UDC 631.1

SIGNIFICANCE OF ACCOUNTING DATA FOR MEDIUM SIZED AGRICULTURAL FARM IN THE INCREASE OF PROFITABILITY OF BUSINESS

Aleksandra Gajdobranski[1], Dragana Latkovic[2], Vera Krmpot[3]

[1,3] Faculty of Business Studies and Law of the University "Union-Nikola Tesla" in Belgrade, Serbia, aleksandra.gajdobranski@fpsp.edu.rs
[2]Faculty of Agriculture, Univerzity of Novi Sad, Serbia

Abstract: *The main goal of the research in this paper is to use the scientific methods to understand the importance of accounting data for medium-sized farms located in Vojvodina. The set task of the research required the application of various methodological procedures, where the research is mostly based on the so-called desk research, and the collection of available primary and secondary data. The research was carried out for the period from 2007 to 2017, with special reference to the calculation of the price of wheat and corn of the genus 2017. In addition to scientific methods, tables will also be used in the presentation of summarized data for the most important crop cultivation that will be processed through the profit and loss account, as well as determining the costs by calculation with rent and without rent in order to determine the ultimate financial result. Based on these quantitative calculations, a review of prices of wheat and maize from 2007 to 2017 was carried out.*

Keywords: *medium-sized agricultural farm, profitability of operations, revenues and expenditures.*

1. INTRODUCTION

In our domestic agriculture dominate the so-called. small and medium-sized farms with low economic strength, and they possess a small area of the UAL (used agricultural land) from 3 to 5 ha. Based on the 2012 agricultural census, 77.4% of the total number of agricultural holdings in Serbia with the CPC has a holding of up to 5 ha [Draft Strategy for Agriculture and Rural Development of Serbia 2014-2024]. According to the methodology of the EC for the typology of farms, with which the appropriate methodology of the Serbian Statistical Office is harmonized, the economic size of the holding is the value of the total standard output (shortened SO) or the result on the holding, ie the monetary value of gross agricultural production that the farmer can expect to potentially obtain from his land (crops / perennial plantations / cattle) in a given region and "normal" production circumstances. The value of total SO on the holding is expressed in euros and represents the sum of the value

of individual SO of all agricultural products (characteristics) produced on the holding [European Commission-EC, 2008]. The largest average economic size of the agricultural holding is in the Vojvodina region (12,032 euros), while the lowest (3,414 euros) is the region of South and East Serbia. Therefore, the average economic strength of the agricultural holding in the Vojvodina region is 3.5 times above the average economic strength of the agricultural household in Serbia [http: //webrzs.stat.gov.rs- read on 11.08.2017].

In economic literature, profitability is a measure of business success, i.e. it shows the rationality of the business process with an effort to realize the maximum business profit with the assets invested, that is, that the realized (planned) business profit is realized with a minimum deposit of assets. Profitability of production represents a transition to economy, i.e. how much money business units generate for each monetary unit of expenditure / cost [file: /// C: /Users/Gajdobranski/Downloads/Seminar_Pokazatelji_uspjesnosti.pdf - accessed on 24.10.2017]. It was noticed that in most of our agricultural holdings, the quality of existing calculations is not at the required level of development, as technical and technological progress in agriculture is not as dynamic as in some branches of industry, but it is very intense and constantly present. This situation is the consequence of, first of all, the non-market environment in which our agricultural farms have been operating for a long time, due to which the development of appropriate management could not be achieved. Hence, this kind of cost-effect calculation is internally oriented, i.e. it refers to global accounting reporting on the status and success of a company as a whole, which is management responsibility [Malinić, Milićević, Stevanović, 2013].

The essence of this paper is to define, describe and explain concrete examples of the methodology of calculation and analysis of costs and results in the medium sized agricultural holding. In this regard, an analysis was carried out by calculating the total costs which can be direct and indirect. Direct costs are those that are entirely related to only one production. This means that at the time of their creation they can be directly attributed to this production. For example, direct costs in plant production are: seed, fertilizer, protective equipment, labor costs, insurance, packaging, transport, storage, drying. According to the concept of calculation in this methodology, fuel costs too are considered and calculated as direct production costs in which they were generated (wheat, corn, soybean production ...). In literature and practice, these costs are more often associated with propulsion machines that consumed fuel, and then along with other machine costs (apart from the work of a tractor, ie combine harvester), they are assigned to individual production. In doing so, the most commonly used keys for the distribution are the effective hours of operation of the machine, or the hours of work of the tractor. Direct linking of fuel costs for the production in which it is consumed significantly improves the accuracy of accounting for this very important type of cost. Indirect costs relate to two, more or all of the production. These are secondary costs, because they have already been (primarily) booked by type and place of costs. They are first "collected" at general and auxiliary points of expenditure, and then by using more or less (not) precise keys, they are allocated to the main cost centers, i.e. on individual production. Indirect costs are therefore added to the already booked direct costs of individual production. The ultimate effect is that all costs (direct and indirect) are located at the main cost centers, on the basis of which then the analytical calculations in production are made. Unlike direct, indirect costs represent a "billing problem", precisely because of the necessity of their distribution

[http://www.polj.savetodavstvo.vojvodina.gov.rs/sites/default/files/Metodologija%20VELJKO%202014.pdf-downloaded 24.10.2017]. Our agricultural farms are almost exclusively using the real-cost accounting system, which, thanks to the consistent application of the principle of total cost overrun, necessarily results in a variable cost price of the product unit that directly affects the periodic result, which further reflects the profitability of the business itself.

2. COSTS AS A FACTOR OF (NON) PROFITABILITY OF BUSINESS OPERATIONS IN A MEDIUM SIZED AGRICULTURAL FARM

2.1. Calculation of the price of wheat in the medium sized agricultural farm

If we analyze the economic character of agricultural production, we can say that it causes numerous and very significant specificities, which are expressed in all segments of this branch, especially in the domain of recording, calculating and analyzing the costs and results on agricultural holdings (methods and techniques of collecting , processing, calculation and analysis, then communicating, ie presenting and interpreting the results obtained). Specificity is mainly conditioned on certain characteristics, where we can distinguish as follows: 1. the capacity of agricultural holdings, 2. the means for the operation of these farms, and 3. the agricultural production itself.

Table 1 shows the calculation of wheat prices in the year 2017, where in the continuation of the paper we analyze the impact of the cost accounting system on the periodic result.

Table 1: Price calculation for wheat in 2017

I DIRECT COSTS		
A. RAW MATERIAL		
1.	Seeds of wheat apač (din/kg)	11.500
2.	Mineral fertilizer NP 250 kg/ha x 53 din/kg	13.250
3.	Mineral fertilizer 170kg UREA x 40 din + An (170kg x 36 din)	12.920
4.	Folio fertilizer	2.000
5.	Protective means 5.000 din/ha x 2	10.000
	TOTAL	49.670
B. MACHINE WORKS		
1.	Plating 2x5=10 l x 147	1.470
2.	Throwing mineral fertilizers 3 x 500	1.500
3.	Preliminary preparations 2 x (5 l/ha x 147)	1.470
4.	Sowing 5 l/ha x 147	735

5.	Rolling 2 x (2 l/ha x 147)	600
6.	Spraying 2x	600
7.	Harvesting with transport	2.800
8.	Burning 18 l x 147	2.646
	TOTAL	11.820
	II INDIRECT COSTS	
1.	Tax and drainage	1.200
2.	Health-pension insurance	1.212
	TOTAL	2.412
	TOTAL COST OF PRODUCTION	69.902
	RENT 1500 KG OF WHEAT x 19,46 DIN	29.190
	TOTAL COST OF PRODUCTION WITH RENT	93.092

Source: Ćosić M., Research of the author on the medium sized agricultural farm of about 30 ha of cultivable area, Ravno Selo, 2017.

In Table 1 we see that the total costs / expenditures per hectare are 69,902 dinars, including: material (49,670 dinars), machine works (11,820 dinars), indirect costs (2,412 dinars). If we add the rent to these total costs / expenditures per hectare, then the total costs / expenditures per hectare with rent are 93.092 dinars. Therefore, production costs on the analyzed holding with the rent are higher than the costs of production without rent for 29.190 dinars or by about 31%.

In order to determine the amount of allocations for health-pension insurance in the analyzed agricultural holdings per 1 ha, the total number of hectares for wheat and maize production is entered into the calculation. Considering that the agricultural farm surveyed processed 30ha of wheat and 50ha of maize, this means that the payment of health insurance for 1ha amounts to 97,000: 80 = 1,212.5 din / ha of produced wheat and corn. If this amount of 1.212,5 din / ha is multiplied by the total arable area under wheat of 30 ha, then for health-pension insurance in the production of wheat in this farm it is necessary to allocate 36.375 dinars. Based on the facts presented, we realize that the value of indirect costs that burden the total wheat production is high and amounts to 72,360 dinars (ie 2,412 • 30), of which 36.375 din (ie 1,212.5 • 30) should be allocated to health-pension insurance, and for tax and drainage a total of 36,000 din (ie 1,200 • 30). If the total cost of production with rent is divided by the average price (ie 93.092: 19.46), we will receive the amount of 4.784 kg, which represents the amount of wheat that this farm needs to produce to cover the total costs, that is, not to do business with the loss.

The calculation of the cost of wheat production is based on the determination of the income and the cost of production, on a particular production area (1 ha). The income structure includes all revenues generated by the sale of products or on other grounds (incentives) in a particular production. The amount of income depends on the amount of product

and price. At the analyzed agricultural holding, there are several types of costs, which can be divided into variable (intermediate, mechanization, ...) and fixed (maintenance and depreciation of machinery and buildings, loans, insurance, ...) costs [www.nsseme.com/blog/wp-content / uploads / 2013/01 / Vodic-za-organsko-proizvodnju-psenice.pdf - downloaded 24.10.2017]. It should be noted that each production is preceded by the cost of investments, distributed over a certain period of time until full-time (eg, land conversion period), but these costs as well as certain revenues of this period do not fall into the cost structure. Considering that wheat production is fully mechanized, there is a great similarity between conventional and organic production (the main difference is the application of mineral fertilizers and protective agents), to cover production costs at a price of 0.25 eurocent / kg, it is necessary to achieve the minimum yield of 4 t / ha of grain. If you ignore incentive measures, only with higher average yield and more cost-effective cost, a positive economic calculation is achieved. However, it is important to note that the financial effect can not be fully considered only on the basis of invested and realized, primarily because of the place and role of wheat in the crop, as well as the importance of straw for the production of manure, which can not be expressed in monetary terms.

On the example of the analyzed agricultural household in Vojvodina in 2017, in the production of wheat, we find out the disparity between the quantity produced and the financial effect of this production. The financial effects of wheat production depend to a large extent on the moment of realization of the production achieved, ie from the currently valid price on the cereals market and to the greatest extent they are not the result of investment, nor a rational cost reduction. Also, the differences are realized both due to different yields and different prices of different types of wheat that can vary from 30 to 60%. Parity, i.e. price relationships are important indicators of not only the economic position of individual production liens, but also the level of income of primary agricultural producers, which influence the development of individual lines and branches of agriculture. They also influence the selection and representation of more intensive production lines, which in our case is precisely the wheat, as the most common crop in Vojvodina. This, among other things, has led to the fact that prices of other products in plant production are mostly formed in relation to wheat [Novković and group of authors, 2005].

2.2. Price calculation of corn in the medium sized agricultural farm

Looking at the economic aspects of corn production, it also requires the preparation of economic calculations that include the accounting concept of costs in the structure of total costs (direct and indirect). Economic calculations of line of crop production represent an accounting procedure that determines three elements: income, costs and profit. Economic profit justifies invested capital only if it is equal to or greater than zero. The time period for which the calculation is made is determined by the length of the production process of crop production. Given that this is about economic calculations, it is necessary to correctly interpret entrepreneurial profit. It is therefore necessary to analyze the structure of revenues and costs. The income structure consists of: income from sale of seeds, subsidies in the form of recourse to intermediate goods, insurance premiums. The cost structure consists of: the costs of engaging all factors of production as well as all opportunity costs [Gajdobranski, 2015].

Table 2 shows the calculation of the price of corn in the year 2017.

Table 2: Price calculation for corn in 2017

I DIRECT COSTS			
	A. RAW MATERIAL	lower cost	higher cost
1.	Corn seed	12.000	18.900
2.	Mineral fertilizer MAP 26.000ha x 40,3	10.478	10.478
3.	Mineral fertilizer UREA 260kg x 34 din I 260kg x 42	8.840	10.920
4.	Protective means din/ha	2.600	4.500
	TOTAL	33.918	44.798
	B. MACHINE WORK		
1.	Plowing 20 l x 147 din/ha	2.940	
2.	Preliminary preparation (din/ha)	1.470	
3.	Dispersing of mineral fertilizers 3 x 500 din/ha	1.500	
4.	Sowing 5 l x 147 din/ha	735	
5.	Spraying 2 x 300 din/ha	600	
6.	Intermediate cultivation 5 l x 147 din/ha	735	
7.	Combine harvester 10 l x 147 din/ha	1.470	
8.	Transportation 17 l x 147 din/ha	2.500	
	TOTAL	11.950	
	TOTAL DIRECT COSTS		
	II INDIRECT COSTS		
1.	Tax and drainage	1.200	
2.	Health-pension insurance	1.212	
	TOTAL	2.412	
TOTAL COST OF PRODUCTION (with higher investment)		59.160	
RENT OF 1500 KG OF CORN x 20,00 DIN		30.000	
TOTAL COST OF PRODUCTION WITH RENT		89.160	

Source: Ćosić M., Research of the author on the average agricultural holding about 50 ha of cultivable area, Ravno Selo, 2017

Based on Table 2, we find that in the case of raw materials, the cost for smaller and larger investments is calculated. The total cost of raw materials for small investments is 33.918 din / ha, while according to the larger investment it is 44.798 din / ha, and it is higher by 10.880 din / ha or by about 32%. Total costs / expenditures per hectare according to the lower investment amounted to 50,692 dinars and comprised: repromaterial (33,918 dinars),

machine works (11,950 dinars), indirect costs (2,412 dinars). If we add the rent (30.000 din / ha) to these total costs / expenditures per hectare with a smaller investment (50.692 din / ha), then these total production costs with rent amount to 80.692 din / ha. Thus, the production costs with a smaller investment in the analyzed holding with the rent are higher than the costs of production without an annuity of 30,000 dinars or about 34%.

In order to determine the amount of allocations for health-pension insurance in the analyzed agricultural holdings per 1 ha, the total number of hectares on which the production of maize and wheat is made is entered into the calculation. Considering that the observed agricultural household processed 50ha of maize and 30ha of wheat, this means that the payment of health pension insurance (as previously calculated) per 1 ha is 97,000: 80 = 1,212.5 din / ha produced wheat and corn. If this amount of 1.212,5 din / ha is multiplied by the total arable area under 50 ha corn, then 60,625 dinars should be allocated for health insurance for corn production in this farm. Based on the facts, we realize that the value of indirect costs that burden the total wheat production is high and it amounts to 120.600 din (ie 2.412 • 50), of which 60.625 din (ie 1.212,5 • 50) should be allocated to health-pension insurance, and for tax and drainage a total of 60,000 din (ie 1,200 • 50). If the total cost of production with the rent is divided by the average price (ie 89.160: 20.00), we will receive the amount of 4,458 kg, which represents the amount of maize that this farm needs to produce to cover the total costs, or not to do business with the loss.

Analyzing the 10-year average wheat and corn yield in Serbia, we find that for wheat it is 4.681 kg / ha and for maize 6.823 kg / ha. If this yield of corn is divided with the yield of wheat, ie, 6.823: 4.681 = 1.46, indicating that corn on average produces more than a third for wheat. This shows that there should be more subsidies for wheat than for corn or industrial plants, where most agricultural producers sow wheat exclusively for crop rotation. Subsidies should be given in terms of the quantity of goods produced or agricultural products. The reason for this is the fact that there are more, and the most important ones are three: 1. For better yield should be arable land, ie, fields I and II classes; 2. modern and appropriate mechanization is required; 3. it is necessary to use the appropriate material on the recommendation of the profession, ie, science [www.agroservis.rs/.../KALKULACIJA%20CENE%20PŠENICE%20RODA%202017% - downloaded October 26, 2017].

Based on the analysis of this plant species, it can be concluded that the volume of production is unsatisfactory. A large number of agricultural holdings in the production of wheat and maize produce average lower yields, which are very often on the profitability margin, which is due to the presence of extensive production. For seed planting, seed from own production is often used. unsuitable seed, the prescribed amount of mineral fertilizers and pesticides is not respected, and optimal agro-technical deadlines are not sufficiently respected. In the production of corn, very early and early hybrids for grain are rarely present, and the production of silage maize is absolutely insufficient to meet the real needs of livestock production, the poor use of mineral fertilizers and pesticides due to the labyrinth of purchasing power of agricultural producers, and the use of inadequate storage areas for storage product. Agricultural machinery is mostly outdated, where the average age of the tractor is over 25 years, and the average age of cereal combines is between 30 and 40 years [Academy of Sciences and Arts of BiH, 2017].

3. THE EFFECT OF COSTS AND THE PRICE ON BUSINESS PROFITABILITY

When looking at the price-cost ratio that affects the profitability of a business, it always has to include the scope of production and sales, as without these dynamic categories there is no rational decision on prices. In order to achieve price competitiveness (crucial are the prices), it must be entered into the complete price structure and analyzed: depreciation, salaries, material costs, general and common consumption expenditures, development, etc. it is also important to measure the exchange rate in real terms, to establish the appropriate level of export subsidies, to optimize transport costs and to analyze import duties in the importing country from the point of loading of the products being exported. This is important because it is relevant to the buyer that the price he pays gross, i.e. price at the place of consumption. If it is properly measured, or if it is realistic, the exchange rate is only a factor for translating domestic to external prices and vice versa (for the purpose of creating foreign trade calculations), and not a factor of competitiveness. If the domestic currency is underestimated, it is a factor of stimulating exports, and if it is overestimated then it is the factor of stimulating import and export distortions [Gajdobranski, 2015].

Based on the Grain Market Report, we will also show the realized prices of cereals on the product market in Novi Sad, Budapest, Chicago, Minneapolis and Paris on October 25, 2017. years. Prices are calculated at the middle exchange rate on the day of publication (din / kg without VAT), which can be seen in Table 2.

Table 2. Prices of cereals on the stock exchanges realized on October 25, 2017.

RSD/kg	Corn		Wheat	
Product market Novi Sad	Rod 2016. 18,20 19.10.17.	→	18,50 25.10.17.	→
Budapest	17,33	↓	-	-
Chicago	13,96	↓	16,17	↓
Minneapolis	12,23	↓	13,42	↓
Paris	17,68	↑	19,33	↑

Source: http://www.agroservis.rs/files/25.10.%20CENE%20ZITARICA_0.jpg. - downloaded 26.10.2017

Regarding the price movement of maize and wheat at the Commodity Exchange in the first week of October, the total turnover of corn, wheat and soybeans was 1,775 tons, the financial value of which amounted to 44,640,000 dinars. Compared to the last week of September, the volume volume of turnover is lower by around 24%, while the financial value of the traded goods is lower by around 14%. The maize price of the first week of October did not significantly fluctuate compared to the data from the last week of September. The price of yellow grain on the first day of October ranged from 16.80 din / kg without VAT, and six

days later it was 17.50 din / kg without VAT, which represents a significant price increase. The weighted price for the first week of October was 17.20 RSD / kg without VAT (18.92 RSD / kg VAT), which represents a price increase of 1.18% compared to the last week of September. Wheat with a protein of 12.5% was traded at the "Commodity Exchange" slightly higher prices than 18.30 din / kg without VAT, compared to the price of wheat SRPS quality from 17.50 to 18.00 din / kg without VAT -a. The weighted price for wheat was 18,20 din / kg without VAT (19,82 din / kg with VAT), which represents a price increase of 0,41% compared to the last week of September [http://subvencije.rs/berze/kretanje-cena-poljoprivrednih-proizvoda-na-berzama-u-periodu-02-10-10-2017-godine/ - downloaded 26.10.2017].

Producers can not, as a rule, influence the sales prices of their products, as they are created on the market under the influence of the law of supply and demand, but can therefore affect the cost and cost of own products and services. Reducing unnecessary costs affects the lowering of the cost of the cost, thereby increasing the difference between the selling price of one's own product or service and the cost price, i.e. the profit is increased [Gajdobranski and a group of authors, 2016]. The production of wheat, one of the most important plant species in the structure of agricultural production, is accompanied by many unknown factors every year, both in terms of providing the necessary raw materials (seeds, fertilizers, protective devices ...), as well as in the organization of purchases (primarily from small producers) and methods of payment already produced quantities. Great diversity is observed, especially in individual farms, both in terms of their own financial possibilities and in terms of providing the necessary inputs (primarily seeds, fertilizers and permitted protection means). Differences in prices are the result of the method of procurement of basic inputs, where the level of direct investments in wheat production depends on the available financial possibilities of the given agricultural holding.

The question arises - which producer is more competitive or more profitable in a market game?

A more competitive one is the one that offers a longer repayment period, a lower interest rate and a longer repayment period. The credit is, from the point of view of the manufacturer (bidder), always an important factor of competitiveness, when it is approved for the preparation of production and financing of stocks of products intended for export, as well as for export credits, whereby the conditions for granting these loans are an important factor of competitiveness and exportability for the manufacturer. It is always a more competitive producer who accepts a deferred payment from a buyer who seeks a payment in cash. The bail security guarantee is also expensive, so it is a more competitive producer who has more confidence in the buyer and is looking for customary security billing (for example, an accepted and paid bill of exchange or a customer's bank guarantee). In the footsteps of competition, the inflation rate must also be maintained, and this is achieved by higher productivity, better use of capacity and cost reduction. The necessary factor of competitiveness are wages. So, for example, The Chinese earn about $ 100 a month, how many American workers earn in a day. Wages are the main culprit for the competitiveness of Chinese imports and the balance of payments deficit in the US in exchange with China. In addition, 60% of Chinese exports to the United States originate from US companies located in China [Unković, 2007].

The simultaneous impact of costs, competition and state policy can be seen in the following case from the practice, which refers to the market for sunflower oil for food. During 2007, due to the reduced sunflower production, both in the world and in our country (or

the increased demand for edible oil in the environment), there was fear that grain exports would occur. In order to protect the domestic market, the Government of Serbia limited its exports of sunflower by its measures. Regardless of this fact, domestic oil factories, with sharp competition in the supply of raw materials, contribute to a significant increase in the price of sunflower grain, which resulted in increased production costs and an increase in the price of edible oil. However, the decline in demand, the announcement of intervention imports and the competition in the domestic market have led to a fall in the price of sunflower oil. Due to the relatively higher increase in production costs in relation to oil price growth, there was a decrease in the profit margin on this product. Based on the above, we conclude that oil factories have underestimated the influence of certain internal and external factors that actively influence the formation of the price of their product, which contributed to the decrease in profits [Borđoški, 2009].

Knowing economic policy and information on state control of prices, more or less, affects the decisions of the producers on the prices of their products. The impact of these factors depends primarily on the purpose of the product and its importance on the market. The purpose of the state's regulatory measures is primarily reflected in the fact that "the state should, by its measures, influence the law of supply and demand to function better and better in terms of increasing the productivity and business efficiency of the participants in the market game". Regulatory measures should be concrete and efficient, taking into account that they do not diminish the role of the prices on the market. Indirect influence on the formation of prices of the states is done through monetary and credit policy, foreign trade and foreign exchange regime, tax and contribution system and other measures.

4. CONCLUSION

Based on the authors' research, it was found that the parities, ie, price ratios are significantly deteriorating to the detriment of wheat, and in favor of input producers (seeds, mineral fertilizers and other input raw materials), which means that input prices are moving significantly faster in relation to prices of basic stock. The worsened parities, despite good yields, neutralize positive ecological effects in agriculture, which causes a significantly reduced production of mineral fertilizers. If parity is unfavorable, they harm producers because they cause losses, which further leads to a negative financial result, which is manifested in the income statement (where expenditures are higher than revenues). The reason for this is the insufficient accumulation of primary agricultural production, the absence of investment investments, especially in the modernization of mechanization, insufficient utilization of processing capacities in this area and other factors that can lead to the weakening of domestic agriculture. Therefore, it is necessary to intensify domestic production, first of all in terms of technology advancement, achieving price competitiveness, where the specific paradigm of price policy and credit policy have a particular impact, with the aim of developing domestic agriculture in protection from foreign competition.

In our conditions, prevailing opinions are that innumerable agricultural products are expensive, which is why producers lose their economic interest in increasing production, especially intensive where significant investments are needed. Long-term depreciation of the prices of basic agricultural products, such as wheat, corn, soybean, sunflower and sugar beet, could not promise a minimal amount of depreciation, which led to the aging of agricultural

mechanization. Due to the above-mentioned inadequate and significantly distorted price ratios, there is a "spill" of industry from agriculture to other industrial branches. Lower prices of agricultural products favor the development of certain industrial branches, the basis of which is the cheap agricultural production. In this way, agricultural producers are economically exhausted and lose their motivation for more serious market production.

In order to achieve the profitability of production, ie, profit or a positive financial result, it is necessary that the total value of production be greater than the amount of total production costs. Therefore, we have compiled price calculations in order to determine the costs of production and the cost of wheat and maize in the middle farm in Vojvodina. In relation to production costs, any yield in wheat is greater than 4,784 kg and in case of maize greater than 4,458 kg, it yields a profit or a positive financial result, and with good production among producers, a yield of 10 to 11 thousand kilograms of grain per hectare. Compared to the ten-year average (2007-2016), wheat production in 2017 is lower by 10% and corn by 50%. Corn yield in 2017 is 45% lower than last year, while wheat yield in 2017 is 21% lower than last year, which caused a drought period. We came to the conclusion that the participation of direct costs (maize) in wheat and maize was high, which affected the increase in the production cost of the cost, and therefore we could not cover all the costs, ie, we realized a loss on total business. If in the coming period the price of corn is stabilized at 23 din / kg, the losses will be lower, and some farms will make a profit that does not guarantee the restoration of production.

The government must create the conditions for more uniform distribution of GDP (gross domestic product), where, as the creator of the Agrarian Policy, a clear and predictable environment will be created, enabling companies and individuals, ie the processing industry and producers, to make long-term strategic decisions needed to increase productivity, to ensure the availability of quality inputs (seeds, fertilizers and other protection products), but also to provide incentives that regulate competitiveness, which will contribute to the growth of profitability in farm business. Productivity growth in agriculture is a more important factor than the growth of agricultural production, as it can only lead to a rise in income in the agricultural sector and a rise in the standard of living of the rural population. Bearing this in mind, and in order to create the conditions for the consolidation of property and productivity growth (through modernization of farms, investments in technical and technological improvement of agriculture production, processing and marketing), state support will be in the form of: foreseeable and stimulating agrarian policies, development of the financial market to attract external sources of funding through the establishment of efficient credit mechanisms. On this occasion, it is necessary to adopt a long-term interest rate subsidization policy so that these loans are as favorable as possible, so that agricultural producers can repay their loans on time.

REFERENCES

Akademija nauka i umetnosti BiH (2017). *Unapređenje poljoprivrede, šumarstva i vodoprivrede u kraškim, brdskim i planinskim područjima – racionalno korištenje i zaštita,* Simpozij, posebna izdanja-knjiga CLXIX, Zbornik radova, Sarajevo, str. 31, ISBN: 978-9926-410-17-9

Borđoški V. (2009). *Tržište jestivih ulja i unapređenje kanala marketinga,* Magistarski rad, Ekonomski fakultet, Subotica, 2009., str. 46.

Gajdobranski, A. (2015). *Analiza faktora konkurentnosti proizvodnje i izvoza uljarica Srbije,* monografija, Fakultet za poslovne studije i pravo Univerziteta Union "Nikola Tesla", Beograd, str. 109, ISBN: 978-86-87333-54-3

Gajdobranski, A., i grupa autora (2016). *Komparativna analiza proizvodnje uljarica i jestivih ulja u svetu, Evropskoj uniji i Srbiji,* monografija, Fakultet za poslovne studije i pravo Univerziteta Union "Nikola Tesla", Beograd, str. 57, ISBN: 978-86-87333-72-7

Gajdobranski A., Božić S. (2009). *Troškovi kao faktor (ne)konkurentnosti cena uljarica (primer kompanije „Sunce" Sombor).* Zbornik radova, Fakultet za ekonomiju i inženjerski menadžment Univerziteta Privredna akademija, Novi Sad, br. 3, str. 104, ISSN: 1820-9165

Novković, N., Janković, N., Mutavdžić, B. (2005). *Analiza i predviđanje kretanja pariteta cena pšenice,* Agroekonomika, Departman za ekonomiku poljoprivrede i sociologiju sela, Poljoprivredni fakultet, Novi Sad, br. 34-35, 2005/6., str. 67.

European Commission–EC (2008). Uredba EC broj 1242/2008, *Typology handbook EC, RI/CC 1500,* Brisel, 25.07.2008.

Malinić, D., Milićević V., Stevanović, N. (2013). *Upravljačko računovodstvo,* Ekonomski fakultet, Beograd, str. 251-260, ISBN: 978-86-403-1283-7

Ministarstvo poljoprivrede, šumarstva i vodoprivrede Republike Srbije (2013). *Nacrt Strategije poljoprivrede i ruralnog razvoja Srbije 2014-2024.,* str. 55.

Ćosić M. (2017). *Istraživanje autora na srednjem poljoprivrednom gazdinstvu oko 30 ha obradive površine,* podaci prikupljeni putem ankete, Ravno Selo.

Ćosić M. (2017). *Istraživanje autora na srednjem poljoprivrednom gazdinstvu oko 50 ha obradive površine,* podaci prikupljeni putem ankete, Ravno Selo.

Unković M. (2007). *Međunarodna ekonomija*, Fakultet za turistički i hotelijerski menadžment, Beograd, str. 199.

http://webrzs.stat.gov.rs – preuzeto 11.08.2017

http://file:///C:/Users/Gajdobranski/Downloads/Seminar_Pokazatelji_uspjesnosti.pdf - preuzeto 24.10.2017

http://www.polj.savetodavstvo.vojvodina.gov.rs/sites/default/files/Metodologija%20VELJKO%202014.pdf - preuzeto 24.10.2017

http://www.nsseme.com/blog/wp-content/uploads/2013/01/Vodic-za-organsku-proizvodnju-psenice.pdf - preuzeto 25.10.2017

http://www.nsseme.com/blog/wp-content/uploads/2013/01/Vodic-za-organsku-proizvodnju-psenice.pdf - preuzeto 26.10.2017

http://www.agroservis.rs/.../KALKULACIJA%20CENE%20PŠENICE%20RODA%202017% - preuzeto 26.10.2017

http://www.agroservis.rs/files/25.10.%20CENE%20ZITARICA_0.jpg. - preuzeto 26.10.2017

http://subvencije.rs/berze/kretanje-cena-poljoprivrednih-proizvoda-na-berzama-u-periodu-02-10-10-2017-godine/ - preuzeto 26.10.2017