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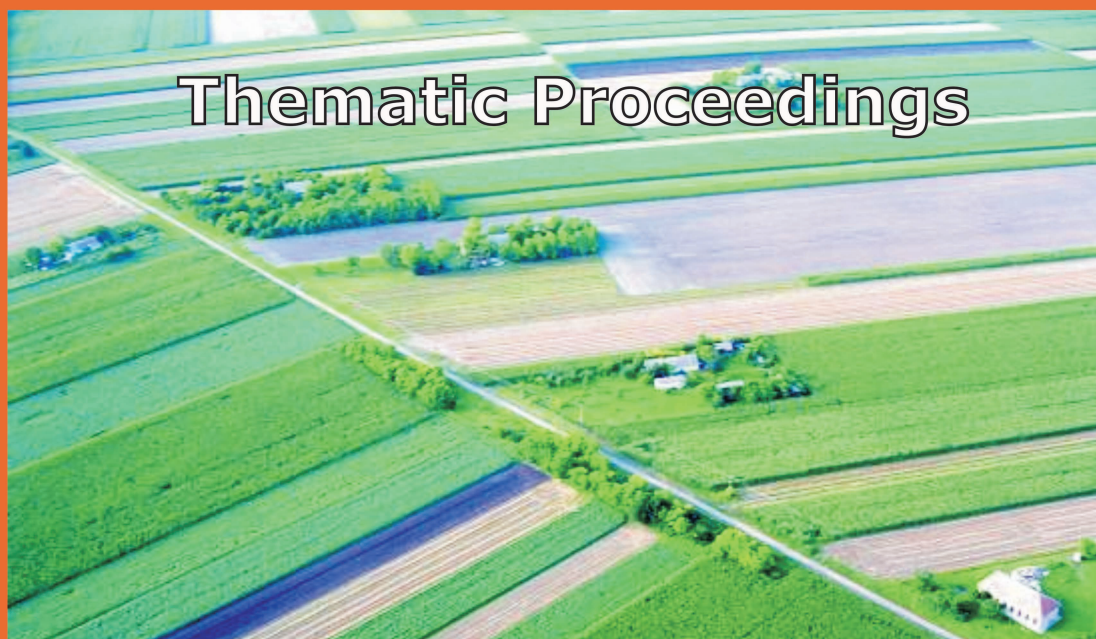
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# DEVELOPMENT OF AGRICULTURE AND RURAL AREAS IN CENTRAL AND EASTERN EUROPE



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# **AGRARIAN AND RURAL ENTREPRENEURSHIP AS THE PRODUCER OF HEALTHY FOOD IN CONDITIONS OF EUROPEAN LEGISLATIVE REGULATIVE AND INTEGRATIONS <sup>1</sup>**

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## **INTRODUCTION**

Serbia has opted for European integrations, in other words, trilateral incorporation (EU-USA-Russia), production of healthy food and faster development of entrepreneurship, especially small and middle firms in agriculture and in the village. Some efforts have been taken in aim to finish a transition process and strengthening in private property sector, development of market economy and democracy, getting rid of many mistakes: from past and their consequences in social economic development of our country and the moves closer to the EU member countries. Incorporation of Serbia in mentioned situation especially European integration, represents complex kinds of difficulties, because it is about high developed countries integrations, with high life standards, countries which were not involved in conflicts and wars by national, religion and idealism elements.

Therefore, such incorporation of our agricultural, and further, in its subcategory - agribusiness, agrarian and rural entrepreneurship, as well as production and sale of healthy food products on EU market, represents special difficulties and requires a lot of patience, time and efforts.

## **1. IDEA AND DEFINITION OF HEALTHY FOOD IN CONDITION OF LEGISLATIVE REGULATIVE**

In our opinion, under healthy food should be considered products of plant and animal origin produced in natural condition and in natural way, their produces in animal caterers without addition of dangerous materials (additives), wood fruits, fruits from non-polluted oceans and seas (algae and salt) and natural spices of plant and mineral origin. At classical nutrition of majority population, idea of healthy food identify with idea of health - safety food. It's talking about animal nutrition

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without human health dangerous materials which they consume in different ways. There are hundreds of different additives which are added in animal nutrition as dietary additives for different purposes: to slow down on nutrition, for flavor improvement, prolongation of expiring date or decreasing of production costs and better profit achieving. Otherwise many of those additives act dangerous to human organism along with food they consume. In that point we could insert the following additives<sup>5</sup>: acacia tar, algae acid, aluminium, artificial colour, benzaldehyde, benzoic acid, BHA or BHT, plant oil with bromine, addition canagynin, confectioner's icing, EDTA, hydrolized plant protein, grape salts monoglyceral and diglyceral, ecethyl-monoglyceral and acethyl-diglyceral, MSG, nitrate, wax.

Various fruits and nutrition mutually discern by degree of radioactivity absorbing-nut collects the most, then onion and garlic, while dairy products are the less liable to radioactivity absorbment. Polluted subsurfaces water also (Novi Sad area), air polluted by flying particle, poisoned evaporations from factories (Pancevo, Bor, Kragujevac) are obstacles for healthy food production. Also, there is more and more rivers with by mud polluted water, phosphate, phenol, cyanide, heavy metals, various organic compounds, insufficiency of biological oxygen, which all together diminish the possibility of water usage, and soil beside them, for healthy food irrigation, like as for production of healthy seminal, planting and other reproductive material for healthy food production. There is still battle against over 20.000 harmful agents in agriculture, with 700 various pesticide preparations which include artificial fertilizers, herbicides, fungicides and insecticides, which are also used in agricultural production. In past few years in the world, but also in our country, there have been more and more present movements for alternative food production, in other words chemical free food and on ecologically safe surfaces-biological and ecological pure bio or healthy food. By healthy food they consider products from clear biological material. Therefore in some regions, practice identification and ecological choice of local area for clear biological production. There are some efforts to declare healthy food from geographical origin (Uzice smoked ham, Zlatibor cream, Pirot lamb). All this is about old tradition of people from certain regions and places to specialise production of some agricultural products which may or may not satisfy all requirements for healthy food. In our country, nowadays exists certain opinion, that mountainous regions are good places for healthy food production, because those places are not reached by "chemicalization" process, are far from polluters (factories, highways), and they are placed from 400 to 1200 m altitude, which provides clear air and by "type bleach" richer soil, and they really are, except some regions which were bombed in war with NATO and are not safe for healthy food production. That is why those regions should be identified as inconvenient for healthy food production. It is necessary for particular community in according to legislative regulative to define regions which are suitable for healthy food production. That would provide guarantee for buyers,

processors and exporters in Serbia that produced food satisfies the conditions for healthy food production. It will be demonstrated and corresponding by European (EN) or international standards ISO 9000 introduction of HACCP systems, as well as necessary bound application CE mark of products, which is condition to be placed on markets. CE mark gets when product passes specific controls in production process, or on the product or combination of both.

There are three CE marks-uniformity CE mark, CE certificate about uniformity and CE statement. Also, there are no rare cases that, during capacities construction (fabrics and sections) of food industry, still is present inadequate care about environment protection and human environment improvement, if it is explicitly regulated by eco-audit's Regulation of EU, especially when it is about healthy food production and processing<sup>6</sup>. In production and sale of healthy food, beside legislative, people is relation ethics to words food, is very important, especially producers. There are some examples when producers keep the high quality products for themselves and take the low quality and polluted ones to the market.

When we talk about legislative regulative in food production, it is very prolixive in European countries. We have already indicated on ISO 9000 standards, but there are also multi-legislative regulations and various EU bodies decisions, this field is regulated by, and whom with is necessary to adjust our national legislative regulations as one of the conditions for EU comprehension especially for export of our products on that market. Also it is necessary to harmonize development models and concepts of our agriculture, agrarian and rural entrepreneurship too, with EU concepts. When we talk about legislative regulative for entrepreneurship, small and middle companies - the government of Serbia has finished program of entrepreneurship and private MSP development (2002) and Strategy of development MCP and entrepreneurship in Republic of Serbia 2003-2008 in which it predicted new laws, precepts, decisions and special rates of authorized ministry for improvement of SME standardization, control etc. Also by development strategy, SME and entrepreneurship were predicted three aims of activity – making more favourable environment for SME business, support of SME and entrepreneurship development and following activities. But in practice things go slower.

## **2. THE CONCEPT AND DEFINITION OF AGRAR AND RURAL ENTREPRENEURSHIP AND THEIR SUBJECTS**

The concept agrarian (agricultural) and rural (village) entrepreneurship presents accomplished concepts from literature and practice of multifunctional agriculture model, integral rural and sustainable development of agriculture and village of high developed European countries, especially EU members. Multifunctionality of

agriculture means provision of food production and other helpful outputs, without market price. It is about activity which is not aimed to increase "agriculture in cause of production", but on "agriculture in cause of protection", because positive outputs embrace: safety of food protection for people; specific rural conditions of healthy life of healthy food for famished people; reachable rural conditions of healthy life and ecological protection of living and working environment.

Authors, for the need of this paperwork, all the following activities call agrar and rural entrepreneurship. In our conditions under agrar and rural entrepreneurship implies to: 1) small and middle companies in agriculture, fishery, forestry and water management, as well as their productional sections in the village; 2) private production and service companies of village handicraft and trade; 3) small companies and workshops of domestic production and agency of village and hunting tourism; 4) entrepreneurship activity in realization of projects and programs in agriculture, fishery, forestry and water management in the village. Government's deffinition<sup>4</sup> of entrepreneur is that is the person with possibilities and knowledge which enable to remove economic resources from lower region to another - with higher productivity and profit. Our legislative regulative<sup>5</sup> starts from combination of these criteria, so under middle companies we imply those companies which on the day of financial reports creating, two of them: average number of employees 50-250; total income per year 2.5-10 mil Euro; fulfil at least average value of property 1-5 mil Euro. By middle companies imply companies which employ to 250 workers including micro-companies, small and middle companies. Classification are further as following very small companies, know as micro-companies, with less than 10 employees; middle companies, with 50-250 workers with annual turnover less than 50 mil Euro or with amount of balance 43 mil Euro.

### ***2.1. Small and middle agriculture companies***

There is no reliable information how much land processing MCO business in village areas of our country, but it is sure that there is not enough data. In consideration of village number in our country (7.161), if in every third could be founded one small company or middle firm, with 50 employees we could get 2.387 SME on village, with about 119.350 employees in them. They could not all be involved in healthy food production because they are not all located on ecologically appropriate locations. Also, specifics and complicity of those processes toward ISO 9000 standard in agriculture, especially in getting of 3 CE marks – some small and middle companies can not provide get it. By our opinion successful could be SME for soya production into soya's manufactures. Also, SME for breeding, redemption and processing packing fruits, vegetables, mushrooms etc, as well as for production of pharmaceutical cosmetic preparations. Finally,

SME for production of ecological package for healthy production. Most of all, have is wood, brushwood, reed, sedge and other similar packaging, which do not pollute the goods and protects it until it arrives to the final consumer.

## ***2.2. Private agricultural households***

Current legislative regulative of our country do not include private agricultural producers (peasants) and their households – in category of entrepreneurs, but most of them are. In EU they are included so our legislative regulative should be adjusted to EU's.

When it is about healthy food production, it is necessary to remind that entrepreneurship, especially small and middle companies, have not enough tradition in our villages, except handicrafts as follower of agriculture and domestic production which are characteristic for long-life. Considering number private agricultural household in our country (about 780.000), if every 14<sup>th</sup> household (about 60000 householders) could successfully produce up to 10 of healthy food, it is about 560.000 t of that food, which is good yield.

It could be entrepreneurship activity in area of seed production. Further more, small business and entrepreneurship in plant production of healthy food - vegetables, fruits etc. Production of healthy food in area of livestock production is for the need of small farms for animal cattle. At last, entrepreneurship activity in the field of small and middle capacity of food industry: fruit industry, vegetables, medicinal crops and butchery industry.

## ***2.3. Other entrepreneurs and subjects of small business in agriculture and in the village as healthy food producers***

It is good to say that with healthy food production, beside three basic sorts of subjects, can be involved all other categories of population who lives on agricultural holding or village, and even from city. It is necessary to accept some risk of entrepreneurship activity in healthy food production, and it is necessary to have initial funds for obtaining the necessary production material and agriculture mechanization, and to have their own or ability to rent ecological apt agricultural property, to organize healthy food production. It could be unemployed people from city, retired people, housewives or students.

## CONCLUSION

Researching and analysis that have been done lead to a conclusion that by innovation and legislative regulative adjustment, has contributed to a bigger and faster development of agrarian and rural entrepreneurship in production and turnover of healthy food, and including a peasant majority into entrepreneurship activities and producers of healthy food. With development of small companies and other operation in the village, it would contribute breaking "social-cultural context" of people in the village, faster local employment, but also to better usage of basic natural resources and better way of life on the population. Hunger and insufficient nutrition are phenomenon incompatible with humanistic vision of third millennium society. Therefore satisfaction of human needs for healthy food and water (but also-air) ought to follow all social aims, but to make possible faster involvement of Serbia on to EU markets. Besides modelling our legislative regulative with EU's, our country has many obstructions it has to transcend especially areas for healthy food production. Also, making a profit and enrichment shouldn't be priority over healthy food production, workers protection and taking care for ecology, which is nowadays, unfortunately present in our country.

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