

CURRENT SITUATION OF INVESTMENTS MADE IN THE FIELD OF MILK PROCESSING WITH NON-REFUNDABLE FUNDS IN THE OLTENIA REGION

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ABSTRACT

Milk processing is a very important sector of the food industry in Romania, which has a direct link on increasing the competitiveness of the national economy, but also on ensuring food security. Through the National Rural Development Program, non-reimbursable funds can be accessed for the development of milk processing capacities, through Sub-measure 4.2.- “Support for investments in the processing / marketing and / or development of agricultural products”.

In the milk processing units, at national level, in the period 2015 - 2019, through this sub-measure, 83 projects were financed, with an eligible value of 126,318,709 euros, and the public value of 63,533,682 euros. At the level of the South - West Oltenia Region, 8 projects were selected, the eligible value of the selected projects in this region is 18,093,625 euros, and their public value is 9,416,812 euros, in the period 2015 - 2019.

INTRODUCTION

It is necessary to invest in the processing, marketing and / or development of agricultural products as a factor in improving the competitiveness of existing enterprises and providing support to new entities starting their activity in the agri-food sector (Goryńska-Goldmann and Wojcieszak 2017).

As part of the Common Agricultural Policy, the European Union offers a complex system of rural development interventions, an increased flexibility, allowing through the Rural Development Plan the design of financial envelope according to the national specificity,

based on the principle of subsidiarity (Wojcieszak 2019).

European funds are financial instruments created by the European Union, for member states, private and/or public sector, in order to develop certain areas, and to support countries to achieve certain standards of economic, social or cultural development. The grants are the financial aid which is granted without being returned, and target many activities and investments (Vladu et al.).

Milk processors should use a fairly large amount of public subsidies from the National Rural Development Program 2014-2020 to improve their efficiency (Špička 2015).

Improvements in sustainability at the farm level are the basic driver of agricultural sustainability at the macro level. This is a challenge that can only be met by farms which efficiently process inputs into products (Czubak and Pawlowski 2020).

The weak connection between producers-processors-traders and consumers along milk chain have allowed milk crisis to leave deep traces and claimed a change in milk market policy regarding more equitable measures and tools for milk producers, taking into account the expenses for production factors as well as consumer price, in order to avoid production concentration

MATERIAL AND METHOD

In this paper, a statistical study was carried out to highlight the investments made in milk processing units at national level, with emphasis on the South - West Oltenia Region, through Submeasure 4.2. "Support for processing / marketing of agricultural products" of PNDR 2014 - 2020, for the study period 2015-2019. The data used for this study were obtained from the selection reports, published by the Contracting Authority (Agency for Financing Rural Investments), in all North-East, South-East, South-Muntenia, South-West Oltenia, West, North-West, Center, with emphasis on the situation in the South-West Oltenia Region. In the Bucharest -

and to assure a balanced distribution of value added along milk chain (Popescu 2017).

Cow's milk production is one of the most important branches of animal production in the European Union, and is therefore the subject of numerous publications. Most often, cow's milk production is the subject of research in global terms (Baer-Nawrocka and Barczak 2020).

Increasing market volatility implies that succession planning and attracting investments is difficult for farming systems across all countries, and thereby to formulate strategies for resilience (Thorsøe et al. 2020).

Ilfov Region, no investments were made for the development of milk processing capacities through this financing sub-measure, during the reference period, therefore the region was not taken into account.

The study followed the indicators:

- Number of projects selected to projects selected at national level;
- The total value of the projects selected at national level;
- The situation of the selected projects at national level;
- Number of selected projects in the South - West Oltenia Region;
- The total value of the selected projects in Regiuena Sud - Vest Oltenia.

RESULTS AND DISCUSSIONS

Table 1

Number of projects selected at national level

Year	Region							TOTAL
	North East	South East	South Muntenia	South - West Oltenia	West	North West	Center	
2015	5	5	8	0	1	12	0	31
2016	0	0	0	8	3	10	5	26
2017	1	2	1	0	1	0	4	9
2018	1	3	0	0	1	0	2	7
2019	2	4	0	0	0	1	2	9
Total	9	14	9	8	7	23	13	83

Table 1 shows that in Romania, in the period 2015 - 2019, through Sub-Measure 4.2 of PNDR 2014-2020, in the milk processing units, 83 projects were

selected, most of them being the North Development Region - West with 23 funded projects, followed by the South - East Development Region with 14 funded

projects and the Center Development Region with 13 funding projects. On the fourth place are the North - East Development Region and the South - Muntenia Development Region with 9

funded projects. In the South - West Development Region Oltenia there were 8 financed projects, and on the last place is the West Development Region with 7 financed projects.

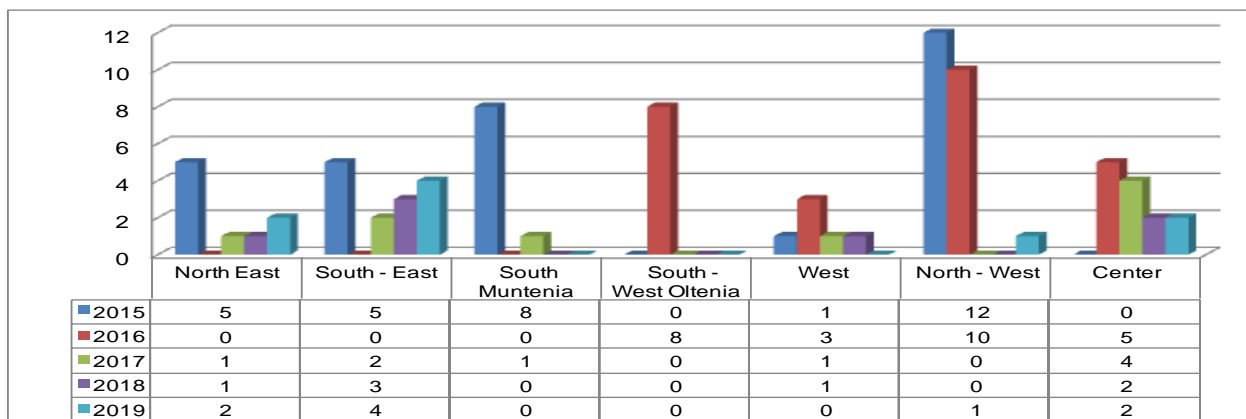


Figure 1. Number of projects selected at national level

Table 2

Value of selected projects at national level (Euro)

Year	Val.	Region							Total
		North East	South East	South Muntenia	South - West Oltenia	West	North West	Center	
2015	E*	9,416,880	6,088,119	12,083,790	0	4,208,931	12,380,404	0	44,178,124
	P**	4,708,440	3,044,058	6,041,895	0	2,104,465	6,020,174	0	21,919,032
2016	E	0	0	0	18,093,625	4,210,236	18,586,685	8,849,373	49,739,910
	P	0	0	0	9,416,812	2,305,517	9,594,344	4,431,706	25,748,379
2017	E	1,240,635	5,076,238	380,050	0	1,990,615	0	2,698,605	11,386,143
	P	620,317	2,065,409	190,025	0	995,307	0	1,484,552	5,355,610
2018	E	1,240,635	5,456,288	0	0	1,990,615	0	817,098	9,504,636
	P	620,317	2,255,434	0	0	995,307	0	408,549	4,279,607
2019	E	2,873,107	5,089,297	0	0	0	1,545,886	1,787,372	11,295,662
	P	1,698,674	2,668,597	0	0	0	772,943	983,728	6,123,942
TOTAL	E	14,771,257	21,709,942	12,463,840	18,093,625	12,614,622	32,512,975	14,152,448	126,318,709
	P	7,647,748	10,033,498	6,231,920	9,416,812	6,507,708	16,387,461	7,308,535	63,533,682

* eligible value; ** public value;

Table 3

Situation of selected projects at national level

Specification	Region							Total
	North East	South East	South Muntenia	South - West Oltenia	West	North West	Center	
No. of Projects	9	14	9	8	7	23	13	83
Eligible value of projects (euro)	14,771,257	21,709,942	12,463,840	18,093,625	12,614,622	32,512,975	14,152,448	126,318,709
Public value of projects (euro)	7,647,748	10,033,498	6,231,920	9,416,812	6,507,708	16,387,461	7,308,535	63,533,682

Analyzing table 2, we observe that the total value situation of the projects

selected at national level in the period 2015 - 2019, by Sub-Measure 4.2 of

PNDR 2014-2020, in the milk processing units is the following: the highest eligible value is for Region of North-West Development Region (€ 32,512,975), followed by the South-East Development Region (€ 21,709,942), the South-West Development Region Oltenia (€ 18,093,625), followed by the North-East Development Region (14,771 .257 €), Center Development Region (€ 14,152,448), West Development Region (€ 12,614,622), and on the last place being the South-Muntenia Development

Region (€ 12,463,840). The highest values for the North-West Development Region (€ 16,387,461) are followed as public values, followed by the South-East Development Region (€ 10,033,498), the South-West Oltenia Development Region (€ 9,416,812).), followed in turn by: North-East Development Region (€ 7,647,748), Center Development Region (€ 7,308,535), - West Development Region (€ 6,507,708), and on the last place being the Region of South-Muntenia development (€ 6,231,920).

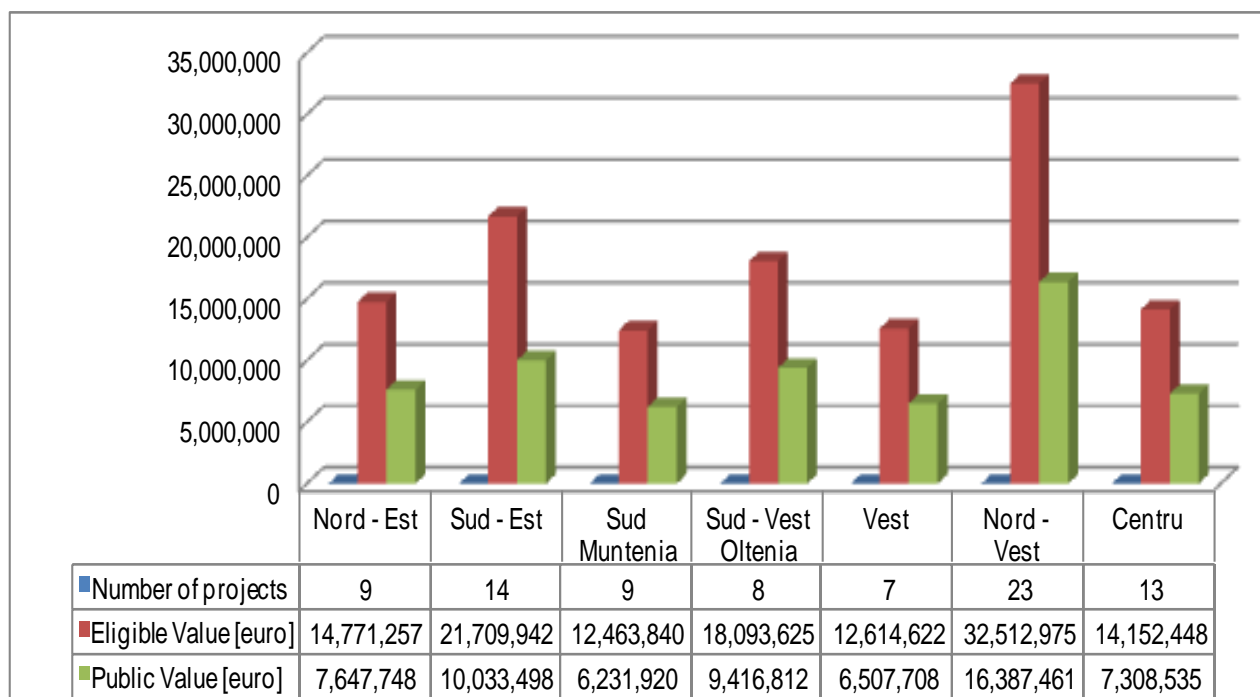


Figure 2. Situation of selected projects at national level

Analyzing table 3, we can observe that in total at national level, in the period 2015 - 2019, through Sub-Measure 4.2 of PNDR 2014-2020, in the milk processing units, 83 projects were financed, with an eligible value of 126,318,709 euros , and the public value of 63,533,682 euros. The largest number of projects is held by the North-West Development Region (23 projects) with an eligible value of € 32,512,975 and public of € 16,387,461, followed by the South-East Development Region (14 projects) with an eligible value of € 21,709,942 and public 10,033,498 €; Center Development Region (13 projects)

with eligible value € 14,152,448 and publishes € 7,308,535, followed by: North East Development Region (9 projects) with eligible value € 14,771,257 and publishes € 7,647,748, South-Muntenia Development Region (9 projects) with the eligible value € 12,463,840 and publishes € 6,231,920, the South-West Oltenia Development Region (8 projects) with the eligible value € 18,093,625 and publishes € 9,416,812, and lastly the West Development Region (7 projects) with the eligible value € 12,614,622 and publishes € 6,507,708.

Table 4

Number of selected projects in the South - West Oltenia Region

Year	County					Total
	Dolj	Gorj	Mehedinti	Olt	Vâlcea	
2015	0	0	0	0	0	0
2016	4	1	0	2	1	8
2017	0	0	0	0	0	0
2018	0	0	0	0	0	0
2019	0	0	0	0	0	0
Total	4	1	0	2	1	8

Table 5

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

Year	Val.	Dolj	Gorj	Mehedinti	Olt	Vâlcea	Total
2015	E*	0	0	0	0	0	0
	P**	0	0	0	0	0	0
2016	E	9,135,702	2,213,588	0	5,194,335	1,550,000	18,093,625
	P	4,767,851	1,106,794	0	2,697,167	845,000	9,416,812
2017	E	0	0	0	0	0	0
	P	0	0	0	0	0	0
2018	E	0	0	0	0	0	0
	P	0	0	0	0	0	0
2019	E	0	0	0	0	0	0
	P	0	0	0	0	0	0
TOTAL	E	9,135,702	2,213,588	0	5,194,335	1,550,000	18,093,625
	P	4,767,851	1,106,794	0	2,697,167	845,000	9,416,812

* eligible value; ** public value;

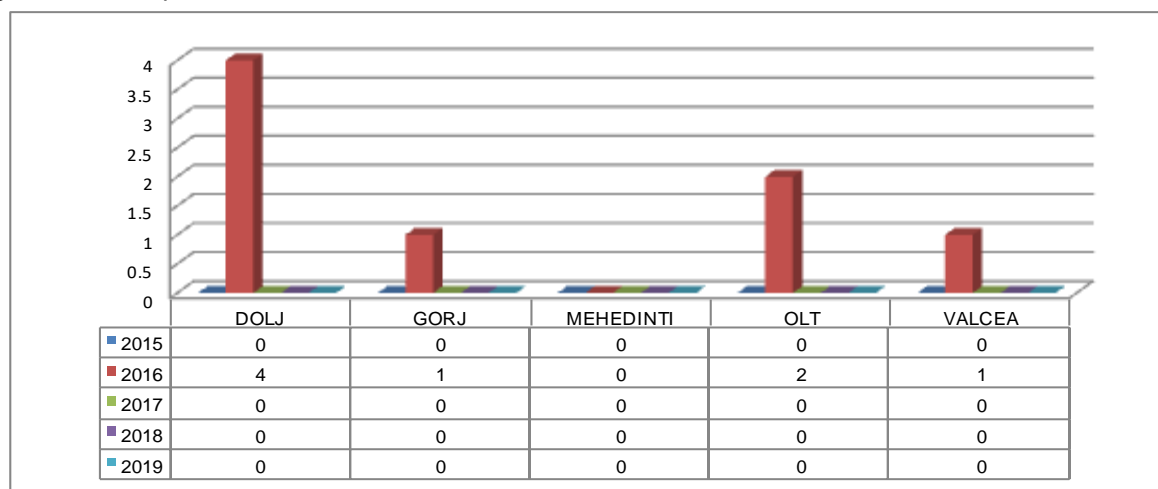


Figure 3. Number of selected projects in the South - West Oltenia Region

Table 4 shows that in the South - West Oltenia Region in the period 2015 - 2019, through Sub-Measure 4.2 of PNDR 2014-2020, 8 projects were selected, most of them being in Dolj County (4 projects), followed by the county Olt (2 projects), on the third place are Gorj county (1 project) and Valcea county (1 project).

Analyzing table 5, it is observed that the total value situation of the selected projects in the period 2015 - 2019,

through Sub-Measure 4.2 of PNDR 2014-2020 in the South - West Oltenia Region is the following: the highest eligible value is for Dolj county (9,135,702.00 €), following Olt county (€ 5,194,335.00), then Valcea county (€ 3,750,000.00) and Gorj (€ 2,213,588.00); and the highest public value is for Dolj county (€ 4,767,851.00), followed by Olt county (€ 2,697,167.00), then Valcea county (€ 1,945,000.00), and the last Gorj county. In the reference period 2018 - 2019, no

project was selected in region 4- South- West Oltenia Development Region.

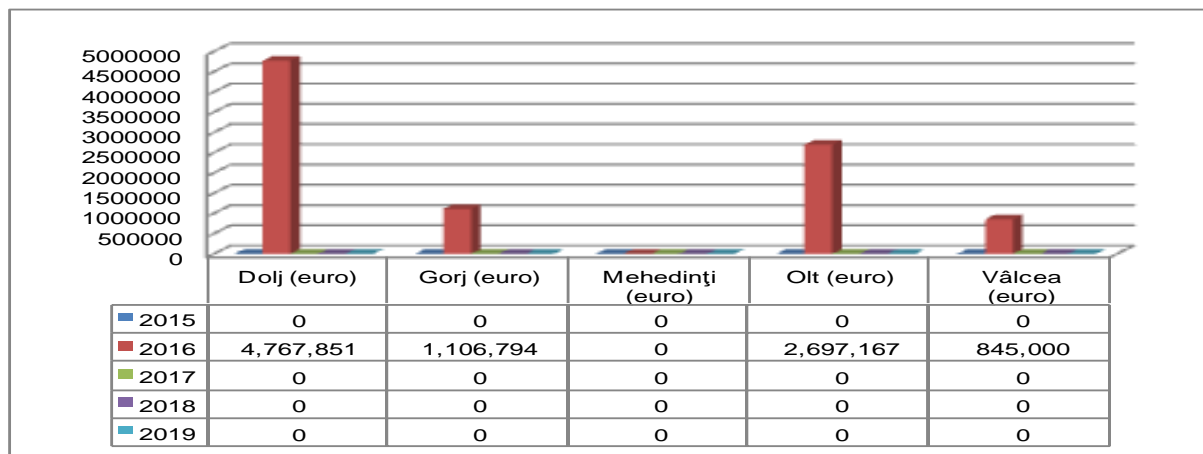


Figure 4. The value of selected projects in the South - West Oltenia Region (euro)

CONCLUSIONS

In the milk processing units, at national level, in the period 2015 - 2019, through Sub-Measure 4.2 of PNDR 2014-2020, 83 projects were financed, with an eligible value of 126,318,709 euros, and the public value of 63,533,682 euros.

At the level of the South - West Oltenia Region, in the milk processing units, in the period 2015 - 2019, through

Sub-Measure 4.2 of PNDR 2014-2020, 8 projects were selected, most of them being in Dolj County (4 projects), followed from Olt county (2 projects), on the third place are Gorj county (1 project) and Valcea county (1 project). The eligible value of the selected projects in this region is 18,093,625 euros, and their public value is 9,416,812 euros.

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