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AGRICULTURAL COOPERATIVES IN A.P. VOJVODINA - POSITION, POTENTIALITY AND PERSPECTIVES

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Summary

This paper discusses some of the basic data which define the current situation, potentials and prospects of agricultural cooperatives in A.P. Vojvodina. Agricultural cooperatives are a key factor in sustaining and improving the competitiveness of agricultural producers, in terms of increasing competition, which occurs as a result of the approaching process to the European Union.

The potential of agricultural cooperatives in the past and the present has not been adequately exploited - for many reasons - some of which are the primary legislative framework is inadequate, and the system and economic position of cooperatives in economic policy in agriculture, but also the overall economic policy.

Prospects of agricultural cooperatives are conditioned by the creation of adequate legal, institutional and economic environment for their business, which will significantly influence the effects of the cooperative organization of agricultural producers.

Key words: *agricultural cooperatives; agricultural producers; competitiveness.*

Introduction

A.P. Vojvodina is one of the regions with the longest tradition of cooperative organization in the world. The history of agricultural cooperatives in A.P. Vojvodina, 164 years long, testified about the need of farmers for this type of business organization, regardless of the state system and socio - economic environment for business cooperatives.

The need for a cooperative organization, as in the past and today, exists especially for farmers with small farms - which have not the capacity for independent approach to the market. Size, economic strength, productivity and degree of commercial

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orientation of agricultural holdings in Serbia are below average compared with the same characteristics of farms in the states of the European Union. Result of its characteristics is the low competitiveness of farmers from Serbia, which in the process of joining the European Union, may be the main factor in their disappearance from the market. One of the main ways to improve the competitiveness is the business association for the purpose of joint participation in the market, which gained a better position in the relations between supply and demand in relation to independently participate in the market. Agricultural cooperatives are the most effective form of business association of farmers, and there is a need to improve their potential in this area, so that members of cooperatives achieve the best effect of the joint business through the cooperative form of organization.

Some of the basic preconditions for the successful dealing of cooperatives are: modern cooperative legislation that would regulate the problems of property relations, management and other key factors that define any economic entity, the existence of long-term strategy of agricultural development and agricultural cooperatives with a defined role of cooperatives in economic policy in agriculture; and stimulating cooperative organization and business through a system of measures aimed at increasing the competitiveness of farmers and cooperatives.

Perspective of co-operatives, and thus the future of farmers with small and medium farms will most determine the attitude of the state to regulate areas that are now inadequate for the development of cooperative movement.

Basic information about agricultural cooperatives in A.P. Vojvodina

According to data from the Cooperative Union of Vojvodina, of 526 agricultural cooperatives - members of the Union, which in the Business Registers Agency recorded as active entities, in the reality is active about 440 agricultural cooperatives.

Of total number, about 190 agricultural cooperatives, was established in the years after World War II, and other cooperatives were established since 1990. until today. Cooperatives with long standing tradition have the most of the human and property capacity in the cooperative movement, but also major problems in doing business in relation to cooperatives that were established in the last two decades. However, these cooperatives still are the place of association for most cooperative members and contract farmer.

Human resources in agricultural cooperatives are cooperative members, contract farmers, and employees. According to data from the Cooperative Union of Vojvodina, the 440 active agricultural cooperatives in the A.P. Vojvodina has about 20,100 members, about 90,850 contract farmers and more than 5,100 employees. Cooperatives have an average of about 45 of its members and about 200 contract farmers, meanwhile the number of members and contract farmers significantly different from the average among the cooperatives have a long tradition in relation to cooperatives that were established in the last two decades. "New" cooperatives usually have between

10 and 15 of its members and a varying number of contract farmers (often less than the average). The average number of employees in agricultural cooperatives is about 15 persons, excluding the 88 cooperatives that have no employees.

Most cooperatives with a long tradition has movable and immovable property owned by cooperatives, and in these cooperatives is the largest number of employees, cooperative members and contract farmers in the cooperative sector. Cooperatives that were established in the last two decades often do not own property in cooperatives ownership, and thereby employ the minimum number of employees, or do not have employees, but work is performed by its members who are not employed by the cooperative. Of this there are exceptions, and the some agricultural cooperatives that were established during the period 15-20 years ago, to this day created considerable material resources and have professional and qualified staff, as well as with some agricultural cooperatives with tradition occurred outflow of capital, lost property and personnel in the same period.

Immovable property has 140 agricultural cooperatives, consisting agricultural lands and / or buildings. Agricultural land is owned by about 100 cooperatives. A large part of the cooperative property is due to statutory changes in the second half of last century, transferred to other legal entities (agricultural enterprises and combines), and then the unfortunate legal provisions on restitution of property of cooperatives remained outside of the cooperative sector, which is done irreparable damage to agricultural cooperatives.

In terms of activities, most of the agricultural cooperatives in A.P. Vojvodina is a multifunctional type, that is not specialized in manufacturing and trading of certain types of agricultural products. Operations of agricultural cooperatives is conducted through contracting production with members and contract farmers, including provide of materials and providing services for its members and contract farmers, storage and sale of their product, and purchase of agricultural products. In addition to contract manufacturing and purchase, a significant number of cooperatives has its own production. The largest part of turnover is achieved through cooperative production and trade of conventional crops, with increasing participation of fruit and vegetables, and decrease livestock products in the total turnover in recent years.

The agricultural cooperatives - the potential for improvement competitiveness of farmers

Individual agricultural producers in Serbia are in possession of more than 85% of agricultural land. About 700,000 households (about 95% of total) have less than 10 ha of agricultural land, and only 5.5% of households have more than 10 ha. The data is striking that in our agriculture is dominated by small farms, whose size is far below the European average, while dominated by extensive production on small parcels. On the other hand, given the total area contained in the individual private sector, it is clear that the status and development in agricultural production are influenced by economic success of individual agricultural producers.

Based on data on the size, structure and activities of agricultural holdings, it is concluded that our farms have very weak economic power, and without association in agricultural cooperatives can not survive in the market for a longer period. Business networking in cooperatives to jointly market approach is particularly important in conditions of complete opening of our markets for agricultural - food products from the countries of the European Union, which is in progress, but their productivity and competitive position in the market on average, significantly better than on domestically produced goods.

Apart from the need to improve competitiveness, the basic role of cooperatives for many farmers with small farms and simple to maintain production and productivity, because without the natural borrowing for needed raw materials from cooperative would not have the financial capability and the establishment of new production.

In the A.P. Vojvodina, on average there is one agricultural cooperative in each settlement. In some villages there is more than one cooperative, and in few places cooperatives does not exist (or a cooperative that does not operate). It can be concluded that there is a good network of cooperative organizations in rural areas, and already there are organizations through which farmers are linked to business performance in the market. In the last decade there was a continuing interest in the establishment and development of new cooperatives, which means that farmers recognize cooperatives as business entities for the common market. Bearing in mind the existence of an adequate network of cooperative organizations, the question is to what extent the existing network of cooperative organizations use to achieve greater competitiveness of the farmers market. Cooperatives are a factor of survival for many farmers with small farms, and certainly contribute to increasing their competitiveness, but far below the capacity of the cooperative form of organization has, due to the lack of an adequate socio - economic and legislative framework and appropriate economic policy measure in agricultural rebusiness cooperatives.

Perspectives and limitations for successful business agricultural cooperatives

Perspectives of agricultural cooperatives in Serbia are significantly conditioned by the existence of interest to the cooperative organization on the one hand, and the need to ensure adequate legal, market and general socio - economic environment for cooperatives business, on the other side. Interest in the cooperative organization is evident, however, conditions for successful cooperative business limited number of subjective and objective factors.

Without neglecting the subjective weaknesses in cooperatives, such as unfavorable qualifications of staff, lack of preparation for the business in line with modern market and production conditions, problems in governance and management, etc., are still the dominant objective factors in achieving the conditions for the smooth operations of cooperatives.

Most restrictions in business, cooperatives have because due to decades state had inadequately attitude to the cooperative movement, which is reflected in:

- Lack of a modern legal framework for cooperatives operating. Specifically, the legislation for all forms of business organizations (as well as entrepreneurs, and associations) in the period of transition adapted to the needs of the modern market economy, except legislation in the cooperative movement. New, modern cooperatives law is one of the preconditions for the successful operation of cooperatives, particularly because it is necessary to regulate the ownership and management of cooperative relations;

- The existence of social ownership of real estate multiple damage the cooperative system. Disregard for cooperative property, which is the Constitution of the Republic of Serbia is one of the anticipated types of property, and on the other hand the existence of social ownership in the cooperatives, which in the Constitution of the Republic of Serbia does not exist, representing a negative relationship between state legislation to cooperatives. Social ownership and cooperatives have limited control, the inability to use the property in a rational purpose, but in accordance with limited opportunities. Unfortunately, social property is the limit for new investments in the cooperative sector, due to undefined and uncertain property rights over the property;

- Lack of long-term strategy of agricultural development, inadequate economic policies in agriculture, followed by lack of measures aimed at stimulating cooperative forms of organization in agriculture; - Other circumstances that adversely affect the operations of cooperatives (high level of informal economy in agriculture, vulnerability of domestic production of imported goods, lost markets in the past decades, etc..). Perspectives of agricultural cooperatives in our country to a large extent will be determined according to the present state policy according to cooperatives. Bearing in mind that within the European Union co-operative form of business in agriculture is dominant in all market segments, our cooperative system would quickly be adapted to European trends, in order to effectively protect the interests of farmers joined in a cooperative. The vitality of the cooperative system has proven to us through its history, and the prospect of its existence certain, but capacity utilization and efficiency of the cooperative system to protect the interests of farmers and improve their competitiveness may be more or less successful depending on the general economic environment for business cooperatives.

Conclusion

The need for the development of agricultural cooperatives in A.P. Vojvodina is illustrated by the fact of the existence of a large number of farmers with small farms who can not act independently in the market. The necessity of linking in the cooperative system of organization in order to perform the market in this region is traditionally the most common form of agricultural producers operating, who has survived various socio - political and economic system, as well as a changing business conditions. The challenges that are opening before our agricultural producers are all higher in the process of conducting the expected association process to European Union, mainly because of

facing strong competition, but here and other specified conditions (standardization, methods of production, transport, storage, packaging, marketing, etc.). Cooperative system of organization has the capacity to assist farmers in achieving their economic success in these processes, provided that adequate conditions to exercise the legislative, and general economic environment for cooperatives business. In addition to adopting a new, modern law on cooperatives, the system of economic policy measures in agriculture, which would be aimed at stimulating business association and the cooperative system, with the possibility of profitable investment in the cooperative, to achieve conditions that lacks the recognition of the cooperative movement, in the interests of farmers but the agricultural sector as a whole.

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