SERBIA IS AMONG THE LARGEST APPLE PRODUCERS IN SOUTH EAST EUROPE, AND STILL GROWING

USAID SUPPORTS SERBIAN APPLE PRODUCERS TO EXPORT TO NEW FOREIGN MARKETS

Serbia is blessed with excellent conditions for growing fruit, with abundant amounts of clean water, fresh air and unpolluted, fertile land. These natural resources provide the country with ample opportunities for growing high quality fruit and vegetables. However, not many people have had a chance to sample Serbian grown apples before. In terms of exports, in 2018, Serbian apple producers exported 94% of the country’s output to a single market. For the apple industry to grow, Serbian apple producers had to diversify exports to other markets by turning into strategic long-term suppliers for large international retail chains and fruit distribution companies across the globe.

The idea of creating an industry-wide apple association to address this issue had been circulating among local apple producers for quite some time. Recognizing this opportunity, USAID Competitive Economy Project took up the initiative to establish a professionally run export association to serve as a model for Serbian fruit producers, as well as the broader food processing industry in general. With the Association serving as a platform for collaboration, producers would have a better opportunity to export to new markets, jointly meet the high-volume quantities required by large foreign buyers and promote Serbian apples worldwide under a single unified brand.

Selecting a manager to oversee the work of the Association was a critical element in this process. Ms. Julka Toskic, a seasoned marketing professional and industry expert, was an obvious choice. Julka spent 15 years in the largest local agricultural company, and the biggest apple exporter in Serbia. Her successful track-record and many years of professional experience in agriculture, marketing and networking provided her with the skills and knowledge needed to bring together the largest apple producers in Serbia.

“After so many years of working at one company, you realize that you’ve done all that you can do. I wanted to explore, I wanted to create something new, I wanted to effect positive change for Serbia’s fruit producers.”

Under her leadership, the Serbia Does Apples Association was formed in November 2018, with eight large apple producers as initial members.
“Out of the original eight member companies at the start of the Association, I personally only knew representatives from one,” said Julka and continued, “even so, when I told them about the initiative, they quickly warmed-up to the idea.”

Prior to the formation of the Association, these apple producers perceived one another as competition, but Julka quickly helped them realize the benefits of collaboration. With technical support from USAID, the initiative steadily gained momentum and added credibility.

Association members received several trainings and seminars on the dynamics of the apple industry in foreign markets, and the expectations and demands of foreign buyers in terms of food quality standards and certifications. The knowledge transferred at the trainings helped apple producers prepare for exporting to new markets.

The first major international showing of the Association was organized at the London Produce Show, held June 6-8, 2018, with active business-to-business (B2B) networking meetings between Serbian firms and representatives from leading international retail chains. Leading up to and after the fair, the Project worked with several industry trade journals, such as Fruit Net, one of the largest global news sites for fresh produce, to publish stories about the Association and Serbian apple producers, as well as other interesting stories related to the potential of Serbia’s fruit and vegetable industry. The promotional stories discussed the benefits of sourcing apples from Serbia and presented a positive image of Serbia’s fresh produce industry.

The B2B meetings produced many valuable leads, including one with Total Produce, one of the largest distributors of fresh fruit in the world. The Association arranged visits to the on-site operations of selected producers in Serbia, which ultimately resulted in newly forged sales contracts. Additionally, several other top UK distributors also took interest in Serbia’s apple producers. After the London Produce Show, the Association facilitated negotiations with these companies to establish new sourcing contracts. Throughout 2019, the Association continued to facilitate negotiations with other leading EU-based fruit and vegetables (F&V) distributors. With support from the Project to exhibit at Fruit Logistica in 2019, in Germany, and a trade mission organized to Romania in the same year, helped open doors to other large retailers and distributors. Also, in 2019, the Association added three more large apple producers, increasing the total membership to 11 companies.
The Association’s initiatives and stepped up efforts to promote the “Serbia Does Apples” brand helped steadily grow apple exports to the UK market. In the 2018/2019 season, the total value of apple exports to the UK stood at $1.55 million; in the first 6 months of the following season apple exports exceeded $1.75 million. Similarly, in Romania, due to promotional activities throughout 2019, exports increased from $700,000 in 2018 to $1.3 million in 2019.

The Association’s overall impact on the local apple industry was ultimately recognized at an “Evening of Champions,” event organized at the 86th International Agricultural Fair 2019 in Novi Sad, Serbia, where Ms. Toskic received the “Most Successful Woman in Serbia’s Agribusiness Sector” award for helping to promote Serbia’s apple industry abroad.

Beyond helping to forge new sales contracts with international buyers, the Serbia Does Apples Association was also officially approved to become a member of the Freshfel Europe, the European Fresh Produce Association and World Association of Apples and Pears (WAPA) in 2019, a renowned industry-wide organization globally. Only one year later, at the annual WAPA meeting at Fruit Logistica 2020, it was announced that Serbia would host WAPA’s annual Prognos Fruit Conference, the industry’s leading global event. Looking forward, hosting this prestigious event not only bodes well for the prospects of Serbia’s apple industry, but also represents yet another positive step towards opening up new markets and business opportunities for the country’s agribusinesses.

Serbia Does Apples Association is committed to integrating small-scale apple farmers into the value chains of leading local companies and raising small farmers’ productivity and yields through education and knowledge sharing. Established in November 2018 Serbia Does Apples Association brings together 11 of the largest Serbian fresh apple producers. All founding companies possess state-of-the-art production sites, modern ULO/DCA storage facilities with calibration and packing lines, and leading industry standards and certifications. As of 2020, Association members have exported high volumes of apples to several international markets.