

AGRICULTURAL UNIVERSITY - PLOVDIV
FACULTY OF ECONOMICS



Jelena (Miroslav) Milanovich

COMPETITIVENESS OF DISTRIBUTION SYSTEMS OF AGRICULTURAL PRODUCTS IN SERBIA

Author's summery

of dissertation for awarding the educational and scientific degree "doctor" in the scientific field
"Organization and Management"

Plovdiv, 2020

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Tutor: Prof. Dr. Nelly Bencheva

Reviewers:

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PhD thesis consists of 196 pages. It uses 18 figures and 146 tables. In the thesis are cited 137 literary source.

The dissertation work is discussed and aimed to protect the extended meeting of the department "Management and Marketing" at the Economic Faculty of Agricultural University c. Plovdiv

Disertantat is a PhD student in the same department.

The defense of the dissertation will be held on 2020 by hour Hall of Agricultural University - Plovdiv.

I. General characteristics of the thesis

1. *Actuality of theme*

Agriculture is an important sector of the national economy of the Republic of Serbia. The importance of the sector is determined by the large share that it takes GDP, national income, exports and employment of the population. Serbia has a real chance to promote agricultural production and to expand agricultural exports to both the EU and for other countries in the Balkans. Although the country in recent years has lost its market position in the international market, agriculture is one of the sectors that managed to resist market challenges through the development of organic production, food quality food produced in a healthy and safe manner, and rural development. The growing demand for organic products in the international market is a clear sign that the orientation of farmers to introduce sustainable practices can be cost-effective approach and can increase exports and to increase the competitiveness of agriculture by maintaining the quality of production.¹ Thus, organic production has the potential to contribute significantly to rural development and agricultural holdings. Given the favorable market trends bioproducts the benefits it brings to organic production should be given priority in the strategy of development of agribusiness.²

Rural areas in Serbia cover 85% of the country with 55% of the population living in them and they generate more than 40% of the GDP of Serbia. The population density in rural areas is 63 inhabitants / km² and a third less than the national average. Population in these areas is relatively stable to swelling reduction by 2.5% in the 1991-2002 period. Migration flows along the route of village-city were significantly delayed in the second half of the 20th century, early deserteletic past, migration processes are accelerated as a significant part of the rural population to urban areas or abroad. As a result, in rural areas is obtained demographic collapse.

The economic structure of rural Serbia is heavily dependent on primary sectors and it is still based on the depletion of natural resources. If we take into account the number of agrarian structures in agriculture, Serbia stands out as an agricultural country within Europe. The diversity of natural resources, private ownership of land and business experience are the main prerequisites for diversification of business activities in rural areas and development of their economy. The high share of agriculture, food industry, mining and energy are the main features of the economic structure of rural areas in Serbia. The development of agriculture depends on many social and economic factors: first, the achieved level of development of productive forces and production correlations and their impact on conditions and ratios in agriculture.³

¹ Bajramovic, S., David, S., Gorton, M., Ognjenović, D. and others. (2006), competitiveness in the agricultural sector of Bosnia and Herzegovina. Livsmedelsekonomiska Institutet, Lund.

² Popovic, B. (2016), Organska proizvodnja - Sansa FOR razvoj MSP u agrobiznisu, MEGATREND revija, broj 13.

³ Nikolić R., Mihajlović D., (2017), Ekonomija prirodnih resursa, Faculty FOR menadzment Zaychar, ISBN: 978-86-7747-559-8.

The essence of strategy for development of agribusiness optimal use of available resources in agriculture, increasing the intensity (yield) of manufacture, increase the volume of total production, Couto are the main factors for expansion of exports of agricultural products. Agribusiness development strategy for the sector must take into account regional characteristics and comparative advantages of individual rural areas. Respectively, using the comparative advantages of certain regions to increase overall economic impact, respectively, to develop and implement programs to stimulate rural areas. The aim of the strategy for development of agribusiness is to overcome the difficulties and problems in agriculture as soon as possible, and to achieve effective consolidation of the existing farms in the future.

Serbia has untapped agricultural resources represent a significant economic potential for the further development of the whole economy. The chances of development of agrarian sector of Serbia are favorable agro-ecological conditions and relatively good availability of natural resources, mainly agricultural land.

The concept of integrated rural development in the context of sustainable development, represents complex paradigm for the development of a rural area, based on available capital - physical, financial and human. This concept implies balanced development of rural areas through the integration of socio-economic development with environmental requirements and the principle of equitable distribution of public goods.

Development Strategy selskototo farm and rural Serbia must meet the following challenges⁴ 1) the need to reduce the backlog of technological developments in relation to competing countries and to enable the agricultural sector to deal more effectively with the consequences of climate change, 2) the need to increase the efficiency of the food chain and competitiveness of the food industry; 3) provide income and a stable business environment for farmers and other entrepreneurs; 4) the achievement of economic, environmental and social goals of sustainable development, in which multifunctional agriculture and rural development have a special place; 5) desire to meet the demands arising from the World Trade Organization (hereinafter: WTO) accession process to the European Union (EU).

Thanks to all of the above, dissertation research on "Competitiveness of the distribution of agricultural products in Serbia" is a recent study.

2. Structure of the thesis

Thesis is thematically divided into seven parts, introduction, theoretical and methodological scientific productions, analysis, results and standard proposals for development of the distribution system of agricultural products, conclusion, literature review and applications.

The introduction explains the relevance of the topic in detail, presents the scientific argument, object and subject of study goals and objectives of the study and the methods used, applied research offerings.

⁴Strategy for Agriculture and Rural Development of the Republic of Serbia for the period 2014-2024, Off. State Gazette of RS, no. 85/2014.

The second part is engaged with the theoretical basis of the research, or in other words, is exposed the theoretical justification of the thesis. The first section deals with competitiveness, conceptual definition, the factors that affect competitiveness, approach to measuring competitiveness specifics of competitiveness in agriculture and the way it contributes to rural development. In the second part of the theoretical formulation is exposed osvnite determinants distributsionata network in agriculture. Discussed are the types of distribution channels and the elements of the physical distribution of agricultural products and modern technologies applied in the distribution and logistics sector.

In the third part of the dissertation identify methodological research settings. This part of the thesis are considered preliminary theoretical and empirical results of previous research. Develops and defines a questionnaire based on experience in this area to determine the impact of all factors of competitiveness models of the distribution system of agricultural products.

The description of the statistical research approaches and methods that measure the impact of all elements of the distribution system of agricultural products is exposed in the fourth part. This section shall describe and represent patterns of study. These models are two - system 1 and 2. Within these patterns through the application of the method of multiple correlation and regression method analizse examined relationships between factors.

The fifth part of the thesis presents conclusions and possible directions for further research on the distribution system of agricultural products in Serbia.

After finding a list of all references used in the thesis.

3. Thesis of dissertation

In the thesis argues that by maintaining and developing a competitive distribution system of agricultural products is carried out sustainable development of both rural and agriculture as an important sector of the national economy of the Republic of Serbia.

4. Subject and object of study

Subject to study the competitiveness of the distribution system of agricultural products. The object of study is the distribution system of agricultural products in Serbia.

5. Purpose and tasks of the study

The main aim of the dissertation research is to analyze the factors that determine the competitiveness of the distribution system of agricultural products and to propose a model for raising these competitiveness.

In order to achieve the main goal solve the following research objectives:

- Clarifies nature of the distribution system and its role in achieving development and competitiveness of agriculture;
- Worked out a methodology for analysis and evaluation of the factors determining the competitiveness of the distribution system;

- The factors determining the competitiveness of the distribution system in agriculture;
- Test patterns study the competitiveness of the distribution system and provides a working model for raising her.

6. Assumptions and analysis models

In the thesis examined the following working hypotheses:

H₀₁ - The development of the distribution system has affects its level of competitiveness;

H₀₂ - The development of distribution channels influences the level of competitiveness the distribution system of agar products

In the thesis developed two models of the factors affecting the competitiveness of distribution systems that are tested for authenticity:

Research hypotheses within Model 1:

H₁₁ - The level of order processing is supposed to affect the level of competitiveness the system of distribution of agricultural products

H₁₂ - The level of uravlenie cargo is assumed that affects the level of competitiveness in the distribution system of agricultural products

H₁₃ - The level of storage management assumes that affects the level the competitiveness of the distribution system of agricultural products.

H₁₄ - The level of supply management is supposed to affect the level the competitiveness of the distribution system of agricultural products.

H₁₅ - The level of traffic management is supposed to influence the level the competitiveness of the distribution system of agricultural products..

H₀₁ - The levels of order processing, cargo handling, storage management, supply chain management and transport management is supposed to influence the level the competitiveness of the distribution system of agricultural products.

Research hypotheses under Model 2:

H₂₁ - The level of turnover is assumed that affects the level of competitiveness in the distribution system of agricultural products.

H₂₂ - maintaining effective contact with customers is assumed that affects the level of competitiveness in the distribution system of agricultural products.

H₀₂ - The level of turnover and maintaining effective contact with the customer is supposed to affect the level of competitiveness in the distribution system of agricultural products.

Basic research hypothesis:

H_0 - It is assumed that levels of all elements of the physical distribution of all components distribution system affects its level of competitiveness.

7. Research approaches and methods

The theoretical part of the thesis, the following methods:

- Critical analysis of literature on the definition of terms related to the subject and the object of study;
- Descriptive analysis;
- Qualitative analysis;
- Quantitative analysis;
- Comparative method;
- Analysis and synthesis.

8. Sources of Information

Surveyed 126 respondents from the Republic of Serbia through a questionnaire in the period from July 1 to November 1, 2018

The questionnaire contains 12 questions, each describing elements of the physical distribution of agricultural products and 15 questions describing the competitiveness of the distribution system. The responses by the respondents were made using Likartova Slack with the following ratings: 1 - highly disagree, 2 - disagree, 3 - have no opinion, 4 - agree, 5 - completely agree.

9. Contents of the thesis

FACTORS THAT INFLUENCE COMPETITIVENESS

Competitiveness is related to all the factors and also affects almost all aspects of business processes in business organization. She characterized the approach that will determine the place where an operator will occupy the market.

When it comes to competitiveness, many authors, including Dong-Sung and Hw-Chang⁵ analyze the theory of competitiveness, ranging from one of the pioneers of economic thought, Adam Smith. The theory of competitiveness begins with Adam Smith and transformed a view to one of the most important theorists of competitive advantage Michael Porter. The following figure shows the gradual development of the theory, starting with trade theory and the traditional model, all the way to the modern theory of competitiveness (Figure 1).

The most significant works related to the traditional theory of competitiveness are:

⁵Dong-Sung S., Hw-Chang M., (2002), From Adam Smith to Michael Porter: Evolution of competitiveness theory, the Asia-Pacific Business Series - Vol. 2, Singapore: World Scientific Publishing Co. Pte. Ltd., ISBN 981-02-4662-5 (PBK).

- Smith, A. (1776) A study of the nature and causes of the wealth of nations.
- Ricardo, D. (1817). Principles of Political Economy and Taxation.
- Heckscher, EF (1919). The effect of foreign trade on income distribution.
- Leontiev, V. (1953). Domestic production and foreign trade, capital position US revyugta. Proceedings of the American Philosophical Society, 97: 331-349.
- Vernon, R. (1966). International investment and international trade in the product cycle. Quarterly Journal of Economics, May: 190-207.
- Linder, SB (1961). Essay on trade and transformation. New York: John Wiley.
- Krugman, PR (1979). Increasing revenue, monopolistic competition and international trade. The Journal of International Economics, 9: 469-479.
- Lancaster, KJ (1979). Diversity, fairness and efficiency. New York: Columbia University Press.

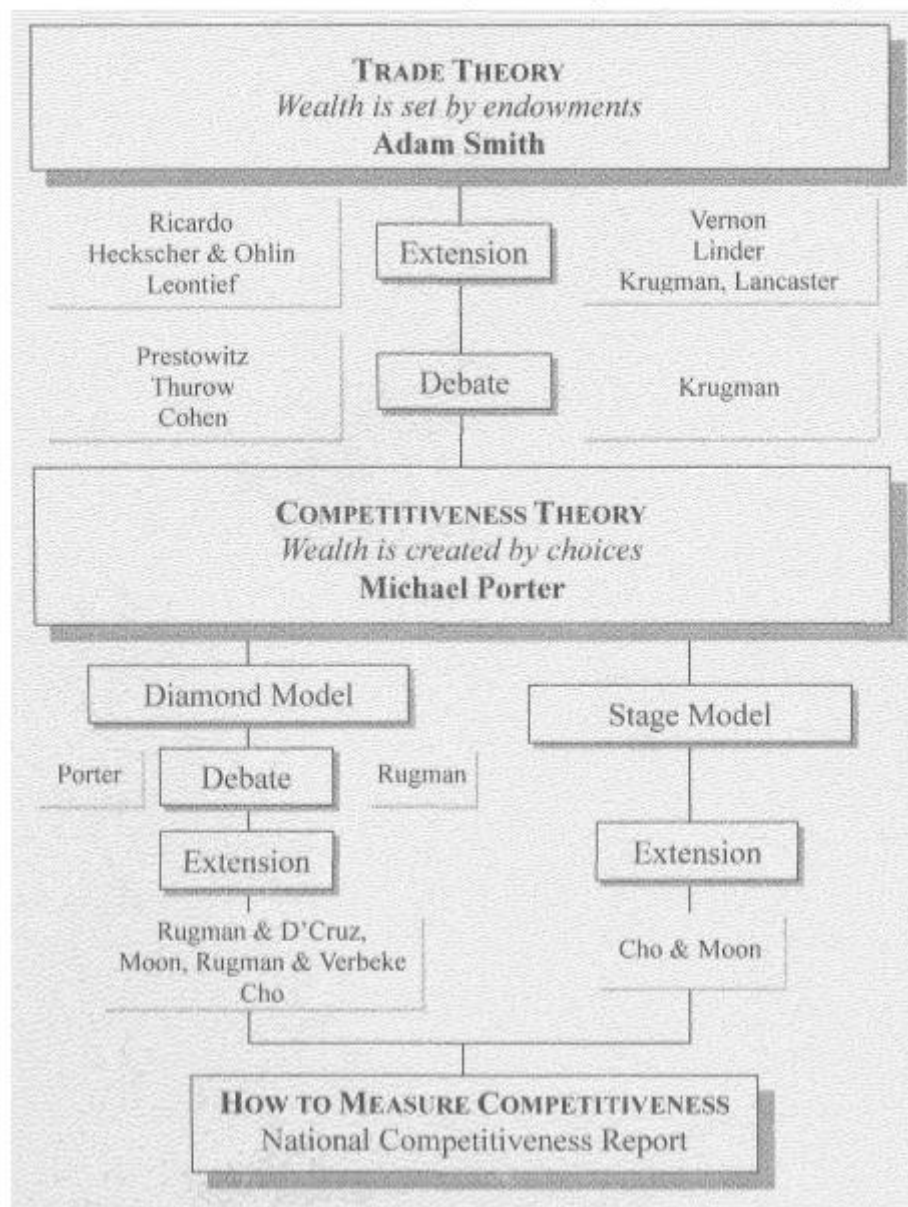


Figure 1: Evolution of views - from trade theory to the theory of competitiveness⁶

It should be mentioned Michael Porter, who is a major contributor to the theory of competitiveness mainly through so-called "diamond of competitive advantage," consisting of four elements:

1. "Faktornio conditions. The position of the nation in production factors such as skilled labor or infrastructure, necessary to compete in an industry.
2. Demand conditions. The nature of domestic demand of products or services in the industry.
3. Related industries. The presence or absence of industries from suppliers and other related industries that are globally competitive.
4. Company strategy, structure and rivalry. Conditions in the country governing how companies are created, organized and managed and the nature of domestic rivalry. "(Porter, 1990, p. 78.)

The graphical representation of the "competitive advantage" can be seen in Figure 2.

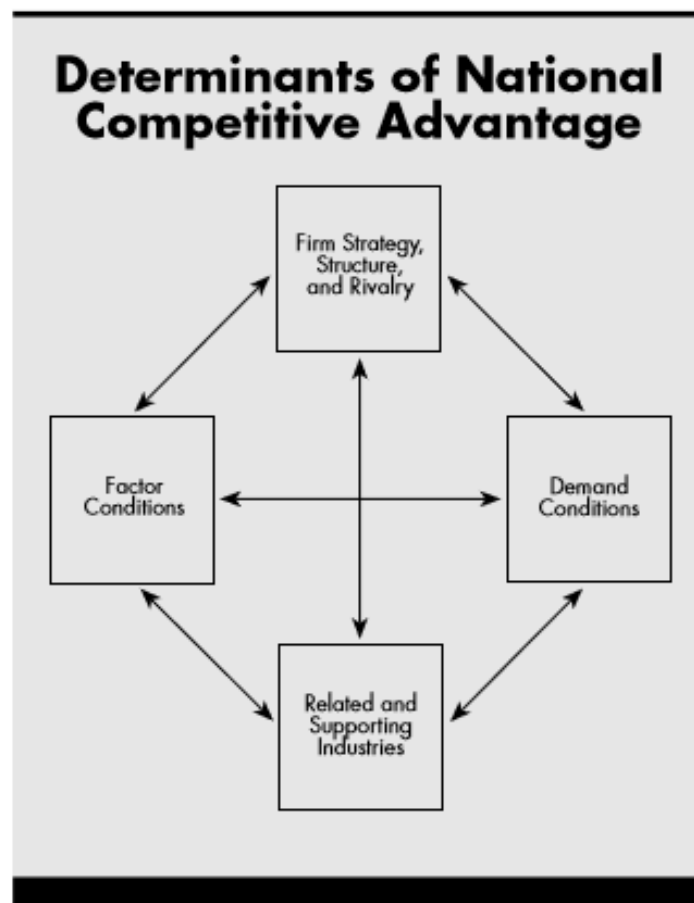


Figure 2: Diamond - "competitive advantage" (Porter, 1990, p 78.).⁷

⁶Ibid.

⁷Porter, ME, 1990. Competitive Advantage of Nations. Harvard Business Review, March-April 78.

The environment is seen as a "network of marketing, technological, social, economic, systematic, environmental and other factors, which are created chances and risks for business," but regardless of how they are seen as micro or macro, internally or Foreign etc. these factors "directly or indirectly affect the quality of the business environment" (group of authors, 2006, p. 508). Thus, it is clear that it has a big impact on certain economic entity. Accordingly, the environment is also a source of opportunities and dangers embodied in the changes faced by an enterprise, but also a reflection of the actions of the same organization, especially if it has a great competitive power (competitiveness) not only to react changes but also create it.

The functions of the business environment in a particular country to lay the foundations of businesses both start-ups and existing market participants. The condition of the country as a whole, taking into account various factors that influence the situation largely determines the capabilities of the factors of the economic system to be competitive not only in the domestic but also in wider regional and international markets.

The demand is a factor which, combined with the size and structure of demand, determine what that is, to be successful in the market and who does not. If the products are not in demand, the question arises as to whether they should be produced at all, and their role in the economy and society. The product and sales range itself is on this basis is an essential element of a profitable business, while influential element of the state of competitiveness. The offer, then, is important but not the most important. Everything begins and ends with demand. The concept of the modern approach to the market embodied by the concept of marketing just underlines the importance of the client and its central position around which the competitive struggle takes place.

A company or business unit can never be completely independent. It can not be separated, but never completely isolate from other factors of economic life. Collaboration is key, and the relationship with suppliers, on the one hand and customers on the other, and with other business partners, showing knowledge of the entity with the way in which functions of the market and its focus on long-term stable business . The network of associates and partners that form around him is strong support for strengthening the market position, but it is also a trap that uninformed competitors can easily fall into.

It should be borne in mind that the internal market is not the only source of demand. Persons who fail to identify untapped potential and are aimed at other markets or neglected market segments and niches both at home and abroad, have a far greater chance of not only maintain their activity at the existing level, but also increase his later. In all this, the role of the state and the position it takes in the region and the world, especially in terms of agreed and implemented economic cooperation and its "openness" of others is significant. All this affects the rivalry of companies, both domestic and international markets, but also the competitiveness of the whole economy of the country in the context of increasingly active factors of globalization. Companies according to their characteristics and the various market factors are more or less competitive. State support is also very important, especially if your commitment is to create a competitive economy. Accordingly, while avoiding completely centralized and interventionist

approach, the state can help in two ways: (1) by creating the conditions for competitiveness (if it does not exist) and (2) by maintaining the current state of competitiveness. according to⁸, Basic principles that governments must adopt to support national competitiveness are: "to promote change, promote domestic rivalry, stimulate innovation." On the other hand⁹ (. Porter, 1990, p 87-89) specific policy approaches to leading countries that want to achieve competitive advantage are:

- "A focus on creating specialized factor
- Avoiding interference factors and currency markets
- The implementation of stricter product safety and environmental standards
- Sharply limiting direct cooperation between competitors in the industry,
- Promoting the goals that lead to permanent investments
- Deregulation of competition
- Implementation of strong domestic antitrust
- Rejecting managed trade. "

Therefore, the state should strengthen competitiveness in its economy as possible, given that the domestic sector is the victim of visionary openness to the world in which the full potential of local businessmen will be completely destroyed by the arrival of foreign companies and short-term benefits. Promotion of micro, small and medium enterprises and industries Entrepreneurship is one way to create a basis for further innovative action that maybe not immediately, but in the future, will allow large businesses to compete with large global corporations. The aim is not only to create competitiveness and to create conditions that can be sustainable.

Michael Porter¹⁰ also states that "competitive advantage stems from leadership that harnesses and builds strength in diamond to promote innovation and modernization", "... the type of company policies that will support these efforts":

- "Creating pressure for innovation
- Look for the most capable competitors as motivators
- Establishing early warning systems,
- Improvement of the national diamond
- Welcome domestic rivalry
- Globalization to include selective advantages in other nations
- Use alliances only selectively
- Find the main base of support for competitive advantage. "

Innovative activities are nowadays one of the most important indicators of readiness not only to observe but also to initiate change. Therefore, innovation plays a significant role in shaping competitiveness. "Innovation activities include all development, financial and trade

⁸Ibid., P. 87.

⁹Ibid., P. 87-89.

¹⁰Ibid., P. 87-89.

activities undertaken by a company that are intended to lead to innovation for the company."¹¹ "An innovation is a new or improved product or process (or combination components), which differs significantly from previous products or processes of the unit and that it is made available to potential users (for products) or put into action by the unit (process). "¹²The new report has reduced the scope of "Business Innovation" by four (product, process, organizational, marketing) to two basic types (product innovation, business process innovation).¹³

To carry out innovative activities, organizations must be interested in them or motivated enough. If an organization is able to generate motivation for innovation internally, it is an organization with creativity based on who is willing to remain flexible and imbued with entrepreneurial spirit to change, regardless of the size and duration of existence. The most important thing is the quality of human resources. However, often a company will not initiate change themselves, at least not in a revolutionary significance. It will just monitor market developments and their customer behavior and the behavior of competitors. It is therefore necessary to establish a monitoring system on the market that will be able to identify changes as soon as possible, as there will be no reaction, unless it is known it is necessary to have one. If the competitors decide to make major changes specified entity can do this to maintain its market position. This leads to the conclusion that competition has a significant impact on innovation and innovation competitiveness. Competition is really important motivator for carrying out innovative activities as well as the competitiveness of individual enterprise depends not only on its characteristics, but above all by using the weaknesses of others.

Based on all the above, the rivalry is useful. Stimulating domestic sector is much more important for the economic development of the country. Strong competition in the internal market will create conditions for (1) the entry of only the most prepared players from abroad in the domestic market, and (2) individual but joint appearances in the foreign market. Thus local rivals substantially affect the competitiveness of enterprises and thus prepare them to deal with foreign companies often multinational character.

When it comes to doing business on the international market and increase innovation, globalization stands out as an important factor in competitiveness. "The term globalization is generally used to describe the increasing internationalization of markets for goods and services, the means of production, financial systems, competition, corporations, technology and industries. Among other things, it increases the mobility of capital, faster dissemination of technological innovations and the growing interdependence and coherence of national markets. "¹⁴In accordance with the requirements of doing business in so-called world market

¹¹OECD / Eurostat (2018), Oslo Manual 2018: Guidelines for the collection, reporting and use of data on innovation, 4th edition, measurement science, technology and innovation activities, Publishing OECD, Paris / Eurostat, Luxembourg, DOI:<https://doi.org/10.1787/9789264304604-en>, P. 20.

¹²Ibid.

¹³Ibid.

¹⁴United Nations, European Commission, International Monetary Fund, the Organization for Economic Cooperation and Development, United Nations Conference on Trade and Development, the World Trade Organization (2002) Manual on Statistics of International Trade in Services, Department of Economic and Social questions Statistics Division, statistical papers, Series M No. 86, ST / ESA / STAT / SER.M / 86, Geneva,

and challenges associated with such a decision, it is necessary to find a core business of the territory (or territories), which features favorable characteristics in terms of resources used in production, services and transport. If a business entity chooses to increase its activity towards higher globally, it must be aware that this includes not only selling products on the international market, but often the distribution of total business activities outside the so-called "countries origin." "consolidation capacity is often a good option. Working with other organizations, both local and foreign, can be a good solution. For the purpose of introducing the expanded international market¹⁵ Review and management of the resources of each other is one of the best ways to increase their competitive advantage in a globalized environment.

In today's increasingly widespread use of modern technology, man as an element only "live" business organizations remains an irreplaceable factor for daily activities. In the modern world, human capital has become an indispensable part of a successful business, especially in view of the role of knowledge and information and their value in the market. "Progress is not made by organizations, and people, and the organization is simply" device for human cooperation "... The growth of knowledge is increasing and there is no reason to believe that the accumulation of scientific knowledge will be delayed for to cope with this rate, the industry will look more and more like a "river of knowledge" as "a sea of skills" and "ocean of possibilities." The trend is to constantly improve,¹⁶

Man has been and remains the essence of a dynamic business, and it will be so in the future.

"Quality is the sum of all the characteristics of an entity that refers to its ability to meet stated and implied needs" (ISO 9000). Quality management is necessary to offer the market an acceptable level of quality at any time. Therefore Setting a standard is a requirement that an organization of an economic nature, must meet in order to be present in certain markets and recognized by consumers as someone who cares about their business processes and thus by the users themselves.

Application of modern management methods has provided a contribution to the overall competitiveness of the organization:¹⁷

1. "Do not forget to consider the needs of all stakeholders, not just shareholders
2. Develop and nurture intra-organizational networks on individual / personal level
3. Always take into account local conditions
4. Use the analysis for strategy support

Luxembourg, New York, Paris, Washington,
 DChttps://unstats.un.org/unsd/publication/Seriesm/Seriesm_86e.pdf, 12.14.2018, 10:46, p. 170.

¹⁵Dess, GG, Lumpkin, GT, Eisner, AB (2007), Strategijski menadžment, Treće izdanje, Belgrade :. Status data str.263-269.

¹⁶Gavrilović, S., Pravdić, P., Djordjevic, V., Terzić, I. (2017), Metodološki Aspects reinženjeringa poslovnih procesa, U Veljovic, A. (ur.) Zbornik Radova, 4. Nacionalna konferencija SA međunarodnim učešćem Reinženjering poslovnih procesa u obrazovanju, RPPO17, Čacak: Univerzitet u Kragujevcu, Faculty of science tehničkih u Čačku, ISBN 978-86-7776-217-9, p. 86.

¹⁷ Ariño, A. (2014), Five Ideas for management companies to remain competitive, November 4, 2014, 10:41 pm, Forbes, <https://www.forbes.com/sites/iese/2014/11/04/five-management-ideas-for-companies-to-remain-competitive/#87a82296c008>, 12.13.2018, 19:56.

5. Better collaboration between managers and scientists. "

As a modern concept of market access, marketing certainly has a big impact on competitiveness. Competitive marketing strategies are "strategies that a company uses to determine its relationship to market participants, it is to coordinate the overall marketing of the company to the participants of the international market."¹⁸

Michael Porter defined three generic competitive strategies:

- Operating costs
- Distinguish and
- focusing.¹⁹

MEASURING COMPETITIVENESS

It is clear that competitiveness is an important factor in determining the position of an entity on the market. Competitiveness, and then there is a greater or lesser extent, but the question is how to determine its size, how to measure it. Accordingly, it is possible to identify different patterns depending on what is measured accurately, and to what size and type of person the bearer applies competitiveness.

Dong-Sung (1994) offers a model nine assessment factor of competitiveness (made mostly of Korea), which consists of three groups of factors: (1) physical factors of international competitiveness - gifted resources, business environment Related & supporting industries and domestic demand; (2) the human factor - workers Politicians and bureaucrats, entrepreneurs and professional managers and engineers (3) External: random events.

¹⁸Grupa autora (2006), Ekonomski rečnik, drugo izmenjeno I dopunjeno izdanje, Belgrade: Centar ZA izdavačku delatnost Ekonomskog Faculty u Beogradu, p. 334.

¹⁹Porter, ME (1973), Competitive Strategy: Techniques for analyzing industries and competitors, New York: The Free Press, POG. 2.

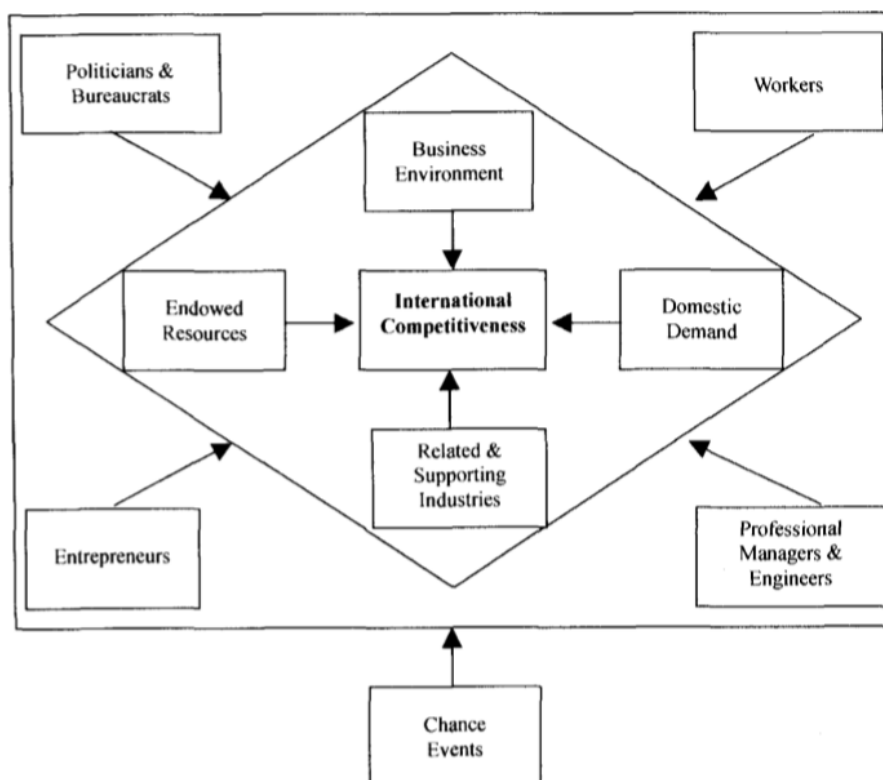


Figure 3. The new paradigm of international competitiveness (Nine factor model).

Thus, the economy, society and the environment are important factors for creating, maintaining and improving competitive position.

"Traditionally, the result of competitiveness was measured by GDP per capita, employment and unemployment (which are targets of the function of social assistance) and budget deficits, debt and current account positions (which are limited)."²⁰

World Economic Forum - toilet²¹ measures competitiveness based components are grouped into twelve pillars of competitiveness categories:

1. institutions
2. infrastructure
3. Macroeconomic environment
4. Health and primary education
5. Higher education and training
6. performance of the stock market,
7. effectiveness of labor market

²⁰ Aiginger, K., Bärenthaler-Sieber, S., Vogel, J. (2013). Competitiveness under new perspectives, WP 301, "Competitiveness research paper under new perspectives", MS46 Working Paper no. 44 October 2013, WWWforEurope, <https://www.oecd.org/eco/Competitiveness-under-New-Perspectives.pdf>, 12.13.2018, 13:33, p. 1.

²¹ World Economic Forum - WCC (2017) Global Competitiveness Report 2017-2018, Geneva. W Budimir I sar 2013 World Economic Forum, ISBN-13: 978-1-944835-11-8, <http://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017-2018.pdf>, 12.13.2018, 19:27, pp. 317-319.

8. developments in financial markets,
9. Technological readiness,
10. Market size,
11. Perfection business
12. Innovation.

COMPETITIVENESS IN THE FIELD OF AGRICULTURE

Agriculture, one of the main parts of the economy, is also one of the main potential for growth in many countries, including the Republic of Serbia. To understand better the prospects that exist in this area, it is necessary to identify the main trends and opportunities and to follow them.

The main trends in agricultural production are (1) technological developments; (2) production, prices and market trends, (3) changing consumer habits, and (4) climate change.²² The main trends in agriculture and food are the following:

1. "Population growth, urbanization and aging
2. Global economic growth, investment and trade
3. Increasing competition for natural resources
4. Climate change
5. Agricultural Productivity and Innovation
6. Cross pests and diseases
7. Conflicts, crises and natural disasters
8. Poverty, inequality and food insecurity
9. Nutrition and Health
10. Structural change and employment
11. Migration and agriculture
12. Changing Food Systems
13. losses grocery and waste
14. Management of food security and nutrition
15. Finance Development "

The challenges of modern agriculture in the 21st century, according to the FAO,²³ following:

1. "Sustainable improvement of agricultural productivity to meet the growing demand;
2. Ensuring sustainable natural resource base;
3. Addressing climate change and the intensification of natural disasters;
4. Eradicating extreme poverty and reducing inequality;

²² SEEDDEV, 2017, p. 9-130.

²³FAO (2017). The future of the food industry - trends and challenges. Rome <http://www.fao.org/3/a-i6583e.pdf>, 12.14.2018, 15:38, pp. 133-144.

5. Ending hunger and all forms of malnutrition;
6. Making food systems more efficient, including sustainable;
7. Improved opportunities to obtain income in rural areas and to tackle the root causes of migration;
8. Building resilience in protracted crises, disasters and conflicts;
9. Prevent cross-border and emerging agriculture and food system threats;
10. Addressing the need for a more coherent and effective national and international management; "

As in other areas of business, information and communication technologies show their applicability and thus its presence in the field of agriculture. The increasing use of the Internet and mobile devices (smartphones, tablets, laptops, etc.) is directly applicable in itself agricultural production but also in indirect activities such as transport, information sharing (eg applications) and the like. In this regard, Krstic²⁴ notes the current trends in the application of information technology in the field of agriculture, including precision agriculture, GPS application in precision agriculture, GIS application in precision agriculture, remote monitoring and market information systems (market information systems, for example EFITA, strips overlaid) . These modern information technologies enable the following:

- Earth mapping
- Monitoring of crop development
- Assess the need for irrigation or drainage
- Assessment of nutritional resources needed
- Assess the damage caused by natural disasters
- Looking at the impact of landslides (landslides)
- Management of Pest Control
- Sustainable agriculture and environmentally friendly food. "²⁵

new man²⁶ lists six major trends digital transformation in agriculture: "(1) MI and sensors in area (2) SO and sensors in the equipment, (3) Drones and Crop monitoring, (4) Agricultural and robotics, (5) RFID sensors and tracking (6) Machine learning and Analysis. "

Krstic²⁷ It also states that the application of modern agricultural technologies in the Republic of Serbia is very low.

²⁴Krstic, D. (2012), Savremeni trendovi Primene informacionih tehnologija u districts poljoprivrede, YUINFO2012, 18 conference and exhibition, Kopaonik 29.02-03.03.2012, pp. 306-310, <http://yuinfo.artkey.rs/zbornici/2012/html/pdf/581.pdf>, 12.13.2018, 16:17.

²⁵Ibid., P. 309.

²⁶Newman, D. (2018), Top-Six Digital Trends transformation in agriculture, Forbes, May 14, 2018, 11:38 pm, <https://www.forbes.com/sites/danielnewman/2018/05/14/top-six-digital-transformation-trends-in-agriculture/#1aba5898ed2e>, 12.14.2018, 15:43.

Boettiger et al.²⁸ cited six key elements of plowing and delivery that are important to successful agricultural transformation: "(1) priority and differentiated strategies, (2) market-oriented opportunities for farmers (3) Change agents identified and mobilized, (4) Finding the right starting points for the scale (5) pragmatic approach to investor attitude (6) progress in permitting policies. The same authors also answer the question 'how to do' '. Desire for change, align leadership, building leadership skills, management of transformation "

"The distribution of competitiveness in the world increasingly pronounced. However, no country in the world that does not farm or agricultural exports."²⁹ Accordingly, there are reasons why food will continue to be produced anywhere in the world:

- "The distribution of competitiveness between countries does not fully reflect the links between manufacturers. As the world market has become global and rapid fluctuations national frameworks are often not crucial or even non-existent, but we can talk about competitive competition from individuals;
- "More competitive countries in some products that are not competitive in others, so that they can not produce or produce them enough";
- "A significant share in the production of a country is producing for their own needs, especially in the less developed and developing countries";
- "Lower expectations of producers less competitive countries, where farmers will be met with significantly lower incomes, perhaps even just by providing food security for themselves (and their families)";
- "Preference for local markets and local products, and production and consumption of individual products that are closely related to one culture and one territory";
- "Market irregularities such as poor transport, customs and non-customs barriers, market size, lack of market information, etc."³⁰

There are changes over time in the consumer segment. User needs, requirements, preferences, and behavior change. When it comes to agricultural production, should pay attention to the following:

- "habits of the population require change over time as the level of individuals and the sum of all changes - the state level.
- Consumers are increasingly concerned with healthy food.
- Added value increases.
- Diversification of consumers in those who buy or most expensive or the cheapest products.
- Changing attitudes towards quality and taste.

²⁷Krstić, G. (2012), Savremeni trendovi Primene informacionih tehnologija u districts poljoprivrede, YUINFO2012, 18 conference and exhibition, Kopaonik 29.02.-03.03.2012, p. 306-310, <http://yuinfo.artkey.rs/zbornici/2012/HTML/PDF/581.pdf>, 12.13.2018, 16:17, pp. 309

²⁸ Boettiger, S., Denis, N., Sanghvi, S. (2017), successful agricultural transformation: Six major elements of planning and delivery, McKinsey & Company, chemicals December 2017, <https://www.mckinsey.com/industries/chemicals/our-insights/successful-agricultural-transformations-six-core-elements-of-planning-and-delivery>, 12.14.2018, 15:57.

²⁹SEEDEV, 2017, p. 7.

³⁰Ibid., P. 7-8.

- Consumers have less and less time to eat and buy food. "31

In order to create or maintain the competitiveness of farmers in the context of climate change, it is necessary to introduce the following:

- "adapt the work calendar to changing climatic conditions;
- Development of new varieties of drought-tolerant hybrids;
- Improvement of irrigation, drainage and flood protection systems;
- Reducing the share of spring crops and increasing the share of winter crops;
- Creation of new and improvement of the existing provisions of the river basin;
- Implement "green" fertilizers and amendments to the "mulching"
- Prohibition of bad agricultural practices, carry out the removal and burning of stubble and humus, and deep plowing as it reduces water retention;
- Improving soil structure to select a more powerful water storage and protecting soil from erosion;
- building and restoring vegetation around agricultural areas to allow natural pollination and natural pest control;
- Making changes in the use of mineral fertilizers and chemical protectors and other measures. "32

Based on the analysis of the key features of agriculture in Serbia are as follows:

- "Agriculture is and will be based on family farms.
- The structure of the manufacturer does not constitute an obstacle to development.
- Expressed dualism requires different measures of agrarian policy.
- chain market in Serbia is short and it is necessary to extend it, he legalized all the way and includes a small producer in the chain.
- Serbia can not affect markets worldwide and in Europe, and can only partially affect the market of CEFTA.
- Serbia has a diversified production and export of primary products.
- Exports are becoming increasingly important.
- Serbia has a very favorable trade agreements.
- Imports of agricultural products Serbia are extremely low, among the smallest in Europe per capita.
- Exports per hectare are low due to underdeveloped processing industry.
- Serbia still has regions where there were no significant changes in the production and trafficking.
- Messages of the country are confusing and its impact reduced. "33

³¹Ibid., P. 10-11.

³²Ibid., P. 11-12.

³³Ibid., P. 17-21.

competitive advantages of Serbia in the field of agriculture can be divided into the following:

- Farmers.
- Regional specialization.
- land-free.
- Commercial contracts.
- European Union.
- Fund IPARD.
- Quality.
- Danube.
- Internal Market.³⁴

Thus, not only as potential competitiveness in agricultural production, but also can be achieved by the example of many countries who specialize in the production of a certain product category. Of course, competition is not necessarily involved with the country as a whole, but also can be applied to a large producer or group of associated producers who have significantly contributed to the business district. Finally, not only is it necessary to achieve, maintain and improve competitive advantage based on the fact that it is also necessary to ensure an adequate model to measure the competitiveness of the food industry. One example is the combination of the following:

- Trade related indicators: Market shares of the world market, revealed preference indices Other indices based on trade;
- Economic indicators: growth in real turnover, stocks, real turnover in manufacturing labor productivity based on real-turnover exchange rates;
- assessment of competitiveness and presentation: Annual growth rates of indices Comparison of indicators and global competition.³⁵

DIRECT DISTRIBUTION CHANNELS OF AGRICULTURAL PRODUCTS

Direct distribution channels include the following: on-farm sales, purchase, schemes box and open air market or selling farmers market, honest sales and sales in stores owned by the Producers of Ecological that our family farms ".³⁶ Direct distribution is based on the postulates of direct marketing, ie the ratio of producers (sellers) and buyers (consumers) in

³⁴Ibid., P. 21-23.

³⁵Wijnands, J., Van Berkum S., Verhoog D., (2015), "Measuring Competitiveness of the Agro-Food Industry: Swiss case", OECD Food, Agriculture and Fisheries documents, No. 88 OECD Publishing, Paris. <http://dx.doi.org/10.1787/5jrvvkrhtmwg-en>, <https://www.oecd-ilibrary.org/docserver/5jrvvkrhtmwg-en.pdf?expires=1544796285&id=id&accname=guest&checksum=B941F9E885E379802FF11CC751084A16>, 12.14.2018, 15:01, pp. 8-13.

³⁶Brčić-Stipčević, V., Petljak, K., Guszak, I. (2011). Distribucije channels and obilježja tržišta ekoloških prehrambenih proizvoda, Zbornik Radova 11. znanstvenog skupa and međunarodnim sudjelovanjem "Poslovna LOGISTICS u suvremenom menadžmentu", Ekonomski Faculty Osijek, pp. 111-125, p. 113, Prezeto SA: http://blmm-conference.com/wp-content/uploads/BLMM_2011.pdf

which both sides are facing each other. Is not mediator in this situation. A direct distribution, along with the support that is in this case connected, can be done in the following ways:

- Home (farm)
- In other equipments manufacturer,
- In the store,
- In the user
- Through the Internet and the like.

In terms of potential sales of agricultural products at the farm ("home") it is important to answer the following questions:

- Where is the manufacturer (holding)?
- How far is the holding of buyer's market?
- How much time is necessary for buyers to reach the farm from their place of residence?
- What are all the ways to reach the farm?
- What are the travel costs?
- Whether holding well prepared and representative enough to get buyers?
- Etc.

The answers to these questions and many like them, can largely determine the success of a sale on the spot, which is sold directly at the farm. A wide range of the purchasers and the inaccessibility of the place where the farm, which requires much time and specific ways to achieve a cost to the buyer, as well as the adaptation of the farm, ie its facilities, premises and personnel for direct face to face contact with a client that all may adversely affect the commitment to purchase a specific product or group of products. On the other hand, the uniqueness of the location of the farm, and the way to reach it can also make it attractive in the eyes of customers, especially when it comes to those who seek new experiences.

"The advantages of direct sales are the following:

- Support the creation of local jobs;
- Increasing ability to retain the rural population;
- Increase the added value of products;
- Differentiation and expanding the supply of products;
- Assisting with marketing orientation of farmers;
- Improve the market position of farmers;
- Increasing consumer confidence and affecting public opinion about food production and supply in general;
- Reinforce farmers' income and reduce claims for social welfare in rural areas;
- Increasing the market share of rural areas in the food chain and in services;
- Stick to the requirements of environmental protection and animal welfare;
- Promoting the development of rural tourism;

- Reducing the need for transport and the ensuing costs. ³⁷

Kazimierczak et al.³⁸ carry out research in 2012 involving 230 organic producers in Poland (Masovian Voivodeship), which shows that in respect of cereals and vegetables (if we make an exception for the use of these for one's own needs, which occupies first place: cereals 54.2% , vegetables 48.5%) farmers mostly use direct sales channels to consumers (cereals 35.4%, vegetables 48.5%). In terms of animal raw materials, the position of direct sales channels to consumers is even better (first - 75.0%).

Tourism is increasingly developed based on the existence of farms: the so-called rural tourism. This type of tourism also makes it possible to sell agricultural products. A special advantage is that tourists do not only need to spend the night ("sleep") at the farm, but they also can watch farm work ("observation") and to participate ("lives on a farm").

Farmers may have other facilities in the immediate vicinity of the farm or a little more remote locations, so users can more easily reach the desired product, virtually eliminating shortcomings in sales of farms.

The market is traditionally a place to meet supply and demand, particularly for agricultural products. In this case, direct contact is made only if the manufacturer or a member of the holding's market seller. In this case, the position of the stable products the way they are displayed, and the behavior of the seller play an important role in attracting potential buyers. On the other hand, loyalty, based on trust and often long-standing cooperation is what most typical buyer-seller relationship in the process of exchange in the market. Almost every village has its own area of the market and market days, most places in Serbia remain the main days of the week trading in agricultural products. Green markets have all the diversity of supply and demand, and thus not surprising it is often seen as "small market". according to³⁹ markets have undergone several stages of development: 1) street markets, 2) outdoor markets, 3), covered markets, 4) contemporary markets and 5) wholesale markets. The latter (markets) provide direct contact with buyers / users in wholesale trade in agricultural products. Table 2 provides a SWOT analysis of the marketing industry in Serbia.

Based on⁴⁰, Merchant status in addition to the companies also gives individuals, including "farmers registered in accordance with the regulations governing agriculture on agricultural products subject to registration" (Article 11). "Agricultural and food products that can be sold individually with the exception of special promotional and commercial events in accordance with the conditions laid down in special legislation" (Article 18). "Sales on the market to include the sale of goods, particularly in the stalls, kiosks or special projects,

³⁷ Feher, I. (2012). Direct marketing food at farm level and its impact on rural development. In rural development, contemporary issues and practices. IntechOpen., <https://www.intechopen.com/download/pdf/34427>, 19.05.2019, 16:22, p. 341.

³⁸ Kazimierczak, R., Salach, K., and Rembialska, E. (2014). Distribution channels for organic agricultural products in Poland, an example of producers Masovian voivodship. Journal of Research and Applications in Agricultural Engineering, 59 (3), 103-107, p. 105 http://yadda.icm.edu.pl/yadda/element/bwmeta1.element.baztech-2823e54c-73cb-43ed-b502-be0a46d086a6/c/kazimierczak_salach_rembialkowska_distribution_3_2014.pdf, 19.05.2019, 17:09.

³⁹ Duvnjak, S. (2013). Pravci razvoja pijačne delatnosti u Srbiji. Poslovno udruženje "Pijace Srbije", pp. 15-16.

⁴⁰ Duvnjak, S. (2013). Pravci razvoja pijačne delatnosti u Srbiji. Poslovno udruženje "Pijace Srbije". pp. 15-16.

namely fresh agricultural and food products, crafts and handiworks and other consumer goods and the provision of related services" (Article 25). "The market wholesale market is a special institution involved in the organization of wholesale trade by designing, maintaining and issuing special place for display and sale of fruits, vegetables and other agricultural and food products and other consumer goods and the provision of related services, particularly of goods in stock , processing, processing, packaging and other processing services and transport "(Article 26)." Trade in agricultural products and animals, including breeding material, seeds and planting material is carried out at markets ter zhishta, special economic exhibitions (agricultural and livestock fairs, exhibitions and competitions), and other points of sale in accordance with special regulations. " Place of purchase is a specialized wholesale of agricultural products and animals by designing, maintaining and issuing special place for display and sale of fruits, vegetables and other agricultural and food products and other consumer goods and the provision of related services, particularly of goods in storage, processing, processing, packaging and other services for processing and transportation "(Article 26)." Trade in agricultural products and animals, including breeding material, seeds and planting material is carried out at markets, special economic exhibitions (agricultural and and livestock fairs, exhibitions and competitions), and other points of sale in accordance with special regulations. " Place of purchase is a specialized wholesale of agricultural products and animals maintenance and publishing of specialized space for the display and sale of fruits, vegetables and other agricultural and food products and other consumer goods and the provision of related services, particularly of goods in storage, processing, processing, packaging, and other services processing and transportation "(Article 26)." Trade in agricultural products and animals, including breeding material, seeds and planting material is carried out at markets, special economic exhibitions (agricultural and livestock and zlozheniya, exhibitions and competitions), and other points of sale in accordance with special regulations. " Place of purchase is a specialized wholesale of agricultural products and animals maintenance and publishing of specialized space for the display and sale of fruits, vegetables and other agricultural and food products and other consumer goods and the provision of related services, particularly of goods in storage, processing, processing, packaging, and other services processing and transportation "(Article 26)." Trade in agricultural products and animals, including breeding material, seeds and planting material is carried out at markets, special economic exhibitions (agricultural and livestock and zlozheniya, exhibitions and competitions), and other points of sale in accordance with special regulations. " Place of purchase is a specialized wholesale of agricultural products and animals and the provision of related services, particularly of goods in storage, processing, processing, packaging and other processing services and transport "(Article 26)." Trade in agricultural products and animals,

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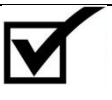

Table 1: SWOT analysis of market activities in Serbia

<p>STRENGTHS</p> <ul style="list-style-type: none"> • A variety of offer • Good location markets • quality • tradition • Direct contact between the buyer and the manufacturer (seller) • From field to table as a sales model • Positive assessment of clients • More valuable (organic, internal) food • Flexibility and adaptability to change • Applying experience from developing countries and the EU • The combined market administrations for joint projects • Standardization of services 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • defects • The lack of clear vision • Deterioration of market position • Infrastructure equipment, in markets • Influence of local government / policy • High frequency changes top management • Undefined regulations inconsistent application • The lack of promotional activities
<p>OPTIONS</p> <ul style="list-style-type: none"> • The interest of buyers to the market and further market growth 	<p>THREATS</p> <ul style="list-style-type: none"> • Entering a new market competition • Expanding the cashless payment

<ul style="list-style-type: none"> • Adapting activities to the new needs of consumers • Improving the conditions of sale markets for further investment in infrastructure • Create a clear vision of emerging market activities • Improve skills for marketing • Clear market positioning advantages in terms of competition • Cooperation with authorized state bodies and agencies • Co-stimulation projects authorized state authorities in connection with sellers • Branding of market activities • Continued study of customer needs • Promotional campaigns, PR activities 	<ul style="list-style-type: none"> • Constant changes in the needs, desires and tastes of buyers • The uneven quality of services • Unclear whether or not legislation • Potential changes in the legal system and the owner (privatization)
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Source: table created based on the data from Duvnjak, S. (2013). The direction of market development activities in Serbia. Association Business Markets Serbia

RESULTS FROM THE TESTING OF RESEARCH HYPOTHESES

research hypothesis	<i>proved</i>	<i>rejected</i>
H ₀₁ - The development of the distribution system has affects its level of competitiveness		
H ₀₂ - The development of distribution channels influences the level of competitiveness the distribution system of agar products		
<i>model 1</i>		
H ₁₁ - The level of order processing is supposed to affect the level of competitiveness the system of distribution of agricultural products		
H ₁₂ - The level of uravlenie cargo is assumed that affects the level of competitiveness in the distribution system of agricultural products		
H ₁₃ - The level of storage management assumes that affects the level the competitiveness of the distribution		

system of agricultural products.		
H ₁₄ - The level of supply management is supposed to affect the level the competitiveness of the distribution system of agricultural products.	<input checked="" type="checkbox"/>	
H ₁₅ - The level of traffic management is supposed to influence the level the competitiveness of the distribution system of agricultural products..	<input checked="" type="checkbox"/>	
H ₀₁ - The levels of order processing, cargo handling, storage management, supply chain management and transport management is supposed to influence the level the competitiveness of the distribution system of agricultural products.	<input checked="" type="checkbox"/>	
<i>model 2</i>		
H ₂₁ - The level of turnover is assumed that affects the level of competitiveness in the distribution system of agricultural products.	<input checked="" type="checkbox"/>	
H ₂₂ - maintaining effective contact with customers is assumed that affects the level of competitiveness in the distribution system of agricultural products	<input checked="" type="checkbox"/>	
H ₀₂ - The level of turnover and maintaining effective contact with the customer is supposed to affect the level of competitiveness in the distribution system of agricultural products	<input checked="" type="checkbox"/>	

10. Conclusion

The process of creating competitive advantages through distribution channels can be described as the ability of the enterprise to create ways to add value that competitors can not or do not want to create. The aim is to create a sustainable competitive advantage. The most important aspect in this process is to understand how the design and organization of distribution channels can create competitive advantage and add value to existing products and services. The characteristic of distribution channels is that their establishment and duration is longer than the other elements of the marketing mix. In this sense, control of distribution

channels includes raising the competitiveness of the products that is, services, introducing new channels

Based on the realized results of empirical research, above it can be concluded that the initial research hypothesis is correct, namely that levels of all elements of physical distribution and all aspects of distribution channels influence the level of competitiveness.

II. Information for contribution moments in thesis

In the thesis can be distinguished contribution these moments with scientific and applied nature:

1. Clarify the essence of the competitiveness of the distribution system, as an element for sustainable agriculture;
2. Developed a conceptual framework for assessing the competitiveness of the distribution system with agar products in the Republic of Serbia;
3. Analyze and evaluate a competitive distribution system in agricultural products in the Republic of Serbia;
4. It is what factors are critical in arranged the development of distribution system in agricultural products;
5. They build models of competing distribution systems that can be used in practice.

III. Publications

Title:	Publication date:	Autors:	Journal:
THE IMPORTANCE OF COMMUNICATION IN LEADERSHIP	2020	Jelena Milanovic	Konferencij "Trendovi u poslovanju", Visoka poslovna škola strukovnih studija "Prof. dr Radomir Bojković", Kruševac, 15. maj 2020. waiting for publication
THE IMPACT OF CUSTOMER CONTACT AS PART OF THE AGRICULTURAL PRODUCTS DISTRIBUTION CHANNEL ON THE INCREASE OF THE COMPETITIVENESS OF AGRICULTURAL HOLDINGS	2020	Jelena Milanovic, Zorana Nikitovic, Dusan Garabinovic	Economics of agriculture, waiting for publication

IMPORTANT LEADERSHIP COMPETENCIES FOR ORGANIZATIONAL SUCCESS	2019	Sladjana Vujcic, Jelena Milanovic	International Scientific Conference "Leadership and Human Resources Management, Sofia, Bulgaria, 29-30. November 2019. waiting for ISBN and link
THE INFLUENCE OF PRODUCT TURNOVER ON THE MARKET AS A PART OF THE DISTRIBUTION CHANNEL OF AGRICULTURAL PRODUCTS TO INCREASE COMPETITIVENESS	2019	Jelena Milanovic , Dusan Garabinovic, Zorana Nikitovic	Thematic Proceedings, Editors: Z. Nikitovic, S. Vujcic, I. Piljan, International, Scientific Conference "Employment, Education and Entrepreneurship", Belgrade, 17-19. October 2019, pp. 122-128, ISBN 978-86-6069-173-8.
UPRAVLJANJE LJUDSKIM RESURSIMA U POLJOPRIVREDNOM SEKTORU	2019	Jelena Milanovic	Zbornik radova sa konferencije "Trendovi u poslovanju", Visoka poslovna škola strukovnih studija "Prof. dr Radomir Bojković", Kruševac, 16. maj 2019. ISBN 978-86-7566-051-4 štampana verzija, ISBN 978-86-7566- 052-1 elektronska verzija

IV. Summary

One of the key elements of competitiveness in the field of agriculture is the distribution of agricultural products. The way in which agricultural products will be distributed depends on the potentially achievable competitiveness of the agricultural product. Order processing, commodity handling, warehousing, inventory management, transportation, product marketing and customer contact, or their more detailed analysis, are the starting points in considering the overall effects of distribution activities on the competitiveness of agricultural products. Just as it is necessary to carry out an analysis when selecting a particular distribution method, it is also important to determine the characteristics of the distribution mode to determine their capabilities to be exploited, as well as the shortcomings to be eliminated or other options selected.

The main goal of the doctoral dissertation arises from the need to provide new knowledge in the field of competitiveness of the agricultural distribution system in the Republic of Serbia, by determining the influence of distribution channels and elements of physical distribution of agricultural products on the competitiveness of agricultural holdings and finding such a model that will increase the competitiveness of the agricultural distribution system in the Republic of Serbia.

The contribution of the doctoral dissertation is reflected in the results which showed that the level of distribution channels and the level of physical distribution elements influence the level of competitiveness of the system of distribution of agricultural products in the Republic of Serbia. The results also form the basis for further research in this field, both in the field of agriculture and other areas of economy.

Key words: agriculture, competitiveness, distribution system, agricultural products, agrobusiness