with cooperative directors, association representatives and key farmers;
- Assess the need for forming LAGs (where relevant) as engines of socio-economic change in rural areas;
- Define potential short and long term interventions for selected agriculture producer groups and formulate practical recommendations.

The consultant also assessed the possibilities for certification of traditional products which have already obtained the protection of geographic origin. In addition, the analyst task was to assess other potential traditional agricultural products which could be supported for protection of geographic origin.

Methodology

There were four phases in the preparation of the assessment:

Phase 1 – Data Gathering

This phase included an analysis of the legal framework for establishment and business operations of cooperatives and associations. State incentives for agriculture were identified, as well as potential legal limitations for establishment and business operations of associations and cooperatives. Also, products with approved elaborated studies on protection of GI were identified in this phase.

Phase 2 – Questionnaire distribution to LSG Units

Based on data gathered from analysed materials/documents, a questionnaire for LSG representatives was developed. The Questionnaire consisted of five thematic groups related to:

1. Organization of work related to agricultural development within LSG units;
2. Identification of municipal capacities for agricultural development;
3. Identification and assessment of groups of producers, as well as assessment of needs for establishment of new groups of producers;
4. Identification of products with GI protected, as well as products that may have GI protected;
5. Existence of LAG or needs for their establishment.

Phase 3 – Meetings with Representatives of Associations, Cooperatives and LSG Units

After data processing and analysis, products with approved elaborated study on protection of GI, the major cooperatives and associations, LAGs and potential leaders of new associations were identified. Based on these data and in agreement with European Progres Project Team, field visits and meetings were planned with:

- Operational cooperatives in possession of their own property;
- Associations significantly supported by LSG units (over 400.000 RSD per year);
- Associations/Cooperatives that submitted the elaborated study for protection of GI;
- Some associations from LSG units with more than 10.000.000 RSD per year allocated in their budget for agricultural development in the last three years. Selection of these associations was made in consultation with LSG representatives.

During field visits, meetings with the following representatives were conducted:

- 8 associations/cooperatives with products with elaborated study on protection of GI approved;
- 28 agricultural cooperatives;
- 32 agricultural associations.

The interviews were conducted based on the structured questionnaire containing criteria for assessment of the work. The list of interviewed associations and cooperatives is provided in the Annex 1 of the Report.

Farmers' groups from 23 LSG units were interviewed. There were no agricultural cooperatives with property or some significant agricultural associations in the remaining 11 LSG units. In addition, these LSG units have relatively small budget intended for agricultural development.

In majority cases, the meetings were held in the premises of municipal buildings (18 LSGU) and in the presence of representatives of LSG units in charge of agricultural development.

After interviews conducted with representatives of associations/cooperatives, brief meetings with LSG representatives were conducted in relation to verification of data obtained during interviews, needs for establishment of new associations/cooperatives, needs for establishment of LAGs and presence of products that may be a subject of protection of GI.

Phase 4 – Analysis and Verification of Data

Data obtained were classified, statistically processed and analysed. At this stage, the need for verification of some data appeared (additional information, certain activities, project activities of other donor programs etc.). Also, in this phase a testing of potential recommendations were conducted in meetings with representatives of relevant institutions. After consultation with these organizations/institutions, the final version of assessment report was developed.

ASSESSMENT RESULTS

Legal and regulatory framework analysis

Regulatory framework

Cooperatives

The legal framework for operation of cooperatives is the Law on Cooperatives adopted in 1996 (the Official Gazette of FRY No. 41/96, 12/98 and the Official Gazette of RS No. 34/2006). This law regulates the process of establishing cooperatives, acquisition of new members, termination of the status of its members, the cooperative book, professional work in a cooperative, cooperative management, bodies and property, profit distribution, covering losses and other activities relevant to the operations of the cooperative.

According to the Law, a cooperative is a form of organization of private persons (cooperative members) for the purpose of their business operations based on the principles of voluntarism and solidarity, democracy, economic involvement, equal management rights, independency, economic, social and cultural interests.

AC are one of the allowed forms of associative work. AC can be general or specialized. For AC establishing a minimum of 10 founders are necessary to sign a contract of establishing.

In the last couple of years, there are strong initiatives for amendments of the Law and/or adoption of the Law on Agricultural Producers Cooperatives. The most important reason for these initiatives is the need to regulate unsolved issues of the property of old cooperatives. The existing draft of the Law (public dispute conducted in 2011) does not guarantee that the problem with old cooperatives will be solved in this way. Having in mind the complexity of the issue, it is doubtful if and when and how the problems of the AC will be legally solved.

The valid Law on Cooperatives does not limit the operations of the existing cooperatives. The major issue in development of cooperatives is the lack of trust created by ruined AC in the nineties of the last century, as well as lack of specific state incentives for AC.

Associations

Operations of agricultural associations are defined by the Law on Associations (the Official gazette of RS, No. 51/2009 and 55/2011). This Law regulates the establishment and legal status of associations, registration and deletion from the register, membership, management bodies, status changes and termination of the association, as well as other issues relevant to the work of the association.

According to the articles of the Law on Associations, the association is a voluntary, non-governmental and non-profit organization founded on the freedom of association of more private or legal persons, established for the purpose of realization and improvement of some common or general objective and interests that are not forbidden by the Constitution or any other Law.

Most important differences from the previous Law are possibility that association of citizens may be established by three private persons (in previous Law it was 10) only and associations can have profitable activities.

In previous period there were no serious remarks on this Law from agriculture associations.

State support

Measures of state support to agricultural production are regulated by the Law on Incentives for Agriculture Production and Rural development (the Official Gazette of RS, no. 10/2013 and 142/2014). The Law regulates

types of incentives, their use, as well as requirement for realization of rights to incentives for agriculture production and rural development.

Table 1 Types of incentives defined by the Law on Incentives for Agriculture Production and Rural development

Direct Payments	Rural Development Payments	Specific Incentives
1. Premiums; 2. Production subsidies; 3. Recourses/Recovery; 4. Credit support.	1. Investments in improvement of competitiveness and quality standard; 2. Sustainable rural development; 3. Improvement of rural economy; 4. Development and implementation of local strategies of rural development.	1. For marketing – information systems in agriculture; 2. For establishment, development and functioning of accounting data systems on agricultural households; 3. For support to advisory and professional work in agriculture; 4. For implementation of livestock farming programs in livestock production; 5. For implementation of scientific research, development and innovative projects in agriculture; 6. For production of planting material, certification and cloning selection.

In all types of incentives listed in the Table 1. Support measures are defined in more details.

RAH, LSG units and other persons and organizations are entitled to use incentives. AC and agricultural associations have no legal limitations in exercising the right to incentives.

The latest amendments to the Law on Incentives for Agriculture Production and Rural development, as of 25 December 2014, may have an effect on the work of AC. The amendments define that in relation to direct incentives, the land maximum size should be reduced to 20 ha (instead of current 100 ha). In addition, it is envisaged that the right to realization of direct incentives may no longer be exercised in case of state owned agricultural land usage. In surveyed region, there are some cooperatives that will not be able to use direct incentives based on these latest limitations.

On the other hand, the amendments to the Law on Incentives for Agriculture Production and Rural development provide more favourable conditions for use of incentives for authorized users of GI, especially in the area with difficult conditions for agriculture production. This means that within incentives related to rural development measures, realized as subsidy of the part of the cost of specific measure, the minimum state participation is increased from 30% to 50% of the total value of the measure, while in the areas with difficult conditions for agricultural production this is increased from 50% to 65% for producers making products with added value. Measures these share of subsidy apply are: investment in agriculture, establishment and strengthening of producers' groups, investment in agricultural products processing and marketing.

State agricultural incentives were implemented in all surveyed municipalities in 2014. These included subsidies (59,40% of the total value), recourses (40,17%) and subsidized interest rates (0,43%).

According to SBRA¹ data for 2014, these amounts varied on local level from 83.000 RSD (Crna Trava) to 129.278.000 RSD (Sjenica). The average for the surveyed region is 29.788.000 RSD/LSG/year. The amount of realized agricultural incentives per LSG units is given in the Annex 2.

Share of agricultural subsidies in total volume of regional development incentives varies in each LSG unit. In nine LSG units, these incentives make 80-100% of all regional development incentives, while in three LSG units these are the only income coming from regional development incentives (Crna Trava, Medvedja, Bojnik). On the other side, there are LSG units for which agricultural incentives are not a significant part of regional development incentives. Vranje (5,14%), Priboj (16,49%) and Novi Pazar (17,79%) are in this group of LSG units.

AC registered as RAH were entitled to direct incentives; however, it was not possible to obtain data on the number of AC that actually received incentives, as well as the amount of the incentives realized.

Field visits proved that in 2014 three AC and three associations received support through payment of special (extension service) and rural development incentives (education of producers and land eradication). Also, as a result of MAEP and WB project of electrification of land and water supply, four associations were established (three in Leskovac and one in Kursumlija) that would be engaged in regular payment for and maintenance of these systems in future.

Associations and cooperatives unanimously declare that they do not have any governmental support, and that relations of MAEP towards associations and cooperatives are very bad. But, these remarks and objects are related to MAEP administration and agricultural policy, not to actual relations of MAEP toward associations and cooperatives.

The major remarks are related to inefficient work of MAEP (it is never known if there will be sufficient funds for incentives which creates insecurity in investment planning or when the funds will be available and paid; it is very difficult to obtain any feedback etc.), as well as to inefficient financing system for measures (it would be more efficient if they receive funds in procurement procedure, not through refunding) and unequal position of undeveloped municipalities in comparison to areas with well-developed agriculture (special programs for undeveloped regions are necessary).

Local self-government support

LSG units may define support measures for implementation of agricultural policy and rural development policy on their own territories.

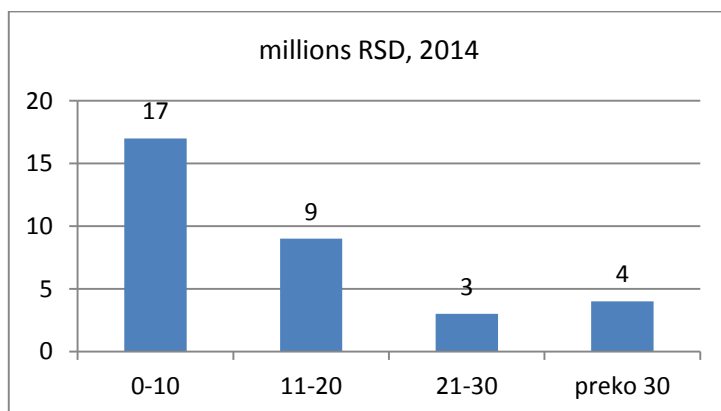
In surveyed LSG units, municipal councils are mostly in charge of agricultural development (18 LSGU). In addition, in some LSG units, assistants to the Mayor (2 LSGU) or municipal committees (3 LSGU) are in charge for agricultural development. Operational work is in most cases vested in Funds for Agricultural Development (13 LSGU) or various departments (in most cases department for economic development or economy and finances) of municipal administration (19). Additional support to these bodies is provided by offices for local economic development (in 17 LSGU). The only exception is the existence of the Centre for Rural Development and Natural Resources in Brus which is structured as public company.

In average, there are three employees engaged in agricultural development activities, of which two are with university degree. In all surveyed LSG there is at least one full/time employee in charge of agricultural development activities.

¹ <http://www.apr.gov.rs>

Financial resources of LSG allocated for agricultural development may be used only in line with the annual program approved by MAEP. These programs must be harmonized with national programs and existing Law. In average, 14,84 mill. RSD per year is allocated for agricultural development by LSG in the surveyed region, which is 2,13% of all total LSG budgets.

Graph 1. LS classified by amount of funds allocated for agriculture development



The largest funds for agricultural development have the municipalities of Svrlijig (40 million RSD), Prijepolje (43,5 million RSD) and Leskovac (60,65 million RSD). However, the largest number of LSG units has 1–10 million RSD allocated for agricultural development. These funds are a significant part of the overall LSG unit's budget. The largest share of funds in the overall budget allocated for agricultural development is in Svrlijig and Zitoradja (7% each), while significant share of the budget allocated for agricultural development is, also, in Vladicin Han, Trgoviste, Prijepolje, Knjazevac, Zitoradja, Surdulica and Blace (3,0 – 5,0 %). Detailed table with amount of budget dedicated for agriculture development, share in the overall budget and level of absorption of the funds dedicated for agriculture development in each LSG is given in Annex 3.

However, the level of absorption of these funds is relatively low, being 64,75 %. In only 13 LSG units this share is higher than 80%, while in 12 LSG units this share is lower than 50%. Low level of utilization of funds is mainly result of bad local planning as well as existence of non interesting support programs for farmers. In some cases these programs are not realistic. This fact indicates on necessity of better planning and creation of programs that can be interested for farmers.

Various agricultural activities are encouraged in the surveyed LSG units. However, programs of support to livestock farming and fruit production (Table 2), as well as programs of support to investments in agriculture are mostly implemented ones.

Table 2. Most supported programs in agricultural development

Program	LS
Livestock farming program – Subsidies for procurement of livestock and equipment for livestock breeding	13
Fruit production development program – Subsidies for procurement of planting material and equipment for fruit production	11
Support to investments in agriculture – Procurement of various equipment and machinery	11
Subsidies for veterinary offices for artificial insemination	7

Trainings and educations	6
Procurement of anti-hail rockets and payment of anti-hail operators	6
Support to beekeeping development	5
Works related to maintenance of field and area roads	5

In addition to the above mentioned programs, support to fair visits, organization of various exhibitions and manifestations, associations and cooperatives support, etc. have, also, been significantly present.

In several municipalities specific programs were implemented, such as field electrification (Leskovac), support to operations of the Regional Centre for Agricultural and Rural Development (Sjenica), support to operations of agricultural caretaker service (Bela Palanka), work of demonstration plot (Vladicin Han), etc.

In only five LSG units (Nova Varos, Ivanjica, Svrlijig, Merosina and Babusnica) the work of associations and cooperatives were directly supported. Some 12 million RSD were allocated for this type of support in all five municipalities. However, LSG units directly or indirectly supported the work of agricultural associations through various activities (for example, manifestation organization, exhibitions, education, fair visits, support to beekeeping, etc.). Interviews proved that some 40–45 associations had received funds from LSG unit for specific activities.

Assessment of existing agriculture producer groups

Basics of the agriculture producer groups

Cooperatives – There are some 50 registered not bankrupt AC, as it proved by surveying LSG units in the region. These AC are located in 21 LSG units, while in 13 LSG there are no registered AC². Novi Pazar and Ivanjica have the most cooperatives registered – six in each of them. Significant number of registered cooperatives may, also, be found in Knjazevac, Svrlijig, Leskovac, Zitoradja and Trgoviste. Short summary of visited cooperatives is given in Annex 4.

Only 20–25 AC, out of the total number, may be considered to be active. These have permanent or occasional business activities. In the structure of the existing active AC, the clear distinction may be made between:

- So-called "old" agricultural cooperatives established in the middle of 20th century
- Private cooperatives similar to limited liability companies in their business operations
- Nine newly established cooperatives.

There is no dominant category in relation to their organizational structure in the surveyed region.

Agriculture associations – There are 80–85 identified associations in 27 LSG units. In six LSG units there are no associations. The largest number of associations was identified in Prijepolje (8), Brus (6) and Raska (6), while significant number of associations is, also, registered in Nova Varos, Vranje and Gadzin Han (five in each). Short assessment of each visited association is given in Annex 5.

² Questionnaires showed that in following LSG there are no cooperatives: Bosilegrad, Bujanovac, Bela Palanka, Aleksinac, Gadzin Han, Doljevac, Kursumilja, Medvedja, Priboj, Prijepolje, Presevo, Tutin and Crna Trava.

Strategy

Old cooperatives are established in the middle of 20th century and still have valuable property, equipment and/or land in their ownership. A part of these cooperatives has managed to resolve property and legal issues, though cooperatives with still on-going property and legal issues and disputes started in the previous period are predominant. These cooperatives have in their ownership shops, storage places/warehouses and cultural centres in rural areas. The biggest cooperatives from this category have business premises, shops and administrative buildings in city areas that they lease and realize in this way the most important and often the only income. Significant number of cooperatives survived the previous period by selling their property.

All cooperatives from this category have agricultural land in their ownership, while the biggest one's own more than 100 ha of agricultural land and forests. In most cases, these are forest and meadows areas, but all of the cooperatives, also, possess good quality cultivated land. However, with few exceptions only, cooperatives are engaged in property and legal disputes related to agricultural land ownership, and there are cooperatives that do not have at all any registry of the status of land in their ownership. Even though they have agricultural land in their ownership, only few of the cooperatives are engaged in primary production.

Private cooperatives are engaged in various different activities, and this category includes trade, dairy plants, extension services in livestock farming, milk purchasing, agricultural pharmacies, etc. In this category the dominant business activity is wholesale and retail sale. These cooperatives have clear business strategy relevant to the activities and purpose they were established for.

With exception of cooperatives engaged in extension service, all other cooperatives have buildings in their ownership. In most cases these are shops, storage facilities and to some extent production/processing facilities (drying facilities, dairy plants, cleaning, washing and packaging of fruit and vegetable facilities, etc.). There are a small number of cooperatives with agricultural land in their ownership.

Newly established cooperatives are established in the last few years. The key reason for their establishment was a desire of LSG units and/or key producers to develop local agricultural production. A part of these cooperatives was supported by donor projects in the previous period or was even established as a part of project activities (for example, ECD funded Exchange 4). In a certain number of cases, these newly established cooperatives present themselves as legal successors of old bankrupt cooperatives and try to re-possess part or entire property of old cooperatives.

Almost all of these cooperatives own property, but there is no specific trend in relation to this. Cooperatives own shops, warehouses, drying plants, mini dairy plants, green houses, cooling facilities, etc. Some of the cooperatives have land in their ownership, while the most of these cooperatives have or plan to rent state land in order to initiate or expand production.

AC Nova Pcinja in Trgoviste which is the legal successor of the old bankrupt cooperative owns the most property. In 2013, this cooperative succeeded in repossession of more than 1.000 ha of agricultural and forest land, shops, warehouses, production facilities, etc.

Some of the cooperatives, such as Cooperative, Zelena zvezda and Oblacinska visnja, have managed to initiate the production, while other cooperatives from this category did not manage to initiate production activities in 2014 as they were mostly engaged in establishing the cooperative, business organization and attempts to repossess the property of old cooperatives.

Agricultural associations – There are fruit, livestock production and beekeeping associations in the surveyed region prevailing (Table 3).

Table 3. Production sector of existing agriculture associations

Production sector	No. of associations
Associations of fruit producers	25
Associations of livestock producers	17
Associations of honey producers	17
Associations with general goals	12
Specialized associations ³	7
Associations of vegetable producers	2

There are almost none of vegetable production associations in the region which is quite expected as there is, with exception of Leskovac, no developed vegetable production there.

LSG units support the operations of a certain number of associations by provision of business premises, but a large number of associations have no office premises or business equipment. Only a few associations state that they do possess some of the equipment or machinery. These were mostly donated by donor projects and are still operational (wood chippers, tractor accessories, machinery, etc.). In 2014 Fruit and Berry Project started to provide support in equipment to agricultural associations.

Management

Old and private cooperatives employ 2–20 employees that are cooperative members at the same time.

Private cooperatives, as a rule, have a minimal number of founders defined by law, while old cooperatives have 10–40 founders. However, Director is the decision maker in these cooperatives and influence of other cooperative bodies on decision-making is minor. In most cases, there are no cooperative members, but instead, these are members of the family and employees. These cooperatives are not open to admission of new members.

In newly established cooperatives, there are up to four employees. In some of these cooperatives there are no employees at all, while cooperative directors are employed within the LSG administration. These cooperatives have more founders (10–30) and members (90 in AC Svrlijanka). They allow admission of new members. Cooperative bodies are established and regularly meet.

The existing associations have no employees. The exception to this is Mladi stocar from Babusnica which provides extension service to livestock farmers and has three employed staff.

All associations perform their businesses in line with the law, meaning that they have legally prescribed management structure. Associations have significantly more members than cooperatives. The smallest associations have four members/founders, while the largest has more than 700 members (association of agricultural producers from Zitoradja). Associations with large number of members (over 500) are engaged in general issues, such as defined prices for raspberry purchase (for example associations from Ivanjica) or development of agricultural production on local level. Beekeeping associations also have a large number of members. In other types of associations there are no relation between type of activity and number of members.

Finance

It is not possible to make a clear distinction in relation to finances. The most successful cooperatives have annual overturn of 30–50 million RSD (the biggest overturn in 2014 was 70 million RSD), but the largest number of active

³ producers of buckwheat, medical herbs, blueberries, plum brandy etc.

cooperatives have overturn of some 10 million RSD. In the category of old and private cooperatives, there are a significant number of cooperatives without activities in 2014 and their overturn was bellowing one million RSD. In addition, accounts of significant number of old cooperatives are blocked.

All associations have active accounts, but their annual overturn is less than one million RSD. Only five to six associations had annual overturn over one million RSD in 2014. Few associations implemented international financed projects and had annual overturn up to 5-6 million RSD. However, in 2014 there were no cases of these.

Governance

In all associations and cooperatives most important management roles has director/president of association. Active associations and cooperatives have regular executive board meetings. A significant number of associations and cooperatives do not have regular assembly meetings; however active associations and cooperatives have regular assemblies which held at least once a year. Annual financial reports are regularly prepared and accepted.

Active associations and cooperatives create annual plans, however level of success of implementation of these plans is not checked. Indicators for measurement of success of implementation do not exist.

Just few associations and cooperatives have strategic documents or prepared project proposals (cooling plants, education programmes etc.). But, majority of associations and cooperatives do not have any development documents.

Associations and cooperatives do not have web pages so transparency is on very low level. Apparently from this, work of associations and cooperatives is not transparent. Association and cooperatives do not have any activities related to public presentation of association/cooperative work/results. Members and cooperates are not informed about main activities which present huge weakness in business operation.

Challenges

The key issues and challenges cooperatives will face in future identified during field visits may be divided in five groups (Table 4).

Table 4. The key issues of existing cooperatives in the surveyed region

Marketing issues	Financial issues	Property and legal issues	Organizational issues	State and legislation
17 responses	15 responses	7 responses	7 responses	5 responses
Competition in purchase Intermediaries Poor organization of purchase Limited market Sale of raw materials Insecure market <i>(prices unknown, annual variations in supply and demand)</i>	Lack of current assets Lack of investment funds Late payments Unpaid debts	Legal proceedings on ownership Unsettled ownership No register of the status of property	Small primary production Lack of purchasing raw materials Part of cooperatives without significant property Cooperants irrespective of agreed commitments Lack of trust	No state incentives for cooperatives Permanent controls Inefficient state administration <i>(slow provision of responses, insecurity of planning, late payments, etc.)</i> Rigid legal framework especially in relation to processing

			<p>Lack of initiative (farmers not interested)</p> <p>Poor management and human resource capacities</p> <p>Cooperative or enterprise?</p>	
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The above listed issues are a real picture of the existing problems and current difficult position of cooperatives is caused by more than one or one group of problems. The answers prove that the problem of poor position of current cooperatives is a complex one and cannot be resolved only by implementation of one type of measures like adoption of a new law or provision of favourable conditions/subsidies. Renewal of cooperatives is a long time process that should be supported from various aspects and by as many activities as possible.

Therefore, it is necessary to provide full technical support in all aspects of business operations to newly established cooperatives, starting from organization, business planning, marketing strategy development, establishment of business contacts to development of new production programs. If supported by LSG units and donor projects, majority of these cooperatives may develop into successful cooperatives doing business on cooperative principles.

The biggest challenge for associations in future period is resolution of organizational and financial problems and long-term definition of business activities that may secure sustainability.

Organizational issues are mostly related to lack of office premises and equipment for daily work activities. However, representatives of associations underline that they are unorganized, not ready to engage in association work, there is no responsibility defined, no commitments are respected, no membership fee paid, no initiative, etc.

In relation to financial problems they underline that they do not have funds (except for membership fees) for implementation of activities important for the work of association. However, in future period, agricultural associations must identify programs that would enable them long-term sustainability.

Local action groups

At the moment, there are two LAGs established on the territory covered by the Project: Zitoradja/Merosina/Doljevac and Nova Varos/Prijepolje, while Ivanjica is a part of the LAG led by Kraljevo. Knjazevac initiated process of establishment of LAG through Zajecar Regional Development Agency, but LAG is not officially formed. All these activities were related to ECD funded LEADER project. At the moment these LAGs are not active. Interesting data is that in two municipalities local representatives did not even know that they are part of established LAG. The primary purpose of established LAGs is project proposal development for EU accession funds, not direct support to producers.

Questionnaire results showed that just nine LSG⁴ express a need for establishment of LAGs, while in 18 questionnaires this field was taken empty. All additional questions (contact persons, purpose, organizations etc.) related to LAGs in questionnaire were skipped.

Field visits clearly showed/confirmed that LSG, association and cooperative representatives do not have enough information or knowledge about LAGs. The majority of interviewed people have not even heard about LAGs and

⁴ Gadzin Han, Novi Pazar, Raska, Kursumlija, Babusnica, Bela Palanka, Surdulica, Trgoviste, Medvedja

if some half-information exist about them they are usually perceived as project teams established to bring funds, or more precisely to identify the best project ideas, develop project proposals and manage project activities. Some representatives consider that LAGs have the same role like LED offices.

Such answers indicate that project team should work primarily on introduction of LSG representatives with idea and purpose of establishing LAGs.

An additional problem in forming the LAG is the fact that there is no legal framework or instructions in relation to LAGs operations and scope of work. There is some information that MAEP will support LAG activities with 10 mill. RSD in 2015, but this is not so realistic since majority of support measures are already announced. In addition, question is what should be the legal base for such support.

Service provision – needs and service provided

Cooperatives

The survey analysed the work of 29 active cooperatives. 18 cooperatives had some activities with agricultural producers, while 11 of them had no business operations or had no businesses with agricultural producers.

The largest number of active cooperatives provides one to two services (11) while only a smaller number have a set of various services provided to producers. The most frequent types of cooperation with agricultural producers are shown in Table 5.

Table 5. Main support to agriculture producers provided by cooperatives

Service provided	No. of cooperatives
Purchase of goods	14
Education and information	10
Input supply	10
Processing	5
Support in mechanization	3
Storage of products	3
Certification	3
Local herd book office in livestock production	3

The majority of cooperatives had activities related to purchase of products and supply of inputs.

Education and information dissemination for members and cooperants are specific for cooperatives that already had established cooperation with producers, supply inputs and perform purchase of products. They conduct permanent education of farmers by field visits by expert advisors.

Only three cooperatives⁵ mentioned that they provide machinery services. These three cooperatives have full circle of support to producers, starting with input provision, provision of advisory services, control of production process up to product purchase.

Cooperatives cover almost all activities relevant for agricultural producers. The exception is provision of financial resources for production regeneration or investments. Not only that cooperatives do not provide any kind of support in relation to this, but they themselves have problems with staying solvent.

⁵ Gorica, Knjazevac; Zelena zvezda, Leskovac; Djurovac agrar, Prokuplje

Agriculture Associations

The majority of existing associations have not provided information on type of support they provide to producers, or they provided some general answers like development of agriculture, cattle-breeding or fruit growing. Subsequent discussions confirmed that these associations did not have any significant activities in the last two or three years.

Field visits confirmed that the majority of active associations were engaged in education and information dissemination to agricultural producers. These programs are usually organized in agreement with LSG unit or with the assistance of donor projects. Programs of education and information dissemination are not permanent and there is no planning of any of these. Their implementation depends on availability of funds. The only exceptions are beekeeping associations that implement regular education of members.

Four beekeeping associations and four fruit growing associations are in a group of associations engaged in placement of products. In both cases they do not perform purchase of products or direct placements, but provide buyers or act as intermediaries in bringing the buyers.

Procurement of inputs is registered with five beekeeping (procurement of apiguards and/or bee hives), five fruit growing (procurement of planting materials) and one vegetable growing association. In all cases LSG units provided funds for these inputs, while the existing associations have organized procurement and delivery. In some cases it was not possible to determine the actual role of associations in the process of input provision, except that the members of the association did receive this assistance.

Associations have no primary agricultural production. To some extent, an exception is association Lim-Natura from Prijepolje that has rented 1,8 ha of state land for the purpose of initiation of plant nursery production.

Supply of farm inputs

Only ten of surveyed cooperatives provide service of provision of agricultural inputs. Cooperatives provide:

- Mineral fertilizers – 6 cooperatives,
- Chemicals for plant protection – 6 cooperatives
- Seed and seedlings – 2 cooperatives
- Animal feed – 1 cooperative
- All products from agricultural pharmacy are available to farmers – 1 cooperative

Procurement implies compensation meaning that producers take seeds, seedlings, fertilizers and plant protection chemicals during production season, while when selling the products to cooperatives these costs are deducted from the value of purchased products.

This kind of procurement system is widely spread in Serbia. At first sight, this is an ideal support to producers. However, there are some objections to this in practice. The major objectives of farmers include:

- This type of support is available only to large and specialized producers
- Input prices are much higher than on free market. Producers with no sufficient funds in production season are in most cases forced to use this type of assistance.

This type of support is efficient in cases when cooperatives have cooperation with large processing facilities. These large processing facilities are financial viable to provide credit for production and thus, through cooperative acting as intermediaries, actually finance primary production.

Cooperative marketing

Cooperatives in the region purchase:

- Sour cherries – 4 cooperatives;
- Plums, blackberries, raspberries, potatoes, vegetables – 2 cooperatives
- Lambs, cow milk, pears – 1 cooperative.

Cooperatives from South-East and Southern Serbia are engaged in purchase of sour cherries, plums and vegetables, while cooperatives from South-Western Serbia are more engaged in purchase of raspberries, blackberries and potatoes.

All cooperatives engaged in purchase of products have known buyers they cooperate with for a long time. Thus, cooperatives more act as purchase places as being proved by a fact that only one of these cooperatives have cooling facility. In all other cooperatives, due to a lack of cooling facilities, it is necessary to take over the product immediately within the same day. Only one cooperative, Oblacinska visnja, has a mini drying plant where they may process the product. The rest of cooperatives have no processing facilities in function. This was the reason why majority of cooperatives said that they were not engaged in sale of agricultural products.

Three cooperatives are users of the elaborated study on protection of GI. More on product certification is elaborated in the chapter Potential for certification of traditional agriculture products.

Short and long term development response for existing farmer groups

Cooperatives

Existing cooperatives have different short and long-term plans (given in detail in Annex 7).

Key short-term needs highlighted by cooperatives are: introduction, strengthening and specialization of primary production and provision or development of storage and warehouse facilities.

In relation to introduction/strengthening of primary production, they express the need for greenhouses, land renting, procurement of seedlings, use of their own land, development of nursery, etc. A main development goal for few cooperatives is exploitation of their own forests.

The biggest need in relation to product storing is related to provision of own storage facilities or reconstruction and equipping of existing ones. Of course, the biggest need is in provision of cooling facilities. Cooling facilities represent the most important short- and long-term need of cooperatives in their future businesses.

The above mentioned needs of cooperatives prove their desire to found their future development in primary production and purchase of agricultural products. Also, their answers indicate on desire to establish a permanent and secure financial income by introducing their own production and purchase.

In the second group of short-term needs they list needs for capacity building, better work organization, better market approach and acquisition of new knowledges and experiences. These needs, of course, are not less important, but cooperatives do not consider them to be of vital importance, and for this reason they belong to the second category.

The third group of identified needs actually includes the most important problems of cooperatives like, for example, resolution of property and legal issues and easier access to current assets and investment funds. This category of needs deals with everyday operations, and therefore do not belong to the group of primary development programs from cooperative point of view.

Structure of answers related to long-term plans indicates specific trends. A part of primarily old and private cooperatives have no long-term plans, as all their plans are related to survival or introduction of basic activities.

However, functional cooperatives see their long-term development in provision of cooling facilities, processing plants, specifically facilities for cleaning, classification and packaging of plant products or establishment of mini dairies. Long-term goal for them is also to become a reliable service provider to producers.

Some very interesting goals are identified in this part, like establishment of export programs, development of new products and technologies, finding a strategic partner and provision of access to EU funds. These answers prove that there are good business ideas and goals that could be supported in future.

Associations

With exception of several answers stating that there are no specific plans for the forthcoming period, the existing associations have very different plans in relation to future development. Their needs are classified into groups and listed in the Annex 8 of the Report. The basic needs may be divided into three groups:

- Provision of basic working conditions
- Activities related to general improvement of agricultural production on local level
- Introduction of own business activities.

Provision of basic working conditions

Large number of associations in the surveyed region has no basic preconditions for operations. Their needs are related to provision of own equipped office or business premises. Also, in relations to this, it is important to mention their strong need for better organization, training of management staff, etc.

General improvement of agricultural production

The largest number of answers is related to desire to provide further support to their members. Associations would like to provide new knowledges, participate in provision of machinery, livestock, seeds and seedlings, equipment, etc. for their members. Associations also see their roles in organization of different events or representing general interests (improvements of agriculture roads, procurement of meteo-stations, support to land consolidation, etc.).

Introduction of their own activities

Significant number of associations has ambitious to introduce business activities. Primarily they would like to have own storage and/or processing facilities and regulate purchase of the products. Most often mentioned needs are for cooling plants, drying, packaging facilities, dairy plants, etc. Significantly lower number of associations aims at introduction of their own primary production (green houses, nurseries, etc.).

The other group of associations sees their development in provision of technical support. Sustainability may be secured by controlling the production, provision of anti-hail protection, advisory services, provision of market information, establishment of demonstration plots and farms, management of meteo-stations, establishment of info centres, etc. Assistance in creation of added value of the product is considered as one of important potential activities of associations (organic production and protection of GI of traditional products). Part of associations, especially beekeeping ones, think they can contribute to market appearance of their members by developing new, modern packaging or products.

Assessment of informal farmer groups with a potential to form an agriculture producers groups

Economic potential for establishment of agriculture producer groups

Agricultural production of the surveyed region significantly is lagging behind in all production parameters in comparison to the regions considered to be the centres of agricultural production in Serbia (Vojvodina, Macva, Podunavlje, etc.). There are only few LSG units with significant agricultural production in the surveyed region. For example, Leskovac may be considered a centre of agricultural production of Southern Serbia, while the municipalities of Ivanjica, Blace, Brus, Merosina, Prokuplje, Kursumlija, Knjazevac, etc. have fruit production developed. Large number of livestock is being farmed in Sjenica, while in the rest of LSG units have extensive production with small market surplus prevails.

Leskovac may be considered as a centre of processing industry. There are very limited number of storage and processing capacities in other LSG units, while a large number of LSG units have no agricultural processing capacities at all. Cooling plants that seasonally purchase fruit and small, handcraft, dairy plants are mostly present in the region. However, these processing capacities do not create products with added value. Therefore, the purchase of agricultural, especially livestock, products has not been regulated and the price of these products is usually lower in comparison to other regions in Serbia no matter of higher production costs.⁶

Average household in the surveyed region is of a smaller land area in comparison to the average of RS. It is divided into a large number of small pieces of land. Extensive and mixed agricultural production prevails which is proved by a relatively large number of RAH (101.457).

Small number of producers acquired state incentives and the total amount of incentives realized (1.072.792 million RSD) is only 4,63% of the overall incentives realized in Serbia (21.863.829 million RSD) proving extremely low financial potential of agricultural households. Banks consider this region to be highly risky and demand additional guarantees for approval of agricultural credits⁷.

The above mentioned indicates a poor economic capacities of the largest number of agricultural households in the region. The primary objective of the households is to provide/maintain constant agricultural production. The majority of households have no financial capacities for improvements/extension of production⁸.

Motivation of persons who share common problems

Field visits clearly identified the need for establishment of new associations and cooperatives (detailed data are given in Annex 6). All responses from LSG units underline the necessity of support to farmers' groups. The existing associations and cooperatives are not considered to be the actors that can significantly contribute to agricultural development. Only four LSG units (Nova Varos, Vranje, Ivanjica and Bojnik) consider that there are enough associations and cooperatives and that is necessary to work on strengthening of existing farmer groups capacities in future period. Other LSG units express the need for establishment of new farmers' groups that may gather and assist a larger number of producers.

⁶ USAID SLDP – Dairy Development Plan, January 2013

⁷ USAID BEP – Agriculture Finance in Serbia – Status and recommendations, January 2013

⁸ USAID SLDP – An analysis on the supply-enhancing and growth potentials for establishment of an inter-municipal agriculture logistic center, May 2013.

The need to establish 44 associations/cooperatives is voiced in 30 LSG units. Type of the farmers' group to be established has not been precisely identified in six LSG units. In other LSG units, mostly the need to establish association of fruit (12 LSG units) and livestock producers (10 LSG units) is expressed. The need to establish a farmers' group for vegetable production is significantly less expressed (3 LSG units). Specific answers were related to the need of establishment of specific farmers' groups (collectors of wild products and organic producers).

In relation to organizational structure, responses indicate primarily the need of establishment of associations, while in only three cases there is a need to establish a cooperative or clusters.

Newly established farmers' groups are supposed to unite agricultural producers, represent their interests, assist in production, provide machinery for specific work processes, as well as secure purchase of agricultural products per maximal prices. Almost all interviewed participants underline the necessity to provide trainings and education for agricultural producers, as well as advisory assistance in production processes.

Understanding advantages of membership opposed to the duties of membership

Producers interviewed during field visits understand the need for creating farmer groups. However, in practice only a small number of producers are ready to actively participate in the work of associations or in establishment of cooperatives.

There are many reasons to this kind of opinion. The most often they state the fact that during nineties of the last century (economic crisis caused by imposed sanctions) producers were robbed by cooperatives. At that period cooperatives were not prepared to function in disturbed market conditions (hyper inflation) and majority of them entered in huge financial problems, did not pay farmers for taken products and collapsed. This is a one of reasons why farmers now do not have trust in new forms of association. This, of course, is not the only or the most important reason why there are no larger number of successful farmers' groups in the surveyed region or why farmers are not ready to engage in new associations.

Agricultural producers have no financial resources. In addition, they are not ready to invest own funds in the work of a cooperative or association. Even a symbolic amount of money as membership fee has not being paid to the existing associations.

Awareness of the need to associate is more expressed at larger, specialized, market oriented producers. It is, also, present with the smaller producers with mixed production, but they are aware that they do not have the capacity to lead or even actively contribute to the work of associations or cooperatives. Therefore, they expect a good quality initiatives and ideas to support and contribute to their implementation in line with their capacities. It is, indeed, a paradox that most often state cooperatives from seventies of the last century that managed production, purchase, loans, etc. are usually emphasized as a best practice example. These are actually the same cooperatives that are blamed for stealing in the nineties of the last century.

Producers witnessed establishment, work and closure of large number of newly established farmers' groups in the previous ten years which additionally creates mistrust in the work of new farmers' groups.

Additional mistrust is, also, created by the existing associations as they usually have no activities that producers may benefit from or at least think of them as important. Existing farmers' groups are managed by people that producers have no confidence in. Often there are conflicting internal groups of different professional, personal and political interest which creates poor internal relations and reduces the level and quality of activities. In this situation producers have no interest and initiative to participate in the work of these groups.

Interest in associating grows when there is a possibility for newly established producers' group of obtaining some equipment or machinery from the donor. A large number of associations were established with this goal in the last ten years. However, the problems aroused immediately after donors left. Unrealistic business plans joined by poor management, lack of established procedures and documentation led to the situation of equipment being privatized or even abandoned as when the first malfunctions occurred there was no one ready to participate in covering the costs of repair.

Farmers' groups are usually established with the standard ideas and objectives (gathering of producers, development of agriculture, etc.). There is no new goals/business planning or clearly defined objectives when establishing farmers' groups. In cases of good ideas and producers and initiative there is a problem of lack of resources, primarily knowledge, contacts and information.

Alternative to cooperative self-help

An alternative to association of producers is established by large processing capacities. All large processing capacities in Serbia have raw material departments developed; more precisely they have a developed network of producers they purchase raw materials from. This is the practice with large processing capacities in Southern Serbia as well.

These processing capacities provide support to producers in the production cycle by procurement of fertilizers, chemicals for plant protection, other production inputs and provision of practical advisory services. The most active cooperatives in the surveyed region engaged in fruit production are operating on the basis of agreement/contract with these processing facilities. In most cases cooperatives act as intermediary places for purchase providing, also, technical support to producers. These are best practice examples to be further developed and spread in future.

Legal or political restrictions

Legal framework for establishment of associations and AC is defined by the Law on Associations and the Law on Cooperatives. There are no significant restrictions within the existing legal framework relevant to establishment of farmers' groups.

Possible state support

The above mentioned laws do not prescribe specific support for establishment of farmers' groups. Established associations and cooperative may realize support measures provided by the state (more details provided in the Chapter Legal Framework).

LSG may provide support to establishment of farmers' groups and in previous period a large number of primarily associations were established with technical and financial support of LSG units.

Identifying group leaders

Survey results indicate existence of 25 potential leaders of farmers' groups. This means that there are a lot of potential leaders; however, management/leadership capacities are poor. Potential leaders are big producers without managerial capacities or respected citizens (young educated people, most often agriculture engineers), with no trust or support of producers. There is a little of original/innovative ideas and there is no long-term vision. Potential activities are not considered in respect to actual local production and national data and trends in specific sectors. This is the reason why so many associations shut down in the previous period. Therefore, potential leaders need a strong technical support in strengthening organizational, managerial and business capacities.

Development response in order to form farmer groups

Assistance in establishment of new farmers' groups is necessary primarily in areas where the existence of farmers' groups has not been identified⁹ or there is one¹⁰, mostly undeveloped, group established. In addition few LSG also have just one association, but in these LSG at least one cooperative is active¹¹. Interesting data is that responses from these LSGs did not show on potential leaders of the association.

New farmers' groups must be specialized and have a clear business focus. General associations proved to be inefficient and may be of influence only in cases if their objective is provision of general technical assistance to producers in the process of registration of households or applying for a bank loan, for example.

Farmers' groups must have a smaller number of members gathered around the same goal. In association of large size there are more different influences and interests, and small producers tend to feel not belonging to production group in these cases. Increase in number of members should be equal to strengthening of the farmers' group.

Production group must have a clear goal for their associating and developed business plan in line with the existing production conditions and market trends. When identifying the objective, innovative ideas and development of products with added value (processed products, organic products, etc.) should be specifically encouraged.

The production group needs a full support and assistance in business organization. The group has to have its offices, office equipment, developed business and operational procedures and documentation based on their purpose. Admission and departing of the members, rules for handling the equipment and machinery, etc. must be defined and all members familiar with it.

Association president/cooperative director must be a person of trust in local area, educated with proper managerial capacities. The manager must be motivated to work on strengthening of the group. The main reason why majority of associations failed was a voluntary work. In rare situations when association presidents received a salary by LSG unit, there was no motivation to work on association development, but only on implementation of everyday activities.

Business contacts are vital for development of business activities. In most cases leaders of these groups have established contacts, but are necessary to establish the new ones, and improved business operations by contracts concluded, permanent meetings, provision of technical assistance, etc.

For all production groups, established or in the process of establishment, it is necessary to conduct extensive educational programs. There is no sufficient information on local level. There are no original ideas and it is necessary to secure acquisition of new knowledge and ideas through various programs of technical assistance.

Potential for certification of traditional agriculture products that already obtained of geographic origin

⁹ LSG without identified associations – Lebane, Medvedja

¹⁰ LSG with one association – Bojnik, Doljevac, Bela Palanka

¹¹ LSG with one association, but with existing cooperative/s – Novi Pazar, Merosina, Svrljig

There are nine products in the surveyed region with approved elaborate on protection of GI. Further in the text eight products (Table 6) is being analysed having in mind that Bujanovac mineral water Aqua Heba is a private and commercial brand of a large company and thus cannot be a subject of the Project's support.

Table 6. Products with adopted studies on protection of indication of geographic origin

Product	Submitted by	Founders	Active producers
Leskovačko roštilj meso/ grill meat	Business association of producers and processors of meat and milk products, Leskovac	Seven butcher shops	Five butcher shops
Svrljiški kačkavalj/ Yellow cheese	Company "Pogled sir produkt", Svrljig	Pogled sir product co.	AEC Koop
Svrljiški belmuž/ Full fat processed cheese	Agriculture cooperative "AEC Koop", Svrljig	14 founders	14 members
Leskovački domaci ajvar	Association of producers "Leskovacki ajvar", Leskovac	25 members	Between 20-40
Sjenički ovčiji sir/full fat sheep white cheese	Association of producers of sjenica cheese "Sjenicki sir", Sjenica	16 producers – households and dairies	Just one dairy
Sjeničko jagnje/lamb	Association of producers of sjeničko lamb "Sjenicko jagnje", Sjenica	2 slaughter houses and 10 farmers	2 slaughterhouses and 10 farmers
Zlatarski sir/full fat cow white cheese	Association of livestock producers "Uvačka reka mleka", Božetići village	20 members	31 members
Sjenički kravliji sir/full fat cow white cheese	Association of producers of sjenica cheese "Sjenicki sir", Sjenica	16 producers – households and dairies	Just one dairy

All products are protected by the name of origin, meaning that there is no product with protected geographical indication of origin.

Studies

External experts/consultants and local experts together developed elaborated studies. LSG units strongly supported its development and even financed it in some cases. Unfortunately, LSG support has stopped immediately after studies were approved. At this moment only the Municipality of Sjenica is interested in certification of products.

Zlatarski cheese protection of GI process was supported through SDC funded project, while elaborated study on Sjenica traditional products was funded WB STAR project. Some support for elaborated study for Leskovac homemade ajvar was provided by MAEP. Elaborated study development for products from Svrljig was funded and organized by interested legal entities.

Participative approach to development of elaborated study was used only in development of the study for Zlatarski cheese and Leskovac homemade ajvar to some extent.

Applicants of elaborated studies

Applicant that submitted elaborated study for Svrlijiski hard cheese (Pogled sir product d.o.o.) no longer exists, and occasional production of the yellow hard cheese in accordance with the study has been taken over by AEC Koop cooperative. Other applicants are associations of agricultural producers. All associations, including Business association of meat and dairy products producers and processors, were established exclusively with the purpose of protection of GI and promotion of these products.

Support

There are local experts for all products familiar with the process of geographical indication of origin protection. They participated in elaborated study developments. They are very well familiar with the production in the region and they own specific knowledge on certification of product processes. In future period, they may be engaged by the project as coordinators for support to certification process and promotion of protected products.

LSG units provide significant importance in relation to Sjenica protected products and Zlatarski cheese, while Sjenica protected products are additionally supported by the Regional Centre for Agricultural and Rural Development. Institutional support is provided, also, by Regional Chamber of Commerce of Jablanica and Pcinja Districts by providing complete technical support to producers of Leskovac home-made ajvar (the Secretary employed in Regional Chamber of Commerce, office premises provided, etc.).

Producers of Svrlijiski belmuz and yellow hard cheese and Leskovac grilled meat have no technical support at all.

Current status

Currently only Leskovac home-made ajvar has authorized user of GI (Association Leskovacki ajvar). They have stamps of GI issued by MAEP. The product is being certified by Control Union. However, even this association faces significant problems like issues related to obtaining/renewing the certificate, lack of financial resources for certification process, unregulated sale, etc.

There are no authorized users of GI in all other cases.

Zlatarski cheese still looks for a potential authorized user of the right to GI due to non-standardized process of cheese production. In addition, significant problem is, also, a fact from the study that Zlatarski cheese is being made within households (dairy plants cannot be authorized users of GI).

Applicant that developed elaborated study for Svrlijiski belmuz and producer of Svrlijiski hard cheese has no interest in certification due to a very small volume of production. Similar is with the producers of Leskovac grilled meat that protected the product with the seal.

Producers of Sjenica products wish to certify the products, but there are problems in relation to this to be overcome in the next period. There is no knowledge or information on certification requirements in the local community. In addition, the largest producers and farmers abandoned the production of traditional Sjenicki cow cheese (they produce other dairy products). Leading slaughterhouses that are supposed to be leaders in production of lamb meat from Sjenica still have not expressed their interest in production of it.

Promotional material for Sjenica dairy products and Zlatarski cheese have been developed and printed, as well as packaging of Zlatarski cheese.

Production and Sale

Local dairy plants do not purchase sheep milk in Sjenica so that there is no organized production of Sjenicki sheep cheese. Small quantities of seasonally produced sheep cheese within households cannot be identified as product with protected GI – Sjenicki sheep cheese.

Similar situation is with Sjenicki cow cheese. In spite of existence of big number of dairy plants and cheese producers, only Beni komerc produces Sjenicki cow cheese in line with the elaborated study. In all other situation there are significant deviations like extraction of milk fat from milk, production based on one's own recipe or customer demands, mixing of sheep and cow milk, etc.

Zlatarski cheese produced similarly as defined by the study is produced by some 10 households registered for cheese production. Cheese is sold through intermediaries throughout Serbia.

Table 7. Current and potential production of protected products

Product	Current production	Potential production
Leskovačko roštilj meso/ grill meat	0,5-1 t/day	20-25 t/day
Svrljiški kačkavalj/ Yellow cheese	1 t/month	10 t/day
Svrljiški belmuž/ Full fat processed cheese	500 kg/month	500 kg/day
Leskovački domaci ajvar	15.000-20.000 jars/year	500.000 jars per year
Sjenički ovčiji sir/full fat sheep white chese	No production	50 t/year
Sjeničko jagnje/lamb	No production	40.000 lambs
Zlatarski sir/full fat cow white chese	50 t/year	500 t/year
Sjenički kravljji sir/full fat cow white chese	5 t/month	4.000 t/year

Production of Leskovac grilled meat is done in five butcheries. Production volume depends on demand, but in average 0,5–1 t/day is produced. Meat is almost exclusively placed through their own butcher's shops and retail facilities. In case of demand, the existing butcheries may produce up to 20 t of Leskovac grilled meat a day.

Svrljiski belmuz and hard cheese are produced when needed and are placed in restaurants in Nis. All attempts to place the products at Belgrade market or through a supermarket chains have failed so far.

Leskovac home-made ajvar has, also, been produced in small quantities depending primarily of market demand.

Market Potentials

The market is familiar with the largest number of these products, such as Sjenicki cheeses, lamb, Zlatarski cheese, Leskovac home-made ajvar and grilled meat, but has not been familiar with specific characteristics of these products. This is one of the reasons for existence of large number of "false" products in the market. The only products not known on the market are Svrljiski belmuz and Svrljig yellow hard cheese.

Having in mind quantities currently produced and sold, all products may significantly improve their placements, as well as price of the products.

Sjenica protected products have the biggest potential for increased production. This region has a livestock production developed and production of traditional products is distinctive. Other products have potential for increased production, but it has to be done through production harmonized with market demands.

All products face extremely strong market competition. This is particularly the case with dairy products as they are sold at the same price as other similar products on the market. Additional problem with dairy products is non-regulated or weak production and value chain. Majority of producers sell their chees to intermediaries that are not interested in (or have no knowledge on) promoting the products. The purchase price of chees by

intermediaries is very low at some 3 EUR. A part of producers has problems with placement of their products. Dairy plants are oriented toward local markets with no capacity to pay higher prices or valorise traditional product. The problem for existing dairy products is, also, existence of a large number of the same or similar products (white cheese in slices) produced in other parts of Serbia in similar mini dairy plants. Any efforts related to quality increase (production of full fat cheese) significantly increase the price of production and thus makes the products to be non-competitive on the market in which predominantly are placed skimmed cheeses of lower prices.

Products trying to acquire added value have a problem of market placement. This is especially distinctive with Svrlijiski belmuz, Leskovac grilled meat and ajvar. This is one of the reasons why these products are produced in small volumes.

Part of the products is being sold in a small number of places and is not visible on wider market (belmuz and grilled meat).

Problems

The key problems with products with GI protected are:

- Non-standardized production of dairy products – Zlatarski cheese, sheep and cow cheese from Sjenica;
- Production in non registered facilities - Zlatarski cheese, sheep and cow cheese from Sjenica, Leskovac home-made ajvar ;
- Lack of quality standard certificate necessary according to Veterinary Law or the Law on Food safety – HACCP standard – products from Svrlijig, cheeses, Leskovac home-made ajvar;
- Unorganized production – Sjenica lamb, Zlatarski cheese;
- Products non-familiar in the market - belmuz and yellow hard cheese from Svrlijig;
- Expensive products – Leskovac grilled meat;
- Small market demand – belmuz and hard cheese from Svrlijig, Leskovac grilled meat;
- Low product prices are destimulating the production - sheep and cow cheese from Sjenica, Zlatarski cheese ;
- Competition using the name of protected products – false products placed on the market – Leskovac grilled meat, Sjenicki cheeses, Zlatarski cheese, Leskovac ajvar;
- No interest of potential authorized users of GI for certification – slaughterhouses and dairy plants in Sjenica, butcheries in Leskovac, dairy plant in Svrlijig;
- Trend of increased purchase of milk by dairy plants. Large and middle size households are abandoning the cheese production;
- Lack of unique and recognizable packaging and marking – sheep and cow cheeses from Sjenica.

Needs

Basic needs voiced by the stakeholders are:

- Product promotion;
- Market research - find markets ready to pay increased prices of products;
- Organization of production;
- Certification of authorized user of GI;
- Quality preservation, especially production in line with elaborate requirements;
- Changes of the elaborate in specific parts – specific for Zlatarski cheese production;
- Marking of products by a unique sign as in EU or in organic production;

- Development of marketing and business plans;
- Extension of product offer
 - Association Leskovacki ajvar – with pindjur and ljutenica
 - AEC Koop – white cheese from Svrlijig, smoked white cheese, cheese with wild garlic

In relation to hard support there is a need for:

- Development of buildings within households to comply with requirements of registration for cheese production in Nova Varos. This need exists in Sjenica, too, as they have similar problems with non-registered buildings for cheese production within households, but the request for this kind of assistance was not voiced there;
- Establishment of a central facility for ajvar production. In this case, the association would establish a cooperative to replace the association;
- Procurement of jars, packages, labels, etc.

Cost and time line for certification

Certification cost for protection of GI can significantly differ depending primarily on number of producers, produced quantity, certification organization and type of certification (EU or Serbian certification).

Domestic, Serbian, certification is significantly cheaper while process is quite faster in comparison to EU certification. All protected products in examined region have adopted elaborated studies in accordance to Serbian legislative so in further text we will elaborate just this type of certification. In most common cases, where producer groups are not too big, average certification price for domestic certification is between 1.000-3.000 Euros.

There are few certification organizations for authorization of user of GI in Serbia like Control Union, Enoloska stanica, Organic Control System etc. All of them make certification in accordance to Serbian legislative.

But, before certification it is necessary to prepare user for authorization. This means that authorized user should have complete documentation and developed procedures. This documentation and procedures is subject of inspection of certified organization. Preparation of documentation and procedure development need some time. Similar experiences in organic production showed that preparation of the subject can take one or two months in a case of well organized process/organization, but can also take a year in cases of unorganized process, weak organization or big groups.

With exceptions of Leskovacki ajvar association, all producers of products with GI in examined region need this type of support since production, purchase and sale of protected products are not organized; producers and associations are not familiar with certification requirements while associations are weak and without any documentation or procedures.

Potential for certification of geographic origin for traditional agriculture products

Lamb meat from Svrlijig, as a product, has done the most in the process of protection of GI. Through EU funded Exchange 4 AC Svrlijizanka was established with 30 founders and more than 500 potential cooperants. Elaborated study on protection of GI has been completed. Lamb from Svrlijig is for sure a product recognized in Serbian market. In the region covered by the protected GI, over 10.000 sheep has been breed. However, one of the problems in certification process is the fact that there is no slaughterhouse in Svrlijig that would be the main applicant for certification.

Similar situation is with **oblacinska sour cheery from Merosina**. Elaborated study on protection of GI has been completed and its approval is expected. Sour cherry is the most important agricultural product from Merosina, and the oblacinska sour cherry variety was created in Merosina. Significant amount of this sour cherry are exported. The key issue related to oblacinska sour cherry is how to valorise the product on international market as it is exclusively used in processing.

Both LSG units, Svrljig and Merosina, show increased interest in protection of GI of these products. Projects that supported the process of GI protection are closing. European Progres may provide significant support to the process of certification of these products.

Sudzuk sausage from Sjenica belongs to this category to some extent. Development of elaborated study for this product was initiated in 2008/2009. The Association of Sjenicki sudzuk sausage was established. But, efforts to provide protection of GI for other, more important products from Sjenica, disrupted development of the study. Together with **prsut (dried ham)**, sudzuk is the most important long term meat product in Sandzak region. Large number of butcher's shops and slaughterhouses produces it. Its main characteristics are a lower price in comparison to similar meat products and large variability in content and quality. The problem of definition of standard recipe for sudzuk will appear in the process of elaborated study development. Also, huge efforts will have to be made to standardize the production of sudzuk.

Lots of surveyed LSG units (Babusnica, Bela Palanka, Bojnik and Leskovac) are interested in production of **sprza**. Sprza is original meat product from Jablanica region that may be occasionally and in small quantities found in local butcheries. Similar product and interest is expressed for **sheep stelja** produced in Pester region. These products are produced in small quantities, have no standardized recipe, and products themselves are not much recognized on Serbian market.

LSG answers proved that there is a huge interest in protection of GI. Only six LSG units say that they do not have any product that GI may be protected, while the remaining 27 LSG units lists even 58 products that may have GI protected. The most listed products in this category are cheese (9), honey (8) and different sorts of pepper (5). There are really traditional products and products that may be protected among the listed products like vurdza, sukana banica, pindzur, ljutenica, pepper in cream, kajmak, prsuta, buckwheat pie from Zlatar, etc. These are really original products from these areas. However, field visits proved that LSG representatives are well aware of the problems they would face in the process of study development or certification. These problems are already elaborated in the chapter on products with protected GI.

Conclusions and recommendations

The legal framework for operation of cooperatives is based on the Law on Cooperative while operations of agricultural associations are defined by the Law on Associations. State support measures for agricultural production are defined by the Law on Incentives for Agriculture Production and Rural Development. Current laws do not limit the operations of the existing associations and AC.

State agricultural incentives are realized in 2014 in all surveyed LSG units. In average, 14,84 million RSD per year is allocated for agricultural development by LSG in the surveyed region (2,13% of all LSG budgets in total). The level of absorption of these funds is relatively low (64,75%). Various agricultural activities were encouraged in LSG units, but mostly programs of livestock breeding and fruit growing were supported.

In this part it is necessary to support activities that may contribute to increase of incoming incentives to LSG units, especially to undeveloped ones. Also, it is necessary to work on improvements of the plan for agricultural development in order to increase level of absorption of municipal funds.

There are some 50 registered cooperatives, and 20-25 may be considered to be active. The existing cooperatives may be divided into so called „old” ones established in the middle of twentieth century, private ones similar to limited liability companies in their operations and newly established ones. In most cases cooperatives are engaged in purchase of products, education, provision of inputs, sale, processing, storing, provision of machinery, extension service, etc.

There are 80–85 associations in the surveyed region and mostly fruit, livestock production and beekeeping are prevailing. Majority of active associations is engaged in education and information dissemination. In addition, some associations provide assistance in product placement and provision of inputs and/or equipment.

Cooperatives face a set of problems. These may be grouped into five categories: market related problems, finances, property and legal issues, organizational aspects and existing regulations. The problem of poor conditions of the existing cooperatives is a complex one, and the process of renewal of cooperative work is a long one and needs to be supported with various aspects and by a large number of activities.

Newly established cooperatives need full technical support in all aspects of their business operations, starting with organizational issues, management improvement, strengthening capacities of managerial staff, business planning, development of marketing strategies, establishment of business contacts to increase production, provision of good quality product for purchase and development of new production programs. Also, wherever possible assistance should be provided in resolution of property and legal issues. A certain number of cooperatives have good quality programs (export, development of new products and technologies) worth of Project support.

Associations may be supported through provision of basic work conditions (offices, equipment, materials, etc.), support to activities related to production improvements in local community and/or establishment of their own activities that may contribute to sustainability of associations (purchase places, processing facilities, cooling plants, green houses, info centres, anti-hail protection, advisory services, etc.).

Almost all LSG units have a need for establishment of new farmers' groups, primarily fruit growing and livestock breeding associations. Potential leaders of these associations have been identified within the LSG. However, leadership/managerial capacities are weak; there are little original/innovative ideas; and no long term visions. When establishing new farmer groups, a clear goal and sustainable business concept based on realistic indicators must be defined. Innovative ideas and development of products with added value should be especially encouraged. New production groups must be fully supported and assisted in business organization, development of human capacities and provision of business and marketing documents and contacts. New farmers' groups must be supported primarily in areas where there are no farmers' groups established, or only one, rather weak association of this kind exists.

Products with protected GI in the surveyed region are: Leskovac grilled meat, Leskovac home-made ajvar, belmuz, hard cheese from Svrljig, Zlatarski cheese, sheep and cow cheeses from Sjenica and lamb meat from Sjenica. Elaborated study developers are associations and a cooperative in one of the cases. All associations are established primarily for the purpose of protection of GI. At this moment only Leskovac home-made ajvar has the authorized user of GI (Association Leskovacki ajvar). Protected products face problems of non-standardized production, production in non-registered facilities, small production volume, lack of interest for certification, lack of knowledge and information on certification process. Small quantities of products are produced and there is a strong competition on the market. However, almost all products are recognized in the market and have significant potential for increase of production. Potential authorized users of GI may be assisted in certification processes and marketing approach. Also, stakeholders may be educated and their awareness raised in relation to certification process, assistance in production organization, promotion and market appearance.

Lamb from Svrljig and oblacinska sour cherry are the products with completed elaborated studies, but not yet approved. Elaborated study development has been initiated for Sjenicki sudzuk sausage. Project activities may provide support to certification processes of lamb from Svrljig and oblacinska sour cherry and completion of elaborated study for Sjenicki sudzuk sausage.

There are a big number of products that may be protected in the surveyed region, such as: sprza, sheep stelja, vurma, sukana banica, pindzur, ljutenica, pepper in cream, kajmak, prsuta, buckwheat pie from Zlatar, etc. These are really original products from these areas and may be supported in the process of elaborated study development, or by provision of a general technical support that would include increasing the level of knowledge related to elaborated study development and certification of authorized users of GI.

In general, it is necessary to support innovative approaches, ideas and products in surveyed region, as well as all activities contributing to acquisition of new knowledge, business contacts and ideas for which a strong technical support is needed.

Technical assistance programs should be based on: educational programs, trainings, workshops, development of various documents and plans, acceptance of different food quality standards/schemes, study tours, mentoring, etc. Due to this training need assessment with should be done through participatory rural appraisal approach with key stakeholders and beneficiaries.

Annex 1. - List of meetings

No.	LSG	Name	Type	Meeting with
1	Aleksinac	Stočar	Association	Srba Trifunović
2	Aleksinac	Društvo pčelara	Association	Rodoljub Živanović
3	Aleksinac	Udruženje proizvođača jagode	Association	
4	Babušnica	Mladi stočar	association	Dragan Pejčić
5	Blace	Gornji Kaševlar	association	Bojan Nikolić
6	Blace	Agrounija	association	Dragan Gmijović
7	Blace	Agroegzit	cooperative	Ubović Goran
8	Bojnik	Bumbari	cooperative	Jovica Nikolić
9	Brus	Donji Kopaonik	cooperative	Stanić Goran
10	Brus	Ruralni inovacioni centar	association	Saša Miljković
11	Ivanjica	Prilike 2012	cooperative	Andrija Popović
12	Ivanjica	Budućnost 2013	cooperative	Zoran Veličković
13	Ivanjica	Gliječa	cooperative	Vladan Popović
14	Ivanjica	Ivanjica	cooperative	Đurasović Milovan
15	Ivanjica	Kušići	cooperative	Zečević Radovan
16	Ivanjica	Agrogoods, Prilike	cooperative	Karaklajić Ivan
17	Ivanjica	Vilamet	association	Adžić Dejan
18	Ivanjica	Malinar, Prilike	association	Dobrovoje Radović
19	Ivanjica	Društvo pčelara	association	Aleksandar Bogdanović
20	Ivanjica	Ivanjica	association	Zoran Radovanović
21	Knjaževac	Gorica, Valevac	cooperative	Saša Milkić
22	Knjaževac	Polet	cooperative	Živković Živorad
23	Knjaževac	Napredak	cooperative	Dragoslav Lazarević
24	Knjaževac	Nektar	association	Dušica Jović
25	Knjaževac	Lipa	association	Zvonimir Aleksić
26	Knjaževac	Tupižnica, Vitkovac	cooperative	Nebojša Zdravković
27	Kuršumlja	Toplica voće	association	Milanović Slaviša
28	Kuršumlja	Rudno polje	association	Radovanović Miroslav
29	Leskovac	Zelena zvezda	cooperative	Micić Đorđe
30	Leskovac	Nacionalna zadruga SPAS	cooperative	Živojin Jović
31	Leskovac	Prvi maj, Vučje	cooperative	
32	Leskovac	Udruženje korisnika voda i poljoprivrednih proizvođača Ekohrana	association	Novica Vučković
33	Leskovac	Udruženje korisnika voda i poljoprivrednih proizvođača Južna Morava	association	Srđan Tasić
34	Leskovac	Udruženje korisnika voda i poljoprivrednih proizvođača Jablanica	association	Kocić Aleksandar
35	Leskovac	Leskovački ajvar	association	Novica Gorčić, Miodrag Zdravković
36	Leskovac	Poslovno udruženje prerađivača mesa i mlečnih proizvoda	association	Bojan i Goran Đokić

37	Leskovac	ZZ Prvi maj	cooperative	Boban Kostić
38	Merošina	Oblačinska višnja	cooperative	Dušan Mladenović
39	Merošina	Bratušinci	cooperative	Bojan Marković
40	Nova Varoš	Zlatni breg	association	Živković Milutin
41	Nova Varoš	Uvačka reka mleka, Božetići	association	Popović Đorđe
42	Nova Varoš	Zlatarka	association	Dragan Divac
43	Nova Varoš	Zelenika plus	cooperative	Radojko Dromnjaković
44	Nova Varoš	Borovita glava	cooperative	Čirović Vladimir
45	Novi Pazar	Moderni Sandžak	cooperative	Amir Hasudžkić
46	Priboj	Agronomski centar	association	Dijana Stojmenov
47	Prijepolje	Zlatna malina	association	Mirsad Obućina
48	Prijepolje	Lim-Natura	association	Kenan Jurčević
49	Prijepolje	Viline Vode	association	Nael Kajević
50	Prijepolje	Babine	association	Mirko Milošević
51	Prokuplje	Đurovac Agrar	cooperative	Zoran Stojanović
52	Raška	Raška	cooperative	Željko Nikić
53	Raška	Nikoljača	cooperative	Milanka Uderović
54	Raška	Baljevac	association	Radmila Dimić
55	Sjenica	Udruženje proizvođača sjeniškog jagnjeta	association	Dumić Slađo
56	Sjenica	Udruženje proizvođača sjeniškog sira	association	Mujo Gašanin
57	Svrljig	Svrljižanka	cooperative	Marko Mladenović
58	Svrljig	Aecoop	cooperative	Vlada Krstić
59	Svrljig	Eko voće	association	Ivan Arsić
60	Trgovište	Pčinjska borovnica	association	Srđan Jovanović
61	Trgovište	Nova Pčinja	cooperative	Slađan Novković
62	Vladičin Han	Agroplom	cooperative	
63	Vladičin Han	Udruženje pčelara	association	Tomica Pešić
64	Vlasotince	Vlasotince	association	Božidar Kocić
65	Vranje	Biobašta	association	Đorđević Dušan
66	Vranje	ZZ Kooperativa	cooperative	Jovica Ilić
67	Žitorađa	Eko mleko	association	Milivoje Ilić
68	Žitorađa	Žitorađa	association	Slađan Rakić

Annex 2. Amounts of received agriculture subsidies and total amount of received subsidies for regional development

No.	LS	Agriculture subsidies	Total subsidies received through regional development measures
1	Blace	23383	34756
2	Bojnik	23762	23762
3	Bosilegrad	19414	19767
4	Brus	46890	149141
5	Bujanovac	20663	26474
6	Babušnica	10680	11589
7	Bela Palanka	9457	22248
8	Aleksinac	84010	247717
9	Vlasotince	9962	32037
10	Vranje	32476	631583
11	Vladičin Han	7443	20049
12	Gadžin Han	3022	4179
13	Doljevac	6164	6572
14	Žitorađa	26801	27802
15	Ivanjica	84860	167471
16	Knjaževac	40824	60072
17	Kuršumlija	38645	71299
18	Lebane	26704	74706
19	Leskovac	69689	264674
20	Medveđa	4659	4659
21	Merošina	9857	18630
22	Nova Varoš	62952	123845
23	Novi Pazar	21814	122585
24	Priboj	15679	95062
25	Prijepolje	50804	129388
26	Prokuplje	26556	56367
27	Preševo	11227	11387
28	Raška	10697	14303
29	Svrljig	30092	119104
30	Surdulica	5378	11320
31	Sjenica	129278	135834
32	Trgovište	4786	6870
33	Tutin	44084	63808
34	Crna Trava	83	83
Totally		1012795	2809143

Annex 3 - Amount of budget dedicated for agriculture development, share in the overall budget and level of absorption of the funds dedicated for agriculture development in examined LSGs

No.	LS	Amount of budget dedicated for agriculture development, mill RSD	Share in the overall budget, %	Level of absorption of the funds, %
1	Blace	11,55	3,14	47,57
2	Bojnik	2,00	1,00	100,00
3	Bosilegrad			
4	Brus	4,96	0,50	0,50
5	Bujanovac	12,00	1,21	100,00
6	Babušnica	6,56	1,50	87,60
7	Bela Palanka	8,00	1,42	50,00
8	Aleksinac	17,54	1,36	81,00
9	Vlasotince	4,27	0,63	91,61
10	Vranje	21,00	1,00	60,00
11	Vladičin Han	30,00	5,00	100,00
12	Gadžin Han	5,30	1,00	95,00
13	Doljevac	6,00	1,47	61,26
14	Žitorađa	10,00	7,00	60,00
15	Ivanjica	13,95	1,20	73,00
16	Knjaževac	25,00	3,50	70,00
17	Kuršumlija	15,00	2,06	96,35
18	Lebane	4,00	1,00	100,00
19	Leskovac	60,56	0,72	35,14
20	Medveđa	5,00	0,50	50,00
21	Merošina			
22	Nova Varoš	12,20	2,00	79,90
23	Novi Pazar	4,00	0,20	19,96
24	Priboj	5,00	0,67	84,75
25	Prijepolje	43,50	4,20	51,00
26	Prokuplje	12,84		93,00
27	Preševo	6,00		96,30
28	Raška	10,00	1,25	99,50
29	Svrljig	40,00	7,00	83,00
30	Surdulica	34,06	3,40	14,00
31	Sjenica	10,00	1,01	66,69
32	Trgovište	17,50	5,00	10,00

33	Tutin	12,50	1,38	0,00
34	Crna Trava	4,50	2,64	14,95
	Per municipality	14,84	2,13	64,75

Annex 4 - Assessment of visited cooperatives

Table explanation:

	Cooperatives with potential
	Cooperatives with potential and problems
	Weak cooperatives, or cooperatives that are not in function

Assessment of visited cooperatives

Name:	Zelena Zvezda, Leskovac
Responsible	Đorđe Micić
Basic	Established in 2010; Property – Green house on 2 ha; Cooling plant in construction; Common agriculture land; Complete mechanization.
Organization	One full time employed and 15 seasonal workers; Regular meetings of cooperative management; 10 founders; 30 cooperates; Average age of cooperates – 30-40 years; Turnover in 2014 – more than 10 mil. RSD
Activities	Use of mechanization; Common production on 2 ha – Mainly green houses; Purchase of vegetable; Storage of products; Sale of products; Rented 10 ha of arable land of which 8 ha of vegetables ; Bought objects of old cooperative; Export agreement is signed – export of vegetables to France – 200 t of tomato and 100 t of cucumber in 2015.
Support	Municipality: Supported cooperative in securing folia, mechanizations, green houses etc.
Problems	Labor force is non educated; Cooperates are not professional; Market insecurity – prices, demand, buyers etc.
Needs	To establish/finish cooling plant; Increase of production.
Technical support	Business management; mentoring; project cycle management (PCM) and EU funds;
Consultant opinion	Very good and active cooperative; Young management team; Only cooperative with export program; Proposed good and innovative ideas for program support – support in export; New technology of heating of greenhouses based on hot underground water; Need calibrator and packaging machine to fill export demands; All recommendations' for further support.

Name:	Oblačinska višnja, Merošina
Responsible	Dušan Mladenović
Basic	Established in 2009; Property - Drying processing facility – Capacity 1.000 kg of plums/turnus
Organization	One employed; Assembly held around four times per year; Has a director; Regular meetings of executive board, 30 founders; 43 members; 200 cooperates; Average age of cooperates – 50 years; Turnover in 2014. – 50 mil. RSD
Activities	Procurement of chemicals and fertilizers; Purchasing of plums and sour cherries;

	Drying of plums; Sale of fruit to big cooling plants; At least 10 lectures per year; 1 person per village charged for information of farmers; Holder of study for protection of GI of Oblacinska sour cherry; Facilitate process of insurance of orchards;
Production level	180 ha of sour cherries; 40-50 ha of plums; Annual production/purchase in 2014 – 200 t of sour cherries and 40 t of plums
Received support	Municipality: Support in cooperative establishment; HELP – Drying processing facility; FAO – Protection of indication of geographic origin of Oblacinska sour cherry; Exchange 4 – Promotion of sour cherries and plums.
Problems	Lack of finance; Late payments.
Needs	Cooling plant; Final product based on dried plum
Technical support	Modern marketing approach; Business plan; Modern packaging; Trained advisers for primary production.
Consultant opinion	Very good and active cooperative; Experience in work with donor project; Young management team; All recommendations' for further support

Name:	Kooperativa, Vranje
Responsible	Jovica Ilić
Basic	Established in 2006; Property – Storage place; Shop; 3 offices; Mini dairy (not in function); Empty cattle farm – capacity 30 heads; Packaging machine for charcoal; More than 80 ha of rented land.
Organization	4 employees plus seasonal workers; Assembly held around four times per year; Has a director; 10 founders; 78 cooperates; Contracts with cooperates; Business plan exist; Average age of cooperates – 45 years; Turnover in 2014 – more than 10 mil. RSD/year.
Activities	Purchasing of charcoal from farmers; Storage of products; Own processing – production of charcoal; Sale of charcoal; Occasional education of producers; Export
Production level	Works just with cooperative property
Received support	Cooperative did not receive any support from municipality, state or donor projects.
Problems	No specific problems
Needs	Plan to start with fruit production; Intend to establish raspberry orchards; Cooling plant with ambitious to organize purchase of fruit.
Technical support	Modern marketing approach; Support in product sale; Promotions.
Consultant opinion	Very good and active cooperative; Export program; Ambitious business plans; Starting with agriculture production; Young management team; All recommendations' for further support

Name:	Gorica, Knjazevac
Responsible	Saša Milkić
Basic	Established in 1976; Old cooperative; Property – Shops and storage places in villages; More than 20 ha of orchards and forest; Complete mechanization.

Organization	13 employees; Regular annual assembly; Assemblies before and after harvest time; Has a director; 15 founders; 90 cooperates; Average age of cooperates – 40-50 years; Turnover – more than 50 mil. RSD in 2014.
Activities	Covers 6-7 villages; Procurement of chemicals and fertilizers; Support cooperates with mechanization; Regular spraying of cooperate orchards; Purchasing of sour cherries; Sale of sour cherries to big cooling plants; Advisory support during production cycle;
Production level	Total sale of sour cheery in 2014. – 750 t.
Received support	Municipality: Subsidies for establishment of new orchards
Problems	Property problems
Needs	Renewal of mechanization; Warehouses adaptation.
Technical support	Study tours; Need new business ideas.
Consultant opinion	Very good and active cooperative; Main problem is that Gorica management does not have any development ideas that can fit into European Progress activities and goals; Does not have any experience in working with donor projects; Cooperative deserves support.

Name:	Prvi maj, Vučje, Leskovac
Responsible	Predrag Kostić
Basic	Established in 1971; Old cooperative; Property – Business building; Factory for adhesive tapes; Cooling plant obtained by Fruit and Berry; In previous period had more than 50 shops and a number of storage places in villages. They do not have land. Have company established and owned by cooperative.
Organization	13 employees – at the same time they are cooperative members; 100 cooperates; Average age of cooperates – 40-50 years; Turnover – more than 10 mil. RSD in 2014, but bigger turnover was reached through cooperative company.
Activities	Procurement of inputs and packages; Purchasing of sour cherries, raspberries and pears; Sorting, packaging and sale of products; Sale of fruits to big cooling plants;
Production level	Purchased 500 t of sour cherries and 250 t of pears in 2014.
Received support	Received cooling plant from Fruit and Berry project.
Problems	Blocked account of the cooperative so main activities have to go through cooperative company
Needs	To equip cooling plant that is already established/built; New orchards – black current, blueberries; Equipment for basic processing of fruit and vegetables – washing, cutting, calibrator, packing machines etc.
Technical support	Study tours, Need new business ideas.
Consultant opinion	Good and active cooperative; Main incomes are coming from adheres tape factory; Strong leadership – Director is a member of Serbian Cooperative Union. Cooperative has idea of establishing common production – completely new idea based on cooperative principles; Cooperative deserves support.

Name:	Kušići, Ivanjica
Responsible	Zečević Radovan
Basic	Established in 2007; Private cooperative;

	Property – Shop and storage place in Kušići village; Potato production on around 2,5 ha; Complete mechanization.
Organization	3 employees; 10 founders; Director is decision maker; Around 100 cooperates; Average age of cooperates – older than 50 years; Turnover – 70 mil. RSD in 2014.
Activities	Procurement of chemicals and fertilizers; Purchasing of potato and raspberries; Storage potato;
Production level	Founders have around 3 ha of raspberries; Cooperates have around 20 ha under raspberry production.
Received support	Did not receive any support from municipality, MAEP or donor projects.
Problems	Competition, Gray economy; Access to financial funds.
Needs	Cooling plant
Technical support	Did not express a need for project technical support
Consultant opinion	Good private cooperative; Cooperative representative was not so interesting for cooperation; Does not have any experience in working with donor projects.

Name:	Agrogoods, Ivanjica
Responsible	Ivan Karaklajić
Basic	Established in 2007; Private cooperative; Property – Two storage places; 9 ha under raspberries and 4,5 ha under potato production; Complete mechanization.
Organization	1 employee; Cooperative had 4 employed but in a meantime owner established private company; 10 founders; Director is decision maker; Around 70 cooperates; Average age of cooperates – 50 years; Turnover – 60 mil. RSD in 2014.
Activities	Procurement of potato seed; Purchasing of potato and raspberries; Storage of potato and raspberries; Sale of products; Two advisors provide expert support to cooperate.
Production level	Annual cooperative production is around 150 t of raspberries and 120 t of potato
Received support	Did not receive any support from municipality, MAEP or donor projects
Problems	Competition, Late payments; Non regulated relations with cooperates
Needs	Cooling plant and storage for potato seed
Technical support	Improved market approach
Consultant opinion	Good private cooperative, but management does not have any development ideas that can fit into European Progress activities and goals; In addition representative was not so interesting for cooperation; Do not have any experience in working with donor projects.

Name:	Bumbari, Lebane
Responsible	Jovica Nikolić
Basic	Established in 2008; Private cooperative; No property – Agriculture pharmacy was sold;
Organization	1 employee; In previous period cooperative had 4 employees; 16 founders but director is decision maker; Director has private company at the same time and most of cooperative jobs allocated to private company; Average age of cooperates – 50 years; Turnover in 2014 – Less than 10 mil. RSD; Turnover was much higher but passed through private company.
Activities	Purchase of vegetables; Sale of products; Had some export to Russia.
Production level	Cooperation (depending on year and situation) with 150 vegetable producers;
Received support	Waiting for transport vehicle from Exchange 4 project.

Problems	Competition; State limitations; Lack of support;
Needs	Construction land area; Cooling plant; Package machine; Calibrator.
Technical support	Study tours.
Consultant opinion	Director intend to decrease or even to close cooperative; For him it is easier to work through private company; If he decide to continue with cooperative work, cooperative can be interesting project beneficiary.

Name:	Agro Egzit, Blace
Responsible	Ubović Goran
Basic	Established in 2006; Private cooperative; Property - Agricultural pharmacy and truck equipped for milk collection; Collect milk for Lazar, Blace dairy in few Blace villages
Organization	3 full time employed; 10 founders; 30 cooperates; Director is decision maker; Average age of cooperates – 45 years; Turnover in 2014 – around 30 mil. RSD
Activities	Procurement of inputs through agriculture pharmacy; Purchase of milk; Education and information
Production level	2 t of milk/day
Support	Did not have any support from municipality, MAEP or donor projects in past
Problems	Small milk production
Needs	To diversify business activities – Would like to start with purchase of fruit
Technical support	Education of producers
Consultant opinion	Small and active cooperative with safe incomes from milk collection.

Name:	Gliječa, Ivanjica
Responsible	Vladan Popović
Basic	Established in 2008; Private cooperative; Property – Office.
Organization	1 employee; 10 founders; Director is decision maker; Provide extension service to 600 cooperates; Average age of cooperates – 50 years; Turnover – more than 1 mil. RSD in 2014.
Activities	Local extension service
Production level	Extension service - 900 cows
Received support	Did not receive any support from municipality, MAEP or donor projects
Problems	Number of cattle has decreasing trend
Needs	To employ two workers
Technical support	Do not have any need for technical support
Consultant opinion	Specialized private cooperative; Director does not have any development ideas.

Name:	Nikoljača, Raška
Responsible	Milanka Uđerović
Basic	Established in 1998; Private cooperative; Property – Office
Organization	Two employees; 10 founders; Few meetings per year; Director is decision maker; Provide extension service to 320 cooperates; Average age of cooperates – 45 years; Turnover in 2014. – more than 1 mil. RSD
Activities	Extension service
Production level	Extension service – 850 cows, 150 goats
Received support	Did not receive any support from municipality, MAEP or donor projects in past few years
Problems	Low number of cattle; Small producers

Needs	No development perspectives due to a small number of cattle
Technical support	New experiences; Study tours.
Consultant opinion	Cooperative will transform into company in following few months

Name:	Svrljižanka, Svrljig
Responsible	Marko Mladenović
Basic	Established in 2013 as a result of ECD financed Exchange 4 project; No property; Submitted study on Svrljiško lamb for protection of geographic origin
Organization	No employees; Assembly had few meetings in 2014; Executive board with 7 members; 30 founders; 90 members; Average age of members – 50 years; Turnover less than 10 mil. RSD in 2014
Activities	Through Svrljig Fund for Agriculture Development procured concentrated animal feed and lacto freezers to farmers; Purchase of lambs; Lecture on organic standards.
Production level	More than 200 ha under orchards; 300 cattle;
Received support	Fund for Agriculture Development realized some activities through cooperative Indication of geographic origin - ECD funded Exchange 4 – Study on Svrljiško lamb
Problems	Low agriculture production in municipality; Lack of finances;
Needs	Rent 10 ha of state owned land; Purchase of milk; Procurement of fruit seedlings; Further expansion of cooperative; Processing facility (drying processing plant, slaughter house or cooling plant).
Technical support	Support in certification of geographic origin of Svrljiško lamb; Creation of database of Svrljig agriculture production; Development of business plans; Management improvement; Organization of purchase; Participation at fairs.
Consultant opinion	Cooperative is at the beginning, without clear business goals; Young management team; Has full municipal support; Has experience in working with donor projects; Deserves European Progress support.

Name:	Agroplom, Vladičin Han
Basic	Established in 2012; Property – Rented 5 ha of land; Intended to rent additional 30 ha;
Organization	No employees; Regular annual assembly meetings; Executive board has regular meetings before production and harvest season; 17 founders; Do not have cooperates; Turnover in 2014 – Less than 1 mil. RSD.
Activities	Farmer education program implemented in 2014.
Production level	Founders have 30 ha of land with mixed agriculture production
Received support	Municipality supported establishment of the cooperative
Problems	Lack of finances;
Needs	Finances for implementation of business activities; Drying processing plant.
Technical support	Organization and strengthen of cooperative work; Business management; Organization of purchase of agricultural products; Education of producers;
Consultant opinion	Cooperative is at the beginning without specific business goals; Main goal is to take back property of old bankrupted cooperative; Has municipal support; It is possible in cooperation with municipality to develop successful business activities.

Name:	Borovita glava, Nova Varoš
Responsible	Ćirović Vladimir
Basic	Established in 2014; Municipality bought failed cooperative;

	Property – two storage places (purchase places for milk); 3-5 ha of own land plus 20 ha of state owned land.
Organization	No employees; Director is employed in municipal administration; Just registered; 12 founders; No turnover in 2014.
Activities	Just registered; No business activities by now.
Production level	Plan is to use available cooperative land; 20 t of milk/day
Received support	Municipality bought storage places
Problems	Lack of finances;
Needs	Reconstruction of existing storage places
Technical support	Business planning; Organization of cooperative work; Mentoring; Education of producers;
Consultant opinion	Cooperative is at the beginning without defined business goals; Young management team; Has full municipal support; It is possible in cooperation with municipality to develop successful business activities.

Name:	Nova Pčinja, Trgovište
Responsible	Sladjan Novković
Basic	Established in 2013; Property – Take back property from old bankrupted cooperative; Cooperative with biggest property in investigated region: 790 ha of forest; 160 of arable land; 11 objects – bakery, shops, culture clubs, storage places...
Organization	Two employees; Few assembly meetings since establishment; 13 founders; Do not have cooperates; Turnover in 2014 – More than 1 mil. RSD.
Activities	Activities related to taking back property; Activities related to exploitation of forest
Production level	Cooperative posses a huge property
Received support	Municipality supported establishment of the cooperative
Problems	Lack of finances
Needs	Exploitation of 80 ha of wild blueberries; Cooling plant; Adaptation of storage places
Technical support	Business planning; Education of producers;
Consultant opinion	Cooperative is at the beginning; Has municipal support; Huge property; Has problems with Srbija sume where project can provide huge support (study on forests exploitation); Has great business idea related to collection of wild blueberries from 80 ha; It is possible in cooperation with municipality to develop successful business activities. Director is not so open for cooperation.

Name:	Đurovac Agrar, Prokuplje
Responsible	Zoran Stojanović
Basic	Old cooperative; Property – Storage place; 30 ha of orchards – ownership and rented; mechanization; truck
Organization	13 employees; Assembly exist; Director is decision maker; 42 members; Number of cooperates depend on year – in 2014 they had 5 cooperates; Average age of members – 50 years; Turnover in 2014 - 30 mil. RSD
Activities	Occasional procurement of chemicals and fertilizers; Service use of mechanization; Purchasing of plums and sour cherries.
Production level	30 ha of sour cherries
Received support	Coop. did not receive any support from Municipality, MAEP or donor project
Problems	Unregulated land lease from state; disease of sour cherries.
Needs	Renewal of mechanization; To increase number of cooperates in 2015.
Technical support	Administrative support

Consultant opinion	Good and active cooperative that work more like company than cooperative; Does not have any experience in work with donor projects; Old director that is not so interesting for cooperation.
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Name:	Moderni Sandžak, Novi Pazar
Responsible	Amir Hasurdžić
Basic	Established in 2005; Property – Object 300 m ² ; Line for washing, calibrating and package of fruit and vegetable.
Organization	Two employees; Occasional meetings; 10 founders; 60 members; No cooperates; Business plans exist; Average age – 45 years; Turnover less than 10 mil. RSD in 2014
Activities	Purchase inputs in 2008 – donor project; Purchase of mechanization for cooperative members in 2008 - donor project; Main activity of the cooperative – trade.
Production level	No fruit or vegetable production in Novi Pazar and Tutin.
Received support	Cooperative received support two times from Norwegian projects (package line, mechanization etc.); Received support from TIKa (heating systems for green houses).
Problems	No market surpluses of fruit and vegetables in Novi Pazar and Tutin; Lack of funds.
Needs	Cooling plant; Nursery, Greenhouse for strawberry production.
Technical support	Education of primary producers; Study visits; Management improvement.
Consultant opinion	Cooperative received significant donor support in previous period; Given grants were not appropriate since there are no fruit and vegetable production in Pester region; Cooperative management is interesting for new business ideas and to take part in project activities.

Name:	Aec Coop, Svrlijig
Responsible	Vlada Krstić
Basic	Private cooperative; Established in 2007; Property – Dairy Submitted study for protection of geographic origin of Svrlijig Belmuz. Produce also another protected product – Svrlijiski kackavalj/yellow cheese.
Organization	Two employees; Assembly exist; Director is decision maker; 14 founders; No cooperates in 2014; In previous years AEC coop had up to 70 cooperates; Average age of members – 50 years; Turnover less than 10 mil. RSD in 2014
Activities	Milk processing and sale of dairy products.
Production level	Milk is purchased from Niska dairy. Founders do not produce milk.
Received support	Coop. did not receive any support from Municipality, MAEP or donor projects.
Problems	Traditional product Belmuz is not recognized on the market;
Needs	/
Technical support	Promotion of Belmuz; Study visits; Development of new dairy products;
Consultant opinion	Private cooperative; Dairy works with low level of utilization; Have good development potentials.

Name:	Zelenika plus, Nova Varoš
Responsible	Radojko Dromnjaković
Basic	Private cooperative; Established in 2006; Property – Dairy
Organization	18 employees; Assembly exist and have annual meetings but director is decision maker; 14 founders; Purchased milk from 126 farmers in 2014; Average age of members – 50 years; Turnover in 2014 – 50 mil. RSD.
Activities	Purchase of milk from farmers;

	Milk processing and sale of dairy products.
Production level	Purchase - 2 t of milk per day
Received support	Coop. did not receive any support from Municipality, MAEP or donor projects
Problems	Late payments; Market of dairy products; Decreased milk production in Nova Varos; Constant state controls and punishments.
Needs	No specific needs
Technical support	No specific needs
Consultant opinion	Private cooperative; Dairy works with low level of utilization; Due to financial problems cooperative will decrease production; It is a question will this cooperative survive in following period?

Name:	Tupižnica, Vitkovac - Knjaževac
Responsible	Nebojša Zdravković
Basic	Private cooperative; Established in 2011; Property – Head office, 2 shops and restaurant in Tupižnica; Wood processing equipment; Truck.
Organization	Two employees; Assembly has annual meetings but director is decision maker; 13 founders; 50-60 cooperates in 2014; Average age – more than 50 years; Turnover less than 10 mil. RSD in 2014
Activities	Purchase of sour cherries and plums; Forest exploitation.
Production level	More than 10 ha of orchards
Received support	Coop. did not receive any support from Municipality, MAEP or donor projects
Problems	Weather conditions destroyed sour cherry harvest in 2014.;
Needs	Cooling plant; New orchards.
Technical support	Education of primary producers; Study visits; Business plan development; Management improvement.
Consultant opinion	Private cooperative; Has financial problems due to low yields of sour cherry in 2014. Interesting for new business ideas and projects.

Name:	Bratušinci, Merošina
Responsible	Bojan Marković
Basic	Established in 2012; No property
Organization	No employed; Occasional official meetings; 12 founders; No cooperation with farmers; No turnover in 2014
Activities	No activities in 2014.
Production level	12 green houses; 0,1-0,2 ha per green house; Dominant tomato production;
Received support	Did not receive any support from municipality, MAEP or donor projects;
Problems	They are not organized; Lack of finances for common work;
Needs	Processing facility for tomato;
Technical support	Common marketing of tomato; Education of producers; Study tours.
Consultant opinion	Cooperative is not active

Name:	Raška, Raška
Responsible	Željko Nikić
Basic	Old cooperative from 1954; Property – Storage places, shops and culture clubs in villages; Shop in the city; Livestock farm; More than 100 ha of land; Mechanization and equipment.

Organization	10 employees; Assembly meetings when needed; 10 founders; No cooperates; No cooperation with farmers; Turnover more than 50 mil. RSD but negative financial results and blocked account.
Activities	No agriculture activities in 2014.
Production level	No production activities
Received support	Did not receive any support from municipality, MAEP or donor projects.
Problems	Lack of finances;
Needs	State support;
Technical support	New experiences; study tours, better organization.
Consultant opinion	Cooperative is not active; Crashed in business cooperation with Inter Commerce. Most probably will not survive another period despite huge property (objects, farm, land, equipment etc.).

Name:	Napredak, Knjaževac
Responsible	Dragoslav Lazarević
Basic	Old cooperative Property – Storage places; Shops in city and villages; Business building in the Knjazevac city center; Complete mechanization; Land but with property problems
Organization	5 employees; Has a newly elected director; There is no management structure in reality; 21 founders on paper, No cooperation with farmers; Negative financial results.
Activities	No activities in 2014. Rent shops; business spaces and storage places
Production level	No production activities. Do not have information about agriculture land surface in property!
Received support	Did not receive any support from municipality, MAEP or donor projects.
Problems	Lack of trust in cooperative; Competition
Needs	Lack of finances
Technical support	Overall capacity building
Consultant opinion	Cooperative is not active; Survive by renting business spaces and shops in Knjazevac city center. Do not have overview of cooperative property!!!

Name:	Budućnost 2013, Ivanjica
Responsible	Zoran Veličković
Basic	New cooperative; Established in 2013; Property – Shop and restaurant; Rented 1 ha of arable land.
Organization	3 employees; Cooperative has director; 25 founders; Around 50 cooperates; Not so clear management structure; Turnover in 2014 – less than 10 mil.
Activities	Procurement of inputs; Purchase of raspberries.
Production level	Founders have 10-12 ha of raspberries – Annual production in 2014 was 60-70 t. In addition cooperates have 10-12 ha of raspberries.
Received support	Received around 1 mil. RSD for seedlings from municipality.
Problems	Lack of trust in cooperatives; None regulated purchase of fruit; Property problems; Competition.
Needs	Cooling plant; More arable land for fruit production; Mechanization
Technical support	To solve property problems
Consultant opinion	Cooperative primary goal is to take property from Ivanjica cooperative.

Name:	Ivanjica, Ivanjica
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Responsible	Đurašević Milan
Basic	Old cooperative; Property – Storage places; Shops in city and villages; Business building; Land but with property problems.
Organization	No employees; Does not have director; Cooperative is not active; Blocked account.
Activities	No activities in 2014.
Production level	No production activities.
Received support	Did not receive any support from municipality, MAEP or donor projects.
Problems	Property problems; Blocked account.
Needs	-
Technical support	-
Consultant opinion	Cooperative is not active.

Name:	Prilike, Ivanjica
Responsible	Andrija Popović
Basic	Old cooperative from 1985; Property – Storage places; Shop; Drying processing facility
Organization	No employees; Cooperative has director; 17 founders; 20 cooperates; Management structure is not developed; Blocked account; Turnover in 2014 – less than 10 mil. RSD.
Activities	Procurement of inputs; Purchase of raspberry and blackberry; Has a business spaces in the city
Production level	Founders - 5-6 ha of raspberries; Cooperates – 7-8 ha of raspberries.
Received support	Did not receive any support from municipality, MAEP or donor projects.
Problems	Competence; Lack of funds.
Needs	Cooling plant.
Technical support	Develop market approach; Promote cooperative idea.
Consultant opinion	Strong consultant feeling, despite on given data, is that cooperative is not active in reality.

Name:	Polet, Knjazevac
Responsible	Živković Živorad
Basic	Established in 1900; Property – Culture clubs; Storage place; Shops; Land but with property problems
Organization	5 employees; Has a director; There is no management structure in reality; 15 founders on paper, No cooperation with farmers; Negative financial results in 2014.
Activities	No activities in 2014. Rent shops and storage places
Production level	No production activities
Received support	Did not receive any support from municipality, MAEP or donor projects.
Problems	Property problems
Needs	No specific needs
Technical support	No need for technical support
Consultant opinion	Cooperative is not active; Survive by renting storages and shops; Sale cooperative objects;

Name:	Nacionalna zadruga Spas, Leskovac
Responsible	Živojin Jović

Basic	Established in 2012; No property
Organization	No employees; Unclear management structure; No data about founders and members; No turnover in 2014. Main account is in Kraljevo.
Activities	No activities in 2014.
Production level	No production activities.
Received support	Did not receive any support from municipality, MAEP or donor projects.
Problems	Weak relations within cooperative.
Needs	Did not express any specific need.
Technical support	No need for technical support.
Consultant opinion	Cooperative is not active.

Annex 5 - Assessment of visited agriculture associations

Table explanation:

	Good associations
	Associations that has development potential
	Weak associations

Assessment of visited associations

Name:	Toplica Association of Livestock Producers Gornji Kaševar, Blace
Basic	Established in 2005; No property
Organization	No employed; Did not have any association meetings in past few years; 15 members but just on paper; Average age of members - 45 years; No turnover in 2014
Activities	No activities in previous few years
Production level	No evidence
Received support	Did not receive any support
Problems	Association is not active
Needs	-
Technical support	Technical support to producers
Consultant opinion	Association without any serious activity in previous few years

Name:	Livestock Association, Aleksinac
Basic	Established in 2009; No property
Organization	No employed; Rare meetings; 80 members but just on paper; Average age of members - 45 years; Turnover - Less than 1 million RSD in 2014.
Activities	Organized livestock fair in Aleksinac in 2014. There were no other activities in previous years
Production level	There are no production data
Received support	Municipality: Organization of livestock fair; visit to Novi Sad fair;
Problems	Producers are not interesting to take part in association work; No one pay membership
Needs	Would like to establish dairy
Technical support	Not so interesting; Maybe education for producers
Consultant opinion	Association without potential and serious activities

Name:	Livestock Association Eko mleko, Žitorađa
Basic	Established in 2008; Property – Mechanization received through Reka mleka project
Organization	No employed; Rare meetings; 14 founders; 10 farmers also use association mechanization; Average age of members - 40 years; No turnover in 2014.
Activities	Unorganized use of association mechanization; There were no other activities in previous years
Production level	200 cows
Received support	No specific support to this association

Problems	Producers are not interesting to take part in association work; No one pay for mechanization use
Needs	Would like to establish dairy; Need office and office equipment
Technical support	Not so interesting; Maybe education for producers
Consultant opinion	Association without potential and serious activities

Name:	Livestock Association Viline Vode, Prijepolje
Basic	Established in 2005; No property
Organization	No employed; Rare meetings; 7 founders/members; Average age of members - 45 years; No turnover in 2014.
Activities	There were no activities in previous years
Production level	20 cows and 100 sheep
Received support	Did not receive any support in previous years
Problems	Producers are not interesting to take part in association work; Lack of state subsidies; Small number of registered heads of livestock; Lack of dairy
Needs	No needs
Technical support	Technical support is necessary for producers
Consultant opinion	Association without potential and serious activities

Name:	Association of Plum Brandy Producers Baljevac, Raška
Basic	Established in 2009; No property
Organization	No employed; Assembly held once a year; Few executive board meetings in 2014; 60 members; Average age of members - 50 years; Small turnover in 2014.
Activities	Organized competition in plum brandy production; Participated in different competitions; Occasional education and information of members
Production level	30 t of plum brandy per year
Received support	Organization of events
Problems	Lack of financial funds; Lack of market for plum brandy
Needs	Common distillery
Technical support	Support in marketing approach; Different trainings – production, organization, market etc.; Examples of good practice
Consultant opinion	Association with limited potentials; Plum brandy production is not acceptable for European Progress support

Name:	Livestock Association Babine, Prijepolje
Basic	Established in 2005; No property
Organization	No employed; Assembly held once a year; No meetings of executive board in 2014; 11 founders/members; Average age of members - 45 years; No turnover in 2014.
Activities	There were no activities in previous years; Members use common equipment; Active just in Babine village
Production level	70 cows and 50 sheep
Received support	Did not receive support in previous years; Received line for animal feed production in 2005 (USAID support)
Problems	None registered facilities for cheese production; Small number cattle; Food security standards in cheese production
Needs	Dairy
Technical support	Project documentation development; Business planning; Improvement of cheese production

Consultant opinion	Association with some potential but is limited with activities just on one village. President of the association is the biggest livestock producer in Prijepolje.
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Name:	Agrounija, Blace
Basic	Established in 2002; Again started with activities in 2014; No property
Organization	No employed; Did not have any association meetings in past few years; 70 members but just on paper; Average age of members - 45 years; No turnover in 2014.
Activities	Assisted in organization of two events in Blace in 2014 – Dani sljive and Nase selo; It is not clear role of the association in organization of these events; There were no other activities in previous years
Production level	No evidence
Received support	Municipality supported organization of agriculture events
Problems	Association is not active
Needs	Laboratory for soil examination; Meteo stations.
Technical support	Study tours ;Education for producers; Learn about EU pre accession funds; PCM
Consultant opinion	Association without serious activities in previous few years; President is employed in municipality; Presented demands more relate to global support to municipal agriculture production.

Name:	Rural Innovative Center, Brus
Basic	Established in 2009; Property – Office
Organization	No employed; Annual assemblies; No meetings of executive board; 25 members but just on paper; Average age of members - 40 years; No turnover in 2014.
Activities	No serious activities in previous years
Production level	No evidence
Received support	UNDP should develop rural development strategy –RIC should participate in these activities
Problems	No initiatives within association; No support
Needs	Drying processing facility
Technical support	Assistance in association organization; Action planning; Learn about EU pre accession funds; PCM
Consultant opinion	Association continued Rural Development Network activities; This national project failed, so association stopped with any activities; No ideas; No initiatives

Name:	Association Toplica voce, Kursumlija
Basic	Established in 2008; No property
Organization	No employed; Assembly held twice a year; Frequent but informal meetings since association has 11 members; Average age of members more than 50 years; No turnover in 2014.
Activities	Winter educational programs
Production level	5 ha of raspberries and blackberries
Received support	Municipality provides some small support from time to time
Problems	Unsecure purchase of fruit
Needs	Cooling plant
Technical support	Project documentation for cooling plant; Education of primary producers
Consultant opinion	Association without potential, serious activities or specific innovative ideas

Name:	Association of Fruit Growers Nektar, Knjaževac
Basic	Established in 2009; No property

Organization	No employed; Assembly held once a year; Rare meetings of executive board, 64 members, Average age of members - 40-50 years; No turnover in 2014.
Activities	There were no serious activities in 2014
Production level	10 ha of blackberries in one village; Annual production – 100 t
Received support	Municipality gave office
Problems	Producers are completely dependent on middleman
Needs	Cooling plant; Introduction of new blackberry variety – Loch Nes
Technical support	Business plan; Education of primary producers
Consultant opinion	Association without potential and serious activities

Name:	Associations: Južna Morava, Eko hrana and Jablanica, Leskovac
Basic	Established in 2014; Owners of low voltage network in villages and on agriculture fields
Organization	Associations are charged for payment of electricity after electrification of the agriculture fields No employed; Južna Morava – 53 members; Eko hrana – 135 members; Jablanica – 40 members. Turnover related to payment of electricity
Activities	There were no other activities in 2014
Production level	Associations are charged for payment of electricity after electrification of the agriculture fields; No data about agriculture production in these villages
Received support	Electrification was MAEP and WB financed project
Problems	Low conditions of agriculture roads
Needs	Better quality of agriculture roads; Wells in a case of drought
Technical support	No need
Consultant opinion	Associations are just established and completely focused on new activities Did not express ambitious to expand activities at this moment.

Name:	Association Vilamet, Ivanjica
Basic	Reestablished in 2012; Property - Office
Organization	No employed; Assembly held once a year; Not so clear frequency of the executive board meetings; 500 members but just on paper, No turnover in 2014
Activities	Protect interest of raspberry producers; No other activities
Production level	Association does not have any connection with primary production
Received support	Donor projects – Cooling plant and laboratory, but it is not clear does equipment belongs to association and is it in function?
Problems	Cooling plant and equipment collapsed; Middleman; Low purchase price of raspberry; Grey economy; Monopoly of big cooling plants
Needs	Seedlings
Technical support	To learn about EU pre accession funds and organic production; Would like to transform into cooperative; Study tours
Consultant opinion	Association is active only when price of raspberry is low

Name:	Association Malinar, Prilike
Basic	Reestablished in 2014; No property
Organization	No employed; Assembly held in 2014; 4000 farmers signed application form; 18 village boards; No turnover in 2014.
Activities	Protect interest of raspberry producers; Information of farmers; No other activities

Production level	Association does not have any connection with primary production
Received support	Did not have any support in 2014.
Problems	Low purchase price of raspberry; Lack of office and office equipment; Weak communication with MAEP
Needs	Would like to establish info center for agriculture producers
Technical support	Study tours; Participation at domestic and international fairs
Consultant opinion	Association just starts with activities and it is hard to define development capacities

Name:	Association of strawberry producers, Aleksinac
Basic	Established in 2003; Cooling plant received from Fruit and Berry project
Organization	No employed; Assembly held once a year; Rare meetings of executive board; 50 members; Average age of members - 45 years; Turnover - Less than 1 million RSD in 2014.
Activities	Education
Production level	More than 10 ha of strawberries on open field production
Received support	Municipality: Education Fruit and Berry: Cooling plant – Capacity 6 t Expect to get green house (0,2-0,3 ha) from Fruit and berry project
Problems	Cooling plant received by Fruit and Berry project was robbed and is not in function
Needs	Green house
Technical support	To establish cooperative; To get education for primary producers; Study tours
Consultant opinion	Association with potential but too much focused on receiving donor support; Already heavily supported by Fruit and Berry project

Name:	Association Rudno polje, Kuršumljia
Basic	Established in 2013; Owners of low voltage network which support irrigation on 20 ha in two villages – 6 households
Organization	Association is charged for payment of electricity after electrification of the agriculture fields No employed 6 founders and members Turnover related to payment of electricity
Activities	Provided water supplying in 2014; Procurement of fruit seedlings
Production level	20 ha of orchards – apples, pears and blackberries
Received support	Municipality provided fruit seedlings, equipment and mechanization; Electrification was MAEP and WB financed project
Problems	Lack of subsidies; State administration; Low awareness of primary producers
Needs	Cooling plant; Fruit seedlings
Technical support	Would like to diversify production on sustainable way; New product on market; Project documentation for cooling plant; Education of primary producers
Consultant opinion	Association is just established; Active and educated association president; Good production potential; Can be supported by project activities.

Name:	Association Eko voće, Svrlijig
Basic	No property
Organization	No employed; Assembly held once a year; Rare meetings of executive board, 97 members, Average age of members - 50 years; Turnover - Less than 1 million RSD in 2014.
Activities	Through Svrlijig Fund for Agriculture Development procured fruit seedlings; Occasional lectures for farmers
Production level	More than 200 ha of orchards
Received support	Municipality: Through Svrlijig Fund for Agriculture Development procured fruit seedlings

Problems	Purchase of fruit is not organized; Members are not interesting to take active part in association activities
Needs	Cooling plant is missing
Technical support	Support in promotion activities; Management capacity building; Development of organic production; Web site
Consultant opinion	Active association with potential

Name:	Association Zlatni breg, Nova Varoš
Basic	Established in 2011; No property
Organization	No employed; Assembly held once a year; Occasional meetings of executive board, 45 members, Average age of members - 45 years; Turnover in 2014 - less than 1 million RSD.
Activities	Through municipal support procured fruit seedlings; Occasional lectures for farmers
Production level	More than 15 ha of orchards – plums and raspberries
Received support	Municipality allocated funds for fruit seedlings
Problems	Members are not interesting to take active part in association activities; Lack of financial funds
Needs	Fruit seedlings; Mechanization
Technical support	Education of potential local advisors; Demonstration plots
Consultant opinion	Active association with strong municipal support. Work in line with municipal goal to develop fruit production in Nova Varos

Name:	Association of agriculture producers Žitorađa , Žitorađa
Basic	Reestablished in 2004; No property
Organization	No employed; Assembly held when needed; Not clear frequency of the executive board meetings; 700 members organized through 30 village boards; No turnover in 2014.
Activities	Spread information; Education; Project proposal preparations; Implementation of municipal agriculture programs.
Production level	Almost all farmers in municipality are included in association
Received support	Did not receive donor support but are fully involved in municipal agriculture programs.
Problems	No specific problems
Needs	Office and business space
Technical support	PCM; mentoring; development strategy
Consultant opinion	Association close connected with municipal agriculture activities; Strong leader; Would like to expand activities and become local economic development office. One of the goals is to support establishment of the industrial zone on 40 ha.

Name:	Association of Producers of Sjenica Lamb, Sjenica
Basic	Established in 2011; No property
Organization	No employed; Submitted study on protection of geographic origin for Sjenica lamb; 2 slaughter houses and 10 producers; Did not have regular meetings in past few years; No turnover in 2014
Activities	Did not have activities in 2014
Production level	More than 40.000 lambs in Pester region
Received support	Received support in development of the study on protection of geographic origin of Sjenica lamb
Problems	No further initiatives on certification of holder of indication of geographic origin
Needs	-
Technical support	Support in certification; Organization of association on efficient way

Consultant opinion	Association was not active in previous few years; Well educated association representative
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Name:	Association of Producers of Sjenica cheese, Sjenica
Basic	Established in 2011; No property
Organization	No employed; Submitted study on protection of geographic origin for Sjenica cheese; 16 founders; Did not have regular meetings in past few years; No turnover in 2014
Activities	Did not have activities in 2014
Production level	More than 20000 cows and 30.000 sheep in Pester region
Received support	Received support in development of the study on protection of geographic origin of Sjenica cow and sheep white cheese
Problems	No further initiatives on certification of holder of indication of geographic origin
Needs	-
Technical support	Support in certification; Organization of association on efficient way
Consultant opinion	Association was not active in previous few years; Sjenicki cheese is most probably most famous traditional cheese product

Name:	Association of Livestock Producers Uvačka Reka Mleka, Nova Varoš
Basic	Established in 2009; No property
Organization	No employed; Submitted study on protection of geographic origin for Zlatar white cheese; 20 founders; 31 member; Did not have regular meetings in past few years; Small turnover in 2014
Activities	Did not have serious activities in 2014
Production level	10-15 families are registered for cheese production and have registered facilities for cheese production; 50 t/year
Received support	Received support in development of the study on protection of geographic origin of Zlatar cheese; Occasional municipal support – events, educations etc.
Problems	No further initiatives on certification of holder of indication of geographic origin; None registered cheese production facilities on households; Decreased cheese production
Needs	Registration of household units for cheese production
Technical support	Support in certification; Organization of association on efficient way
Consultant opinion	Association representatives are good and big livestock producers but without managerial skills

Name:	Business Association of Producers and Processors of Meat and Milk Products, Leskovac
Basic	Established in 2005; No property
Organization	No employed; Submitted study on protection of geographic origin for Leskovac grilled mixed meat; Have approved brand; Do not have official meetings but members are in constant communication; No turnover in 2014 through business association, but five slaughter houses and butcher shops are quite active and have active accounts.
Activities	Did not have common activities in 2014
Production level	1 t of branded meat per day.
Received support	Received support in development of the study on protection of geographic origin of Zlatar cheese and in brand development;
Problems	Fake Leskovacko grilled meat on market; Low market demand
Needs	Brand promotion; Market for Leskovacko grilled mixed meat
Technical support	Brand promotion
Consultant opinion	Association representatives are successful business people but they are not interesting for project support; Did not show interest for certification of protected product since they

	protected product with authorized sign; Exclusion is market promotion of the protected product.
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Name:	Lim-Natura, Prijepolje
Basic	Established in 2013; Property – rented 1,8 ha of land with goal to establish nursery
Organization	No employed; Assembly held once a year; Occasional meetings of executive board; 8 founders; 50 members; Average age of members - 35 years; Turnover in 2014 - less than 1 million RSD
Activities	Through municipal and donor project support intend to establish nursery
Production level	10 ha of raspberries; 3 ha of blackberries and 2 ha strawberries
Received support	Municipality allocated funds for establishment of nursery
Problems	Low yields
Needs	Nursery; Laboratory for soil control
Technical support	New production technologies; Control of the production; Info center
Consultant opinion	Association is connected with local cooling plant; Have municipal support; Will receive Progress support in nursery establishment

Name:	Agriculture Center, Priboj
Basic	Established in 2003; No property
Organization	No employed; 25-26 members; Association decision is no membership fees; Unclear management structure; Average age of members - 50 years; Turnover in 2014 – 1 mil. RSD; In some years association had turnover more than 6 mil. RSD
Activities	Main activity in 2014 was database creation; Association has occasional educational programs
Production level	Association is not focused on primary production, processing or purchase of good
Received support	Municipality financed – Database of agriculture producers MAEP financed – Education program Huge experience in working with donor projects – USAID, FAO, ECD, BCiF
Problems	Low primary production
Needs	Office and office equipment
Technical support	Would like to be advisory service; education programs
Consultant opinion	Huge experience in working with donor projects – USAID, FAO, ECD; Have a good project idea - Educational centers in rural areas; Implemented also social programs; Can be a good project partner or implement some development activities.

Name:	Association of Vegetable Producers, Biobašta, Donji Vrtoš, Vranje
Basic	Established in 2013; No property
Organization	No employed; Regular assembly; No executive board meetings since association has 6 founders that are neighbor; Average age of members – 45 years; No turnover in 2014.
Activities	No activities in 2014
Production level	3 ha of green houses; 35 ha of arable land
Received support	Municipality allocated funds for equipment, green houses etc.; Gave a space at green market for selling of vegetable
Problems	Weak organizational skills
Needs	Cooling plant
Technical support	Facilitate market contacts; Mentoring; Business planning
Consultant opinion	Main advantages of this association are specialized production; big production per farmer; good producers; Can be supported in marketing approach

Name:	Association Zlatna malina, Prijepolje
Basic	Established in 2010; No property
Organization	No employed; Assembly held once a year; Occasional meetings of executive board, 10 founders; 70 members; Average age of members - 45 years; Turnover in 2014 - less than 1 million RSD
Activities	Through municipal support procured fruit seedlings; Occasional lectures for farmers
Production level	More than 40 ha of orchards – plums and raspberries
Received support	Municipality allocated funds for fruit seedlings and education program.
Problems	Lack of mechanization; Irrigation is not possible in orchard region.
Needs	Small mechanization
Technical support	Education of primary producers
Consultant opinion	Active association; Have municipal support

Name:	Association of Fruit and Vineyard Producers Vlasotince, Vlasotince
Basic	Established in 2003; Property – Equipped office
Organization	No employed; 45 members; Management structure established but not so frequent meetings; Average age of members - 45 years; Turnover in 2014 – less than 1 mil. RSD; In some years association had turnover more than 6 mil. RSD
Activities	Established during MSP NE project; Main activity in 2014. was administrative support to farmers – registration of households etc. Association has occasional educational programs.
Production level	Members have more than 50 ha of orchards and vineyards
Received support	Municipality financed office work; MAEP financed through STAR project – Eradication of old vineyards
Problems	Lack of finances for expansion of activities
Needs	Eradication of vineyards; Establishment of new vineyards; Rent a 30 ha of state land
Technical support	Support to primary producers; Education programs; Demonstration plots
Consultant opinion	Huge experience in working with donor projects – ECD projects; Can be a good project partner or implement some development activities

Name:	Beekeeper Society , Ivanjica
Basic	Established in 1965; Property – Office
Organization	No employed; Assembly held at least once a year; Regular monthly meetings of executive board; Around 100 members; Regular membership payments; Average age of members less than 40 years; Turnover less than 1 million RSD in 2014.
Activities	Active association; Primarily works on education and information; Facilitate contacts with buyers
Production level	4.000 beehives; 80 t of honey per year; 40 hives per member
Received support	Association did not receive any support in previous period
Problems	Lack of funds for development activities; Lack of support from municipality and/or state
Needs	Honey exhibition in Ivanjica; Storage place
Technical support	Support in the sale of honey; Market approach; New products development
Consultant opinion	Active organization; Can be included in project activities

Name:	Association of beekeepers Zlatarka, Nova Varoš
Basic	Established in 1974; No property

Organization	No employed; Assembly held at least once a year; Regular monthly meetings of executive board, 62 members; Regular membership payments; Average age of members - 50 years; Turnover around 2 million RSD in 2014.
Activities	Active association; Purchase hives for members; Primarily works on education and information; Facilitate contacts with buyers
Production level	1.500 beehives; 30 t of honey per year
Received support	Municipality allocated 1 mil. RSD for the purchase of hives
Problems	There are no specific problems
Needs	Reproductive center; Equipment for standardization of quality of honey
Technical support	Web site; Standard educational programs
Consultant opinion	Active organization; Can be included in project activities

Name:	Association of beekeepers Medena, Vladicin Han
Basic	Established in 2010; No property
Organization	No employed; Assembly held at least once a year; Regular monthly meetings of executive board; Constant communication among members; 83 members; Regular membership payments; Average age of members - 45 years; Turnover in 2014 – less than 1 mil. RSD.
Activities	Primarily work on education and information; Organized local events
Production level	4.500 beehives
Received support	Municipality support organization of local event
Problems	Lack of finances for some activities
Needs	Business space; Production space; Equipment for honey production
Technical support	Creation of regional cooperative of honey producers
Consultant opinion	Active organization; Can be included in project activities; Very good project idea – Formation of regional cooperative

Name:	Association of agriculture producers, Ivanjica
Basic	Established in 2013; No property
Organization	No employed; Assembly held once in 2014; Regular monthly meetings of executive board in 2014, Just 4 founders; Average age of founders less than 40 years; Turnover more than 1 million RSD in 2014.
Activities	Just started with activities; Primarily worked on education and information in 2014; Plan to work on organization of Ivanjica agriculture fair; PCM
Production level	Founders have seedling production; green house and around 20 ha of orchards
Received support	Municipality supported association with office equipment; Municipality financially supported association in organization of education programs
Problems	Lack of labor force in berry production
Needs	-
Technical support	Funds for organization of educational programs; Interesting programs -Promotion of sustainable fruit production, rural development programs and improvement of production and value chain in fruit production and processing; Facilitate contacts with buyers
Consultant opinion	Active organization with young and ambitious management team; Idea of promoting sustainable fruit production is quite interesting; Idea is based on diversification of farm fruit production.

Name:	Association Pčinjska borovnica, Trgovište
Basic	Established in December 2013; Property – Machine for wood crashing

Organization	No employed; Assembly held twice a year; Regular meetings of executive board; 22 founders; Average age of members – 30-35 years; Turnover in 2014 - less than 1 million RSD
Activities	Organized educations and lectures for farmers
Production level	8-9 ha of cultivated blueberries
Received support	Received support from Progress and SDC project – seedlings, machine for wood crashing; Got funds for irrigation systems
Problems	No specific problems
Needs	Fruit seedlings; Small mechanization; Anti hail nets
Technical support	Education of primary producers; Study tours; Business planning
Consultant opinion	Active association; Have municipal support; Young farmers; Have experience in work with donor projects; Attractive product

Name:	Mladi stočar, Babušnica
Basic	Established in 2003; Property – Office and equipment necessary for extension service jobs
Organization	3 employees paid by municipality; 35 members; Regular annual meetings of the assembly; Occasional executive board meetings; Provide extension service to 90 cooperates; Average age of cooperates – 45 years; Turnover – around 2 mil. RSD in 2014.
Activities	Extension service in livestock production from 2012
Received support	Municipality supported establishment of the extension service; Supported field visits; Financed livestock development program
Problems	Low purchase price of milk; Late payments; Lack of funds for association activities
Needs	To increase number of livestock in municipality
Technical support	Education programs for livestock producers
Consultant opinion	Specialized association; Management does not have development ideas; It is possible to improve association activities and incomes through better extension service

Name:	Association of Beekeepers, Aleksinac
Basic	Established in 1974; No property
Organization	No employed; Assembly held at least once a year; Regular meetings of executive board, 120-160 members; Regular membership payments; Business plan for honey production facility exist; Average age of members 45 years; Turnover less than 1 million RSD in 2014.
Activities	Active association; Apigard medicine was delivered to producers; Association organize at least 15 education sessions per year
Production level	9.000 beehives; 50-60 hives per member; Total annual production 180 t of honey/year
Received support	Municipality: Bought Apigard; Association was beneficiary on ECD funded project implemented by National Association of Beekeepers in 2013 and 2014.
Problems	Lack of funds for development activities; Association could not sell honey
Needs	Purchase place with packing machine
Technical support	Technical support – promotional activities, modern packages, foreign lecturers, study tours, protection of geographic origin of local honey
Consultant opinion	Very good and active organization; All recommendations

Name:	Association of Beekeepers Lipa, Knjaževac
Basic	Established in 1974; No property
Organization	No employed; Assembly held at least once a year; Regular meetings of executive board (twice per month), 142 members; Regular membership payments; Average age of members 45 years; Turnover less than 1 million RSD in 2014

Activities	Active association; Apigard medicine and bee hives were delivered to producers; Supported chemical analysis of honey in previous years but not in 2014; Intermediary in sale of honey; Association organizes regular education sessions
Production level	9.500 beehives; More than 60 hives per member
Received support	Municipality: Bought Apigard; Provided funds for education of honey producers; Bought hives for association members
Problems	Lack of funds for development activities; Disease of bees
Needs	Equipment; Office;
Technical support	New products development f.e. bee poison; Product control; Specialized trainings for advisors; Study tours; Education of producers
Consultant opinion	Good and active organization; Good and innovative project ideas; All recommendations

Name:	Association of producers "Leskovacki ajvar", Leskovac
Basic	Established in 2008; No property
Organization	No employed but has support from Regional Cooperative Union for Jablanica and Pcinja region; Submitted study on protection of geographic origin for Leskovacki ajvar; 25 founders; around 40 members, but number of producers depend on year
Activities	Purchase of produced ajvar; Organized production; Promotion of the product; Education and information; Holder of the certificate of the geographically protected product
Production level	500.000 jars/year
Received support	RCU for Jablanica and Pcinja provides technical support to the association
Problems	Non standardized production; Still small market demands; Organizational problems in certification process
Needs	Common processing facility
Technical support	Increase market demand; Support in organization;
Consultant opinion	Strong association management; Deserve European Progress support; A few good development ideas

Annex 6 – The need to form new associations and cooperatives

No.	LS	Association/Cooperative	Sector
1	Blace	Associations	Fruit and livestock ones
2	Bojnik	Support existing ones	
3	Bosilegrad	Associations	No specification
4	Brus	Associations	Potatoe and grape
5	Bujanovac	Associations	No specification
6	Babušnica	Associations	Livestock; crop and vegetable production
7	Bela Palanka	Associations	Fruit and livestock ones
8	Aleksinac	Associations	Vegetable production
9	Vlasotince	Associations	Cultivated blueberries, collected fruit
10	Vranje	Support existing ones	
11	Vladičin Han	Associations	Livestock
12	Gadžin Han	Associations	Fruit and livestock ones
13	Doljevac	Cooperative	Production and processing of fruit and vegetables
14	Žitorađa	Associations	Fruit production
15	Ivanjica	Support existing ones	
16	Knjaževac	Associations	Organic agriculture; organic honey production; medical and aromatic plants
17	Kuršumlija	Associations	No specification
18	Lebane	Associations	No specification
19	Leskovac	Associations	No specification
20	Medveđa	Associations	Fruit and livestock ones
21	Merošina	Associations	Fruit production
22	Nova Varoš	Support existing ones	
23	Novi Pazar	Associations	Production and processing of fruit and vegetables; Organic production; Dairy
24	Priboj	Associations	Sheep association; Goat association
25	Prijepolje	Clusters	Cheese; Fruit
26	Prokuplje	Associations	Fruit and livestock ones
27	Preševo	Associations	vegetable and fruti productions; livestock production
28	Raška	Associations	Food producers
29	Svrljig	Associations	Livestock
30	Surdulica	Associations	Raspberry
31	Sjenica	Associations	No specification
32	Trgovište	Associations	Fruit and livestock ones
33	Tutin	Associations	No specification
34	Crna Trava	Associations	General goals - production and processing

Anex 7 – List of most important short and long term needs of cooperatives

Short term needs	No. of answers
Cooling plant	10
Establishing, strengthening or specialization of primary production	7
Secure or adaptation/reconstruction of storage places	7
Marketing and modern marketing approach	4
Strengthening of the cooperative (business plans, marketing strategies, capacity building of managerial stuff, new employments etc.)	4
Acquiring new knowledge	3
Procurement or renewal of mechanization	3
Access to funds	3
Processing facilities (new production technologies or new equipment and objects)	3
Solve property issues	2
Support in certification – organic production and GI	2

Long term needs	No. of answers
Processing facility – dominant wish is cooling plant	9
No long term plans	9
Increasing of primary production	6
New product or packaged product	3
Dairy plant	2
Renew business activities of cooperative on old level	2
Cooperative is a service of primary producers – Creation of trust	2

Anex 8 – List of most important short and long term needs of surveyed associations

Association needs and targets	No. of answers
More efficient support to association members	11
Ensure proper working conditions	10
Own storage or purchase place – cooling plants, purchase places for milk, dairies, distilleries	10
Education and study tours	8
Secure technical support – product or production control, advisory service, anti hail protection, connection with market, formation of demonstration plots, meteo stations etc.	7
General interests (agriculture roads, laboratory for soil examination etc.)	4
Quality schemes – organic production and protection of GI	4
Modern packages in accordance with standards and market demands, better market approach, marketing tools	3
Establishment of own primary production (rent land, green houses, nursery etc.)	3
Procurement of equipment, medicines etc.	2
Formation of cooperative	2
Organization of promotions, exhibitions, fairs and other events	2

Anex 9 - Selection criteria for provision of support to agricultural producer groups

Assessment Criteria for existing Agricultural Producer Groups (agricultural cooperatives and associations) for assistance with innovation of products and processes, market development and introduction of international standards on food safety

1	Agricultural potentials	15	Level
1.1	Number of hectares/livestock/ bee hives owned by agricultural producer group	3	
		1	Less than 10 ha/ 50 cattle or 150 goats/sheep/ 1000 hives
		2	10-100 ha/50-200 cattle or 150-500 goats/sheep/100-3000 hives
		3	More than 100 ha/ 200 cattle or 500 goats/ sheep/ 3000 hives

1.2	Average number of livestock per APG member / Average area of orchards per APG member / Average area of arable land per APG member / Average number of bee hive per APG member	3	
		1	Less than 2 cattle, 10 sheep/goats / 1 ha / 4 ha / 15
		2	2-5 cattle, 10-50 sheep/goats / 1-2 ha / 4-6 ha / 15-40
		3	More than 5 cattle, more than 50 sheep/goats / 2 ha / 6 ha / 40 hives
1.3	Average number of land lots per member of the APG	3	
		1	More than 5
		2	3-5 plots
		3	1-3 plots
1.4	Number of APG members with drying facilities and home cold storage facilities / Number of APG members with building for storing silage / Number of APG members with intensive production facilities / Number of APG members with greenhouse facilities	3	
		1	No such objects
		2	1-5
		3	More than 5
1.5	Total number of mechanization owned by APG members younger than 10 years	3	
		1	Less than 1
		2	1
		3	More than 1
2	Demographic potentials	10	
2.1	Average age of APG member owners	5	
		1	More than 50
		3	40-50
		5	Less than 40
2.2	Average number of family members per APG	5	
		1	Less than 2,5

		3	2,5-3,0
		5	More than 3
3	Institutional capacities for supporting agriculture	15	
3.1	LSG capacities to support agriculture	3	
		1	No one or one person is charged for agriculture
		2	2-3 persons are charged for agriculture
		3	More then 3 persons charged for agriculture
3.2	Ratio of the LSG Budget for the agricultural development in the past three years	3	
		1	Less than 10 mill./year
		2	10-20 mill./year
		3	More than 20 mill./year
3.3	Ratio of the LSG Budget spent for financial support provided to APGs in the last three years	3	
		1	Less than 2%
		2	2-3%
		3	More than 3%
3.4	Services to agricultural producers provided by LSG	3	
		1	No one is supported
		2	Up to 50 households supported
		3	More than 50 households supported
3.5	Number of implemented agricultural projects in the past three years	3	
		1	No implemented projects
		2	1 project in past three years
		3	More than one project
4	Operational Capacities	60	

4.1	Basic of the agriculture producer groups (strategy, annual work plan, management and finance, infrastructure and assets, staffing, empowerment and decision making, women participation, governance)	20	
		1	Strategy Yes/No
		1	Annual working plan Yes/No
		1	Management bodies Yes/No
		5	Turnoover more than 10 mill/year Yes/No
		5	Infrastructure, assets, land Yes/No
		2	Staffing, Yes/Np
		2	Management bodies included in decision making Yes/No
		2	Women participation Yes/No
		1	Governance Yes/No
4.2	Service provision, need of members addressed and service provided	10	
		2	Mechanization use, Yes/No
		2	Procurement of inputs Yes/No
		2	Purchase of products Yes/No
		2	Education and dissemination of information, Yes/No
		2	Other sevice, Yes/No
4.3	Marketing service, sales volume per farmer and certification	10	
		0	No sale
		2	Less than 10 t
		4	10-50 t
		6	50-100 t

		8	100-200 t
		10	More than 200 t
4.4	Supply of farms inputs (procurement inputs, storage and stock management)	10	
		0	No provision of farm inputs
		2	Less than 10 producers
		4	10-25 producers
		6	25-50 producers
		8	50-100 producers
		10	More than 100 producers
4.5	Number of APG members, number of employees and number of cooperators	10	
		3	More than 20 members, Yes/No
		3	Employees Yes/No
		4	More than 20 cooperators, Yes/No
TOTAL SCORE		100	

Assessment Criteria for informal farmer groups showing potential to form agriculture cooperatives in value chains and subsectors where they are absent

1	Agricultural potentials	15	Level
1.1	Number of hectares/livestock/ bee hives owned by agricultural producer group	3	
		1	Less than 10 ha/ 50 cattle or 150 goats/sheep/ 1000 hives
		2	10-100 ha/50-200 cattle or 150-500 goats/sheep/100-3000 hives
		3	More than 100 ha/ 200 cattle or 500 goats/ sheep/ 3000 hives
1.2	Average number of livestock per APG member / Average area of orchards per APG member / Average area of arable land per APG member / Average number of bee hive per APG member	3	
		1	Less than 2 cattle, 10 sheep/goats / 1 ha / 4 ha / 15
		2	2-5 cattle, 10-50 sheep/goats / 1-2 ha / 4-6 ha / 15-40
		3	More than 5 cattle, more than 50 sheep/goats / 2 ha / 6 ha / 40 hives
1.3	Average number of land lots per member of the APG	3	
		1	More than 5
		2	3-5 plots
		3	1-3 plots
1.4	Number of APG members with drying facilities and home cold storage facilities / Number of APG members with building for storing silage / Number of APG members with intensive production facilities / Number of APG members with greenhouse facilities	3	
		1	No such objects
		2	1-5
		3	More than 5
1.5	Total number of mechanization owned by APG members younger than 10 years	3	
		1	Less than 1
		2	1

		3	More than 1
2	Demographic potentials	10	
2.1	Average age of APG member owners	5	
		1	More than 50
		3	40-50
		5	Less than 40
2.2	Average number of family members per APG	5	
		1	Less than 2,5
		3	2,5-3,0
		5	More than 3
3	Institutional capacities for supporting agriculture	15	
3.1	LSG capacities to support agriculture	3	
		1	No one or one person is charged for agriculture
		2	2-3 persons are charged for agriculture
		3	More then 3 persons charged for agriculture
3.2	Ratio of the LSG Budget for the agricultural development in the past three years	3	
		1	Less than 10 mill./year
		2	10-20 mill./year
		3	More than 20 mill./year
3.3	Ratio of the LSG Budget spent for financial support provided to APGs in the last three years	3	
		1	Less than 2%
		2	2-3%
		3	More than 3%
3.4	Services to agricultural producers provided by LSG	3	
		1	No one is supported
		2	Up to 50 households supported
		3	More than 50 households supported
3.5		3	

	Number of implemented agricultural projects in the past three years	1	No implemented projects
		2	1 project in past three years
		3	More than one project
4	Operational Capacities	60	
4.1	Motivation of persons who share common problems	20	
		2	Technical support in primary production
		2	Support in mechanization
		2	Support in input procurement
		2	Support in reaching financial funds
		3	Regulated purchase of products
		2	Storage
		3	Processing
		2	Sertificattion - added value
		2	Participation in reached profit
4.2	Existence of group leaders and potential number of members	10	
		2	Group leader identified Yes/No
		3	Group leader profile appropriate, Yes/No
		5	Number of producers, more than 20
4.3	Understanding advantages of membership opposed to the duties of membership	10	
		0	No evidence
		10	Clear evidence and will is shown, Yes/No
4.4	Potential infrastructure and assets	10	
		0	No infrastructure and assets
		5	Office and office equipment
		5	Production facility

4.5	Potential production	10	
		3	Programs of technical support
		5	Primary production
		7	Purchase, storage and/or common sale
		10	Creation of added value, processed product
TOTAL SCORE		100	

Assessment Criteria for Agricultural Producer Groups (agricultural cooperatives and associations) for assistance with Geographic Indication activities

1	Organizational potentials	50	
1.1	(Potential) Production volume of traditional agriculture product, sales volume and number of employees	5	
		1	Does not exist on market
		3	Less than 1 t/day on annual level for milk products / 20 t for processed products / 10.000 lambs
		5	More than 1 t/day on annual level for milk products / 20 t for processed products / 10.000 lambs
1.2	(Potential) sales volume and number of employees	5	
		1	No employees
		3	Up to 5 employees
		5	More than 5 employees
1.3	(Potential) Production volume of raw materials (milk, papers, etc...)	5	
		1	Raw material is not available
		3	Available raw material for up to 100% increasing of product production
		5	Available raw material for more than 100% increasing of product production
1.4	(Potential) Number of farmers/SMEs producing traditional agriculture products	5	
		1	Less than 5
		3	5-20
		5	More than 20
1.5	(Potential) Number of farmers producing raw materials (milk, papers, etc...)	5	
		1	Less than 10
		3	10-100
		5	More than 100

1.6	Is production of the Geographic Indication users standardized	5	
		1	No
		5	Yes
1.7	Are the safety precondition in accordance with the legal requirements for the Geographic Indication users met	5	
		1	No
		5	Yes
1.8	Is Elaborate on the protection of geographical indication adopted	5	
		1	No
		5	Yes
1.9	Is it a clearly defined the holder of geographic indication	5	
		1	No
		5	Yes
1.10.	Capacities of the holder of geographic indication	5	
		1	Does not exist
		3	Weak capacities
		5	Good capacities
2	Market potentials	30	
2.1	Total Serbian market for similar products	6	
		2	Simmilar products are availble on the market during the year
		4	Seasonall product
		6	Unique product in limited quantity
2.2	Product competitiveness	6	
		2	No specific characteristics
		4	Product has one of characteristics: unique packing, proved quality, higher price, adopted food standards

		6	Product has at least two of these characteristics: unique packing, proved quality, higher price, adopted food standards
2.3	Relevance of pricing compared to competitors	6	
		1	Same price like other products
		3	Product is up to 10% expencier than simmilar products
		6	Product is more than 10% expencier than simmilar product
2.4	The presence of products on the Serbian market	6	
		1	Simmilar to other products
		3	Specific content but simmilar products are present on the market
		6	Unique product on the market
2.5	Product brand awareness on the Serbian market	6	
		2	Product is not recognized on the market
		4	There is some knowledge about the prouct
		6	Market is familiar with the product
3	Institutional capacities for supporting agriculture	15	
3.1	LSG capacities to support agriculture	3	
		1	No one or one person is charged for agriculture
		2	2-3 persons are charged for agriculture
		3	More then 3 persons charged for agriculture
3.2	Ratio of the LSG Budget for the agricultural development in the past three years	3	
		1	Less than 10 mill./year
		2	10-20 mill./year
		3	More than 20 mill./year
3.3	Ratio of the LSG Budget spent for financial support provided to APGs in the last three years	3	
		1	Less than 2%
		2	2-3%

		3	More than 3%
3.4	Services to agricultural producers provided by LSG	3	
		1	No one is supported
		2	Up to 50 households supported
		3	More than 50 households supported
3.5	Number of implemented agricultural projects in the past three years	3	
		1	No implemented projects
		2	1 project in past three years
		3	More than one project
	TOTAL SCORE	95	