

STUDIES REGARDING THE CURRENT SITUATION OF INVESTMENTS MADE WITH EU PUBLIC FUNDS IN MEAT AND MILK PROCESSING UNITS, IN THE SOUTH-WEST OLTENIA REGION

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Abstract

The most important areas of the food industry are meat and milk processing and have a particular impact on increasing the competitiveness of the national economy, but also on ensuring the food security of the population. Through the study, I proposed to provide an overview of the growth and development of meat and milk processing capacities by using the non-reimbursable funds offered by the European Union through the National Rural Development Program, to make an analysis of the current situation on these investments through these funds. In the food industry, in meat and milk processing units, at national level, between 2015 and 2019, 130 projects were financed, with an eligible value of €228,470 thousand (public value €114,937 thousand). At the level of the South - West Oltenia Region, 12 projects were selected where their eligible value was €32,164 thousand (public value €15,309 thousand).

Key words: meat, milk, processing, public value, eligible value

INTRODUCTION

Strong competition between farms forces farmers to pay more attention to knowledge, training level, modern technologies and farm management, factors that could keep production cost at a low level, ensure high milk quality and economic efficiency (Popescu 2017). The development of milk processing requires the improvement of production technologies, product quality, efficiency and competitiveness. Due to the imbalanced supply/demand ratio, after the elimination of the milk quota, the Romanian market of milk and dairy

products will be invaded by foreign products (Popescu 2015). At the national level, there is a need for the appropriate sequential implementation of policies in the territory to support milk producing units in order to obtain favorable marketing prices through the involvement of competent decision-makers (Pânzaru și Medelete 2018). The increase and modernization of meat processing capacities by using the funds provided by the PNDR aim to increase the added value of agricultural products of animal origin (meat processing). Submeasure 4.2 ("Support for investments in the

processing/commercialization and/or development of agricultural products") is concerned with the modernization and creation of processing units and the introduction of new technologies in this field (Uliu și Vladu 2020).

At the national level, there is a preponderance - in consumption - of pork, followed by poultry (about 87% of the total consumption at the national level). There is a need to improve the structure of total meat consumption by increasing the weight of beef and other meats (Pânzaru și Medelete 2021). Milk processing is a very important sector of the Romanian food industry, which has a direct link with increasing the competitiveness of the national economy, but also with ensuring food security (Marius, Cristina-Emanuela, și Christos 2020).

Subsidies for investments in meat and milk processing should increase the economic results of the supported companies and increase their competitiveness. The results show that investment grants from the Rural Development Program had as significant an effect as expected. Subsidies from the national program increased the profitability of family and medium-sized companies and changed the capital structure of supported companies that used more bank loans to upgrade technology (Spicka, Naglova, și Gurtler 2017).

Investing in the Romanian food sector represents an opportunity for companies due to the available natural resources, the large number of consumers or Romania's European status. Agriculture, food processing and marketing are characterized by different percentages of foreign investment. Romanian agriculture is characterized by a continuous infusion

of foreign capital. The recent liberalization of the purchase of agricultural land will be an additional motivation for investors (Stanciu 2014).

MATERIALS AND METHODS

In this paper, a statistical study was carried out to highlight the investments made in the milk and meat processing units at the national level, with an emphasis on the South - West Oltenia Region, through Submeasure 4.2. "Support for the processing/marketing of agricultural products" of PNDR 2014 - 2020, for the study period 2015-2019. The situation of the selected and financed projects was taken and selected from the final reports published on AFIR, in the sessions of the years 2015, 2016, 2017, 2018, 2019. The date of their publication is made in the ascending order of the submission of the projects, related to each submission session.

In the study, the following indicators were monitored:

The number of selected projects selected at the national level;

The total value of the projects selected at the national level;

The number of projects selected in the South - West Oltenia Region;

The total value of the selected projects in the South - West Oltenia Region.

RESULTS AND DISCUSSIONS

Table 1 highlights the fact that in Romania, in the period 2015-2019, through Sub-Measure 4.2 of PNDR 2014-2020, in the fields of meat and milk processing, 130 projects were selected, most of them being the North Development Region - West with 32 funded projects, followed by the Central Development Region with 21 funded projects and the South East Development

Region with 20 funded projects. In fourth place are the North-East Development Region and the South-Muntenia Development Region with 18 financed projects and 15 financed projects, respectively. In the West Development Region there were 13 funded projects, and in last place is the South - West Oltenia Development Region with 12 funded projects. Analyzing table 2, we notice that the total value of the projects selected at the national level in the period 2015-2019, through Sub-Measure 4.2 of the PNDR 2014-2020, in the fields of meat and milk processing is €228,470 thousand, as follows: the highest eligible

value is for the North-West Development Region

(€58,329 thousand), followed by the Center Development Region (€36,510 thousand), the South-East Development Region (€32,299 thousand), then following the West Development Region (28,834 thousand €), the South-West Oltenia development region (€26,433 thousand), the North East development region (€23,505 thousand), and the last place being the South-Muntenia development region (€22,553 thousand).

Year	Region														TOTAL	
	North East		South – East		South Muntenia		South West Oltenia		West		Northwest		Center			
	Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk
2015	1	5	1	5	1	8	0	0	0	1	0	12	0	0	3	31
2016	3	0	0	0	1	0	1	8	1	3	0	10	2	5	7	26
2017	3	1	0	2	2	1	1	0	2	1	1	0	4	4	13	9
2018	1	1	3	3	0	0	1	0	2	1	4	0	1	2	12	7
2019	1	2	2	4	2	0	1	0	1	0	4	1	1	2	12	9
	9	9	6	14	6	9	4	8	6	7	9	23	8	13	47	83
Total	18		20		15		12		13		32		21		130	

Table 1

The number of projects selected at the national level in the fields of meat and milk processing

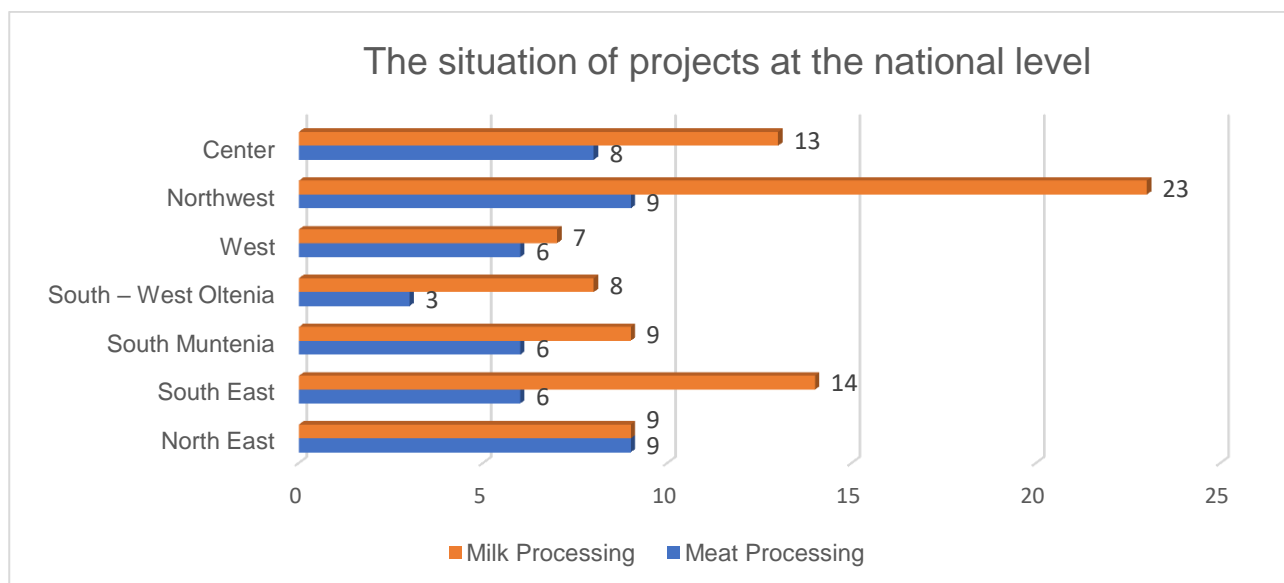


Figure 1. The number of projects selected at the national level

As public values, the highest are noted for the North-West Development Region (€30,090 thousand), followed by the Center Development Region (€18,894 thousand), the South-East Development Region (€15,038 thousand), then following in order: West development

region (€14,647 thousand), South-West Oltenia development region (€13,016 thousand), - North East development region (€12,219 thousand), and in last place being the South-Muntenia development region (€11,026 thousand).

Table 2

The value of the projects selected at the national level in the fields of meat and milk processing (thousands of Euros)

Year	Val.	Region														TOTAL	
		1. N-E		2. S-E		3. SM		4. S-V O		5. V		6. N-V		7. C		Meat	Milk
		Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk		
2015	E ¹	237	9.416	516	6.088	781	12.083	0	0	0	4.208	0	12.380	0	0	1.535	44.178
	P ²	118	4.708	258	3.044	390	6.041	0	0	0	2.104	0	6.020	0	0	767	21.919
2016	E	1.338	0	0	0	4.998	0	0	18.093	5.206	4.210	0	18.586	5.339	8.849	16.883	49.739
	P	669	0	0	0	2.499	0	0	9.416	2.082	2.305	0	9.594	2.669	4.431	7.921	25.748
2017	E	6.077	1.240	0	5.076	2.494	380	986	0	7.000	1.990	1.999	0	9.988	2.698	28.546	11.386
	P	3.038	620	0	2.065	997	190	493	0	3.500	995	999	0	3.995	1.484	13.024	5.355
2018	E	555	1.240	6.488	5.456	0	0	1.658	0	2.953	1.990	12.147	0	3.515	817	27.318	9.504
	P	377	620	2.953	2.255	0	0	829	0	1.815	995	6.658	0	2.460	408	15.095	4.279
2019	E	525	2.873	3.586	5.089	1.815	0	5.696	0	1.059	0	11.670	1.545	3.515	1.787	27.868	11.295
	P	367	1.698	1.793	2.668	907	0	2.278	0	741	0	6.045	772	2.460	983	14.595	6.123
TOTAL	E	8.734	14.771	10.590	21.709	10.090	12.463	8.340	18.093	16.220	12.614	25.817	32.512	22.358	14.152	102.152	126.318
	P	4.572	7.647	5.005	10.033	4.795	6.231	3.600	9.416	8.140	6.507	13.703	16.387	11.586	7.308	51.404	63.533
	E	23.505		32.299		22.553		26.433		28.834		58.329		36.510		228.470	
	P	12.219		15.038		11.026		13.016		14.647		30.090		18.894		114.937	

¹eligible value; ²public value;

Table 3

The number of projects selected in the South - West Oltenia Region N in the fields of meat and milk processing

Year	County										Total		
	Dolj		Gorj		Mehedinți		Olt		Vâlcea		Meat	Milk	
	Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk			
2015	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	0	4	0	1	0	0	0	2	1	1	1	8	
2017	0	0	0	0	0	0	1	0	0	0	1	0	
2018	0	0	0	0	0	0	1	0	0	0	1	0	
2019	0	0	1	0	0	0	0	0	0	0	1	0	
Total	0	4	1	1	0	0	2	2	1	1	4	8	
	4		2		0		4		2		12		

Table 3 highlights the fact that in the South - West Oltenia Region in the period 2015 - 2019, through Sub-Measure 4.2 of PNDR 2014-2020, 12

projects were selected, most of them being in the counties of Dolj (4 projects) and Olt (4 projects), 2 projects were financed in Valcea county, 2 projects

were financed in Gorj county, and no project was financed in Mehedinți county,

in the fields of meat and milk processing.

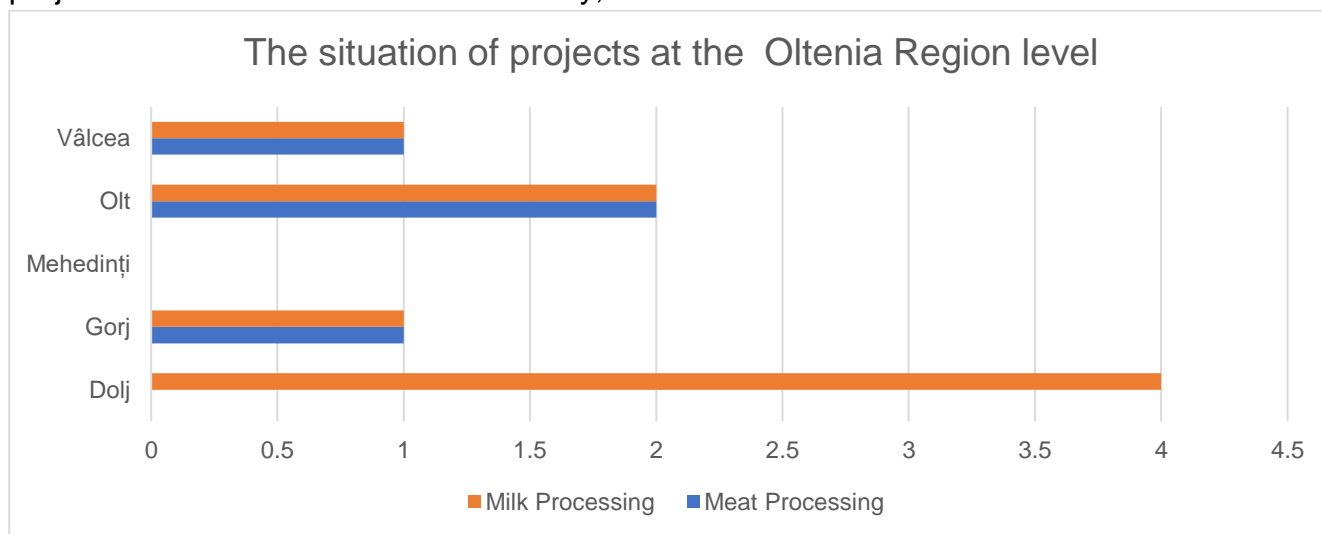


Figure 2. The number of projects selected in the South-West Oltenia Region

Table 4

The value of the selected projects in the South - West Oltenia Region (thousands of Euros)

Year	Value	County										TOTAL		
		Dolj		Gorj		Mehedinți		Olt		Vâlcea		Meat	Milk	
		Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk	Meat	Milk			
2015	E ¹	0	0	0	0	0	0	0	0	0	0	0	0	0
	P ²	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	E	0	9,135	0	2,213	0	0	0	5,194	5,731	1,550	5,731	18,093	
	P	0	4,767	0	1,106	0	0	0	2,697	2,292	845	2,292	9,416	
2017	E	0	0	0	0	0	0	986	0	0	0	986	0	
	P	0	0	0	0	0	0	493	0	0	0	493	0	
2018	E	0	0	0	0	0	0	1,658	0	0	0	1,658	0	
	P	0	0	0	0	0	0	829	0	0	0	829	0	
2019	E	0	0	5,696	0	0	0	0	0	0	0	5,696	0	
	P	0	0	2,278	0	0	0	0	0	0	0	2,278	0	
Total	E	0	9,135	5,696	2,213	0	0	2,644	5,194	5,731	1,550	14,071	18,093	
	P	0	4,767	2,278	1,106	0	0	1,322	2,697	2,292	845	5,893	9,416	
	E	9,135		7,909		0		7,838		7,281		32,164		
	P	4,767		3,384		0		4,019		3,137		15,309		

¹eligible value; ²public value;

The total value of the projects in the fields of meat and milk processing during the analyzed period 2015-2019, from the South-West Oltenia development region is 32,164 thousand euros (public value 15,309 euros), being divided by counties as follows: in Dolj county, they were financed projects worth 9.135 thousand euros (4.767 thousand euros), in Gorj county projects worth 7.909 thousand euros were financed (public value 3.384 thousand euros), in Olt county projects worth 7.838 thousand euros were

financed (public value 4,019 thousand euros), projects worth 7,281 thousand euros were financed in Vâlcea county (public value 3,137 thousand euros), and no project was financed in Mehedinți county (Table 4).

CONCLUSIONS

In the food industry, in meat and milk processing units, at the national level, in the period 2015-2019, through Sub-Measure 4.2 of the PNDR 2014-2020, 130 projects were financed, with an

eligible value of €228,470 thousand, and the public value of €114,937 thousand.

At the level of the South-West Oltenia Region, in the food industry sector, in the meat and milk processing units, in the period 2015-2019, through Sub-Measure 4.2 of PNDR 2014-2020, 12 projects were selected, most of them being in Dolj county (4 projects), followed by Olt (4 projects) and Gorj counties (2 projects) and Valcea county (2 projects). The eligible value of the projects selected in this region is €32,164 thousand, and their public value is €15,309 thousand.

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