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A POSITION AND PERSPECTIVES OF SERBIAN AGRARIAN SECTOR IN INTERNATIONAL INTEGRATIONS

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ABSTRACT

A national policy of the Republic of Serbia bases on a membership in the European Union (EU) and the World Trade Organization (WTO). In accordance with it, Serbia gives up a self-sufficiency strategy for any product, which implies market liberalization and free trade with other countries. Regarding that Serbia is aiming to become a member of the EU and the WTO, agriculture should prepare for competition on developed market, free from trade barriers. Current bilateral agreements in free trade with neighbouring countries, Serbia has replaced in 2006 with one within the CEFTA (Central European Free Trade Agreement) agreement, by which has entered the market of around 27 million inhabitants and has accepted a responsibility to realize it, aiming to promote trade in this region. The stabilization and Association Agreement (SAA) provides, in quantity sense, a new level to preferential relations between Serbian agriculture exchange and the EU agriculture, while it provides an asymmetry in Serbia's favour, after which the European Union determines and continuous its duty free import of agro-food products from Serbia, and Serbia gradually decreases its customs duties and other taxes, during the five-year-lasting transitional period, for the most of these products.

Key words: international integrations, agrarian sector, common agricultural policy, liberalization

POLOŽAJ IN PERSPEKTIVE SRBSEKEGA KMETIJSTVA V MEDNARODNIH INTEGRACIJAH

IZVLEČEK

Nacionalna politika Republike Srbije temelji na načrtovanem članstvu v EU in WTO. V skladu s tem se je Srbija odpovedala strategiji samozadostnosti za vse tiste proizvode, ki so predmet tržne liberalizacije in proste trgovine mad državami. V tem kontekstu se mora tudi kmetijstvo pripraviti na konkurenco na prostem trgu brez carinskih omejitev. Tako je obstoječe bilateralne pogodbe o prosti trgovini s sosednjimi državami v letu 2006 zamenjala s CEFTA pogodbo in s tem dobila dostop do 27 milijonskega trga. Dogovor o stabilizaciji in pridružitvi pa predstavlja novo stopnjo v preferenčnih odnosih

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med srbskim in EU kmetijstvom, saj zagotavlja določeno asimetrijo v korist Srbije, saj EU ohranja brescarinski uvoz kmetijskih proizvodov iz Srbije, hkrati ko Srbija postopno znižuje svoje carinske in druge dajatve na uvoz.

Ključne besede:mednarodne integracije, kmetijstvo, skupna kmetijska politika, liberalizacija

1 Introduction

Agriculture is one of the pillars of the Republic of Serbia economic development, and its significance for the national economy, besides an economic, also has an ecological component. However, among other great potential in the sector of agricultural production, as a result of favourable climatic conditions, natural land characteristics and available water resources, it has not been optimally utilized. Exactly due to such potential, agriculture in Serbia does not represent a common economy branch, regarding that in all municipal or regional strategies was defined as one of the strategic development directions.

Serbian agriculture is characterized by a gradual liberalization, regarding that, according to negotiations with the WTO and the SAA, a protection level will decrease in phases. The agriculture sector has already beat a solid path toward the EU market, while almost a half of the total export directs to the EU market and realizes a significant surplus in exchange. The agriculture in the SAA comprises primary agricultural products, fishes and fish manufactured products and all food products, as well as the products implicit in the Annex I of the Agreement on Agriculture of the WTO (Group of authors, 2008). Free trade zone with agricultural products is forming gradually during the transitional period of six years. This is a period in which Serbian agricultural producers should improve its competitiveness, and a support to this process should be the national economy's agrarian policy. Setting up the free trade zone with the EU, which has been a result of the SAA, will affect a price-reduction of raw materials and production materials in agriculture, which import from the EU. At the same time, economic effects of the SAA will manifest through safe and long-term determined quantities for preferential placement. In such conditions is necessary to involve small producers into a modern market chain, while they are insufficiently competitive, they trade in informal channels, and their cost of standards introduction is high. It is necessary to improve competitiveness at the level of processing capacities, which would find new markets by that and increase consumption. In the field of primary production notices a great competition, while at the processing level is present a poor competition, as a result of unattractive area for investing due to non-established institutions, non-fulfilment of the EU export standards for significant group of products, as well as an ignorance of a real competitiveness due to a high customs protection. Changes in buyers requirements, their demand or habits, provoke also the changes in the market chains functioning. There is expected for these changes to be more expressed during the global crisis (Group of authors, 2009). According to the same sources, owing to decreased demand on some markets, the producers must adapt their production to the new requirements, traders must find new markets and to adjust to new sales conditions with significant delays in payment, or to find new sales locations or new funding sources.

2 Joining the EU and the Common Agricultural Policy

Thanks to the preferential approach to the EU market, the Free Trade Agreement with 7 countries in the region (Albania, BH, Macedonia, Croatia, Romania, Bulgaria, Moldova), the Free Trade Agreement with the Russian Federation and the GSP (Generalized System of Preferences) by USA – the Republic of Serbia has made favourable conditions for foreign trade with goods in the field of agricultural-food sector (Parausic et al, 2007). As distinguished from other transition countries, in which agricultural exchange represents from 5 to 10% of the total exchange, Serbian foreign exchange in this field represents 12.8% of the total exchange and, at the same time, is the only economy field with surplus in exchange. A strategic goal of Serbian agriculture is adjustment with the Common Agricultural Policy of the European Union (CAP). That is to say, agricultural producers in the EU member countries has full and direct approach to measures of CAP market, which help stabilization and increase of their incomes, and there is also a specially adopted package on rural development for new EU members. The Common Agrarian Policy of the European Union, as one integrated policy, contributes to other elements of social policy, primarily to rural areas development. This is surely a clue, a significant point of Serbian agrarian future developmental concept. There can be spoken that the transition from agricultural policy into social, rural and ecological policy had irrefutably started, but has been far away from its end. The CAP is still considerably expensive policy, on which is spent something under 50% of the central EU budget (although much less percentage of the national budget).

Directing such high percentage of the domestic product, and thereby also resources, into the agricultural sector and making businesses outside an agricultural property (farm) will be of essential significance if Serbia sets a goal to its self – increase of average agricultural property size and decrease of agricultural properties and agricultural producers' number. The current situation in agrarian policy is distinguished, basically, by adopting crucial elements of the Union adequate policy, regarding that Serbian financial potential is incomparably less that the Union's, so it significantly limits support scopes (Ivanovic and Bogavac, 2003). In the period when Serbia prepares for joining the European Union, the common agricultural policy is causing the following changes:

1. Reforms of food sector, like dairy products, sugar, fruits and vegetables. Some of them are ongoing, with recently announced reform of sugar sector, which has direct implications to Serbia,
2. Finalization of "Doha Round" of the World Trade Organization which puts a pressure on decreasing or completely eliminating subsidies for export. This will lead to impossibility to defend the existence of many nowadays systems "common market organization" and will require, either full transition to the world prices, or strong quantitive limitations, in order to keep production in the EU at the levels of domestic consumption.
3. Possible challenges of the WTO regarding direct payments system "blue box" will probably require that the EU weakens a connection with production from the past and to direct the payments directly to measurable social and ecological goals,
4. Further simplification of some elements of direct payments system, with implications on administrative structures type, which Serbia will have to

introduce.

Signing and implementing the Stabilization and Accession Agreement with the EU will make a free trade zone between Serbia and the EU member countries. Although, partial protection of domestic market will be possible by keeping the customs protection on limiting number of extremely sensitive products for land, as well as by introduction of quantity quotes for import of products from the EU. The market has to be gradually liberalized in the period of the Agreement duration (anticipated 6 years) and exactly this period is crucial for necessary structural changes of domestic agriculture and improvement of production/processing and sale, in order to meet readily foreign competition. As side effect and additional acceleration to domestic market liberalization, will become apparent approach of the country to the CEFTA agreement (Central European Free Trade Agreements), under the auspices of the Stability Pact for South Eastern Europe. The CEFTA Agreement will create a zone of almost free trade among the countries in the region, whereby 31 bilateral free trade agreements in the region, between signatory-countries (besides Serbia – Croatia, BH, Albania, Macedonia and Montenegro) will be replaced by one multilateral trade agreement. The effect on agro-food sector of the country will reflect in easier approach to domestic market of producers – signatory countries of the Agreement, by which domestic production/processing will be subjected to foreign competition intensive effect.

Although for the total foreign trade exchange of Serbia in 2006, a balance was highly negative (-6744.4 million USD), and deficit of foreign trade exchange was higher than in 2005 (amounted 5979.5 million USD), for agricultural sector the relations were much different. In 2006, in foreign trade exchange of food, was amounted the deficit of 415.8 million USD, which was a growth of 24% in regard to 2005. Practically, a negative exchange balance is present only regarding scarce products: fish and fish manufactured products, coffee, tea, as well as spices, fodder. High positive exchange balance, already traditionally, realizes in exchange of cereals, vegetables, fruits and sugar. However, it is important to emphasize that the positive results in foreign trade exchange of food is owed to, primarily, higher export of raw materials – cereals, sugar, vegetables and fruits. Proportionally observed, the total export of cereals, sugar, fruits and vegetables in 2006 was participating in the total food export with around 73.8%, while the export of the group "meat and meat preparations" in the total food export with only 7.2%. At the same time, in fruits and vegetable export dominates the export of raw and frozen fruits/vegetables with over 90%. For now, Serbia has none of agricultural products with recognizable and protected mark. In such conditions are necessary producers associations, in order to improve their market position.

3 CEFTA Agreement implementation

Signing the bilateral CEFTA agreement in 2006 was planned to form the free trade zone in the region by the end of 2010 (Serbia, Montenegro, Croatia, BH, Macedonia, Albania, Moldova and UNMIK – customs territory).

Creating the unique market of around 30 million inhabitants will substantially affect also the increase of foreign investments inflow (www.pks.rs). New „united agreement"implies market enlargement for all products, but also trading under the same conditions for all producers. At the same time, the conditions and rules of the game will be a priori defined, so enterprises will be able to plan production and sale long-term, which will favourably reflect to foreign investments increase. The agreement will provide the region countries to trade under unique conditions, regardless what phase in the EU and the WTO accession process they are in. It is based on the WTO and the EU regulations, so it is called also the EU „lobby" (Mihailović et al, 2008). The agreement contributes to harmonization of relations while trading within the region, as distinguished from the bilateral agreements, which have different liberalization schemes. New CEFTA agreement has comprised also the liberalization of services trade, investments issues, public acquisition, protection of intellectual property and others. There was also improved a mechanism for solving misunderstandings and litigations which might occur during its application[1].

A possibility for application of goods origin diagonal cumulation in trade between the countries in the region and the EU will contribute to increase of production and export capacities and will represent a cohesive factor of regional cooperation. Thereby, one of the most important advantages of the new agreement is to make the region much more attractive for foreign investments. The agreement sets up a common legal framework for investing in the region that is a governing factor for foreign investors. In the current conditions of the global trade and the global world market, for foreign investors are no longer enough only reforms in trade, i.e. liberalized and good trade rules, but is also significant an integrated market. The CEFTA 2006 will contribute that West Balkan and South-East Europe foreseeable become the integrated area which will have its own recognizable economic identity. Efficient functioning of common market, i.e. free trade zone, requires inter-regional cooperation and connectivity. There is necessary to identify and mutually recognize potential resources in the region. It is a task of Chambers of Commerce. On such connections has been already acted by constant cooperation of chambers of commerce in the region, through business advices, mixed chambers, Balkan Chambers Association and at bilateral and multilateral level, and in the future period, those activities will yet intensify and concretize. There is necessary for chambers of commerce to initiate and coordinate economy merging by making the regional sector organizations (merging the economy in all sectors and improvement of commercial relations with countries in the region; motivating a perspective of SEE region countries integration into the world economy; coordinating work between branch associations of Serbian Chamber of Commerce with regional chambers of commerce). In that way will contribute to strengthening of some economy sectors competitiveness in the region, their presentation and recognition outside the region, as well as connecting and integrating with the related organizations and associations at the EU level. Chambers of commerce must be active participants in creation of a regional product, in organizing common regional economic performance on the third markets and promotion of the regional economy. That is to say, the chambers must be active participants in making the region's brand. Informing economic entities, training and innovating their knowledge and businessmen education in accordance with the European standards from different fields of business is a field in which chambers of commerce already act significantly. However, this function of chambers of commerce should furthermore develop and improve. All economic activities related to a corridor use – transport, shippers, customs, storing, banking and others

[1] Joint Committee and Court of Arbitration

– have to improve. Obligations which come out from the CEFTA agreement point out several extremely important fields in which is necessary more dynamic role of chambers (www.pks.rs).

- *Further liberalization*. There was anticipated to do a gradual liberalization of services trade, according to the General Agreement on Trade Services, GATS. Also was anticipated to do gradual opening of public acquisition markets until May 1st 2010, in order to realize the same treatment of domestic and foreign suppliers.
- *Intellectual property rights protection*. Parties in the Agreement obliged them selves to provide adequate and efficient protection of intellectual property rights, in accordance to the international standards and international conventions. There is well known that the Joint Committee will consider the liberalization results. There was suggested that chambers of commerce regarding these issues adjust attitudes and start initiatives according to their governments.
- *Non-customs obstacles at the region level.* Aiming to overtake the necessary activities for making easy trade and transport among the countries in SEE region and removal of non-customs barriers (whether it is about traditional, technical or administrative), the Serbian Chamber of Commerce has made a questionnaire and software for the questionnaire processing aimed to collect, register and analyze the non-customs barriers. The attention is to determine these kinds of difficulties, Serbian enterprises are facing with, in trade in the region and, according to the got results, give suggestions and requirements for their solving and removing to authorized government bodies, as well as other institutions (national and international), which deal with trade functioning issue in the region. Having in mind negative experiences regarding non-customs obstacles during the bilateral agreements application, we point out to a real dangerous regarding the CEFTA agreement's expected effects, if continuous to apply old and introduce new non-customs barriers.

In the Serbian Chamber of Commerce was initiated an initiative for forming the Forum of CEFTA Countries Chambers. The forum will deal with the following themes: mutual recognition of certificates, regulations on goods origin – constant education, joint projects of chambers in the region aiming to improve investment climate, competitiveness and innovations/regional technological parks, sector connections of industries in the region. In organization of the SCC is currently conducting numerous seminars on the CEFTA Agreement (Regulations on goods origin) in the regional chambers of commerce. Primary goals of Euro-chambers are: strengthening the adequate legal frame of chambers of commerce , as the most adequate for enterprises development; strengthening a capability of European chambers of commerce in providing help to economic development of *Eurochambers* state members; preparations of South-East Europe countries' economies for full integration into the EU. According to the presented results of the RECOO project (regional development through competitiveness and cooperation improvement) in the Serbian Chamber of Commerce, at the conference „Business cooperation in South-East Europe and competitiveness increase on the EU market", after its two-years-lasting implementation, have been established six business centres (Serbia, Croatia, Montenegro, Bosnia and Herzegovina, Albania, Macedonia) for consulting services, aiming to make easy business in the region. In South-East Europe conducts the consulting organization *ILTS GmbH* from Rotenburg, in cooperation with the local partners. Arranging these business centres at the same time represents also a motivation of trade outside South-East Europe borders, as well as improvement of small and medium enterprises competences for approach to foreign markets.

4 Free trade agreement between the Republic of Serbia and the countries in European Free Trade Association (EFTA)

The Republic of Serbia, by this agreement [2] institutionalizes economic cooperation with the EFTA countries. In regard to a fact that the European Union, primarily by bilateral agreements with the EFTA countries, and then also by EEA negotiations (economic cooperation in European area), has widen, in a certain way, an internal market to the EFTA countries, signing the agreement on free trade with the EFTA countries has economic and political significance for the Republic of Serbia. Regarding that the EFTA countries have no joint agricultural policy, concessions for primary agricultural products were negotiated bilaterally with each member individually. Each of these agreements has a pair of lists which contain mutually granted concessions for agricultural products.

Republic of Serbia – Iceland. Iceland has obliged to eliminate customs on export of significant number of agricultural products from Serbia: honey, fresh and frozen vegetables, leguminoses, temporarily tinned onion, dried vegetables, all kinds of fruits, herbs, cereals seeds, inulin, gluten, corn flour, legumes flour, all oleaginous plants and eatable oils, soy flour, animal and plant oils and fats, sugar, pickles, and other tinned vegetables, sauerkraut (sour cabbage), aivar, jam, fruit juices, soy sauce and mustard, waters, vinegar, tobacco and cigarettes.

Serbia has given Iceland the concessions for required products, except for lamb meat, at the level approved by the EU after the Temporary Agreement for: horses; mutton, horse meat, cheese and waters.

Republic of Serbia – Norway. Norway obliged its self to reduce customs for import of agricultural products from the Republic of Serbia: baby beef, pork and mutton, for smoked meat, creamy dairy products (kaymak), honey, tomato and other fresh vegetables except potato, frozen, dried and temporary tinned vegetables, fresh fruits in whole, dry and temporary tinned fruits, tinned paprika, sauerkraut and aivar, apple juice and mixes of juices.

Serbian party has approved to Norway the concessions at the EU scale, granted in the first or second year of the Temporary Agreement application: pure breeding pigs, mutton, poultry, dried and smoked meat, cheese (except *Jarlsberg* – zero level approved), raw soy oil, sausages, other prepared or tinned meat products, mineral waters, soft drinks and alcoholic drinks (for *Aquavit* – their national beverage – approved zero customs level), food for cats and dogs, as well as for other animal feed.

Republic of Serbia – Switzerland. Switzerland has obliged its self to reduce customs on import of agricultural products, which origin from the Republic of Serbia,

[2] Signed on December 17th 2009, and will come into effect when ratified by the Republic of Serbia and at least one EFTA signatory-state.

for: beef for 15%, pork and beef smoked or dried ham for around 20%, for all kinds of cheese 100% - absolute cancellation of customs, honey for 50%, i.e. for 80% for false acacia honey, for live plants and flowers cut and others and graft – branches, grafts 100% - full customs cancellation, potato for 50%, fresh vegetables except seasonable tomato 50%-100%, temporarily tinned and for some kinds of dried vegetables full duties cancellation, for dried fruits 100% - full duties cancellation, except for apples – 50%, for frozen sugar free raspberries – zero level, and for other for 60% and for sugar added raspberries 24%, all kinds of vegetable oils and fats and oils for technical use – full duties cancellation, sausages for 12% and other tinned meat products 12-50%, sour pepper for 60%, refined tomato 73%, other vegetables prepared or tinned and aivar 25%, for conserved leguminoses and some kinds of fruits in alcohol 25-100%, for fruit juices from apiece fruits around 30%, where for sour cherry and raspberry juices for 100% (full duties cancellation). Serbia is the only state for which Switzerland has approved the concessions for wines, only the sweet ones (*Bermet* included) – zero level and sparkling wines – reduction for around 30%.

Serbia has approved to Switzerland the concessions at the level EU gave for the first year of Temporary Agreement apply, for the following products: breeding cattle (customs cancellation), baby beef and pork 10%, milk, fresh and powder milk 10-20%, yoghurts 20%, whey 10%, milky creams 10%, refined tomato for 25%, other tinned vegetables 20%, vegetables, fruits, succinctly fruits, fruits peels and other plant parts, tinned in sugar 20-40%; for number of tariff marks from the group: fruit, succinctly and other eatable parts of the plant, prepared or tinned in different way, with or without sugar added or other means for sweetening or alcohol – for 20%, ethyl alcohol of alcoholic strength 80% vol or stronger, non-denatured – 10% for feed 20-30%. At the concessions level were approved for the second or the third year of SAA: honey 20%, frozen vegetables 40%, dried onion for 40%, of fresh fruits only for apples 33% along with withholding seasonal customs of 20%, frozen fruits for 50%, except for frozen raspberries and blackberries where has been absolutely cancelled customs, counting on a superior competitiveness in regard to the other party, sausages and other meat manufactures products 30%, for fruit juices and wines 30% and one tariff mark above the EU concessions granted – "reconstructed" tobacco – reduction for 17%.

The preferential quota in amount of 150 t, with zero customs duties for import within the quota to Switzerland was granted only for one products – cheese (otherwise, the most priority of Swiss party in negotiations). In return, on cheeses import from the Republic of Serbia, Swiss party completely eliminates the customs duties.

The concessions for processed agricultural products. The EFTA states provide the most favourable approach to these products market to the European Union. Therefore, more favourable approach than the approved, the EU does not provide to the third countries they signs the free trade contracts with.

Therefore this part of concessions did not negotiate even with the Republic of Serbia. Serbia has been ensured the same approach as for the EU members. The EFTA countries do not have customs union, but a free trade zone, so each of them has their MFN duties towards the third countries. Therefore the concessions for processed agricultural products were approved to our party from each of signatory-countries individually.

A level of concessions Serbian party has provided for the EFTA states has been much alike the liberalization level, granted to the EU within the SAA for the second/third year of use, depending on products and interests level of both sides.

Concession for fish and fish products. Regarding the approach to fish and fish products market, the EFTA countries have ensured almost completely free approach (asymmetrically) to its market from a day of the agreement came into effect, and the Republic of Serbia has approved the same treatment the EU has approved for fish and fish products within the SAA.

Concessions application. The Free Trade Agreement between the Republic of Serbia and the countries of the European Free Trade Association (EFTA) has come into effect on April 1st 2010 in regard to those parties which had made deposition of their instruments of ratification, acceptation or authorization at depositors or inform on temporary application, at least two months before the date, provided that Serbia has been among these parties. If it had not come into effect on April 1st 2010, it will come into effect on the first day of the third month after Serbia and at least one of the EFTA countries make deposition of their ratification, acceptation or authorization instruments at the depositor or to inform it on temporary application.

5 The world economic crisis impact

The world economic crisis will negatively affect the economy and agriculture of Serbia. The Republic of Serbia Government has described in six points a mechanism after which the world economic crisis unfavorably affects our economy. 1) Due to insolvency of developed markets was decreased the inflow of foreign credit assets for Serbia, and also was decreased or decelerated the inflow of foreign direct investments; 2) It opens a problem how to finance a deficit of current payments account, whereby increases a pressure on foreign currency and foreign exchange rate, and which lead to decrease of domestic production size; 3) Therefore the production must be decreased, either by the state intervention or by the market itself through a significant depreciation of RSD and internal inflation; 4) Decrease of demand size in the country, in combination with decreased size of demand in the world unfavourably affect the production, which reduces Serbian economy growth; 5) Instantaneously strengthen the pressures of foreign producers for sale of products on Serbian market, while is alleviated sale of our goods abroad, and it opens an issue of Serbian economy non-competitiveness; 6) All these together decelerate or absolutely stop the economy growth, which reflects on employment, life standard and total life in Serbia. The crisis makes the hardest shock to a metal complex and construction industry, and the shock is a bit less on food industry. Lack of investment capital will provoke unfavourable trends in Serbian agricultural sector, which can present in the following way: reduced predictability of business due to difficulties in macroeconomic stability maintenance; increase of capital price; depreciation of RSD increases purchase price of inputs of agricultural production and make worse a credit report of agricultural producers; decreased purchasing power of population affects demand decrease; insufficient assets at the EU and state level can lead to tax burdens increase, but also cancellation or reduction of agrarian subsidies.

Besides analyzed general trends in agriculture, notice certain tendencies which are about to be manifested at agricultural producers or rural areas inhabitants:

⇒ *Number of agricultural producers decreases* because they transfer in other sectors, while young ones do not want to take over their parents job, as well as, with existing level and production method, cannot realize a competition position on the market, which leads to increase of number of old people's husbandries in rural areas. Due to technology progress is necessary less labor in agriculture and more employees in the field of tourism, handicrafts and services.

⇒ *Migration in towns* is increasing, because more progressive classes of rural population leave rural areas searching for better socio-economic conditions in the city. Poorer classes find jobs outside the agriculture, while their small husbandries provide low incomes.

⇒ *Urbanization of rural areas is increasing.* Therefore results a greater demand for service activities, for which is necessary specific knowledge of people who live in those areas.

⇒ *Agricultural areas are decreasing* owing to construction of industry facilities and service capacities.

⇒ *Rural population's educational level is needed to increase.* That is to say, there will be necessary new acknowledgements and skills to agricultural households, in the field of economy, marketing, management. Their role is not only food production, these households will increasingly orient toward service activities.

⇒ *There must be unique system of regional and rural development,* which foundations are based on decentralization, increased share of civil society in decision making, as well as using the EU and other funds.

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6 Conclusions

In the sector of agriculture should stimulate development of propulsive and more competitive agriculture which has been composed from commercial and family husbandries, dealing exclusively with agriculture and/or with agriculture as an extra profit activity. It should produce competitive products regarding price and non-price elements of competitiveness, by using the good agricultural practice. As such, it would provide satisfying income to family agricultural husbandries, directing its activity to satisfaction of needs and preferences of consumers and closely cooperating with food-processing industry. In order to achieve it, there must fulfil certain economic, social and ecological goals: 1. agriculture must efficiently use natural resources, 2. to be integrated in rural economy, society and international organizations, 3. to significantly contribute to the environment protection.

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