

Presentation and Suggestion for Placement of Goat-Milk Products

UDC: 338.439.5:339.13.017(497.11) ; 339.13:637.1(497.11)
DOI: 10.7595/management.fon.2011.0001

The basic orientation of future development in agriculture and food industry in Serbia is in the utilization and preservation of available production capacities, an increased volume of agricultural production, and modifications of production structure towards intensive productions, the production of high final and high-quality products. Goat milk and goat cheese occupy a significant position in the production of quality food in dairy industry. In our country, due to a large number of hilly and mountainous land, the potentials for the development of goat products industry are considerable, where a significant place is given to the production of white goat cheese.

Keywords: goat milk, goat cheese, production, market

1. Market presentation

Food production, alimentary security of the country, production of raw materials (other branches), exchange with the world, social, demographic and other aspects are determining, among other things, diverse importance of agro industry in the socio-economic development of Serbia. Agricultural activity, according to the available significant natural and human resources, and the achieved level of production and processing, is one of the most important economic activities in Serbia.

Trends and directions in agriculture marketing in our country are based on the following directions:

- replacement of production and sales concepts with the concept of marketing, both for large systems of food production, and for individual farmers,
- what is important, as in developed countries, along with the marketing concept, the application of the concept of social marketing in order to protect consumers and environment
- following the experiences of developed countries.

With a general trend of food products consumption, the demand for dairy products will grow. Low and middle level of income of the population generates an increasing size of demand; mature product markets stimulate demand in several phases of processing in order to meet specific requirements.

France is the country with the highest production, consumption, and assortment of goat milk cheeses. On the Balkans, the processing of goat milk cheeses is also present, with white cheese in brine having an important role. The average consumption of all types and cheese categories in the European countries is 11.2 pounds. Compared to other world regions, Europe achieves the highest consumption of cheese per capita per year. By far the lowest consumption is achieved by consumers in Asia, where the same average is less than one pound per year (FAO, 2006). The average world consumption is also relatively low with amounts less than three pounds per year.

On the regional level, there are significant differences in the level of realized consumption. In the countries of Western Europe, the average consumption is 16.9 pounds, with a growing tendency at a rate of 1.83% per year. At the same time, in the countries of Eastern Europe, consumption is at a considerably lower level, 7.5 pounds on average. The largest European consumer of cheese is Greece, with an average consumption of 25.4 kilograms per capita per year.

The large consumption is recorded in France, Italy, Netherlands and Austria. These are the countries with high domestic production, developed dairy industry and with a wide assortment of cheeses on the market.

The above-mentioned countries have in reviewed period achieved the tendency of growing cheese consumption. The largest European consumers also represent the largest cheese manufacturers; where high offer i.e. assortment of production has an effect on consumption. It is estimated that France produces over 400 types of cheese. For centuries France is famous for producing high quality types of cheeses. The biggest manufacturers are corporations "Besnier," "Bongreen", etc.

Table 1. - The largest European cheese consumers (kg. per citizen), 1996–2003.¹

Country	Average	Rate of alteration %
Greece	25.4	-0.7
France	23.4	1.8
Italy	21.3	2.4
The Netherlands	19.4	0.7
Austria	19.2	3.4

Of the total of 38 analyzed European countries, the tendency of increase in consumption resulted in the highest number, i.e. 31 countries. The most intensive increase in consumer consumption is achieved in Ukraine, at a rate of 12.3% per year. The other seven countries in the reviewed period saw a tendency of cheese consumption decrease (Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Greece, Serbia and Montenegro and Romania). The most intensive decrease in the consumption is evidenced in Bulgaria (the rate of 11.49%). In the following period, the quality of cheese will come to the foreground in order to meet the requirements of the most demanding customers (cheese with protected origin, with the part of human labor, "handmade", etc.). A whole range of factors affected the realized level of consumption, the factors being of both economic and non-economic nature.

Well-known brands of cheese are as follows: Italy: "Gorgonzola" - semi-hard cheese, "Ricotta" - soft cheese, "Bel Paese - semi-hard cheese" Mozzarella " - soft cheese" Parmesan " - hard cheese, the Netherlands: "Gouda" - semi-hard cheese "Edam" - semi-hard cheese, France: "Cambozola" - soft cheese, "Gervais" - fresh cheese, "Camembert" - soft cheese with mold, "Roquefort" - soft cheese, German: "Tilsin" - semi-hard cheese, Greece: "Feta" - soft cheese, Belgium: "Romadour" - soft cheese, Great Britain: "Cheddar" - hard cheese, Switzerland: "Emmentaler" - hard cheese, "Gruyere" - hard cheese, etc.

According to the level of cheese consumption, all European countries can be classified into several categories, or interval groups: In the first group, with the lowest consumption, under five pounds, are: Albania, Bosnia and Herzegovina, Latvia, Macedonia, Romania, Moldova, the Russian Federation and Ukraine. They make 34.5% of the European population. They are characterized by a relatively low life standard, which affects the cheese consumption. In the consumption interval of five to ten pounds, there are: Bulgaria, Croatia, Estonia, Hungary, Ireland, Lithuania, Portugal, Slovakia, Slovenia, Spain, Great Britain and Serbia. They make 20.7% of the European population. There is surprisingly relatively low consumption in the UK, given the high of income level and the existing offer of domestic and imported cheeses on the market. In the consumption interval of 10 to 15 pounds, there are: Belgium, Luxembourg, Czech Republic, Finland, Iceland, Malta and Poland. They make 8.4% of the total European population. The highest consumption, which is over 15 pounds, is in: Austria, Denmark, France, Germany, Greece, Italy, Netherlands, Norway, Sweden, Switzerland and they make the most numerous part of the European population, 36.4%. They are characterized by high income level and various market offers, and as well as by tradition and habit of cheese consumption.

1.1. Serbia and neighbouring countries

1.1.1. The Republic of Serbia

With the consumption level of 8.9 kilograms of cheese, which is more than two pounds less than the European average, our country occupies the 20th position in Europe. During the reviewing period, the consumption of cheese decreased, at an average rate of 3.9% per year.

¹ www.fao.org

Table 2 – Cheese consumption in the Republic of Serbia, average 1997-2003

Territory	Kilogram	Rate of alteration %	CV,%
Serbia	8.9	-3.9	7.5
Central Serbia	10.5	-2.5	9.7
Vojvodina	5.0	-3.2	7.3

In the structure of cheese consumption, the dominant are so –called “soft” cheeses, and the portion of “hard” cheeses, i.e. cheeses with higher dry matter content, is significantly lower. This is conditioned, first of all, by the high level of the retail price. The consumer in this country, with an average monthly income managed to purchase about 40 pounds per month the hard cheese (Trappist, etc.) in the year 2005, which is far less compared to consumers in developed countries. Based on consumption surveys conducted in Novi Sad and Zrenjanin, out of 100 respondents (2006), three-quarters find the price of hard cheeses (Trappist) relatively high compared to the current life standard of consumers. It represents a limiting factor to further increase. The consumers with the lowest income are particularly vulnerable to high price.

In the following period, it is necessary to undertake significant steps towards improvement of the cheese quality, assortment expansion, and the implementation of appropriate marketing activities, improved packaging and packing material. It is necessary for the Ministry of Health of Serbia to foster the consumption of this essential food with appropriate activities.

The past decade brought remarkable changes in the attitudes about rearing goats, in an increased interest in the more intensive types of breeding goats especially in individual households, but it is not yet sufficiently apprehended or well-covered. The growing interest in goat breeding has led to goat demand, especially highly productive goats, because a large number of interested parties want to apply for a more intensive system of rearing goats. However, lack of quality breeding goats in Serbia today results in interested parties beginning the production with a small number of goats. Apart from this, in practice, a problem occurs when the needs of breeding goats are identified with food, accommodation, equipment which is incorrect. In food production, this is often recognized as a consequence of the “modesty” of goats, resulting in identifying dietary needs with the needs of sheep. Although there are many similarities in the accommodation facilities and equipment, certain differences must be accounted for. This concept leads to negative consequences, and lower production, especially when it comes to high dairy goat breeds.

The process of reconstruction of rural agricultural production into farm model (market-commodity) form is completed in many countries, and some are still in progress. In this country, including the region of Čacak, these processes are still in the beginning phase; farms gradually disappear, allowing commercial types of economy to step in. The process is slow, not only by its nature, but also for indecision of competent state bodies in taking the necessary economic and other measures to accelerate the process. However, the overall reconstruction of current rural type agriculture organization (and household) is inevitable, because without economic stabilization, not only agriculture but also the overall economy is not possible. In this area, households oriented on dairy cattle breeding and milk production will have a special place.

The Republic of Serbia, although with favorable conditions for goat breeding (geographical location, relief, soil composition, flora, people and life standard) is deficient in goat meat, milk, milk and dairy products, especially when it comes to high dairy goat breeds.

Erceg family company is the producer of goat’s cheese in this country. The company owns a farm of over one hundred goats and as many young ones, and owns an official certificate of the Faculty of Agriculture of Novi Sad for the production of the best goat cheese in Serbia. Currently, their production is based on three types of cheese - Trappist, butter and slices, and it is made in the traditional way, with proven popular recipes from the area of Podgrmeč, where they are from. The sale goes without difficulties, as they have regular customers from Belgrade where, and according to purchase orders, they could place a larger quantity of products in comparison with the current situation. This country has excellent but unexploited opportunities for goat breeding production. In general, livestock in the country is not valued, although in this industry, we could be at the European top. We have fertile soil, favourable climate, market, people who can and are will-

ing to work; with necessary state government plan for a long term strategy of cattle breeding development, as this is the most important part in the entire food chain production.

Racković family from Ljubić near Čačak opted for goat farming and goat cheese production. They started with the parent flock of 50, and today there are more than 200 goats on a goat farm "Ljubica". A newly built facility of 1,000 square meters can house 600 heads, and the increase in production from the current 15,000 to about 400,000 litres of milk per year is included in a three-year plan. The production of three types of cheese, by Racković goat's milk is of the supreme quality according to all analyses and controls of the Veterinary Institute in Kraljevo. In addition to the standard soft cheese, they also produce the hard cheese based on the French technology, and both types are packed topped with olive oil.

The Niš dairy plant was founded as a small city dairy with the UNICEF funds in 1957. The introduction of new equipment and technological procedures, with purchasing of new trucks for transportation of raw milk and transport of finished products, the Niš dairy ranges among the top industrial milk producers in Serbia. The range of products includes pasteurized and sterilized milk, sour milk products, soft, semi-hard, hard, cheese paste and butter. Packing and the sale of milk powder and whey powder are also included.

Continued market prosperity is continually achieved due to the standardized good quality of products, to new design and package, and due to following the modern trends in order to meet the highest standards of customers.

The process of implementation of the HACCP certificate and Quality ISO standard system is intensified.

In the following period, the "AD Nis dairy plant" will work to increase the production and product quality and introduce modern methods of sale and distribution of products in order to satisfy customer's needs and the modern consumer.

CARP Ltd. from Novi Sad, in addition of freshwater fish breeding, primarily carp in open water, is also engaged in farming of top-level breeding goats of Sana and Alpine race, in a cage system, on the farm "Amaltea" in Bac. Farm "Amaltea" was established five years ago. The milking period lasts about 280 days. The milk yield per annum on the farm "Amaltea" is as follows:

- In the first lactation: 700 to 800 litres, which is in the period of milkiness, from 3 to 4 litres daily
- In II, III and IV lactation: 1,000 to 1,500 litres, which is 5 to 10 litres daily.

The goat farm "Amaltea" has a dairy as well. They produce, among other things, fermented sour milk drink with probiotic bacteria.

Another economy object was opened in Indjija, with investment value of 80 million dinars. The modern plant for goat milk and dairy products processing is opened within the private company Selekt gas.

For the investment of worth close to 80 million dinars the Provincial Secretariat of Science and Technological Development has allocated 35 million dinars. Particularly, in order to realize a more dynamic economic development of Vojvodina based on the implementation of the new technologies, the Executive Council of Vojvodina started, since last year, to invest into the projects which will, within their realization, open modern plants related to new materials and new technologies. This is the only plant for of goat's milk production in Vojvodina and probably in Serbia that has been operating in collaboration with the experts of the Agricultural Faculty in Novi Sad, the Institute of Oncology in Sremska Kamenica and Italian partners.

The production of raw milk with the hygienic quality is an important component of modern dairy industry, and involvement of Serbian dairy industry in the contemporary trends includes the compliance with the EU regulations. The Indjija Company can be commended with the exceptional quality of raw milk, which is significantly above the quality of raw milk required by the EU standards.

"Ekomil Ltd." is a family business founded in 1999. year. It consists of two business units: Ekomil Production and Ekomil Shop.

Ekomil Production manufactures many types of cheese that are of a very good quality, distinctive taste, colour and aroma. Cheese with the excellent quality also found the customers outside the European conti-

ment. The production is certified according to the current standards in order to measure the quality of the production process and the product itself.

The private dairy "Podgora" from the village Podgorac, near Boljevac, presented new products from goat's milk, with the sour cream and pepper in sour cream primarily.

On Timocka Krajina and Pomoravlje dining tables, there are also other, latest products of "Podgora" which will most likely be registered as a trademark, and those products are rolled and smoked cheese, goat milk and goat cheese from the slopes of Rtanj and Kriv vir, as well as hard cheese from goat milk.

The production of diet yogurt and extra sour milk for the elderly also started. Their top technologists are using only the milk from the village of Juzni Kučaj, Rtanj and Homolje. They bought the latest equipment from the West, so they will not be intimidated by any domestic or foreign competition.

New pilot-products from the largest private dairy in Eastern Serbia will be soon presented to the market of Niš and Belgrade.

Serbia has great advantages for the production of goat cheese, of which are important: foreign investments in the dairy industry, powerful existing capacities for processing; good conditions for cheese production; economically competitive production of bulk food; consumers prefer locally produced dairy products; regionally known types of cheese; available workforce according to the competitive price; traditional cheese production; favorable climate conditions; currently profitable (the milk production can start immediately); potential for new jobs openings in the production segment; using the available pastures; professional services; agricultural institutes and faculties already exist, hence, their expertise assistance is also available.

In contrast to the benefits, Serbia has the following weaknesses in the production of goat cheese: traditions are reluctant to change, small farms and fragmented household, farmers do not have the knowledge of how to improve the practice, poor infrastructure (roads); poor quality of milk, poor sanitary conditions, low salaries and weak purchasing power, low milk yield by goats, old milking technology; processors lack the "know-how" skills, insufficient capacity of the cooling system (lactofreezers, warehouses, etc.) in some areas, milk collecting is not well organized; low level of product diversity; poor product formulation technology, lack of quality management systems; undefined legal status of the producers / farmers makes it difficult to obtain a loan; bad connection of professional services to agricultural producers and institutions; lack of solutions to improve the livestock production and breeding centers, and markets for the sale of livestock with improved genetics; lack of ISO-9001/HACCP certificates for manufacturers, which are provided by officially accredited organizations.

The major reasons which make the customer purchase products at a certain place are presented in the table below.

Table no. 3 – Purchase reasons

Reason	%
Proximity	53,0
Prices	16,4
Habit	15,4
Freshness	8,00
Kindness	7,2

Orientation of buyers to purchase in the objects within the area of residence is noticeable, which is logical given the nature of the product. Thus, a broad presence in retail outlets is a necessary prerequisite for market success. The price and habit ratio is also significant as a key factor.

Purchase decision is under the influence of many factors. Some of the main factors influencing the decision to purchase milk and dairy products are shown in the table below. The respondents evaluated the importance of each factor with scores from 1 to 5, where 1 is minimum and 5 is maximum.

Table no. 4. – Purchase factor²

Factor	Ocena
Healthy food	4,80
Quality	4,79
Availability	4,79
Duration period	4,53
Habit	4,51
Local product	4,32
Producers tradition	3,49
Price	3,00
Package	2,81
Exposure on shelves	2,27
Advertising	2,11
Promotion at the place of sales – posters, fridges	2,10
Discount sale	1,91

It can be noticed from this table that healthy food is a very important factor which affects the purchase, providing the opportunity for differentiation, with delivery of good quality and good market coverage.

Also, it is noticed that the promotion (in various forms) is an element of marketing that has a relatively low importance in purchase decision.

Quality is the one of the major determinants in purchase decisions. What makes the quality of milk and dairy products is the following:

Table no. 5. – Quality elements

Quality element	%
Taste	32,0
Aroma	22,0
Grease	16,2
Freshness	16,1
Duration period	8,8
Package	3,9
Product appearance	1,0

The customers' concern for their health and dedication to healthy food is especially shown in the following table, which shows that 93.6% of respondents prefer lactic sour beverages with a duration period up to 20 days, or products with less preservative or no preservatives.

Table br. 6. – Preference according to the duration period⁴

Statement	%
Preferred duration period up to 20 days	93,6
Preferred duration period above 20 days	4,0
Duration period is not important to me	2,4

² Own review³ Own review⁴ Own review

Manufacturers are not dictating the placement of products on the shelves, unless the manufacturer offers promotional refrigerators, for storing their products exclusively. The placement is determined by retailers themselves, which in small retail outlets, where there are no open refrigerated display cases, have a significant impact on the purchase decision. All retail outlets are equipped with cooling systems where all dairy products are mainly placed together. The placement of other products in refrigerators is also very present (meat products, etc.), along with milk and dairy products. This practice is particularly expressed in smaller stores, where up to 50% of space is occupied by other products.

Based on the information collected during the research, it can be concluded that the milk and dairy products are consumed by almost all members of households, regardless of the number of members and total household income.

The production and consumption is dominated by fresh consumption program. The consumption of yogurt and other beverages, cream, various cheeses and fruit yogurt varies from market to market.

Retail is a dominant sales channel for milk and milk products, except for fresh cheeses. Demand for products is directly determined and therefore creates the range of retailers. In addition to the demand, the decision for assortment production is influenced by other factors, such as goods delivery.

In the following period it is necessary to take significant steps towards improving the quality of cheese, assortment expanding, applying the appropriate marketing activities, improving the package and packaging. It is necessary for the Ministry of Health of Serbia to increase the consumption of this essential food with the appropriate activities.

The determining factors for the purchase decision and consumption of products are quality and healthy food, which enables the ability of differentiation to domestic producers.

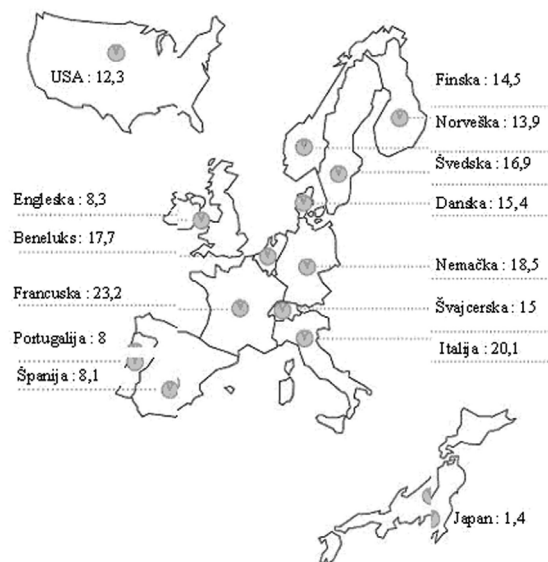
Domestic producers are generally evaluated as producers of high quality healthy products, at a lower price. In contrast to domestic producers, foreign producers have a wider assortment, better packaging, and promotion and they are constantly improving their assortment. On the basis of the review of the Serbian companies it can be established that the Serbian market is not saturated and that is in the phase of introduction of goat's milk products. The above stated experience of Serbian companies is providing an overview of the current situation and future development guidelines of the Serbian market. The situation on the Balkan market of goat cheese is similar.

1.2. France and the European Union countries

All Cheeses

Cheeses are important market in Europe and worldwide. The cheese market evidenced an important progress at the European plan, per capita consumption (kg / capita.), and is increased by 30% in the past 10 years.

France continues to be the leader despite of the existing disparities. The global production is 14.200.000 tons, Europe represents 1 / 3 of market with 5.7000.000 million tons of produced cheeses (France produces 1.000.000 tons, with 50% of cheese exported).



Graph no. 1. – Cheese consumption (kg/citizen)⁵

Cheeses represent 50% of French dairy products export, which represents 1.5 billion euro. This performance is explained by the increase in interest for the French national cheeses on a global level, identified by the taste drawn by French gastronomy and skills recognition.

Dairy products occupy the first place in the French household in consumption.

With 6.8 billion euro each year spent on purchase of dairy products, cheeses take the first place and represent 40% of consumption (7% of the consumer basket for food of French households). The consumption of cheese carries the image of good health, taste and easy access to products that justify the high frequency and percentage of consumers (96% of the French consume the cheese minimum once a week). Cheese is present at the end of two meals of three.

As for Greece, a quarter of cheese consumption is based on the Feta cheese and a quarter on pressed cheeses, mostly from imports.

Goat cheeses

Cheese production was stabilized in 2006. There was an increase by 6.6% in goat cheeses, and by 6.2% in sheep cheeses. Cow cheeses represent 92.1% of the market, goat cheeses 4.6% and sheep cheeses 3.2%. The World leader in the production of goat cheese is France with the amount of 100,000 tons produced in 2006, on dairies and farms.

As regards the production of goat's milk, France is the European and world leader in the production of goat milk with 562 million litres of goat milk produced in 2000.

France owns 6,000 manufacturers of goat milk, of which:

- 45% process the milk into goat cheeses on farms,
- 50% deliver the milk to factories which produce goat's cheeses,
- 5% process the milk on farms and deliver to factories that produce goat cheese.

⁵ www.fromagesdechevre.com



Graph no. 2. – The structure of goat cheese production in France⁶

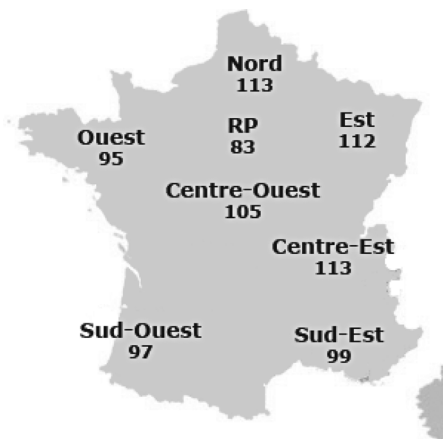
15% of goat cheeses produced in France are fresh goat cheese, 100% of goat milk. 80% are mature goat's cheeses, 100% of goat milk 5% are ½ goat cheeses (a mixture of various milk).

France is the first manufacturer of goat cheese in the world. More than 100.000 tons of goat cheese was produced in 2006, of which 86.000 tons in dairies and 15.000 tons on farms.

A large part of the production is consumed in France. As regards exporting, 12% of cheese is exported, mostly to the northern countries of Europe and to North America.

The consumption of cheese by regions in France is presented in the following map. The presented number is the indicator of consumption obtained based on the 100 base, which represents the state average.

- Indicator > 100: Consumption above the national average
- Indicator < 100: consumption below the national average



Graph no. 3. – Cheese consumption by regions in France⁷

Outlets in 2006, represents 77.9% of sales in supermarkets, hypermarkets with 18.9%, “hard-discount” and 3.2% in self-service markets, traditional shops and other sale channels.

In order to establish the guidelines for communication for the future marketing campaign, the ANICAP (Association nationale interprofessionnelle caprine = National association of goat-breeding professionals) hired the agency “Repères” for the study of habits and behavior of the French in terms of goat cheese. The Agency conducted a survey with a questionnaire on a sample of 600 consumers of goat cheese, aged above 20 years, representative for the French population. The survey was conducted in December 2000. The most important results of this study are:

⁶ www.maison-du-lait.com

⁷ www.lactalis.fr

a - Comparison with other categories of cheese: In respect to market penetration within the last 12 months, in parallel to other types of cheeses, goat cheeses occupy the fourth place with a percentage of 81% after the heated pastry and floral cheese parings. Its consumption is common.

- In daily meals, goat cheese takes the third place after the floral cheese parings and cheeses with heated pastry. For delicious meals, it takes second place after the floral cheese parings
- Regarding its presence in consumer minds, goat cheese takes the fourth place and soft cheeses as well with washed parings, much less than the soft cheese with floral parings (45%), pressed cheese with the heating (16%), pressed cheeses without heating (11%) and cheeses with spicy pastry (9%).
- As for the image, goat cheeses which are acceptable, if the measure is on a scale of 0 to 10, are cheeses with floral parings (7.9), and pressed cheeses (7.8). They are assigned this position due to being high-quality cheeses and cheeses which are accessible to all consumers, and which can be consumed every day and everywhere. Goat cheeses are considered to be high-quality cheeses but are less accessible to all consumers and therefore evaluated with 7.0.

b - The evolution of goat cheese:

In the imaginary world of consumers, the production of goat cheese is not concentrated on one particular region and production conditions are for the most of surveyed customers trade-type (small exploitations, free goats in the pasture, large concern of breeders about goats ...).

As far as the frequency of goat cheese consumption:

37% of consumers consume goat cheese often (1 time per week)

30% of consumers consume goat cheese occasionally (1 time per month)

14% of consumers consume cheese rarely (1 time in 3 months).

For consumers, goat cheese is tested for taste, composition, and form and health contribution.

Non-consumers reject the goat cheese because of the strong flavor, aroma and composition.

c - Reputation and consumption of various goat cheeses:

Consumers quote the following names of goat cheeses spontaneously: Chavroux (41%), Chavignol (31%) and Sainte Maure (16%).

There is a real potential in the development of goat cheese consumption. Certain steps should be taken considering the occasional consumers:

- Work on the consumption image, which should rely on a variety of goat cheeses assortment and on the goat for which the breeding conditions are natural in the imaginary world of consumers.
- Work on goat cheeses availability to all consumers, on a daily basis and have a product offer with very rich variety of goat cheeses.

In terms of the brand and its presence on the goat cheeses market, the situation is as follows: Soignon occupies 19.7% amount per annum (ending the year in October 2007), and Président (5.8%), Chavroux (4.0%), Saint-Loup (3.8%), Petit Billy (2.9%), Coeur de Lion (2.2%) and Rians (2.2%), while cheeses under the brand name of distributors represent 45.8% of the market.

Based on the abovementioned information, it can be concluded:

That France is a leader in the production and consumption of goat cheeses, although it owns a fourth flock of goats in Europe. This shows that this market has the best utilization of its potentials in resources of goat milk and goat's milk products, because 80% of French population consumes goat's cheese. This market does not require consumer education because the tradition and experience in production and consumption of goat cheeses have already been acquired by the consumer. This means that this market requires a high

quality of goat cheese being a connoisseur of them. The most part of the French production of goat cheese is consumed in France (88%), and the rest is exported. The cheese is mostly sold in the supermarkets and hypermarkets (77.9%), and the market leader is the Soignon brand (22%).

1.2. Market proposal

Based on previous data and analysis, markets for placement of goat cheese products can be perceptible.

1.3.1. Balkan market

It is necessary that the Serbian market as the primary market should be covered first. Also, it is necessary that these products should be placed to the markets of neighboring countries such as Bosnia and Herzegovina, Croatia, Bulgaria, Romania, Hungary, Macedonia and Greece. The population of these countries possess the same or similar method of goat milk products consumption as Serbia.

This market will require similar products from goat's milk based on their habits of goat cheese consumption.

First, it is necessary to cover our own market, and then all the other markets in the region.

Positioning itself as a leader or as one of the leaders on its own market will allow the credibility to a company to be very familiar with the parent market and its product as well. On the Balkan market, cheeses of goat's milk that are not strong, and of typical taste will be placed, because this population of consumers have yet to get used to goat cheeses with strong flavors. It is necessary to produce mild goat cheeses. It should not be forgotten that the purchasing power of this market is on the middle level and habits of goat cheese consumption are not yet developed.

Serbia can follow the example of France in the development of goat cheese production and thus become a leader on the Balkan market. The Serbian market can become a promoter of other Balkan cheeses, when conditions are met, under the condition to control the production quality.

1.3.2. French - European market

France is the largest market in the production and consumption of all types of cheeses. Goat cheeses are mostly consumed in France, which has the primacy, experience and tradition in the production and placement of its products. France is also famous for its wine and pastry which influences the psychology of consumers on all continents.

Developing a picture of "good food", France is today a reference for all countries that wish to sell or promote their "food". With this image France influenced very fast first the countries from its environment and thus managed to place its products. Germany is the first country toward which the export of French cheeses is orientated (high purchasing power, large population).

The diversity of French cheeses provides a great opportunity for cheese placement, because this type of consumers have no preconceptions about the taste of goat cheese. This market should meet the quality assortment of goat cheeses with typical, medium-strong flavor but with the respect of certain shapes and characteristics.

This market has high purchasing power, experience and heritage in the consumption of these types of cheeses, which is the best indicator of success or failure of new products placement. France is the driver of development of goat cheese consumption and the best example of success in this area. The positioning of the Serbian goat cheeses on the French market would be a very important strategic move, because if that market is won, other EU markets would follow the trend of the French market. In this way France can be the best promoter of Serbian goat cheeses, not only on its territory but also in other EU countries. A Serbian company that wants to position itself on the French and European market would encounter certain problems, which would be solved in cooperation with French companies, because they already have extensive experience in the placement of these products. It is necessary to contact and cooperate with the French associations of French companies which would be advisors and partners for the placement of Serbian goat cheese.

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Received: 04. 2009.

Accepted: 01. 2012.

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