



ID card of forest plants sector in Pcinja and Jablanica district



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Introduction

Forest products sector in Pcinja and Jablanica region considered the traditional sector, which has its natural growth and development. The number of collecting centres, coolers, dryers and other forms of processing capacity in this sector is increasing just like demand for their products. This confirms the fact that an increasing number of foreign investors entering into such facilities.

Sector is divided into two groups: continuous production in which there are primary and secondary production and seasonal production. The primary consists of centres for the collection / coolers, dryers .. all kinds of fruit. There is approximately 30 centres per municipality in total 150 and they employ a total of 750 workers, while in the course of the season and that number increases to 4,000 employees. The secondary is comprised of large companies and exporters, their total number is 100 companies with 1500-2000 employees. Production is seasonal temporary workers by the total number of 3000, and workers that this additional activity they are about 10000-12000. The total number of employees in this sector is moving constantly from 5000 employees who need to add temporary employees 12000-15000.

Capacity for forest plants processing increased over the years but still not respond to existing market demands. Namely, at the end of 2009 in Pcinja district was registered 42 company for forest plant processing and in Jablanica district 49.

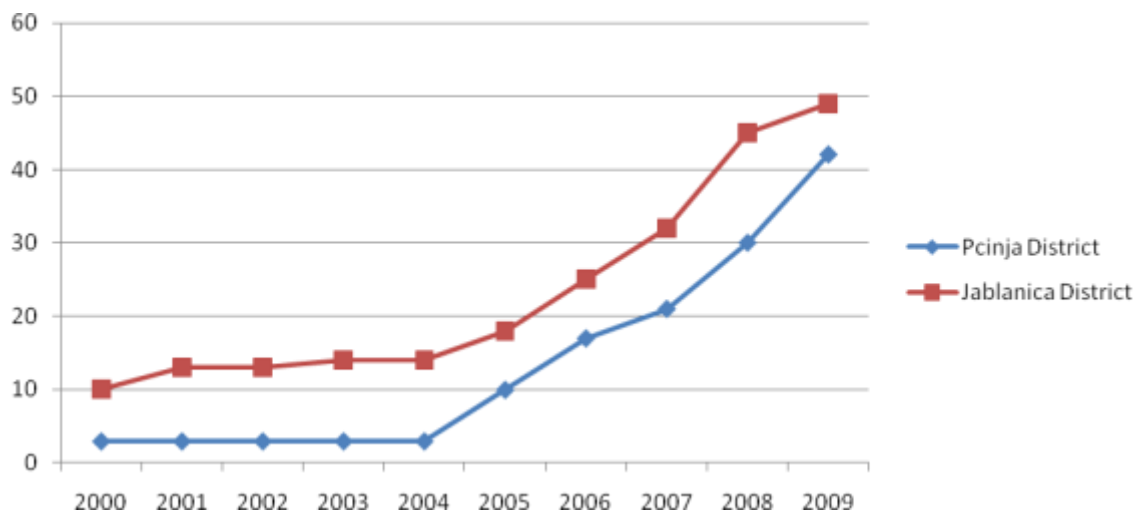


Chart 1: The growth trend of companies in forest plant processing in Pcinja and Jablanica district in the period 2000-2009.

The main products of this sector are:

- various types of mushrooms (boletus mushroom (*Boletus edulis*), chanterelle (*Cantharellus cibarius*), and black trumpet (*Craterellus*), and of cultivated mushrooms champignons (Button mushrooms) and their processing products.
- forest fruits (blueberry, blackberry, raspberry and rose hip) and their processing products.
- medicinal herbs (mint, chamomile, sage, yarrow, elder, primrose) and their processing products.

Mushrooms - the biggest part of products are fresh mushrooms. Producers sort, clean, pack and then sell fresh mushrooms to the end customers or process them into final products. The most important final products are: mushrooms in jar (boletus and chanterelle in special design packing), dried, frozen and mushrooms in brine.

Forest fruits - the biggest part of products are fresh fruit: blueberry, blackberry, raspberry and rose hip. Apart from being used fresh those fruits can be used dry and processed into wine, brandy, jam, various types of juice, cakes, compote, marmalade, tea and other groceries.

Medicinal herbs - Herbs sold fresh, dried and processed into tea. They are mostly exported in bulk and in pack in small series (tea). Higher stages of processing these herbs, such as the production of extracts, tinctures and essential oil, are not present in this region.

Description of PLA (Participative Learning for Action)

Participatory approaches offer a creative approach to investigating issues of concern to poor people, and to planning, implementing, and evaluating development activities. They challenge prevailing biases and preconceptions about people's knowledge. The methods used range from visualisation, to interviewing and group work. The common theme is the promotion of interactive learning, shared knowledge, and flexible, yet structured analysis. These methods have proven valuable in a wide range of sectors and situations.

The principles of PLA are determined by knowledge that communities can enter the development process only if it is initiated by themselves, or is possible to mobilise the community potential to help itself with the help of PLA facilitators/trainers to identify the current status and development potentials (PLA + members of the community facilitators or trainers).

The most important part of identifying the current situation is the awareness of community members about the situation and the way they understand it. According to the principles of the PLA this awareness is fundamental for work on development.

Explanation of PLA

PLA - Participative Learning for Action was determined by three key terms:

- 1. Participation**
- 2. Learning**
- 3. Action**

PARTICIPATION - implies that the members of the community and the PLA supporters must be active participants in the development process, It should be noted that the key members are the community. Their tables of values, ideas for improving their own situations, biases, hopes, fears, resources and needs are basic and starting point for entry into the development process. They bear all the consequences of its actions to improve, whether positive or negative, so it is their responsibility. Participation of the PLA supporters means participation in the community by adjusting of their system of thinking and action to community system of thinking and acting. Only from this position it is possible to support the initiation of the development process and this means the process of intensive discussion.

LEARNING - involves introducing a new "information" in system of thinking and action, theory and practice, which is placed in that system, connecting that information with other parts of the whole system and making after that structure becomes different. When it is intended to improve the complex situation, such as the living conditions of people, where there are no obvious solutions, it is essential that people who have been affected by difficult living conditions go step by step through learning process.

ACTION - in terms of achieving concrete improvements in the basic and final characteristic of learning. Therefore, the discussion process in situational analysis and planning should be aimed at concrete results within a reasonable period of time. Model of action and support must come from the cycle of learning and the result of the conclusion of the participants, but also supported by the PLA supporters, that is, the organisation they represent.

TOOLS OF PLA METHODOLOGY

PLA methodology applied in the forest products sector, in Pcinja and Jablanica district includes two steps:

1st step: current situation analysis in forest plant sector

2nd step: planning

In both steps are applied different tools of PLA methodology: PRA tools and planning tools.

Tools for the situational analysis and PRA means

Listed tools are used to help community members to systematically and comprehensively analyse their situation. Each tool individually highlights the different aspects of community life systems (agricultural, economic and socio-cultural). The results of their application, therefore, situation analysis, serve as the basis for creating options to improve decision making and action. Use of PRA tools and analysis of these applications take place in the discussion process with the community. Community members with the support of the PLA facilitators need to link up all obtained information in the entirety of which adequately describes their situation.

PRESENTATION OF THE SITUATION IN THE FOREST PLANT SECTORY: With this tool members of the community start a discussion process aimed at situation analysis, as a step in the development process, primarily by identifying the potential and problems of the community.

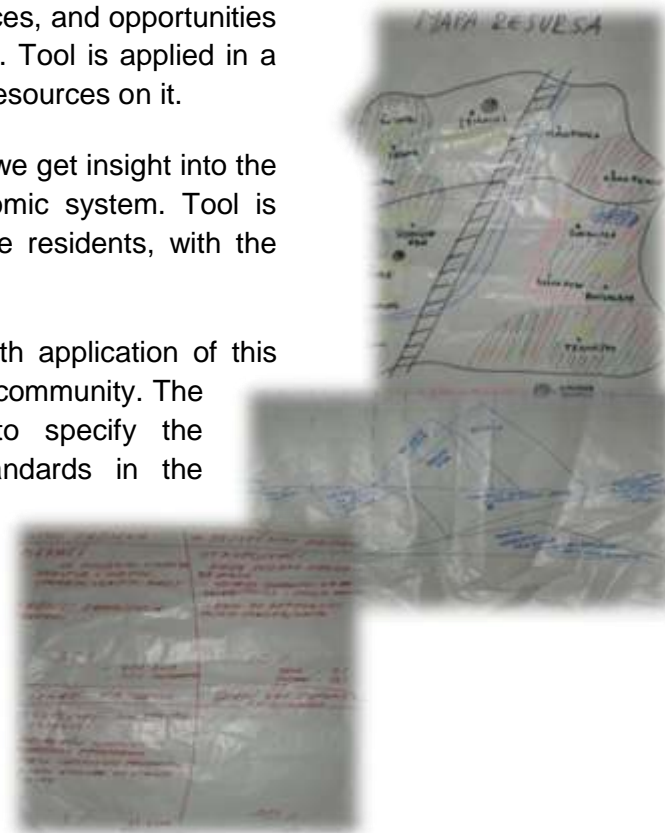
TIME LINE: The use of this tool allows you to understand the current situation gaining insight into the past, i.e. last successful and unsuccessful attempts to change situations and events that are directly or indirectly caused the current situation. Tool is applied in a small group composed of senior members of the community.



MAP OF RESOURCES: By using this tool we get insight into that community members have over their potentials, particularly resources, and opportunities to exploit them in order to improve the living condition. Tool is applied in a small group which is left to draw maps and marking of resources on it.

SEASONAL CALENDAR: With application of this tool we get insight into the agricultural system of the community and the economic system. Tool is applied in a group made up of agricultural and active residents, with the broad range of agricultural activities during the year.

CATEGORIZATION BY STANDARD OF LIVING: With application of this tool we get insight into the socio-cultural system of the community. The aim is to cover all household categories and to specify the characteristics of different categories of living standards in the community they are viewed as participants in the work. Tool is applied in a group.



Planning

Planning is the next step after completing the analysis of the situation and one step in the learning cycle. The most important tool that is used in this step of PLA methodology is the creation of options of what need to done to improve the situation.

Creating options for improving the situation: Creating option is directed towards obtaining an idea of what can be done to improve the situation, so it is a process of awakening ideas. This instrument applies to the information that we gained by applying PRA tools. In this stage feasibility should not be taken into account, because even silly ideas have the potential to lead towards situation change.

To maintain a clear view, the options must be constructed on the basis of their performance capabilities:

1. **can solve problems by themselves**
2. **Can solve problems with little help by outside**
3. **Can solve the problems exclusively with help**

Result of PLA methodology

Presenting situation in forest plant sector



Presenting situation in forest plant sector - explanation of visualisation

Problems	Potentials
<ul style="list-style-type: none"> ● Lack of field information ● Competition from neighbourhood countries ● Higher costs in the beginning of season ● Unskilled collectors ● Inadequate packing ● High cost of production ● Lack of new technology ● Lack of communication between collectors and processors ● Poor time coordination during the harvest period ● Lack of managing skills in production ● Lack of knowledge on types of goods by the relevant state institutions ● Lack of advisory services ● Lack of storage ● Lack of current assets ● Communication between collectors, buying centre and government ● Special export permission 	<ul style="list-style-type: none"> ● Good geographic position ● Diversity of forest plants ● Uncultivated forest plants ● Cheap labour ● Utilization of additional funds ● Large number of unemployed people who can be involved in this sector ● Product cultivation ● Value added products ● Unpolluted and uncultivated land ● Protection of geographic origin ● Synergy with other SDC projects ● Forming of information centre

This tool is applied to a larger group involving a 24 representatives. Presentation of the situation in the forest products sector is used as the first in a series of tools for the situational analysis (PRA), because it allows us to gain insight into the manner in which representatives of the sectors see their situation, problems and potentials that are considered important and gives us a general framework for the implementation of other PRA tools.

As the primary potentials of forest plants sector representatives of forest plants sector mentioned:

South Serbia region is a hilly and mountainous area with a lot of meadows and pastures, characterized by very luxuriant vegetation. It has moderate continental climate which greatly affects a distribution of flora and fauna. The environment is still unpolluted which certainly has a positive impact on the quality of plant species. About thirty species of flora and fauna grow only in these two districts.

One of the comparative advantage of this area is high quality of forest plants, which is a result of ecological environment where this plants grow (climate, soil) and ecologically safe technological processing which is better comparing with other countries (Bulgaria, Russia, Romania)¹

Beside quality, geographical conditions and significant number of specific species Serbia has cheap labour, low raw material prices and low processing costs

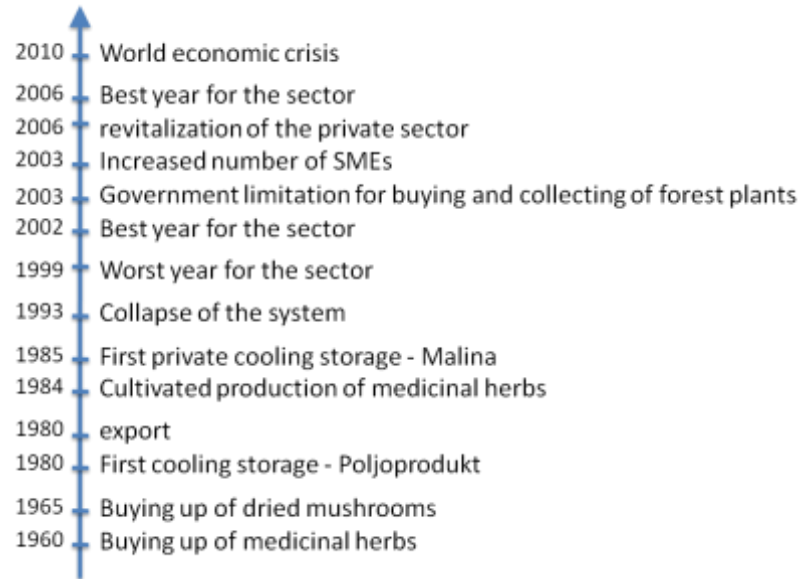
¹ Marketing of non-wood forest products, Faculty of forestry Journal , Belgrade, 2009

This sector is export oriented. Some of the company export the biggest part of their production. The biggest percent (80-90%) of this product producers sell fresh, without added value. The price of fresh product is lower several times than price of final products, and income is lower, also. If production of final forest plant products (value added products) increased that will be create conditions for increasing income and employment in this sector.

Namely, production of value added products requires some specific technological processes which give the opportunity to engagement of highly skilled and low skilled workers (depending on the degree of processing). Nevertheless, some of the processing stage are linked with other sectors (transport - specific conditions for forest plants transportation because this products are very perishable(have a short shelf life), production of packaging - glass and plastic packaging of different weight...).

As result of this connection, increasing of value added products production in forest plants sector will have positive effects on the other sectors in Pcinja and Jablanica district. This positive effects will be reflected in most of the increase of income and employment in whole regions

Time line - explanation of visualisation



Timeline PLA as a tool, enables us to gain insight into past of forest plants sector and the sectors development through history. Allows us to have insight into the changes that have occurred in the sector, while at the same time points out the causes of the current state (positive and negative) and the causes of the situation in the past. We can say, that enables us to understand the current situation in the sector given an insight into the past, illuminating, except for cause, the successful and unsuccessful attempts to improve the situation.

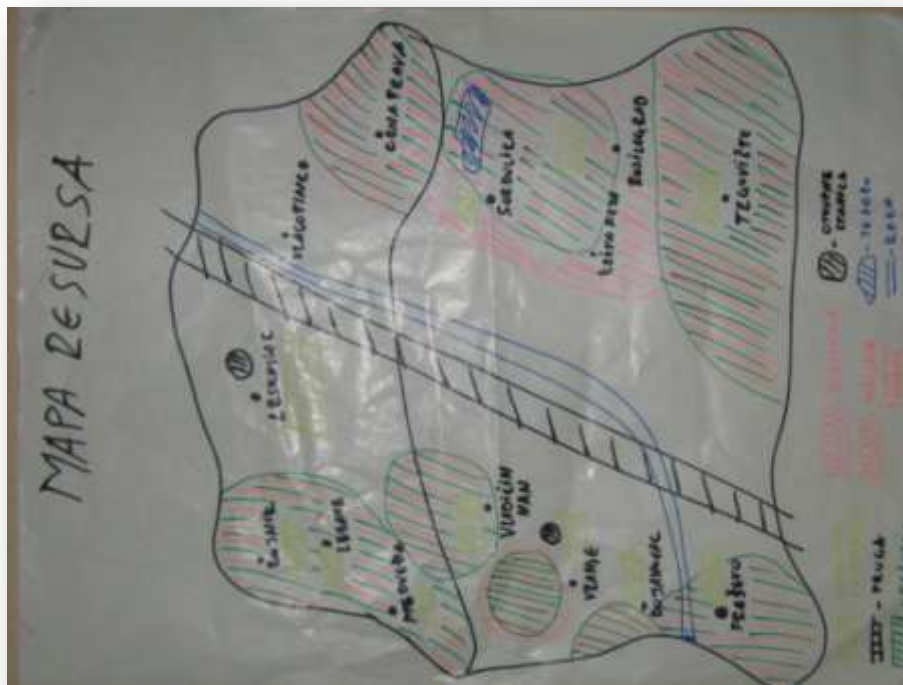
Based on the performed analysis the group found that the sector has a long tradition. Since ages the people have gathered the plants for their own needs while organized purchase started in the sixties. Processing of forest products began eighties with the opening of the first social enterprise for the processing of forest products Poljoproduct Ltd.. During this period, all amounts of manufactured products are exported to the international market, primarily in Italy and Germany.

This sector fall in crisis during the period of sanctions in the nineties, when the big enterprises experienced a crash, and the conditions for harvesting and purchasing of forest products was not regulated. It takes a certain length of time for recovery of the sector. Investments started in 2003 when the sector start to recover.

The state began encouraging the purchase and processing of forest products by approving grants and soft loans through the Ministry of Economy and Ministry of Agriculture. Since 2003. state limits the amount that can be bought out in order to protect specific species of flora and fauna.

In 2003. and 2006. this sector has achieved the highest annual income while the lowest was in 1999. as a consequence of the bombing and in 2010 as the consequence of global economic crisis

MAP OF RESOURCES - VISUALISATION

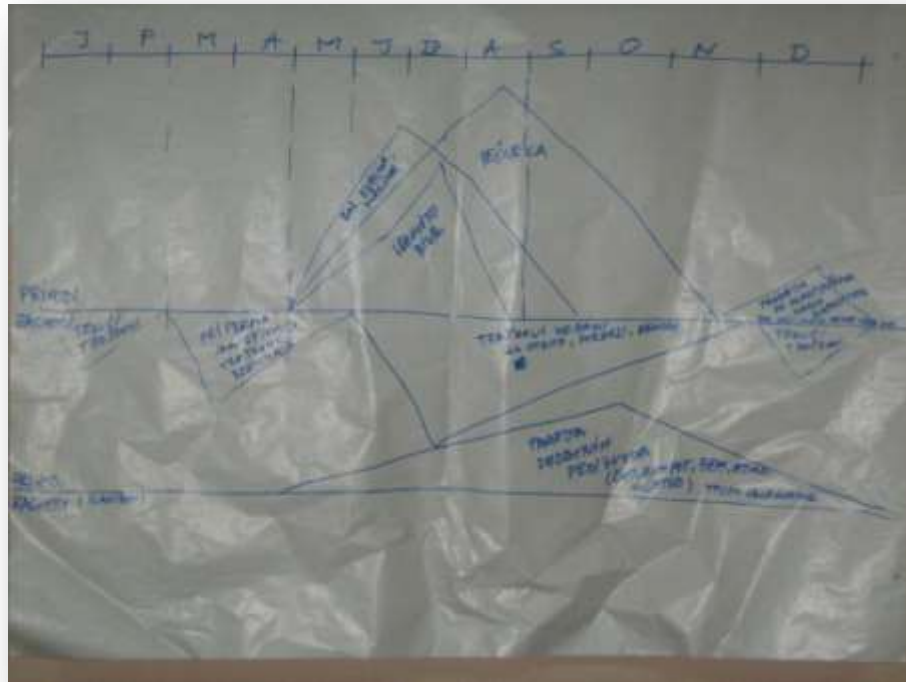


Map of resources - explanation of visualisation

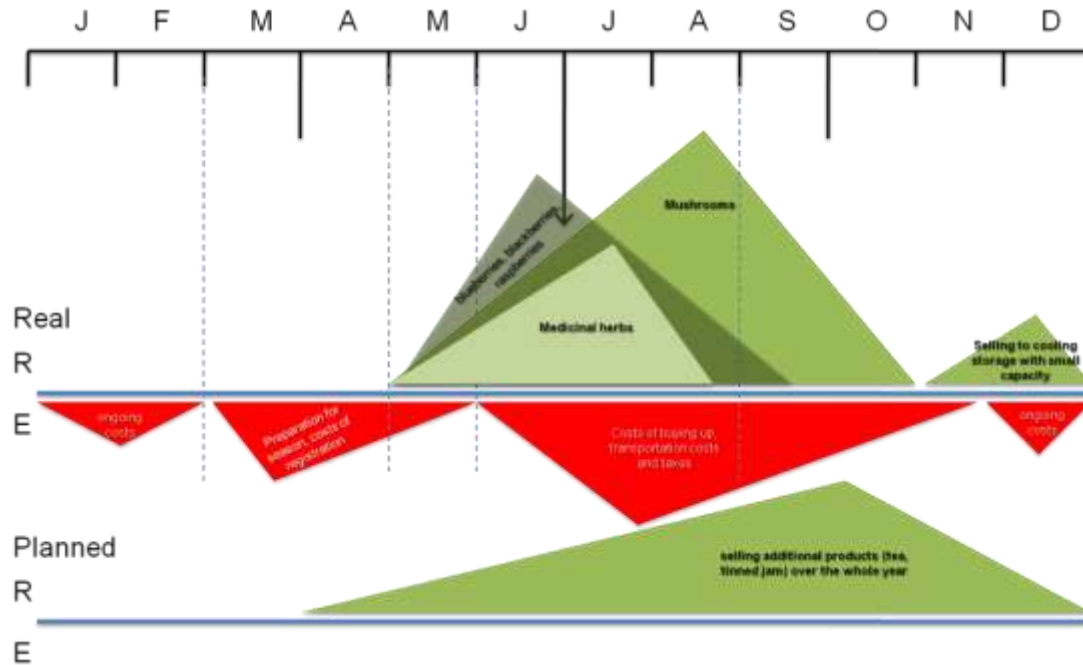
Participants of the workshop began with marking places on a map with areas under the mushrooms that are in their words, most are found in mountainous areas where is the largest is around Trgoviste, but there are of course in other areas around Presevo, Bujanovac, Vranje, Surdulica, Medvedja Vladicin Han, Lebane and Bojnik.

Regarding the raspberries they, like mushrooms can be found in the same areas, while the blueberries can be found only in an area that extends from Crna Trava on the north to the Bosilegrad on the south. The lack of large buying centres and existence of the same only in Vladicin Han and Leskovac leads to inability to keep a larger amount of fresh products so the collectors and smaller buyers forced to sell the same immediately. Regarding the processing capacity they can be found almost everywhere but they are with small capacity

SEASONAL CHARACTER - VISUALISATION



Seasonal character - explanation of visualisation



The results of the working group responsible for developing seasonal calendar noted that highest income regarding raspberries, blackberries, blueberries is in period from May to September, regarding mushrooms from May to November, and regarding the medicinal herbs from May and April. Regarding the costs there is constant costs throughout the year and they related to taxes, contributions, equipment maintenance, while the highest costs is in the period from May to November and overlaps with the period of highest income. There is additional income in the period from November to December from the sale of goods that are refrigerated

Seasonal character is one of the important characteristics of forest products sub-sectors and the whole of agriculture. Products are not available throughout the whole year but only within a certain period or season. Thus, the forest products sector season lasts from April to November. Out of season, most manufacturers in the Pcinja and Jablanica district does not perform processing of forest products, even not working primarily because of the lack of own storage facilities.

During the PLA workshop most producers from the Pcinja district noted that the maximum they can process is 30 tons of forest products (limited by storage space) and that there is a need for larger quantities. They also noted that several large companies that have failed in the nineties from Pcinja district, has a significant capacity refrigerators that if few small producers join together can rent at reasonable prices but this does not happen because of poor communication between them.

The activities should be focused on improving communication and building trust between the processors of forest plant products and between all participants in the value chain, spreading information on new technologies of processing, storage and packaging products to make them available throughout the year, the transport condition because this is a perishable products.

Overcoming the seasonal character have positive effects on income and employment. Namely, in the season prices of fresh products and their derivatives is several times lower than their price out of season.

By providing conditions for the processing of forest products throughout the year will create conditions for engagement of workers throughout the year, primarily women.

CATEGORISATION ACCORDING TO THE STANDARD OF LIVING - VISUALISATION

<p>NPOD PROSEKA</p> <p>BERAČI</p> <ul style="list-style-type: none"> - NE POSREDAJU NIJAKIM SREDSTVA I GORETNE (MORAJU VLASTITI KAD) <p>RADNICI ZANOSCIENIM PRERADI</p>	<p>SA PROSECNIM PRIHODOM</p> <p>OTKUPUJIVAČI</p> <ul style="list-style-type: none"> - RADI SVOJIM NADUCEN ZA OTKUP - NEMAJU ODPREMU ZA SVO SKLADISTENJE I DRUGI RIZIKO - RADI PO INSTRUKCIZI VEKIN OTKUPUJIVAČA
<p>IZNAD PROSEKA</p> <p>OTKUPUJIVAČI NA VEKINE I KUOVNICI</p> <ul style="list-style-type: none"> - RASPOLAŽU SOSTAVNIM SKLADISTNIM PROSTOROM - IMAJU SASTAVENU PRERADU I KUVU 	<p>BERAČI KRO DOPUNJKO ZAPUJIVANJE</p>
<p>35%</p> <ul style="list-style-type: none"> - 70% žena - 50% muškarci 	<p>30%</p> <ul style="list-style-type: none"> - 2% žena - 98% muškarci
<p>5%</p> <ul style="list-style-type: none"> - 5% žena - 95% muškarci 	<p>30%</p> <ul style="list-style-type: none"> - 60% žena - 40% muškarci

Categorisation according to the standard of living - explanation of visualisation

Below average income	Average income
<p>Pickers</p> <ul style="list-style-type: none"> - No current assets - No equipment - Selling own work <p>People working in production</p> <p>35%</p> <p>70% women 30% men</p>	<p>Buyers</p> <ul style="list-style-type: none"> - Work with their own money - Lack of storage equipment and processing - Instruction from large buyers <p>30%</p> <p>2% women 98% men</p>
Above average income	Picker as additional source of income
<p>Wholesalers and exporters</p> <ul style="list-style-type: none"> - Owns storage space - Have processing capacity - Export licences <p>5%</p> <p>5% women 95% men</p>	<p>People who using this profession to earn additional income.</p> <p>30%</p> <p>60% women 40% men</p>

Conclusion of the group is that most of people are in the group below average (35%) and they are mostly pickers and workers in the processing of which 70% are women. They are in a bad position because they do not have any resources and equipment and that they earn only from the sale of their own work.

In the group with average income (30%) consists small buyers who usually work with their own money for the purchase, also do not have the equipment for storage and processing and work solely on the instructions from large buyers. In this group is a very small percentage of women, only 2%.

In the group above the average are the wholesalers and exporters (5%) in which are women represented only 5%. They have their own storage space, have their own processing and have a license to purchase and export.

The last group is picker as additional source of income (30%) and it includes all people who use this profession to reach additional income. In this group women has a large share (60%).

CREATING OPTIONS FOR IMPROVEMENT (planning tool) - VISUALISATION



CREATING OPTIONS FOR IMPROVEMENT (planning tool)-explanation of visualisation

Our self	With help	Exclusively with help
Lack of field information	Unskilled collectors	Lack of knowledge on types of goods
Lack of field information	Unskilled collectors	Lack of knowledge on types of goods
Lack of field information	Unskilled collectors	Lack of knowledge on types of goods
	Unskilled collectors	Lack of knowledge on types of goods
	Unskilled collectors	
	Unskilled collectors	
	Unskilled collectors	
	Unskilled collectors	
	Unskilled collectors	

Our self: Representatives of forest plants can solve our self the problem with lack of information and problem connecting with competition from neighbourhood countries. Also, they can solve our self, the problem connecting with high cost at the beginning of the season. The price of processing forest plants in neighbourhood countries is lower than price of products in Serbia. They said that the price of final products can be reduced either by reducing processing costs, transportation costs, reduce waste and improve the managing of companies.

With help: Representatives of forest plants can solve just one part of problems classified in this sectors (using own funds) but they need help, financial and professional, to solve whole problems. Problems which they identified in the situational analysis(lack of current assets, lack of communication between collectors and processors, lack of managing skills in production, poor time coordination during the harvest period), they can solve in the near future using their own resources and financial and professional help from other organizations. Basically they recognized need for professional help, especially for education and business networking.

Exclusively with help: In this category are classified problems for which solution representatives of forest plant sector cannot solve alone. At the regional level there is no institution or agency engaged in support of this sector. For example, completely underestimated the role of extensive services. In the process of enterprise management are left to themselves. There are few services in the field of quality control, almost no one follows the rules of procedures of obtaining permits to work with forest plants, as well as procedures for export.

Every year Serbian government, through the Ministry of Environment and Spatial Planning issues a decree which controls the use and trade of wild flora and fauna. Namely, the government opens competitions for issuing permits for collecting endangered species of wild flora, fauna and mushrooms, and an integral part of the competition is the defined quantities of wild species which can be collected, as well as the ratio of fresh and dry fruit quantities. For this permit is necessary to pay the money and no one guarantees that you will pick and sell the specified amount of forest plants in the permit.

Lack of communication between collectors, buying centres and government is a big problem in this sector. Namely, collectors have no information what type of fruit in the market requires. Processors have no information from public institutions about taxes, subsidies, benefits that the manufacturer could not fulfill the state. They have no information from collectors about availability of forest plants, type of forest plants which currently is the most in the region and other.

Conclusion

The Sector has great potential for growth primarily due to favourable geographic location, favourable climate and available natural resources (a significant number of registered plant and animal species). Good basis for development is the possibility of extending the product range and increase production of products with added value. Specifically, the manufacturing value added requires certain technological processes that allow engagement of additional highly skilled and low skilled workers (depending on the level processing) having a positive effect on employment and income in this sector. Increasing income is subject to change in product price, since prices of products with added value is several times higher than the price of fresh, not processed products. In addition, increased production of value added products have positive effects on related sectors - transport, manufacture packaging and packaging (glass and plastic packaging of different weight) and others, primarily through increased employment and income. In this way they achieve positive impacts on the entire region and not only on sectors and individual businesses.

All this findings are in line with analysis of forest plant sector. Even more the results of workshop just confirmed our research.