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AgBiz Program

75th International Agricultural Trade Fair in Novi Sad



Novi Sad Trade Fair Report

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Prepared by:

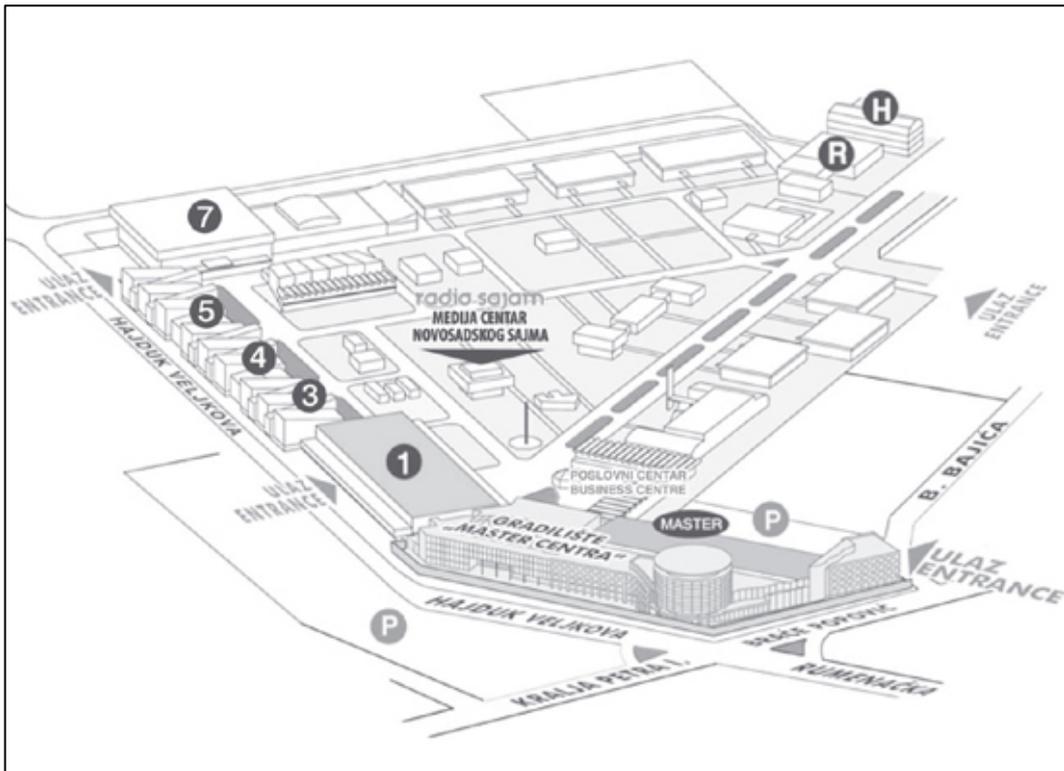
Natasha Stankovic, Training, Environment, Outreach and M&E Specialist

Vladimir Kokarev, Production Agriculture Development Specialist

Lovre Ristevski, Marketing and Finance Specialist

Novi Sad Trade Fair Introduction

The Novi Sad Fair hosted the 75th International Agricultural Fair - one of the largest European events in the field of agribusiness. More than 2,000 exhibitors presented state-of-the-art agricultural mechanization and equipment, best food products from the region and top-quality cattle. Around 600,000 visitors attended the 8-day event. One of the main characteristics of the Fair was high number of contacts established, which should yield result in the forthcoming period after the Fair.



Novi Sad Trade Fair map 1

The largest fair event in Republic of Serbia and the largest agricultural fair in the region that ended on Saturday, 17th May. The main characteristics of the 75th International Agricultural Fair were numerous successful business activities. According to some exhibitors, a record number of agreements have been made, accompanied by many business contacts established, which should yield results after the Fair.

The Novi Sad Fair made three jubilees in 2008: the 85th Anniversary of the Fair, the 75th Anniversary of the International Agricultural Fair and the 50th Anniversary of its membership in the Global Association of the Exhibition Industry (UFI).

In these three quarters of a century, the International Agricultural Fair in Novi Sad has grown into the largest fair event in Southeast Europe. It has been gathering all that mean something or seek something in agriculture, the food industry, livestock breeding and branches stemming from agriculture or are connected to agriculture.

Background

On the 17th of December 2005, the European Union granted Macedonia their candidate status. The 'Strategy for Approximation of the Macedonian Agro-Food Sector to the Common Agriculture Policy (CAP) of EU', prepared by the Macedonian Ministry of Agriculture, Forestry and Water Economy (MAFWE), was and is in this respect one of the leading documents for the EU approximation process.

In terms of export-promotion and increasing businesses possibilities for Macedonian agro-food producers, processors and traders, fairs are opportunities for the country to present national and individual agro and food production, processing etc. in front of a large number of potential buyers. Fairs are also places where latest world achievements in technology could be seen, assessments of competition in the sector can be made, and possibilities are given for the establishing new business contacts.

As per the Memorandum of Understanding between GTZ Macedonian Agro and Food Promotion Project (GTZ MAFP and AgBiz Program, based on the interest and requests of Macedonian companies from the agro and food sector it was agreed to support participation of selected companies at the International Agricultural Fair – Novi Sad which will take part from 10th – 17th of may 2008 in Republic of Serbia.

Objective

AgBiz, in consultation with the Macedonian Association of Processors, potential customers, the Macedonian Ministry of Economy and GTZ has identified the Novi Sad Agricultural Trade Fair as an excellent opportunity for Macedonian companies to sell their products into regional markets as well as for selected staff to update their knowledge of regional competitors and technologies relevant to their responsibilities.

AgBiz justifies customer and staff participation in the Novi Sad trade fair due to the status of the fair as the most important fair for regional agriculture-related trade and technology. Having surveyed the AgBiz value chains, most companies whose sales are at least 50% regional exports expressed a strong desire to exhibit at the fair. Companies who wish to initiate exports from Macedonia use the fair as a stepping stone to gain experience for later marketing to the EU. In addition, regional EU countries and competitors perceive the fair as an important opportunity to develop sales and purchase products. For AgBiz staff attending the fair is a unique opportunity support customers presentations, assess competitors' offerings and update themselves on the latest agriculture and agribusiness technology. Many of AgBiz customers' major regional competitors and suppliers will be at the fair promoting their products and services and there will be significant demonstrations of the latest technologies.

Overview on Novi Sad Trade Fair

USAID's AgBiz Program was represented with Lovre Ristevski, Marketing and Finance Specialist; Vladimir Kokarev, Production Agriculture Development Specialist and Natasha Stankovic, Training, Environment, Outreach and M&E Specialist.

Macedonian delegation was represented with nine companies "Best Foods", Radovish;" Agro Komerc 92", Strumica; "KIM Quality", Kavadarci ; "Koro,Tea" Skopje; "HINA", "Bonum Plus", Skopje; "Vitalia", Skopje; "Dim Komerc", Valandovo and "Vincini" from Vinica and common stand of Macedonian ministries of Economy and Ministry of Agriculture, Forestry and Water Economy (MAFWE) and USAID's AgBiz Program. The AgBiz costumers were located in Hall No. 4.

The ministries stand was located oppositely from the companies' booths; which provided good visual contact with costumers' representatives and the visitors in general.



The eight AgBiz costumers were satisfied with stand looks and representative from “Best Foods” company said: *“This is the best looking stand we had so far. After extensive negotiations and number of discussions this is the best option which could’ve afforded”*.



Macedonian stand inside

visitors and introducing their products.

“Bonum plus”, as one out of nine Macedonian companies organized tasting of their products “lutenica”. People were very pleased from what they have tasted and asked company’s representatives where they can buy their products. This tasting event was practiced by “Bonum plus” every day during the Fair.

Testing Macedonian products



Visitors expressing interest for lutenica



Tasting lutenica

Suggestions for optimizing AgBiz customer’s exhibits and presentations

- ✓ Public promotion of Macedonian exhibitors in the certain country where the Fair is organizing;
- ✓ Product testing and
- ✓ Visitor’s survey (public opinion for quality of the products exhibited)

These products are most serious competition to Macedonian fresh value chain companies Tomato Cucumber Broccolis Carrot Strawberries. Macedonia farmers in the beginning of the season produce earlier then other farmer from the north. Most of the producers from north, especially in Serbia used gas for heating green houses which makes the price for production lower than in Macedonia, where farmers used curd oil which is more expensive.

- Low gas cost
- Bigger planting field
- Support from the central government
- Bank support of agriculture in all segments
- Using new technology and agriculture mechanization
- Involvement of Institute of Agriculture in providing advises to the producers

Companies who have strategy to be serious players in agriculture business they have to start using new technologies as following:

- New irrigation techniques - drop by drop
- Metrologic stations for plant diseases monitoring
- Fertilizer- according soil testing and crop requirements
- New pesticide approved by EU regulation
- Post harvesting
- Cooling of products before storage
- Sorting Grading by size, weight and color
- Using new packing materials and backseats

Big support of Serbian food industry in Food standards implementation is providing by Government and other projects. Also companies who offer equipment for agriculture are integrate part for HACCP standards

Most of producers or processors on the trade fair offer final products and there is not offer of raw materials or semi-final products.

Overview on Table Grape Value Chain

On this Trade Fair dominant place took meat and dairy production and processing equipment and live stock, as well as corn production, which is main production in Serbia. The concept of production, crops, average lands size (10 hectare per individual producer), is totally different then in Macedonia. Related to table grape production, at the fair weren't any exhibitors for this product. Contacts were made with representatives of two table grape companies: "Vrsac Grape" and "Vinogradi Sremski" Karlovci. These two companies are in table grape production and trade business. They are identified Italians as a biggest competitors for there as well as Macedonian table grapes. With production of 90.000 tons vines and table grape, Serbian producers are one of the major players on their market. There recognized the some weak point like our producers. The quality of grape, proper harvesting and post harvesting and packing and storage, are the issues for them too. In order to improve their products, they equip their vineyards with drop irrigation systems, and they start to use more retail packing.

Proper packing of table grape, as well as other agricultural fresh products, is become important in Serbia too. We had chance to see exhibition of few companies who produce packing materials.

On the stand of the factory for producing wrapping paper and wrapping materials "A.D FOPA Vladicin Han", from Vladicin Han, we saw variety of wrapping material such as: producing wrapping paper, producing wavy cardboards, producing card-boxes, producing and supplying with vapor, collecting raw material - refuse paper.

The demand for this type of packing material is increasing every day.

Plastic, as material used for production of handling and transport product, like a pallets and pallet box, is present in "Europlast" DOO Chachak and "Zlata Plast" AD Nova Varosh stand. According to representatives of these companies, the trends for using those boxes for handling and transport are increasing every year.

Drop irrigation system technology is present by "Eurodrop", Nish, production, trading and Services Company.

They presented their tree systems:

1. Compensating integral A1: This one piece pressure compensating integral drop line ensures precise uniform delivery of water and nutrients, even on rolling hills and fields requiring long runs. Self flushing to maintain high

performance, A1's ability to handle tough conditions along with its extreme durability and versatility make it the best drip line you can buy.

2. **Lateral GR:** GR has been providing accurate, dependable performance to growers of virtually every drip irrigated crop imaginable. The long running success of this incredible dripline is based on results. Multi-purpose and dependable, GR has a history of success in orchards, vineyards and row crop fields throughout the world, with many original systems still in use after more than 18 years. Available in both large and small diameter tubing and with three flow rate options, GR is well suited for any field situation. The farmer's income increases substantially

Water economy rises up to 50 % compared to other irrigation systems used
Permanent control of water discharge to the root zone prevents plants from suffering due to lack of water
The GR dripline ensures precision in the application of fertilizers,

3. **Extremely easy lateral AEOLOS:** This dripper is perfect for 1 to 3 years using. In case of single year using there are no extra costs for collecting the dripper on the end of dripping season and there is no danger in spreading plant's diseases. It is made of high quality raw materials and the system is convent for 2-3 years using. Big diameter (16, 1 mm) is making the water pressure bigger and allows longer dripping length. "Aeolos" is low investment which allows using drop by drop system for one year cultures with small profit.

"Veris Krusevac" presents the machine with nice performance for retail packing of grapes and fresh vegetables. They present Henkotac Mobile 1700, model with digital control, indicator for changing oil, 10 programs, sensor control, with option of adding gas. With price of 360 EUR and capacity of 21 m3/h and circle period of 30 sek, it is wary competitive on the market.

Access to Finance

Representatives of financial institutions were presser at the Fair. Theirs contribution in development of Agricultural sector is significant. A lot of banks as "Agrobank", "Banca Intesa", "Volksbank", "Erste Bank", "Pro Credit Bank", "Komercijalna", "Opportunity Bank" etc. and Leasing Companies were part of different stands but also some of them had own spaces. They offered to agribusiness large palette of financial products. Which is interesting for access to finance, every bigger company have responsible person, who was wary well trained for giving to their clients basic information about loans, leasing and Government programs. That person can give the direction to the buyers, where they can receive the best loan conditions, to access to Government subvention, and on the end heaving the best price. This employs are wary important part of commercial department of every bigger company.

Non-Macedonian companies/exhibitors at the Fair

- **Non-Timber Forest Products exposed on the Fair**



- **Processed vegetables (ajvar)**



- **New technologies for wine production (barrique and tanks); tractors; harvesting machines; calibrators for fresh fruits and vegetables.**





■ Stand designs



Conclusions and Follow up

- **Novi Sad Trade Fair should be in AgBiz's regular Fair Calendar;**
- **The 45 individual farmers representing the "Association of agricultural techniques of Republic of Macedonia" were very pleased with what they have seen at the Fair.** In first day, visit group (farmers), saw the presentations from the best company from USD, China and from EU, who produced agriculture mechanization, (drive machinery and additional equipment); also about tractors, combine and all machination with OECD and EECD standards. This standard will be implementing in 2008 year in R. of Macedonia, like law and normative. The farmers were interested especially for tractors who use a bio-diesel fuel, presenting from different company, how producing this type of machines; for company how production additional equipment, integral technique and machines for NOTTIL technology.

Visit was organized to companies who produce equipment for production vegetables and flours, (equipment for heating protection area in vegetables productions, alternatives energy source for heating area,). One of the major problems in our country is the problem with distribution seed material from best worldwide production of seed. Company for irrigation equipment construction was visited; the visitors/farmers farmers expressed huge interesting for new form and type of fertilizer with high per-cent of potassium and phosphor, and microelement. (Note: *detail report available from report submitted by Association of agricultural techniques of Republic of Macedonia*).

- **The Fair had excellent media coverage from domestic (Serbian) and foreign media (among them journalist from Macedonia).** Macedonian TV station "SITEL" had a 10 minutes video presentation in "Agrar" (agribusiness show) about Novi Sad Trade Fair; and in local daily newspaper "Biznis", was an article for Macedonian companies exposing in Novi Sad.
- **The stand construction should provide bigger space per company.** The current stand didn't provide enough space for companies to present their products and to organize B2B meetings or/and contacts.
- **Allocate item within activity budget, for promotion of Macedonian exhibitors at the fairs.**