Origina Scinetific Paper

*Potentials for export of fresh raspberries from Serbia to EU fresh markets**

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Summary:
The aim of this paper is to present potentials of the most significant EU national markets for imports of fresh raspberries from Serbia. We carried out analysis of three markets with highest trade deficit of fresh raspberries expressed in quantities: Germany, Netherlands and Austria. The paper further analyses production and foreign trade trends in selected countries. According to results of this analysis, we identified monthly periods with highest potential for exports of fresh raspberries from Serbia to target markets. The paper also analyses wholesale prices of fresh raspberries and EU policy of direct support to raspberry producers.

Key words:
Direct support to raspberry producers, fresh raspberries exports, raspberries production, fresh raspberries prices.

Rezime:
Cilj ovog rada je da prezentuje potencijale najznačajnijih nacionalnih tržišta EU za uvoz svežih malina iz Srbije. Sprovedena je analiza tri tržišta sa najvećim trgovinskim deficitom izraženim količinski: Nemačka, Holandija i Austrija. Rad dalje analizira trendove proizvodnje i spoljne trgovine u odabranim zemljama. U skladu sa rezultatima ove analize, identifikovani su mesečni periodi sa najvećim potencijalom za izvoz svežih malina iz Srbije na targetirana tržišta. Rad takođe obuhvata analizu velikoprodajnih cena svežih malina i analizu politike direktne podrške proizvođačima malina u EU.

Ključne reči:
Cene svežih malina, direktna podrška proizvođačima malima, izvoz svežih malina, proizvodnja malina.

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1. INTRODUCTION

Serbia is the second largest producer of raspberries in the world, with yearly production of around 85,000 tones, what makes almost 20% of total world production of this soft fruit. The only one country which recorded better results in terms of production quantities is Russia with yearly production of around 125,000 tones (FaoStat - Food and Agriculture Organization of the United Nations, Statistics Division, 2011). When observed by area harvested, Serbia is the third largest producer, after Russia and Poland.

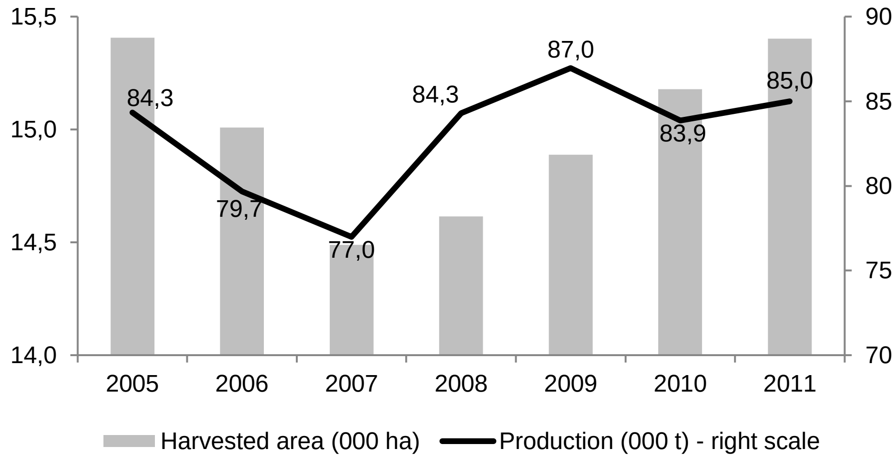


Figure 1 Harvested area and production of raspberries in Serbia in the period from 2005 to 2011

Source: (Statistical Office of the Republic of Serbia, 2012)

Average yields of raspberry production in Serbia amounted to around 5.5 tones per hectare in the previous period, what is far below yields achieved by the Netherlands and Mexico (almost 15 tones per hectare), but at the same time higher than in Russia and Poland (FaoStat - Food and Agriculture Organization of the United Nations, Statistics Division, 2011).

Raspberries are grown in nine regions of Serbia because of very good agricultural conditions: Valjevo, Sabac, Kosjeric, Arilje, Ivanjica, Cacak, Kopaonik, Kraljevo and Leskovac region (Saric R., 2009). Despite very favourable agricultural conditions, large production quantities, high quality products and increasing consumption of fresh berries in Europe (Berries in the world - Introduction to the international markets of berries, 2008), raspberry producers from Serbia have not won prominent role on the

European fresh market. The most of the exported quantities from Serbia is related to frozen raspberries. The reasons for such a situation are numerous. Among other factors, Serbian raspberry producers and distributors are not familiar with the EU market demand for fresh raspberries.

Table 1 Foreign trade deficit of European national markets expressed in tones, 2007 – 2010

Rank	Country	Foreign trade deficit, tones				Average yearly deficit, tones	Yearly deficit, kg per capita	Variation coefficient, %	Average annual growth rate, %
		2007	2008	2009	2010				
1	Germany	13,840	17,277	14,857	11,987	14,490	0.177	15.22%	-2.83%
2	Netherlands	10,480	8,259	9,945	14,045	10,682	0.648	22.78%	13.48%
3	United Kingdom	8,507	9,031	8,583	7,065	8,297	0.135	10.28%	-5.50%
4	Austria	7,909	10,561	7,063	6,435	7,992	0.957	22.72%	-2.83%
5	France	4,419	5,887	6,068	5,531	5,476	0.085	13.50%	9.15%
6	Italy	3,597	4,849	2,779	1,502	3,182	0.053	44.21%	-17.94%
7	Belgium	3,118	2,793	3,018	1,426	2,589	0.241	30.40%	-18.37%
8	Denmark	270	421	493	911	524	0.095	52.39%	52.61%
9	Ireland	181	459	415	334	347	0.079	35.23%	41.50%
10	Sweden	151	240	223	233	212	0.023	19.41%	18.78%
11	Czech Republic	54	69	136	183	111	0.011	54.35%	53.15%
12	Slovakia	151	38	158	72	105	0.019	56.49%	62.17%
13	Luxembourg	100	58	54	115	82	0.166	37.19%	21.36%
14	Finland	72	51	46	99	67	0.013	36.01%	25.42%
15	Estonia	88	-13	26	23	31	0.023	135.25%	-142.10%
16	Slovenia	2	31	53	11	24	0.012	93.51%	480.57%
18	Greece	21	31	0	1	13	0.001	115.35%	-17.46%
17	Latvia	26	11	6	4	12	0.005	84.64%	-45.49%
19	Cyprus	2	0	7	0	2	0.003	146.85%	-66.67%

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

Therefore, the main purpose of this paper is to present potentials of the most significant EU national markets for imports of fresh raspberries from Serbia. Three target markets which are analysed in this paper are Germany, Netherlands and Austria since they distinguished themselves by the largest foreign trade deficit expressed in quantities, as presented in the next table. United Kingdom is not selected as target export market although it distinguished itself by high deficit, because of the long distance and complicated ways of transport.

2. DOMESTIC PRODUCTION OVERVIEW OF TARGET EXPORT MARKETS

2.1 Production of raspberries in Germany

During the last decade, production and area harvested of raspberries in Germany decreased by around 80%. Nevertheless, Germany is still among top 15 producers of raspberries in the world, with the production of more than 5,000 tonnes and area harvested of more than 1,100 ha. In contrast to Austria, the yields in Germany are significantly lower and amounted to 4.5 t/ha in 2009.

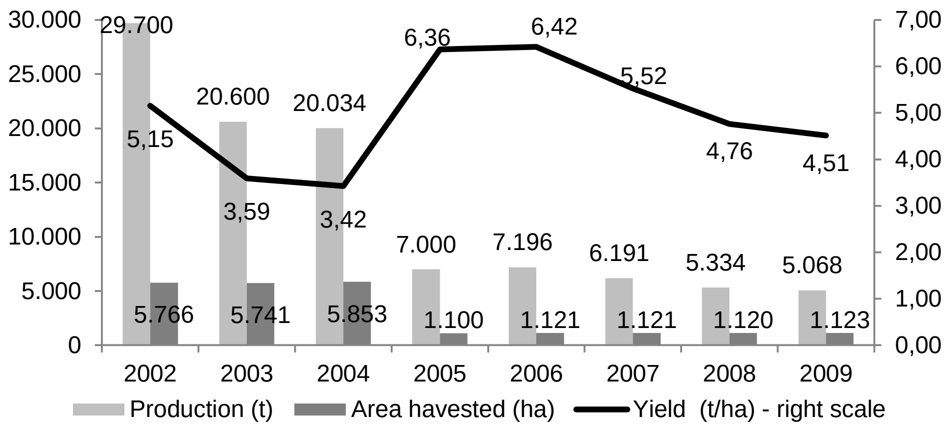


Figure 2 Production, area harvested and yields of fresh raspberries in Germany, 2002 - 2009

Source: (FaoStat - Food and Agriculture Organization of the United Nations, Statistics Division, 2011)

In the upcoming period, the production of raspberries in Germany is estimated at the level between 5 and 7 thousand tonnes per annum.

2.2 Production of raspberries in the Netherlands

Despite significantly lower production level and area harvested compared with Austria and Germany, Dutch yields are at the highest level in the world and amounted to incredible 16.5 t/ha in 2009. Average production level in the Netherlands is around 600 tonnes.

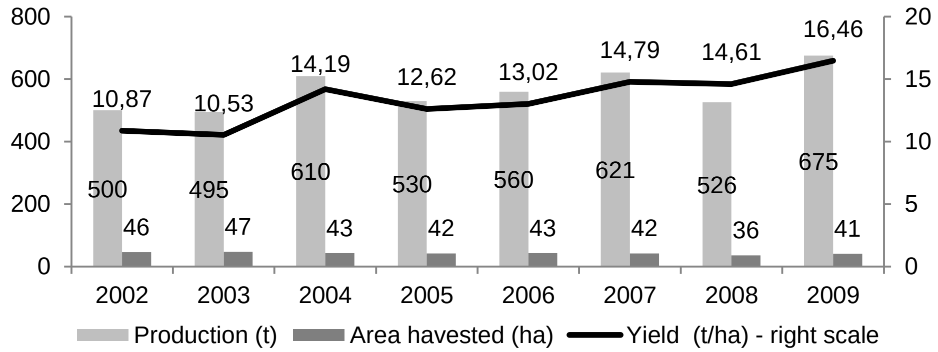


Figure 3 Production, area harvested and yields of fresh raspberries in the Netherlands, 2002 - 2009

Source: (FaoStat - Food and Agriculture Organization of the United Nations, Statistics Division, 2011)

In accordance with the developments in the last decade, the production of raspberries in the Netherlands is expected to reach 700 tonnes per annum in the upcoming middle-term period.

2.3 Production of raspberries in Austria

Raspberries in Austria are produced at more than 150 ha, resulting in production of more than 1,100 tonnes, as presented in the next figure. These results classify Austria in the top 25 world producers of raspberries. Average yields in Austria amount to more than 7 t/ha, what ranks Austria in the top 15 producers of raspberries in the world.

During the observed period of time (statistical data on production, area harvested and yields of raspberries in Austria are not available in the FaoStat Database for the period before 2006), there were no significant changes in levels of production, area harvested and yields. Therefore, the production in the upcoming middle-term period is expected to be slightly above 1,100 tonnes.

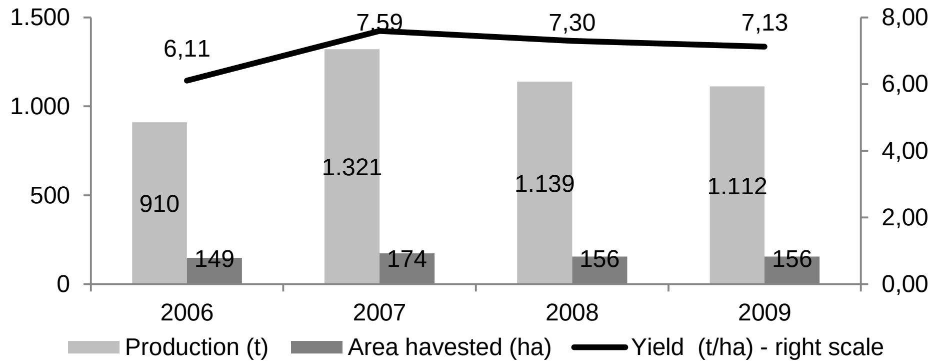


Figure 4 Production, area harvested and yields of fresh raspberries in Austria, 2006 - 2009

Source: (FaoStat - Food and Agriculture Organization of the United Nations, Statistics Division, 2011)

3. FOREIGN TRADE OVERVIEW OF TARGET EXPORT MARKETS

3.1 Germany's foreign trade with fresh raspberries

Total value of foreign trade with fresh raspberries between Germany and the rest of the world amounted to 38,837 thousand EUR in 2010, what was an increase of 5.8% as compared with 2009, but also an increase of 2.1% as compared with 2008 when the value of foreign trade reached its historical maximum. The exports – imports ratio steadily oscillates from year to year in the interval from 9 to 10%. In 2010, coverage of imports with exports amounted to exactly 10%.

The value of imports in 2010 of 35,373 thousand EUR also surpassed the value from 2008. In this way, the slight decrease in 2009 was compensated. Nevertheless, variations of imports value in the last few years were not significant and total value of imported fresh raspberries in Germany from 2008 onwards was stable at the level of around 35 million EUR per annum. The data on imports value of fresh raspberries in the first eight months of 2011 support this conclusion.

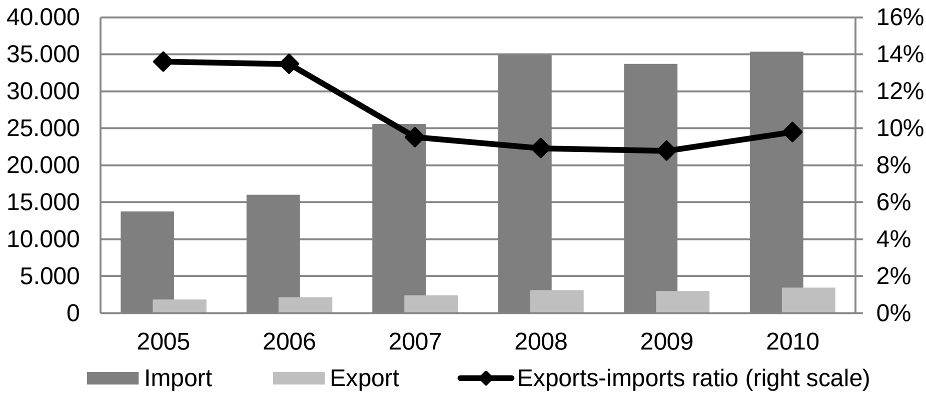


Figure 5 Value of Germany's foreign trade with fresh raspberries, thousand EUR

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

Limit value of 35 million EUR might be a key constraint to a larger absorption of fresh raspberries on German market. After 2008, imported quantities decreased significantly, because of constant increase of prices. From the top 18,308 tonnes in 2008, the imports decreased to 15,908 tonnes in 2009, i.e. to 13,096 tonnes in 2010. At the same time, the average unit value of imports went from 1.91 EUR/kg in 2008 up to 2.12 EUR/kg in 2009, i.e. up to 2.70 EUR/kg in 2010.

In the period from January to August 2011, the price of 2.72 EUR/kg was even a little bit lower than the price from the same period in the previous year (2.80 EUR/kg), what caused a relatively slow recovery of imports expressed in quantities. Total imported quantity in the first eight months of 2011 was 9,374.7 tonnes, what was 5.5% higher than in the same period of the previous year.

When observed by countries, Germany imports fresh raspberries mainly from the Netherlands, Spain, Poland, Italy and Austria. With the imports value of 195.1 thousand EUR, Serbia had a completely insignificant share on German market in 2010 (0.6%).

However, during the first eight months of 2011 the exports from Serbia impressively increased reaching 1,885.4 thousand EUR, what was 9.6 times higher than in the same period of the previous year. In this way, market share of Serbian raspberries increased to 7.4%, if observed by value.

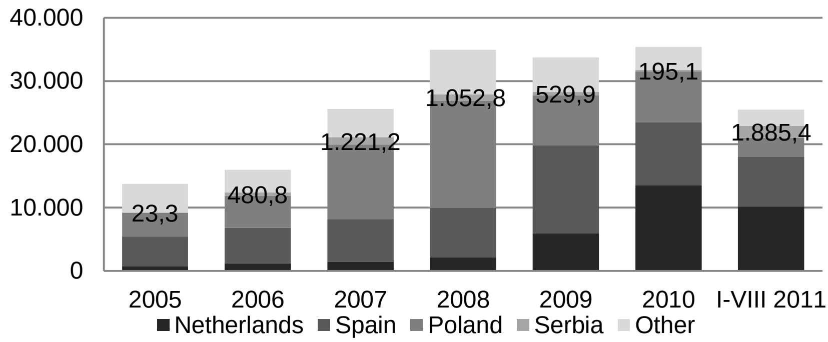


Figure 6 Value and structure of Germany's imports of fresh raspberries, thousand EUR

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

When observed by quantities, Germany imported 13,096.9 tonnes of fresh raspberries in 2010, what was an increase of 17.7% as compared with 2009, i.e. a decrease of 28.5% as compared with 2008. According to the registered imports in the first eight months of 2011, the estimated level of imported quantities during the entire 2011 should not be significantly different as compared with 2010.

In the period January – August 2011, Serbia achieved the best result since exporting fresh raspberries to Germany (1,864.8 tonnes). As compared with the same period in the previous year, Serbian exports increased 11.5 times and market share of Serbian raspberries reached 20%, if observed by quantity.

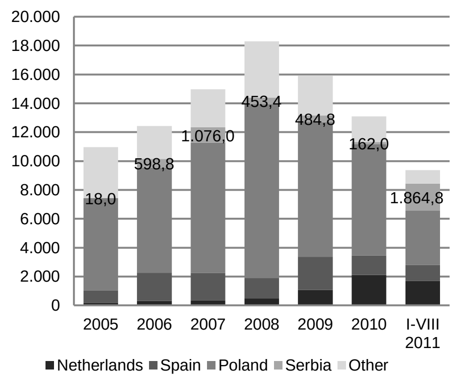


Figure 7 Quantity and structure of Germany's imports of fresh raspberries, tonnes

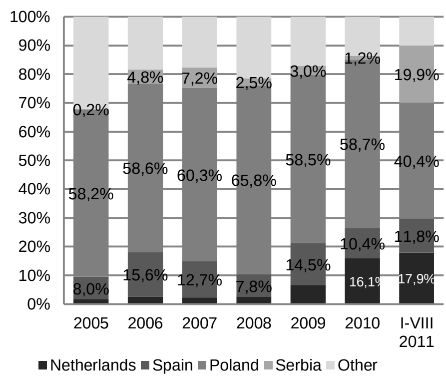


Figure 8 Countries share in quantity of Germany's imports of fresh raspberries, %

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

3.2 Netherlands' foreign trade with fresh raspberries

Total value of foreign trade with fresh raspberries between the Netherlands and the rest of the world increases from year to year. In 2010 this value amounted to 36,399 thousand EUR, what was 19.2% higher than in 2009, i.e. 24.2% higher than in 2008. Coverage of imports with exports varies from 70% to almost 90% and amounted to 73% in 2010.

The value of imports is characterized by very uniform trend increase, if excluding the year 2008. During 2010, total value of fresh raspberries imports increased by 19% as compared with the previous year and reached the amount of 21,065 thousand EUR. Such a growth is similar to the average annual growth of imports for the period from 2005 onwards (20%).

In the period January – August 2011, fresh raspberries imports amounted to 15,047.6 thousand EUR, what was 8.4% lower than in the same period of the previous year. In accordance to this data, total estimated value of imports for 2011 should not exceed the value from the previous year.

The reason which stopped the middle-term growth trend is a sudden increase of prices. In the period January – August 2011, the average unit price of imported fresh raspberries increased by 76.2% to 2.44 EUR/kg, as compared with the same period in 2010. It caused a dramatic quantitative contraction of imports. The imported quantity in the first eight months of 2011 amounted to only 6,174.3 tonnes, as compared with the quantity of 11,879.1 tonnes in the same period of 2010.

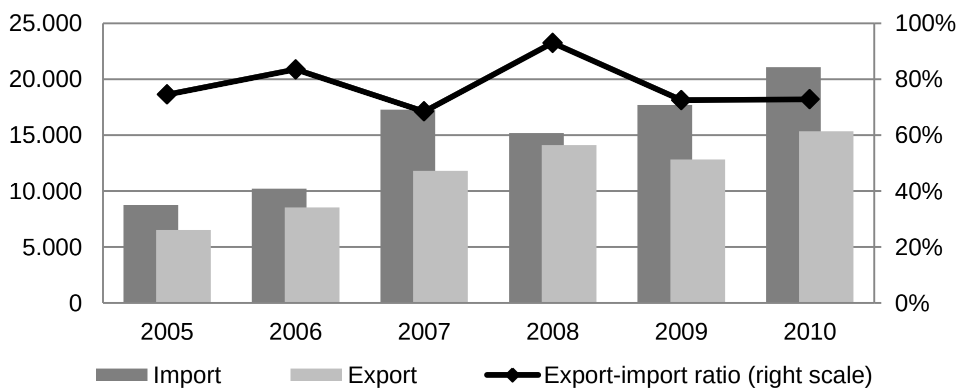


Figure 9 Value of the Netherlands' foreign trade with fresh raspberries, thousand EUR

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

When observed by countries, the Netherlands imports fresh raspberries mainly from Poland, Spain and Mexico. The market share of these countries amounted to more than 87% in 2010, if observed by value.

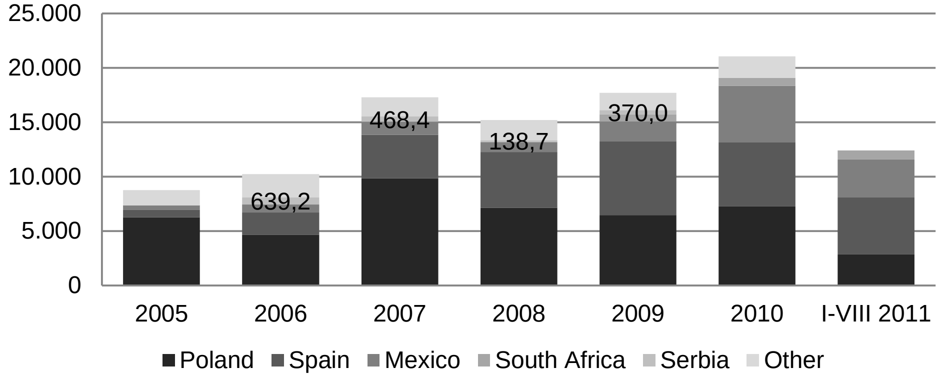


Figure 10 Value and structure of the Netherlands' imports of fresh raspberries, thousand EUR

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

Serbia did not export any quantity of fresh raspberries to the Netherlands during 2010 and 2011. The last recorded exports refer to the year 2009, when Serbian companies exported 276.7 tonnes of fresh raspberries. The value of exported fresh raspberries amounted to 370 thousand EUR, what made less than 2% out of total Dutch imports in 2009.

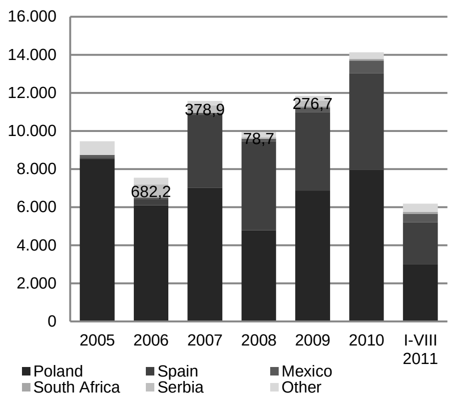


Figure 11 Quantity and structure of the Netherlands's imports of fresh raspberries, tonnes

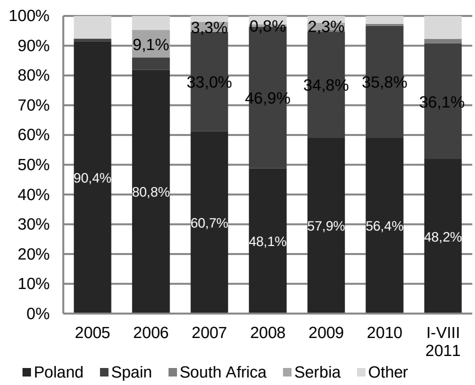


Figure 12 Countries share in quantity of the Netherlands's imports of fresh raspberries, %

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

3.3 Austria' foreign trade with fresh raspberries

Total value of foreign trade with fresh raspberries between Austria and the rest of the world amounted to 12,753 thousand EUR in 2010, what was a drop of 19.6% as compared with 2009, i.e. a drop of even 65.8% as compared to 2008 when the value of foreign trade reached its maximum level. Coverage of imports with exports (exports-imports ratio) has been rapidly decreasing since 2008 and in 2010 the observed ratio value dropped to around 13%.

The value of imports reached 11,287 thousand EUR in 2010, what was a decrease of 56.8% as compared to 2008. However, according to the registered imports in the period from January to August 2011 of 10,493 thousand EUR, what makes an increase of 15.4% as compared with the same period in the previous year, it is likely that the market contraction is going to stop. During 2011, there could also be recorded a year on year increase of imports of fresh raspberries.

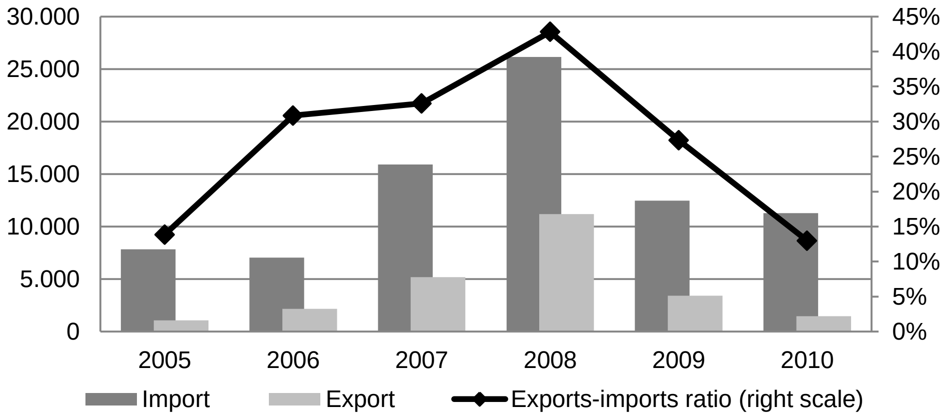


Figure 13 Value of Austria's foreign trade with fresh raspberries, thousand EUR

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

When observed by countries, Austria imports fresh raspberries mainly from Spain, Germany, Poland and Serbia.

With the imports value of 1,735.8 thousand EUR in 2010, Serbia had a share of 15.4% on Austrian fresh raspberries market. In the period from January to August 2011, the value of imports from Serbia amounted to 1,690 thousand EUR, what was an increase of 7.5% as compared to the same period in the previous year. At the end of August 2011, the share of Serbia in total fresh raspberries imports of Austria reached 16.1%. However, taking into account the fact that Serbia, in contrast to other raspberry exporters, does not offer fresh raspberries during autumn, its share is expected to drop till the end of the year (probably below the level from the previous year).

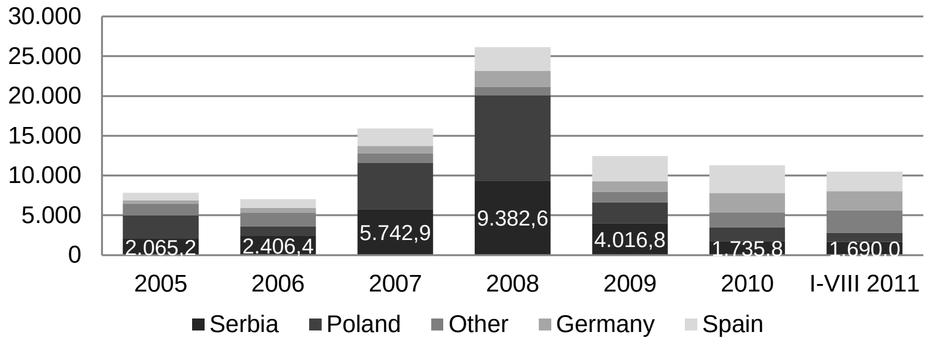


Figure 14 Value and structure of Austria's imports of fresh raspberries, thousand EUR

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

When observed by quantities, Austria imported 7,252 tonnes of fresh raspberries during 2010, what was 22.5% less than in 2009. Nevertheless, the registered imports expressed in quantities in the first eight months of 2011 leads us to conclude that the market has been recovering. The imported quantity in this period was 17.6% higher than in the same period of the previous year and almost reached the total imported quantity during the entire 2010.

A good result in the first half of 2011 is recorded especially due to Serbia, whose exports to Austria in the first eight months of 2011 increased by 31.6% as compared to the same period of the previous year and amounted to 1,745 tonnes. This obvious disparity between the results of Serbian export to Austrian market in the period from January to August 2011 expressed in value and expressed in quantities is mainly caused by a quite lower achieved unit price (a decrease from 1.19 EUR/kg in 2010 to 0.97 EUR/kg during the observed period in 2011).

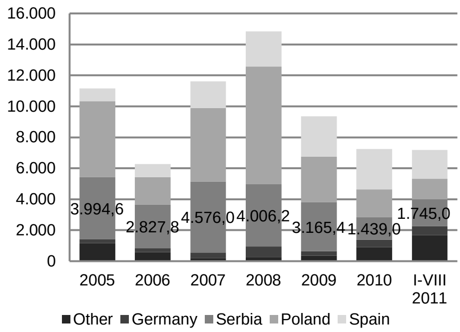


Figure 15 Quantity and structure of Austria's imports of fresh raspberries, tonnes

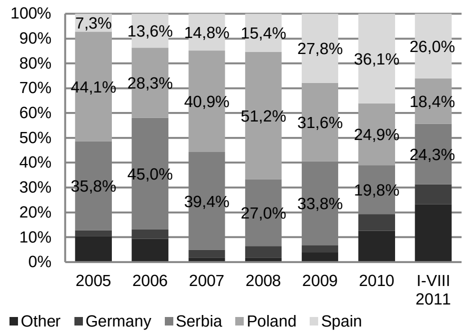


Figure 16 Countries share in quantity of Austria's imports of fresh raspberries, %

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

4. IDENTIFICATION OF MONTHLY PERIODS WITH HIGHEST POTENTIAL FOR EXPORTS OF FRESH RASPBERRIES FROM SERBIA TO SELECTED TARGET MARKETS

4.1 Potential for increasing of exports to German market

If we analyse the monthly structure of Serbian exports to German market (next figure), we can clearly conclude that most quantities are exported during July and August. On the other hand, only a small part is exported in June. In July 2011, the exports from Serbia covered even 29.8% of German demand and in August 26.9%.

The best opportunities for Serbian exporters on German market are in September, taking into account the total imported quantity in September of more than 3 thousand tonnes. In the period 2009 – 2010 Serbia did not exported raspberries in this month. Although June is not so attractive regarding smaller total imported quantities as compared with the season, we should not forget this month, as well as May, as perspective months for export to German market, because Serbian exporters had a very small share in these months.

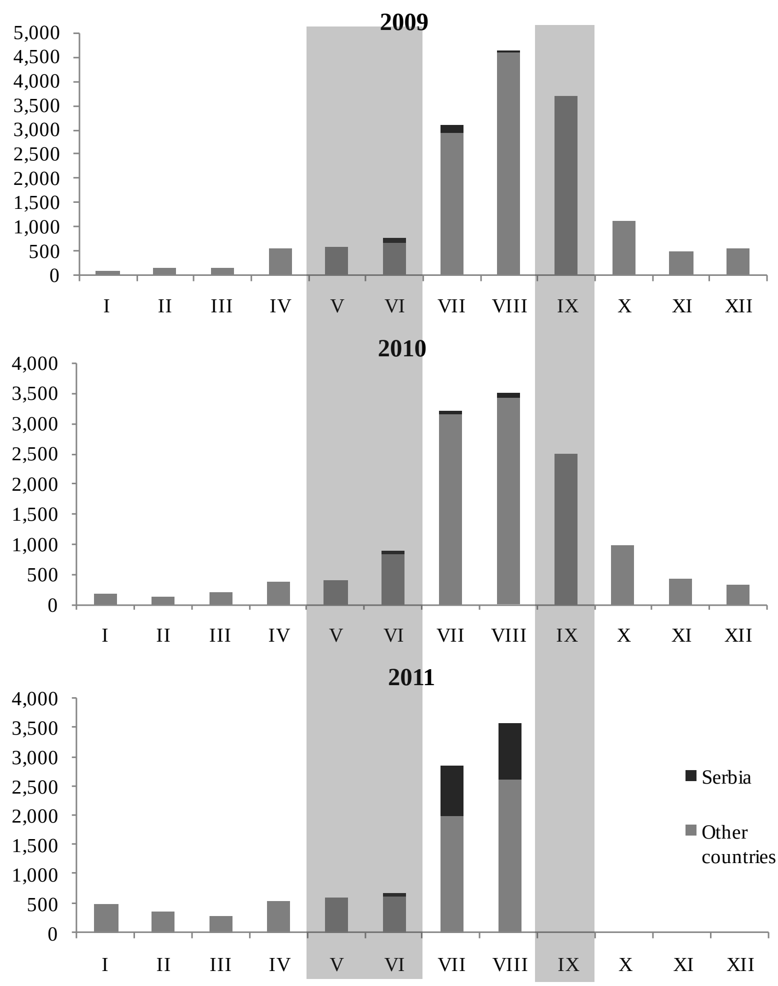


Figure 17 Germany's imports of fresh raspberries in tonnes and share of Serbia, monthly overview (Shaded periods indicate high potential for Serbian exporters)

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

4.2 Potential for increasing of exports to Dutch market

Since Serbia did not export fresh raspberries to the Netherlands in the last two years, each quantity of exports to Dutch market would mean very important comeback to this market with high potential and would be very important. When observed by months, July remains the most interesting month for exports despite a quite lower price. On the other hand, also other months in the period May – September are not less interesting.

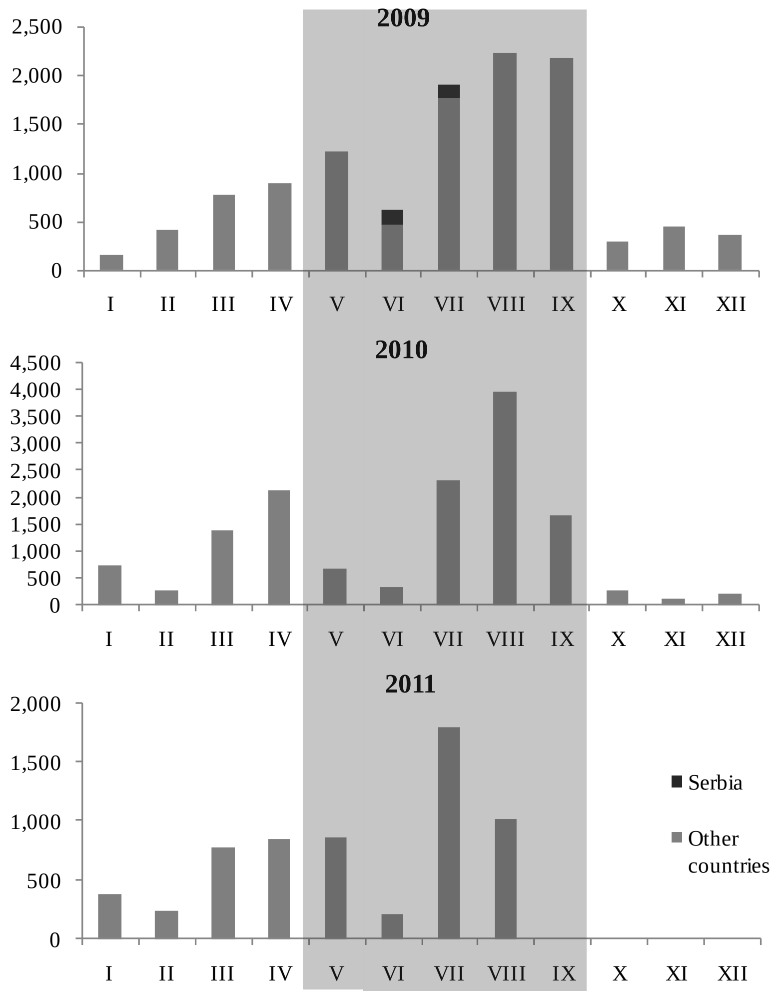


Figure 18 The Netherlands' imports of fresh raspberries in tonnes and share of Serbia, monthly overview (Shaded periods indicate high potential for Serbian exporters)

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

4.3 Potential for increasing of exports to Austrian market

Monthly export of fresh raspberries from Serbia to Austria in the period from 2009 to 2011 clearly defines Serbian opportunities considering Austrian market. The highest share of Serbian raspberries on Austrian market is recorded during July, as well as during June. Therefore, the best opportunities for further expansion of fresh raspberries exports from Serbia to Austria are in August, as well as during September, May and eventually April. In contrast to 2010, Serbia exported a more significant quantity to Austrian market in August 2011. It was a contingent of 58 tonnes, which was sold for a unit wholesale price of 1 EUR/kg. This was 20% lower price as compared with the total average unit price in this month on Austrian market. But nevertheless, this price was in 10 euro cents higher than the price of fresh raspberries from Serbia in July, the peak supply month.

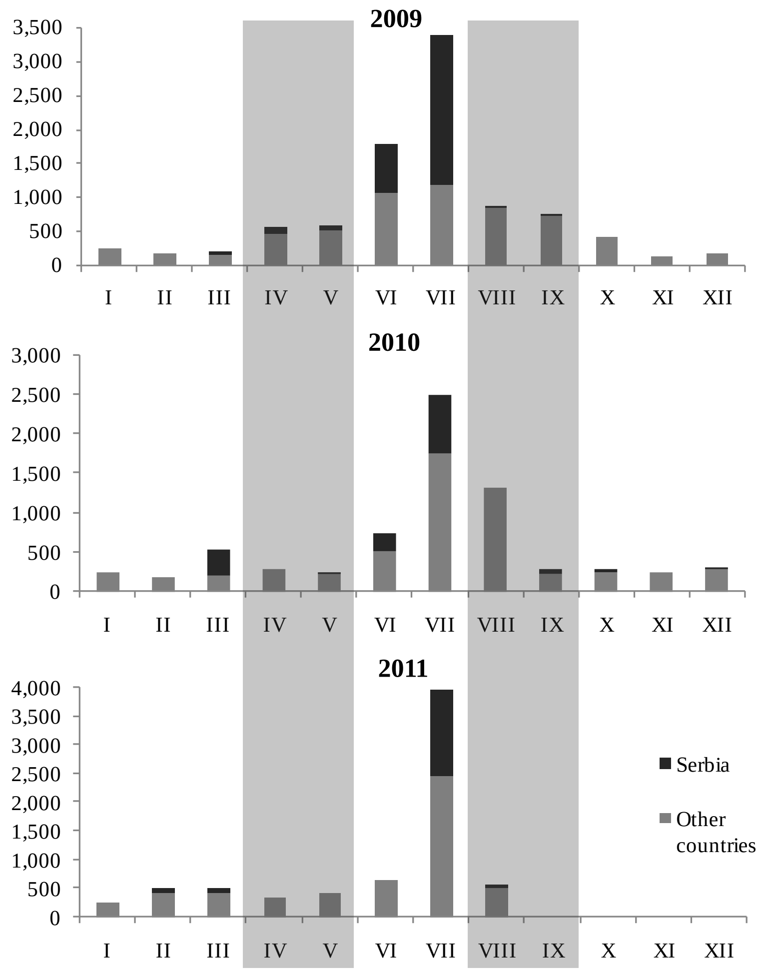


Figure 19 Austria's imports of fresh raspberries in tonnes and share of Serbia, monthly overview (Shaded periods indicate high potential for Serbian exporters)

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

5. WHOLESALE PRICES OF IMPORTED RASPBERRIES IN TARGET EXPORT COUNTRIES

5.1 Overview of achieved prices in Germany

The average wholesale price of imported fresh raspberries on German market in the period 2005 -2010 amounted to 1.83 EUR/kg. The average price is characterized by increasing trend during the entire period.

In contrast to the average imports unit price on German market which has been increasing since 2005, the wholesale price of fresh raspberries imported from Serbia oscillates a lot. Together with Poland, Serbia is a country which exports the cheapest fresh raspberry to Germany. Serbian price is more than twice lower as compared with the average price. As compared with the prices of raspberries from Spain or Netherlands, the difference goes up to 7 times.

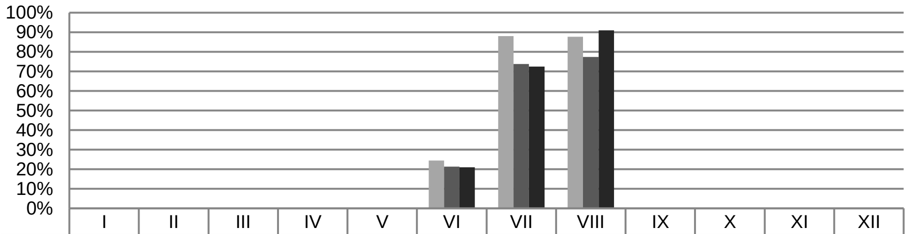
In the period January – February 2011, Serbian fresh raspberries achieved a price of a little bit more than 1 EU/kg, what was the least favourable price ever, excluding 2006.

Table 2 Average wholesale prices of imported fresh raspberries in Germany, EUR per kg

	2005	2006	2007	2008	2009	2010	I-VIII 2011	I-VIII 2010
World	1.25	1.29	1.71	1.91	2.12	2.70	2.72	2.80
Netherlands	4.18	3.87	4.30	4.56	5.61	6.41	6.08	6.66
Spain	5.38	2.88	3.54	5.47	5.98	7.33	7.01	7.49
Poland	0.59	0.70	1.30	1.40	0.85	1.04	0.81	0.97
Serbia	1.29	0.80	1.14	2.32	1.09	1.20	1.01	1.21
Other	1.29	1.58	1.69	1.79	2.00	2.06	2.74	2.12

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

By analyzing prices on a monthly basis, we can conclude that Serbia did not achieve the average monthly price in any single month during the previous three years.



	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
2009						24,5%	88,0%	87,7%				
2010						21,3%	73,8%	77,5%				
2011						21,0%	72,4%	91,0%				

Figure 20 Unit value of imported raspberries from Serbia, monthly indices for period 2009-2011 (Average unit value on Germany's market = 100)

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

The highest imports unit price on German market is in April and May, as well as in March, while the lowest prices have been recorded during July, August, September and October. The average price in June is also significantly above yearly average and amounts to more than 5 EUR/kg. Having in mind that Serbian exporters already exported fresh raspberries in this month, this should be the first target month for German market.

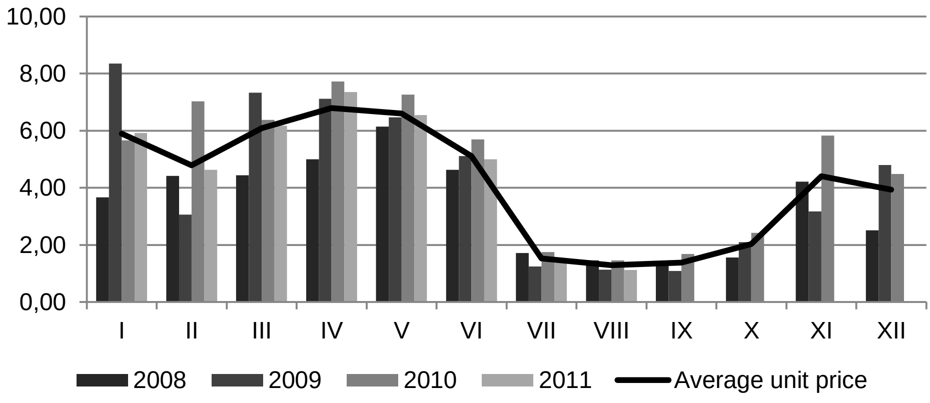


Figure 21 Average wholesale prices of imported fresh raspberries in Germany by months, EUR/kg

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

5.2 Overview of achieved prices in the Netherlands

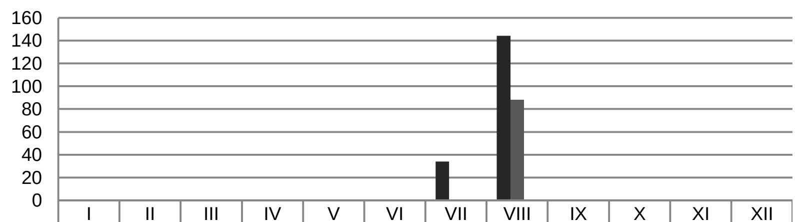
The average wholesale price of imported fresh raspberries on Dutch market in the period 2005 -2010 amounted to 1.38 EUR/kg. The average price was stable at the level of around 1.5 EUR/kg till 2011, when it suddenly increased.

It is clear that Poland and Spain, which conquered Dutch market, are competitive in terms of price too. Since 2007, the both countries sell their raspberries for below-average price. Poland appears in the Netherlands, as well as in other analyzed countries, with very low prices, which are even lower than Serbian ones. It is interesting that Spain also achieved average wholesale price in the period 2006 – 2009 which was lower than Serbian one. The achieved prices of South Africa and Mexico were quite higher than other prices.

Table 3 Average wholesale prices of imported fresh raspberries in the Netherlands, EUR per kg

	2005	2006	2007	2008	2009	2010	I-VIII 2011	I-VIII 2010
World	0.93	1.36	1.49	1.53	1.49	1.49	2.44	1.38
Poland	0.73	0.76	1.40	1.49	0.94	0.91	0.95	0.88
Spain	8.58	6.80	1.05	1.09	1.64	1.17	2.35	1.04
Mexico	3.55	7.09	9.77	6.53	7.34	7.77	7.93	7.75
South Africa	12.04	-	5.11	7.17	8.19	9.33	9.19	9.24
Serbia	-	0.94	1.24	1.76	1.34	-	-	-
Other	1.97	6.10	7.69	6.86	6.29	5.43	6.04	6.00

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)



	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
2009							33,9	144,1				
2010								88,1				
2011												

Figure 22 Unit value of imported raspberries from Serbia, monthly indices for period 2009-2011 (Average unit value on the Netherlands' market = 100)

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

By analyzing prices on a monthly basis, we can conclude that Serbia achieved significantly better price in August than in July.

The highest imports unit price on Dutch market is in the period November – February, when importing raspberries from Mexico and South Africa. The average prices in June and July are quite higher than in other months of the season (August, September).

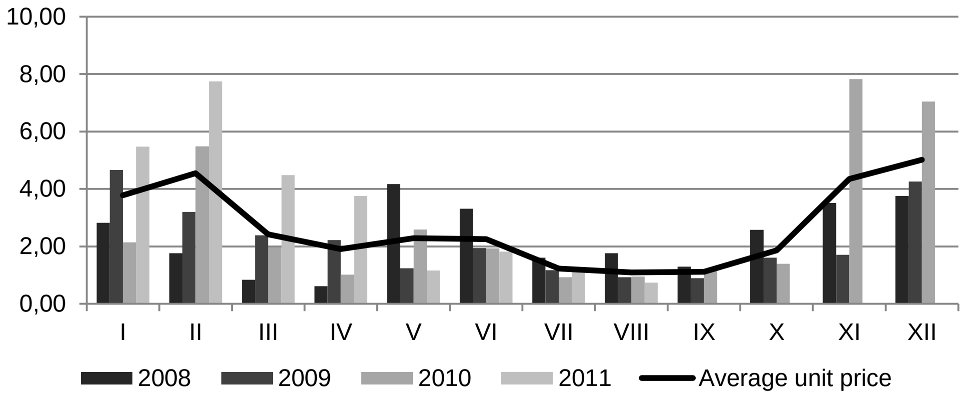


Figure 23 Average wholesale prices of imported fresh raspberries in the Netherlands by months, EUR/kg

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

5.3 Overview of achieved prices in Austria

The average wholesale price of imported fresh raspberries on Austrian market in the period 2005 – 2010 amounted to 1.31 EUR/kg. The highest average price was achieved in 2008 (1.76 EUR/kg). Poland is a country which has been exporting fresh raspberries to Austria at the lowest price, and together with Serbia the only one which has been exporting fresh raspberries in 2011 at the average price level of less than 1 EUR/kg.

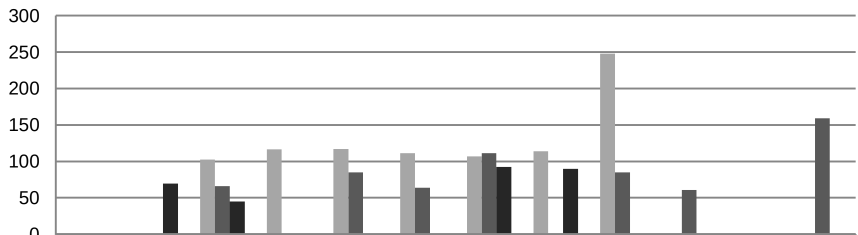
Concerning Serbia, after the achieved unit prices in 2008 which were higher than the average unit wholesale prices in Austria, the price decreased in the next years. Average unit price of fresh raspberries from Serbia decreased to 1.21 EUR/kg in 2010 and further to 0.97 EUR/kg in the first eight months in 2011. At the same time, the deviation of Serbian price from the average wholesale price on Austrian market increased. In 2010, such a deviation amounted to 35 euro cents, and in the period from January to August the deviation increased to almost 50 euro cents.

Table 4 Average wholesale prices of imported fresh raspberries in Austria, EUR per kg

	2005	2006	2007	2008	2009	2010	I-VIII 2011	I-VIII 2010
World	0.70	1.12	1.37	1.76	1.33	1.56	1.46	1.49
Serbia	0.52	0.85	1.26	2.34	1.27	1.21	0.97	1.19
Poland	0.59	0.67	1.23	1.40	0.88	0.97	0.84	0.97
Spain	1.18	1.30	1.29	1.31	1.22	1.34	1.31	1.33
Germany	1.77	2.57	2.45	2.83	4.75	5.04	4.23	4.78
Other	1.24	2.96	6.05	4.40	3.74	2.06	1.68	1.97

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

By analyzing the prices on a monthly basis, it can be concluded that a weak result of Serbian exporters in 2011 was caused by large exports in July which was realized by 7.7% lower price than monthly average on Austrian market in the same month, as presented in the next figure. On the other hand, columns which present achieved average unit prices of Serbian exports in 2011 show that this year was the first one in which Serbian exporters did not record above-average monthly price in any single month. It is interesting that the least favourable price was achieved in March, when the export was realized by a price which was around 65% lower than the average price in this month.



	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
2009			102,6	116,4	117,0	111,4	106,8	113,8	248,0			
2010			66,1		85,1	63,7	111,2		84,8	60,9		159,4
2011		69,7	44,7				92,3	89,5				

Figure 24 Unit value of imported raspberries from Serbia, monthly indices for period 2009-2011 (Average unit value on Austria's market = 100)

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

The highest imports unit price on Austrian market is in April and May, as well as in December, while the lowest prices have been recorded during the season (June, July, August and September) as presented in the next figure.

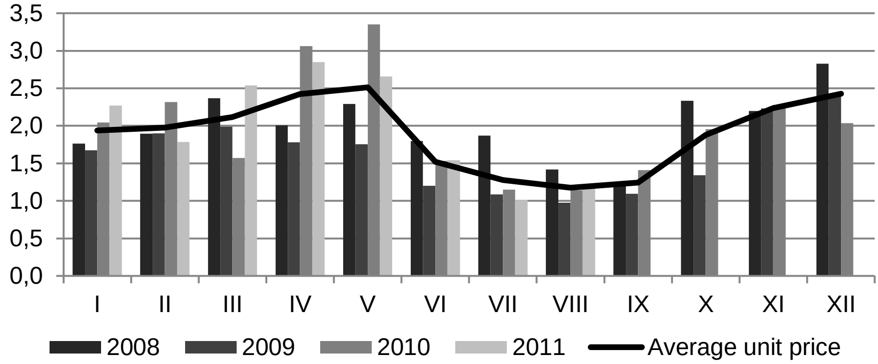


Figure 25 Average wholesale prices of imported fresh raspberries in Austria by months, EUR/kg

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

6. DIRECT SUPPORT TO RASPBERRY PRODUCERS IN EUROPEAN UNION MEMBER COUNTRIES

System of agricultural subsidies and support programmes in European Union is defined by Common Agricultural Policy (CAP). CAP is determined at EU level by the governments of member states and operated by the member states. It is aimed at supporting farmers' incomes, while also encouraging them to produce high quality products demanded by the market and encouraging them to seek new development opportunities, such as renewable environmentally friendly energy sources.

Very important part of CAP is direct payments. In the year 2003, CAP introduced a new system of direct payments, known as the Single Payment Scheme (SPS), under which aid is no longer linked to production, but to harvested area. The main aim of the single payment is to support farmers' incomes in return for respecting standards of environmental protection, food safety and keeping the land in good condition. Only under certain limited conditions, member states may decide to reduce the value of payment entitlements and continue to make direct payments linked to production.

In accordance with Council Regulation EC No. 73/2009 (Council Regulation EC No. 73/2009 on establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations EC No. 1290/2005, EC No. 247/2006, EC No., 2009), direct payments are allowed to raspberry producers falling within CN code 0810 20 10 (fresh raspberries) which are supplied only for processing (so called “transitional soft fruit payments”). Subsidies for fresh raspberries supplied for consumption are not provided in EU. Direct payments must be covered by a contract for processing of raspberries in order to produce products listed in Part X of Annex 1 of Council Regulation EC No. 1234/2007 (Council Regulation EC No. 1234/2007 on establishing a common organization of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation), 2007).

The transitional soft fruit payment for raspberry producers amounts to 230 EUR per ha. Member states may pay a national aid in addition to the transitional soft fruit payment, but the total amount of Community and national aid must not exceed 400 EUR per ha.

The transitional soft fruit payment is provided only for Eastern European countries Bulgaria, Hungary, Latvia, Lithuania and Poland in respect of maximum national guaranteed areas, as presented in the next figure. The most of fresh raspberries exported from these to other countries is supplied for processing (Gordon S.C., 1999). This is one of the reasons for quite lower price of fresh raspberries exported from Poland as compared with other countries, including Serbia.

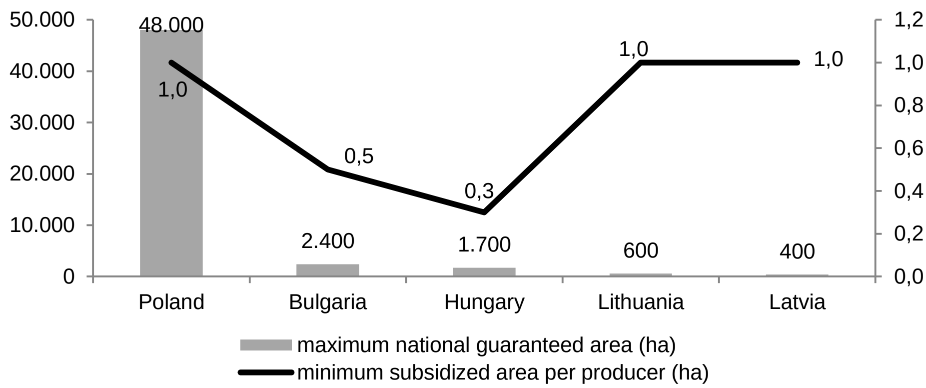


Figure 26 Maximum national guaranteed areas for soft fruit (both strawberries and raspberries) and minimum subsidized area per raspberry producer

Source: (Council Regulation EC No. 73/2009 on establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations EC No. 1290/2005, EC No. 247/2006, EC No., 2009) (Overview of the implementation of direct pazments under the CAP in member states in 2011, 2011)

If the eligible area in a given member state and in a given year exceeds the maximum national guaranteed area, the amount of the transitional soft fruit payment will be reduced proportionately to the overrun of the maximum national guaranteed area.

More than 30 thousand strawberry and raspberry producers in Poland receive 400 EUR per ha each year. Out of this sum, 230 EUR per ha comes from EU budget, while 170 EUR per ha is co-financed from national budged.

7. CONCLUDING REMARKS

Considering results of conducted analysis, we defined conclusions for each of analyzed target markets.

German market has a value limit of 35 million EUR and the imported quantities depend exclusively on unit price. This value limit will remain in the middle term. This does not mean that Serbian exporters cannot increase their share. On the contrary, if Serbian producers provide a high quality product which could be marketed in September, when market absorption is still intensive, potential of German market could be very significant for Serbian raspberries. Also, more significant results could be achieved in May and June.

Despite market stagnation in the Netherlands in 2011 which is caused by explosive increase of prices, a gradual growth in the upcoming years is expected to be continued. Dutch market is quite demanding, especially because the Netherlands is an important world producer of raspberries. Nevertheless, it cannot justify absence of fresh raspberries from Serbia on Dutch market. Serbian exporters have good opportunities during the entire period from May to September.

The year 2011 is the year when contraction of Austrian market, which followed global financial crisis in 2008, has been stopped. Fresh raspberries market is going to recover slowly in the next few years. However, value of Austrian fresh raspberries imports achieved in 2008 is unlikely to repeat in the middle term (next 3 – 5 years). Serbian fresh raspberries exports to Austria, expressed in quantities, could increase if Serbian producers provide a good quality product which would be exported during August, i.e. during September, May and eventually April. On the other hand, considering values, the better result could be achieved only by increasing quality what would set up the unit exports price at higher level.

Raspberries from Serbia will be generally quite limited by the prices achieved during the main raspberry harvest season and they cannot reach the prices of raspberries sold out of the main season. As presented in the next figure, the prices on observed markets in the period from June to

September are quite lower than the prices from other periods when fresh raspberries are imported from overseas.

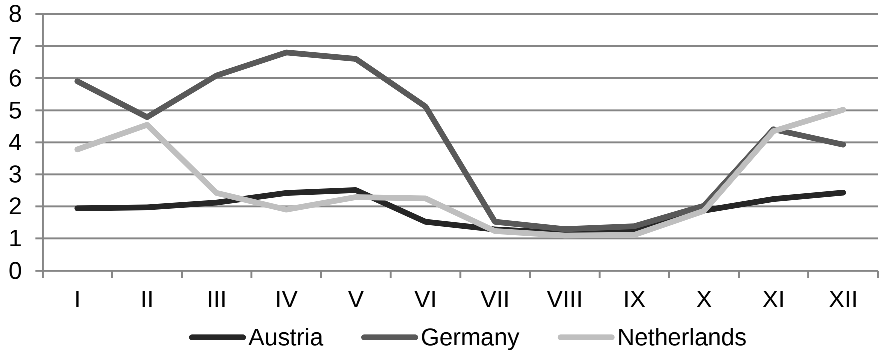


Figure 27 Average monthly wholesale prices of imported fresh raspberries in EUR/kg, 2007 - 2011

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

Also, price of fresh raspberries from Serbia is as a rule lower than average price achieved by other exporters to selected target countries, as presented in the next figure.

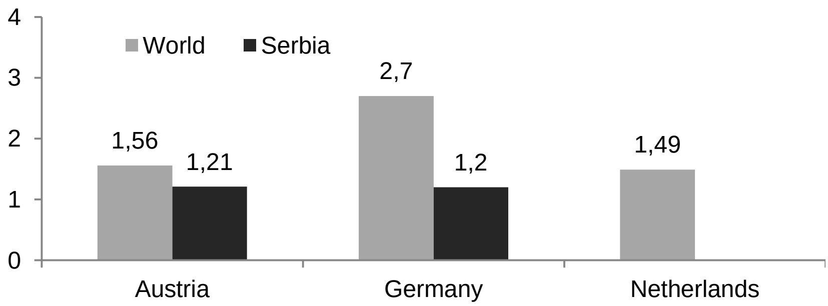


Figure 28 Average yearly wholesale prices of imported fresh raspberries in EUR/kg, 2007 - 2011

Source: (TradeMap - Trade Statistics Database of International Trade Center, 2011)

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