DECLARATION FOR STRENGTHENING THE POSITION OF FARMERS IN THE VALUE CHAIN

Despite significant changes in agricultural production and the market for agricultural products over the past 20 years, small farms still make up a significant percentage of all farms in Serbia. Beside the primary role they play in agricultural production, small farms also have a significant role in preserving rural areas and reducing negative demographic trends in these regions.

Considering the importance of small farms for the development of agriculture and local communities, interventions have been examined that would improve the position of small-scale farmers in the value chains, taking into account the framework provided by the EU's Common Agricultural Policy (CAP).

1. Regarding primary production, it is recommended that small farms be given easier access to subsidies and support schemes that would reduce production costs, and above all, the negative impact of high input prices (energy, seed, fertilizers, etc.), as well as the negative impact of significant distortions in the parity between the price of inputs in agricultural production and the price of agricultural products that farmers sell. The CAP provides support schemes that help farmers purchase basic agricultural inputs, and in recent years, we have also seen an increase in the level of support for primary production in Serbia through a larger agricultural budget and growing subsidies. Accordingly, it is proposed to further enhance the support measures that have been implemented in Serbia in recent years, in line with EU experience, all with the ultimate goal of reducing production costs and increasing the productivity and competitiveness of small-scale farmers in Serbia.

2. The second key issue is related to the positioning of small farmers in the market and within existing value chains. The recommendation is that, based on the experiences of various projects (e.g., AGROMIX / HORIZON 2020, RUSTIK / HORIZON 2020) and especially the IPARD program, which supports the establishment and modernization of processing capacities, existing and new measures should be developed to support the processing of agricultural products from small farms through national, regional, and local agricultural and rural development support measures. In addition to improving processing, it is necessary to establish support measures for enhancing the market positioning of small farm products, joint market participation, and access to new markets, based on existing practices and experiences in implementing CAP support measures. Possible support models include supporting the development of producer organizations, community-supported agriculture (CSA) models, and the development of business associations and cooperatives. Special attention should be paid to further strengthening the diversification of sales channels (tourism, events, collective sales, online sales, doorstep sales, etc.). Support measures should also be aimed at connecting supply and demand through concrete coordination mechanisms. In touristically developed rural areas, support measures are needed that directly connect small-scale agricultural production with the tourism sector.

3. It is recommended to improve and develop new measures to support the diversification of economic activities and services in rural areas, enabling small farms to increase their income and ensure the sustainability of their operations, as well as to improve living conditions in rural areas. Agritourism, quality schemes for agricultural and food products, and support for the development of services and crafts in rural areas are

some of the measures supported through the CAP, and Serbia already has experience implementing some of these measures through the IPARD program.

4. Based on the EU's "Farm to Fork" strategy, as well as the planned accreditation of agro-environmental measures in the IPARD III program for Serbia, it is recommended to further improve and develop new measures that address the issue of climate change and good agricultural practices. It is recommended that in addition to direct support for farmers through agro-environmental measures, further involvement of academia and expert services be supported in the development of support measures: introducing cultivation practices that contribute to mitigating and adapting to climate change (e.g., agroforestry); application of expert practices to reduce the use of chemicals, to establish rational irrigation systems, and to conserve water, soil, and biodiversity; continuous and systematic data collection on all environmental factors in primary production; support for the introduction of sustainable technologies in production and processing (e.g., the use of solar and gas energy, utilization of biomass).
5. It is recommended that policies at the national, provincial, and local levels should encourage innovation and research through participation in existing EU programs (e.g., Horizon 2020) and the development of targeted programs that will support the agriculture sector and small farms in ensuring their sustainability and adaptability to environmental impacts. The innovation and research sector should be directly linked to the previously proposed measures that address education and skills development.

It is recommended that agricultural policy in value chains be evidence-based, whereby measures would be adopted based on clear and verifiable data indicating their impact on producers, processors, buyers, traders, and consumers. In the EU, this approach is standard, and in Serbia, it is becoming crucial for modernizing the sector and strengthening the position of smallholdings.

Data-driven policies allow for the adoption of measures based on verifiable data, not assumptions; monitoring performance along the entire value chain; and identifying "bottlenecks" and unfair practices; creating targeted interventions that increase efficiency and fairness; and aligning with EU standards (CAP, Farm to Fork, UTP Directive).