THE ECONOMIC SIGNIFICANCE OF AGRICULTURE FOR THE DEVELOPMENT OF THE REPUBLIC OF SERBIA: TRENDS AND STRUCTURAL ANALYSIS (2016–2025)

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ABSTRACT

The subject of the research is an overview of the economic importance of agriculture in the context of the economic development of the Serbia, with a special focus on the dynamics of key economic indicators and changes in the production structure during the period 2016-2025. The aim of the research is to determine the contribution of the agricultural sector based on the analysis of GVA, intermediate consumption, factor income and the structure of agricultural production. The methodological framework is based on the application of descriptive statistical, dynamic, comparative and structural analysis. The results of the research indicates a decreasing tendency of the participation of the agriculture GVA in the GDP, alongside pronounced variability of economic indicators at the interannual level. Production structure confirmed the dominant representation of crop production, with noticeable changes in the relative importance of other production categories. The findings indicates the importance of agriculture in the economic structure of the Serbia, as well as the need to improve production efficiency, competitiveness and long-term economic sustainability.

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Introduction

The contribution of agriculture, as one of the most important economic activities, is reflected not only in the creation of GDP, but also in its connection with other sectors, employment as well as the stimulation of economic development (Gadgil & Gadgil, 2006). In this regard, as an activity that ensures the production of food and raw materials, it has multiple economic and social functions. Johnston and Mellor (1961) highlighted the importance of agriculture for economic development by emphasizing the significance of the cause-and-effect relationships between agricultural and industrial development. Seen from this perspective, agriculture contributes to economic growth through food production, providing raw materials for industrial development, generating employment and export revenues. (Alston, & Pardey, 2014; Timmer, 1992). Analogus conclusion was reached by (Byerlee & Sadoulet, 2009) emphasizing agriculture as an important initiator of structural transformation and development of closely related non-agricultural sectors. Similary, stable and productive agricultural production reduces import dependence and thus mitigates the degree of economy exposure to negative trends on the global market. Also, the growth of production along with the growth of competitiveness affects on the strengthening of the export potential and the growth of the trade balance. The importance of agriculture can be viewed from the perspective of its contribution to total employment, especially in rural areas. In this regard, the economic function of agriculture refers not only to employment in primary production but also in activities such as processing, storage, transportation and distribution of agricultural products (Pan et al., 2024; Andreeski et al., 2026). These activities creates additional value, employment, strengthen production and market connections (Kołodziejczak, 2020, Tleubayev et al., 2024). Diao et al. (2010) point out that agricultural development in the broadest sense is a trigger for economic changes, primarily through productivity growth and poverty reduction. The connection between the growth of agricultural production and the poverty decrease was additionally indicated by Christiansen et al. (2011).

In addition to the direct effects should be emphasized the indirect effects of agricultural production through the growth in demand for industrial products and services. Namely, with its growth, agricultural production increases not only the machinery consumption but also the consumption of energy sources, mineral fuels, etc. Likewise, the increase of agricultural producers revenues also affects the increase in demand for products from other activities due to increasing purchasing power. Seen from this perspective, it is clear that the real economic contribution of agriculture must be observed broadly than the direct participation in the GDP. (Johnston & Mellor, 1961; Haggblade, et al., 1989). Contemporary business conditions at the global level additionally emphasize the need to increase the productivity of agricultural production, technological innovations, but also the for increasingly rational use of natural resources (Deininger et al., 2022). Gollin (2023) came to similar conclusions, especially emphasizing that the growth of agricultural productivity is one of the most important determinants of overall economic development. In this regard, agriculture can be considered as a significant economy development potential. That is why the need to improve agricultural production and its economic efficiency is imperative. This is the only way to achieve the goals of long-term and sustainable economic development.

Methodology

The analyses of the economic importance of agriculture for the development of the Republic of Serbia is based on the quantitative analysis of secondary data. The analysis covers the period 2016-2025, which enables an overview of development tendencies and changes in the economic performance of the agricultural sector. For these purposes were used descriptive statistical, dynamic, comparative and structural analysis. The economic importance of agriculture is seen through the participation of the agriculture GVA in the GDP and its changes in annual growth rates. The analyse of economic results were based on the movement of intermediate consumption and factor income. The structure of agriculture production was examined through the ratio of crop and livestock production and the the relative share of individual categories.

A dynamic analysis was conducted to determine the direction and intensity of changes in the observed indicators, while comparisons were made at the annual level through comparative analysis. The structural analysis established the relative participation of individual categories in the total value of agricultural production. Annual changes are expressed by growth rates, and the representation of individual categories by percentage share. By applying the mentioned methods were analyzed the changes in the economic importance of agriculture, the dynamics of its economic results and the production structure, which enabled the assessment of the role of agriculture in overall economic development of the Republic of Serbia.

Agricultural gross value added (GVA) and its contribution to GDP in Serbia

The agriculture gross value added (GVA) is one of the key indicators of the economic significance of this sector. It reflects the newly created value of agricultural production reduced by the value of intermediate consumption. The analysis of GVA trends indicates a change in the volume and efficiency of agricultural production, while the participation of agricultural GVA in GDP indicates its relative importance in the economic structure (Tomšík et al., 2015). Regardless the long-term trend of a declining contribution of agriculture to overall economic activity, agriculture nevertheless still has a traditional place in the generation of national income. Užar & Radojević (2019) indicate the importance of agriculture in the formation of the total GVA, and particularly highlight the contribution of crop and livestock production. On the other hand, Novaković et al. (2024), analyzing the structure of agricultural production in Serbia, confirms the importance of individual production branches in the creation of GVA, whereby crop and especially grain production are singled out as the most significant factors. The movement of this indicator, however, is characterized by pronounced interannual oscillations, which are associated with changes in the volume of production, yields, weather and climate conditions, as well as changes in the prices of agricultural products and inputs. The following table presents data related to the share of agricultural GVA in GDP, as well as the growth rates of agricultural GVA.

Table 1. Growth rates and share of agriculture GVA in GDP (2016-2025)

Year	Share of agricultural GVA in GDP	Agriculture GVA growth rates	Year	Share of agricultural GVA in GDP	Agriculture GVA growth rates
2016	5,8	8,3	**2021**	5,3	-6,2
2017	5,1	-10,5	**2022**	5,4	-8,8
2018	5,2	21,9	**2023**	4,0	8,1
2019	5,4	-2,4	**2024**	3,3	-8,2
2020	5,2	2,4	**2025**	3,7	-0,2

Source: Author's calculations based on SORS reports

Analysis of the share of agriculture GVA in the GDP of the Republic of Serbia indicates a decline in the relative agriculture contribution to the overall economic activity. At the beginning of the observed period, the share of agriculture GVA in GDP was 5.8%, while it decreased to 5.1% in 2017. In the following years this indicator had relatively stable movement, since it ranged between 5.2% and 5.4% until 2022. However, since 2023, there has been a significant decline in share of agricultural GVA in GDP, which continued into 2024, when was recorded a record-low share of 3.3%.

In 2025 was a slight recovery (share of agricultural GVA in GDP reached to 3.7%), which, however, was not enough to reach the level from the beginning of the observed period. Taken as a whole, the share of agriculture's GVA decreased by 2.1% between 2016 and 2025, which indicates a weakening of its relative contribution to the creation of the total GDP of the Republic of Serbia. At the same time, the movement of annual growth rates of agriculture's GVA is characterized by pronounced oscillations, which indicates the uneven dynamics of the creation of added value in this sector. For example, in 2016, was positive growth rate of 8.3%, while in 2017 was recorded a decline of 10.5%. In 2018, however was a marked increase in the agriculture's GVA growth rate (21.9%), which represents the highest growth rate in the observed period. The positive trends in the agriculture GVA growth rate were already stopped in the following year, since there was a drop in the growth rate of 2.4%, while 2020 ended with a positive growth of 2.4%. In the next two years (2021 and 2022), negative dynamics was continued (agriculture GVA growth rates decreased by 6.2% and 8.8%, respectively). Although a slightly recovery in 2023, with a growth of 8.1%, the following year canceled that recovery with a drop of 8.2%. In 2025, the negative growth rate amounted only 0.2%, which indicates almost unchanged value of GVA compared to the previous year.

The movement of both indicators indicates that contribution of agriculture to the economic development of Serbia is facing two characteristic processes: the reduction of its relative participation in the GDP and pronounced oscillations in the annual GVA growth rates. It is particularly significant that the decrease in the share of agriculture GVA in GDP intensified in the latter part of the observed period, despite occasional positive GVA growth rates. This indicates the possibility that the overall economic activity, i.e. the creation of added value in other sectors, grew faster than agriculture. Taken as a whole, the results indicate a weakening of the relative economic importance

of agriculture, which further emphasizes the need to improve the productivity, investments and competitiveness of this sector, as important assumptions for its greater contribution to the long-term economic development of the Republic of Serbia.

Dynamics of intermediate consumption and factor income in Serbian agriculture (2016–2025)

The dynamics of intermediate consumption and factor income are significant indicator s of the economic performance of agriculture since it enables an overview of the production cost structure. Intermediate consumption includes the value of goods and services expended in the process of agricultural production including seeds, mineral fertilizers, plant protection products, energy, animal feed and other inputs. Its movement directly affects the level of GVA and is calculated as the difference between the value of production and intermediate consumption. Factor income is an indicator of available income for compensation of production factors (labor, land and capital). Joksimović et al. (2018) particularly indicates the importance of investment financing for economic results of the agricultural sector, while Novaković et al. (2024) highlighted the influence of the structure and intensity of production on the added value. Seen as a whole, the relationship between intermediate consumption and factor income enables the assessment of production resource utilization efficiency and the capacity of agriculture to generate income. It is particularly important to determine whether the increase in the value of production follows a proportional increase in input costs or whether is achieved a more favorable relationship between consumed resources and generated income, which indicates changes in economic efficiency and sustainability of agricultural production. The following table presents data related to the growth rates of intermediate consumption and factor income in the period 2016-2025.

Table 2. Growth rates of intermediate consumption and factor income in Serbian agriculture (2016-2025)

Year	Intermediate consumption growth rates	Factor income growth rates	Year	Intermediate consumption growth rates	Factor income growth rates
2016	8,08	11,97	**2021**	9,44	12,15
2017	-9,61	-6,22	**2022**	17,44	19,19
2018	8,91	7,81	**2023**	-4,60	-6,61
2019	3,13	0,02	**2024**	-0,5	-7,11
2020	5,93	8,64	**2025**	3,14	27,87

Source: Author's calculations based on SORS reports

Analysis of annual growth rates of intermediate consumption and factor income in agriculture in the Republic of Serbia indicates pronounced dynamics. In the observed ten-year period, phases of growth and decline alternated, with variable intensity and direction of changes on an annual basis. The observed oscillations indicates the instability movement of production costs and agricultural generated income. Intermediate consumption recorded predominantly positive growth rates in the first

half of the observed period, with the exception of 2017, when was recorded a decrease of 9.61%. In the following two years were positive growth rates of 8.91% (2018) and 3.13% (2019). This positive trend continued during 2020 and 2021, with growth rates of 5.93% and 9.44%, respectively. A particularly significant growth was achieved in 2022, when intermediate consumption recorded a growth of 17.44%. This is also the highest growth rate in the observed period. However, in the next two years there was a change in dynamics, so in 2023 was realized a decrease of 4.60%, as well as a slight decrease in 2024 of 0.50%. In 2025, positive dynamics were re-established, with an intermediate consumption growth rate of 3.14%.

The movement of factor income was characterized by even more pronounced annual oscillations. After a growth of 11.97% in 2016, in the following year was recorded a decline of 6.22%. Positive dynamics were reestablished in 2018, when factor income increased by 7.81%. The minimum growth rate of 3.14% was recorded in 2024.In 2019 (0.02%).The next three years were characterized by accelerated growth rates, especially during 2021 and 2022, when they reached 12.15% and 19.19% respectively. This was followed by a three-year period characterized by more unfavorable trends, i.e. a decrease in factor income by 6.61% in 2023 and 7.11% in 2024. In contrast, the 2025 was marked with growth of 27.87%, which represents the highest growth rate of factor income in the observed period.

From a comparative point of view, the movement of intermediate consumption and factor income shows a significant degree of coincidence in terms of the direction of changes, especially in years of more pronounced oscillations. The simultaneous decline of both categories was registered in 2017, 2023 and 2024, while their growth was particularly pronounced in 2022. However, the intensity of the changes was not uniform. While in 2022 the growth rate of intermediate consumption was 17.44%, and factor income was 19.19%, in 2025 the difference was much more pronounced, given that factor income grew at a rate of 27.87%, compared to 3.14% for intermediate consumption. This difference indicates a more favorable dynamics of factor income in relation to intermediate consumption in the last year of observation.

Based on the presented indicators, it can be concluded that intermediate consumption and factor income in the agriculture of the Republic of Serbia were characterized by pronounced oscillations, with significant differences in the intensity of annual changes. Of special importance is the trend in 2023 and 2024, when both categories recorded negative growth rates, as well as 2025, which is marked by increase in factor income. Such trends confirms the importance of simultaneously looking at the cost and income components of agricultural production, since their dynamics provide a basis for a more complete understanding of the economic performance of agriculture and its contribution to the economic trends in the Republic of Serbia.

Volume and structure of agricultural production in Serbia (2016–2025)

The volume and structure of the production of agricultural goods represent significant development indicators and agriculture production potential. Total agricultural production includes crop and livestock production, while their mutual relationship determines the production structure and affects the agriculture economic efficiency. According to Fuglie et al. (2024), changes in the volume and structure of agricultural production are associated with productivity growth, technological progress and efficiency in the use of production resources. Chavas et al. (2010), also point out that the analysis of the production structure enables a better understanding of the efficiency of resource use and market conditions adaptation.

In the Republic of Serbia, it is particularly important to analyze the ratio of crop and livestock production, as well as the participation of individual groups of products in the total value of production, since their changes affect the amount of GVA, factor income and agriculture market competitiveness. The following table presents data related to the value of production of agricultural goods in millions of RSD, as well as the share of crop and livestock production in the period 2016-2025.

Table 3. The value of agricultural production and the share of crop and livestock production (in millions of RSD)

Year	Production of agricultural goods	Crop %	Livestock %	Year	Production of agricultural goods	Crop %	Livestock %
2016	574 817,9	72,96	29,04	**2021**	707 213,2	76,95	23,05
2017	529 890,4	67,38	32,62	**2022**	821 507,6	71,93	28,07
2018	574 703,9	69,34	30,66	**2023**	752 671,7	69,26	30,74
2019	589 978,3	70,26	29,74	**2024**	712 127,8	67,03	32,97
2020	632 360,9	71,86	28,14	**2025**	776 728,7	68,99	31,01

Source: Author's calculations based on SORS reports

Trends in the total value of production of agricultural goods in the Republic of Serbia in the period 2016–2025. indicates long-term growth. In 2016, the value of production was RSD 574,817.9 million, while in the following year there was a drop of RSD 44,927.5 million. After that, there is a noticeable tendency of growth, with a maximum of RSD 821,507.6 million reached in 2022. In the following two years was recorded a decline, with the value falling to RSD 752,671.7 million (in 2023), and RSD 712,127.8 million (in 2024), while 2025 was the year of revitalization, since the value of production was at the level of RSD 776,728.7 million. Compared to the initial year of observation, the nominal value of production in 2025 was higher by 35.1%. Structural analysis shows that crop production has a dominant role in the formation of the total value of agricultural goods. This claim is based on the fact that its participation ranged from 67.03% in 2024 to a maximum of 76.95% in 2021. In 2016, crop production accounted for 72.96% of the total value, while in 2017, its share decreased to 67.38%. In the following years were recorded oscillations, with the highest share in 2021. This was

followed by a decline in its relative importance, particularly pronounced in 2024, while in 2025 the share increased to 68.99%. On the other hand, livestock production had not only a smaller share in the total value of agricultural goods, but also more significant oscillations. In 2016, livestock production accounted for 29.04% of total agricultural production, while in 2017 its share increased to 32.62%. This was followed by a decline with minimum share of 23.05% reached in 2021. In the following years, the relative importance of livestock production grew again, with a maximum share of 32.97% achieved in 2024.

Comparative analysis confirms the dominant position of crop production, but also the variability of the relationship between the two basic components of agricultural production. The biggest difference in their participation was recorded in 2021, when crop production accounted for 76.95% and livestock production for 23.05%. On the other hand, 2024 was characterized by the smallest share of crop production (67.03%) and the largest share of livestock production (32.97%). Such trends indicates changes in the relative contribution of these two production branches to the total value of agricultural goods.

Seen as a whole, the results of the analysis indicate an increase in the nominal value of agricultural production in the Republic of Serbia, while maintaining the dominant position of crop production. At the same time, oscillations in the structural participation of crop and livestock production indicates the volatility of the production structure of the agricultural sector. Improving the productivity, technological equipment and competitiveness of both production branches is a significant prerequisite for strengthening the production potential of agriculture and increasing its contribution to the overall economic development of the Republic of Serbia.

Dynamics and structure of crop production in Serbia (2016–2025)

The dynamics and structure of crop production provides insight into changes of the volume of production, representation of certain crops and their contribution to the total value of agricultural production. The volume and structure of crop production depends on numerous factors: natural conditions, available land resources, applied technology, productivity and market trends. Grujić et al. (2020), point out to significant differences in the representation of certain crops and their yields. Dimovski, et al. (2023) emphasize the importance of structural changes in agricultural production in understanding production potential and food security. Novaković et al. (2024) confirms the dominant contribution of crop production, especially cereals, to the formation of the agriculture GVA. Therefore, the analysis of the dynamics and structure of crop production enables the assessment of changes in the production orientation, the efficiency of the agricultural resources and the contribution of individual production branches to the overall economic results. The following table presents data related to the growth rates of the value of crop production in the period 2016-2025.

Table 4. Dynamics and structure of crop production in Serbia (2016–2025)

Year	2016	2017	2018	2019	2020
Growth rate of crop production value	19,17	-14,86	11,61	4,02	9,62
Share of cereal value in crop production	39,31	31,86	39,4	38,27	37,56
Share of industrial and fodder crops value in crop production	20,51	22,25	22,88	23,33	23,25
Share of fruit value in crop production	17,88	21,56	17,27	16,18	19,75
Share of vegetable value in crop production	12,99	12,39	9,87	10,46	9,05
Year	**2021**	**2022**	**2023**	**2024**	**2025**
Growth rate of crop production value	19,76	8,58	-11,79	-8,43	12,27
Share of cereal value in crop production	39.88	38,19	36,05	31,26	30,91
Share of industrial and fodder crops value in crop production	21,19	19,19	21,98	19,55	18,28
Share of fruit value in crop production	20,25	21,70	14,37	19,66	23,80
Share of vegetable value in crop production	9,15	10,32	12,71	16,90	14,91

Source: Author's calculations based on SORS reports

Crop production growth rates in the Republic of Serbia were characterized by significant interannual oscillations. It is worth noting that the highest growth rate was recorded in 2021 (19.76%), whereas the sharpest decline occurred in 2017 (-14.86%). However, positive growth rates were recorded in almost all years during the first half of the observed period, with the exception of 2017. In the second half of the period, negative growth rates were recorded in 2023 and 2024, amounting to 11.79% and 8.43%, respectively. In 2025, a growth rate of 12.27% was recorded, indicating a recovery following two consecutive years of negative growth.

The structural analysis of crop production indicates the dominance of cereals, whose share ranged from 30.91% to 39.88%. Following the peak recorded in 2021, their share declined almost continuously in the subsequent years. Industrial and fodder crops represented the second-largest category, accounting for between 18.28% and 23.33% of total crop production. Their share remained relatively stable until 2021, after which more pronounced fluctuations and a downward trend were observed, particularly in the final two years of the period under review.

The share of fruit in crop production exhibited considerable fluctuations, ranging from 14.37% to 23.80%. Particular emphasis should be placed on the increase in its share during the final three years of the observed period, reaching a peak in 2025. Vegetable production accounted for the smallest share among the analyzed categories; however, its relative importance within the crop production structure showed an increasing trend. After declining from 12.99% in 2016 to 9.05% in 2020, the share of vegetables increased, reaching a peak of 16.90% in 2024.

From a comparative point of view, the structure of crop production is characterised by the dominant participation of cereals, significant participation of industrial and fodder crops and slightly less fruits and vegetables. Nevertheless, the decrease in the relative representation of cereals and the increase in the share of fruits and vegetables in certain

years indicate changes in the structure of crop production. Such developments point to the importance of production diversification. Overall, crop production in the Republic of Serbia in the analyzed period was characterized by unstable dynamics and changes in the structural representation of certain groups of products. Although cereals have retained their leading position, changes in the participation of other categories indicate the need for continuous improvement of the production structure. Increasing productivity, technological modernization and competitiveness of various branches of crop production is an important prerequisite for strengthening the economic potential of agriculture and its contribution to the overall economic development of the Republic of Serbia.

Dynamics and structure of livestock production in Serbia (2016–2025)

The dynamics and structure of livestock production represent significant indicator of the development of the agricultural sector and its ability to respond the domestic and international market requirements. Livestock production includes the cattle farminng, pigs, sheep, goats and poultry, as well as the production of meat, milk, eggs and other animal origin products. Its movement depends on the livestock size and structure, productivity, production costs, technological equipment and market conditions. Arsić et al. (2012) indicates the connection between changes in livestock and the volume of meat production in the Republic of Serbia, while Čekić et al. (2007) emphasize the importance of improving sheep and goat production. Stevanović et al. (2018) emphasize the importance of market meat production for the assessment of agricultural development. Milićević et al. (2025) point out to the long-term structural and economic challenges of livestock farming in Serbia, especially in terms of the number of heads, productivity and competitiveness. Therefore, the analysis of the dynamics and structure of livestock production enables an overview of changes in the representation of individual production branches, their contribution to the total value of agricultural production and the possibility of improving the economic efficiency of this sector. The following table presents data related to the growth rate of livestock production value and the growth rate of the value of livestock product output in the period 2016-2025.

Table 5. Dynamics and structure of livestock production in Serbia (2016–2025)

	2016	**2017**	**2018**	**2019**	**2020**
Growth rate of livestock production value	-8,06	11,21	1,94	-0,42	1,42
Share of livestock value in livestock production	67,10	69,71	65,00	69,52	69,64
Growth rate of the value of livestock product output	-11,87	2,39	17,77	13,27	1,03
Share of the value of livestock product output	32,90	30,29	35,00	30,48	30,36
	2021	**2022**	**2023**	**2024**	**2025**
Growth rate of livestock production value	-8,39	41,45	0,35	1,46	2,57
Share of livestock value in livestock production	68,60	69,01	71,25	68,15	68,56
Growth rate of the value of livestock product output	-5,27	39,65	-6,91	12,39	1,25
Share of the value of livestock product output	31,40	30,99	28,75	31,85	31,44

Source: Author's calculations based on SORS reports

Analysis of the growth rate of livestock production value in the Republic of Serbia indicates pronounced interannual oscillations. In 2016 was recorded a decrease of 8.06%, compared to 2017 and the growth of 11.21%. In the following period, the dynamics were more moderate, with a slight decrease of 0.42% in 2019 and a negative movement of 8.39% in 2021. The 2022 stands out in particular, recording a pronounced growth rate of 41.45%, while the period from 2023 to 2025 was characterized by more stable dynamics, with positive but relatively modest growth rates.

Structural analysis shows that livestock production represents the dominant component of total livestock production. Its participation ranged from 65% in 2018 to 71.25% in 2023, while during most of the observed period it remained at a level of approximately 68–70%. After the increase in 2023, the participation was reduced to 68.15% in 2024, and reached 68.56% in 2025. These indicators confirms the continued dominance of livestock production.

Value of livestock product output had a smaller share, ranging from 28.75% in 2023 to 35.00% in 2018, with more pronounced oscillations in growth rates. After a drop of 11.87% in 2016, in the following three years were achieved positive growth rates, especially in 2018 and 2019, when they amounted to 17.77% and 13.27%. In 2021 was recorded a decrease of 5.27%, compared to 2022 and an increase of 39.65%. After another decrease in 2023 (6.91%), a growth of 12.39% followed in 2024, while in 2025 the growth rate slowed down to 1.25%.

Comparative analysis indicates a relatively stable structure of livestock production, in which share of livestock value in livestock production was bigger than share of the value of livestock product output. However, differences in growth rates point to different dynamics of individual components. The 2022 stands out in particular, as both categories recorded high growth rates, whereas 2023 was characterized by divergent trends, with a slight increase in livestock production and a decline in the production of livestock products. In 2024, the opposite pattern was observed, with more pronounced growth in the latter category.

Overall, livestock production in the Republic of Serbia is characterized by variable value dynamics and a relatively stable structural representation of basic components. The dominant participation of livestock production confirms its importance in the formation of the total value of this segment of agriculture, while oscillations in the production of livestock products indicates room for improving productivity and efficiency. Modernization of production capacities, improvement of livestock quality and development of processing capacities are important prerequisites for strengthening the competitiveness of livestock production and increasing its contribution to the economic development of the Republic of Serbia.

Conclusion

The research results indicates that agriculture represents a significant component of the economy of the Republic of Serbia. Nevertheless, the economic contribution is characterized by significant fluctuations in basic economic indicators and gradual changes in the production structure. It should be borne in mind that the importance of agriculture cannot be seen solely on the basis of its participation in the GDP, but also through the movement of GVA, intermediate consumption, factor income and the structure of agricultural production.

The movement of the agriculture GVA indicates the instability of economic performance since the share in the GDP decreased from 5.8% to 3.7% during the observed period. At the same time, the change of interannual GVA rates indicate alternating periods of growth and decline, which confirms the pronounced variability of the economic contribution of agricultural activity. The aforementioned developments point to a relative decrease in the participation of agriculture in the creation of the total GVA of the national economy, but still do not significantly reduce its strategic importance in the economic structure of the Republic of Serbia.

During the observed period were established a significant interannual oscillations through the analysis of intermediate consumption and factor income. In some years, their movements were coordinated, while in others were noted differences in the intensity of changes. The year 2025 stands out in particular, as factor income recorded a growth rate of 27.87%, compared with a 3.14% increase in intermediate consumption. This indicates changes in the economic results of agricultural production, but also the need for their continuous monitoring in order to assess economic conditions and the income position of the agricultural sector.

The structural analysis of agricultural production confirms the dominant representation of crop production. Its share ranged from 67.03% to 76.95%, while livestock production accounted for a relatively smaller, yet stable, proportion. In crop production, a decline in the relative share of cereals and an increase in the share of fruit were observed in the final years. Livestock production participation was generally around 66% of the total value of livestock production, while livestock products made up the remaining part.

Based on the analysis, it can be concluded that the economic importance of agriculture in the Republic of Serbia is manifested through its contribution to the creation of the GDP, the realization of factor income and the provision of diverse agricultural production. At the same time, the observed instability of economic indicators and changes in the production structure indicates the need to improve production efficiency, strengthen competitiveness and create more favorable conditions for more stable development of the agricultural sector. In this context, the long-term improvement of its contribution to the overall economic development requires a systemic approach that implies more efficient use of production resources, improvement of the production structure and strengthening of the economic sustainability of agricultural activities.

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Conflict of interests

The authors declare no conflict of interest.

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