

STUDIES ON THE POSSIBILITIES OF ESTABLISHING AND DEVELOPING PRODUCTION CAPACITIES IN THE FOOD INDUSTRY

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Abstract

This paper analyses the impact of the INVESTALIM and DR 23 financing measures on the development of processing capacities in the Romanian food industry. These support measures aim to modernise and expand food processing lines, essential for increasing the quality and competitiveness of local products. In a sector marked by high requirements regarding processing safety and efficiency, these financing programmes provide companies with resources to adopt modern technologies, such as process automation, resource consumption optimisation and production loss reduction. The paper details the stages of food processing and the solutions supported by the INVESTALIM and DR 23 measures, with a focus on technological innovations and the implementation of sustainable practices. The market trends leading to the adaptation of processing capacities, as well as consumer demands for healthy and value-added food products, are analysed. The study demonstrates that investments in processing processes supported by these measures contribute to increasing the performance and competitiveness of the Romanian food industry.

Key words: *development, processing, food, sustainable, value-added*

INTRODUCTION

The agri-food industry in Romania faces a gap problem between the added value of food products and the production capacity of domestic agricultural raw materials (Popescu et al. 2021). This is reflected in the deficit of the trade balance, caused by the export of the majority of raw materials and the import of processed food products. This phenomenon indicates an imperative need to boost support for the development of raw material processing and storage capacities. Thus, the emphasis must be placed on those agri-food products where there is both local production of raw

materials and a significant demand on the market (Popescu et al., 2023). In addition, the increased demand for agro-food products with added value exceeds the domestic production capacity, which requires their import, simultaneously with the export of grains. Therefore, it is necessary to support investments in processing units that can efficiently capitalize on the local raw material (Vladu et al., 2021).

In the context of a growing demand for quality and sustainable products, it is essential to support sectors that offer high

added value, including through products that can be recognized in European and national quality systems (VanDonk and VanDam, 1996) . At the same time, investments in technological innovation and ecological production processes can contribute to the development of safe and nutritious products, promoting sustainable and affordable consumption from an economic point of view. These strategies are fundamental to ensure a sustainable evolution of the agri-food sector and to generate benefits both for the environment and for the final consumers (Stanciu et al., 2022) . In the current economic context, financing measures are an essential tool for stimulating regional development and strengthening the Romanian food industry (Yu et al., 2017) . This initiative supports the establishment and development of production capacities by granting state aid for investments with a major impact on the national economy (Smedescu et al., 2024) . A main objective of the financing programs is to reduce the trade deficit of

the agri-food sector by increasing the competitiveness of local products and promoting them on the domestic and foreign markets (Panzaru et al., 2024) .

Also, the financing measures are dedicated to the technological modernization of already existing production capacities, thus preventing the risk of their closure and facilitating alignment with international standards of quality and efficiency. The programs address both newly established enterprises and already active ones, including small and medium-sized enterprises (Sterie et al., 2022) . By supporting these categories of enterprises, these financing programs contribute not only to the development of high-performance processing units, but also to the creation of jobs and to the increase of the added value of Romanian food products, thus ensuring a sustainable and sustainable development of the agri-food sector (Medelele et al., 2024) .

MATERIALS AND METHODS

In this paper we will analyze the financing measures INVESTALIM and DR 23 "Investments for the processing and marketing of agricultural products in order to obtain food products and processed products". This analysis will include the financing opportunities offered by these measures, as well as the amounts allocated to support investments in the agri-food sector. The present work aims to

analyze the impact of these financing measures on the Romanian food industry, with a special focus on processing, while also identifying the development prospects for production capacities in this strategic sector. This information will provide an overview of how these measures support the development of local producers and encourage increased value added to agri-food products.

RESULTS AND DISCUSSIONS

INVESTMENT eligible main measures of DR 23, include development processing capabilities and storage for products agricultural, implementation some marketing components and marketing as well investment in technology for reduction greenhouse gas emissions and growth effectiveness energy . other priorities includes solutions digital in processing and management, implementation quality management systems and acquisition of patents, licenses and required software for conduct efficiency a activities. The support will be a maximum of 10,000,000 euros

per design for investment in sector panification and up to 3,000,000 euros for other types of investments. For investment with regional state aid, the intensity will be respected the support established by the map aid regional for 2022-2027. amounts unit planned for DR 23 are the following: the value average support per project is a grant , and the contribution rate is up to 85% of the value the project .

Table 1 shows that the DR 23 financing measure will have a budget starting in 2026 and will be completed in 2029. The planned unitary amount for each project

has an average value of 1,300,000 euros. Taking into account the average value for each project of 1.3 million euros, and

expecting a total of 127 projects, we arrive at a total budget allocated to the DR 23 measure of over 165 million euros.

The table 1. Predictions indicative watching amounts unit planned for DR 23

Quantum unitary planned	Exercise financial	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
DR 23 - Value average support per project	quantum unitary planned value average (euro)	0	0	0	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
	No. Operations	0	0	0	31	32	32	32	127
Total	Allocation financial INDICATIV E annually (euro)	0	0	0	40,300,000	41,600,000	41,600,000	41,600,000	165,100,000

The state aid scheme INVESTALIM supports implementation of program national development and industry support feeding for period 2023-2026. The total budget of the scheme is 2,921 million lei (approximately 590 million euros), which is divided like this : commitment credits for financing agreements between 2023 and 2026 and credits budgeting for payment state aid between 2024 and 2031. budget annual environment of the scheme is 730.25 million lei (approximately 147.5 million euros). budget maximal annually that can be hired includes , on NEAR amount provided , and funds unused from previous years , within the limit of commitment credits and budgeting approved by the laws budgeting yearly.

Investment made in The INVESTALIM program must saddle satisfied the following criteria : be investments INITIAL for a new one activity economic , to have a value minimum of 2,500,000 lei (approximately 500,000 euros), and saddle show efficiency economic and viability on term of up to 5 years . Also these must saddle satisfied criteria watching encouraging state aid , to respect the indicators established in procedure , and saddle contribute to development regional by payment charges and taxes . In addition, the investments must have a multiplier effect in the economy, stimulating other investments and the development of local suppliers.

Regional state aid for investment initials are granted by amounts non-refundable from the state budget , through AFIR. These i am calculated in depending on expenses eligible , but cannot exceed limits established for the intensity and the value maximum aid which an enterprise you maybe receive in period 2022-2027 (Table 2).

In The North-West region , the counties of Bistrita - Năsăud , Maramureș, Satu Mare and Salaj benefits from an intensity maxim a state aid of 50%, with a ceiling of state aid of 41,250,000 euros for each county , in time What the counties of Bihor and Cluj have an intensity of 40%, with a maximum aid of 33,000,000 euros. These distinction reflect allotment specific in depending on the region and the county in which it is carried out investments , again businesses in these areas can access aid financial in the form of amounts non-refundable , accordingly expenditure eligible , in limit intensity established for each county (Table 2).

In The region Center , Alba counties and Mures benefits from an intensity maximum state aid of 50%, with a ceiling of 41,250,000 euros for each county Other COUNTY FROM region , respectively Brașov , Covasna, Harghita and Sibiu have an intensity of 40%, and the maximum aid is 33,000,000 euros for each from these . These differences reflect allotment specific in depending on the

county , and business from these areas can benefit from support financial non-refundable , in depending on expenses

eligible and the intensity established for each county (Table 2).

Table 2. The maximum level of state aid that an enterprise can benefit from through INVESTALIM, related periods 2023 - 2026

The region	Component counties	Maximum intensity %	Maximum level of state aid that an enterprise can benefit from - euros -
Northwest	Bihor	40%	33,000,000
	Bistrita-Nasaud	50%	41,250,000
	Cluj	40%	33,000,000
	Maramures	50%	41,250,000
	Satu Mare	50%	41,250,000
Center	Salaj	50%	41,250,000
	white	50%	41,250,000
	Brasov	40%	33,000,000
	Covasna	40%	33,000,000
	Snort	40%	33,000,000
NORTH EAST	Mures	50%	41,250,000
	Sibiu	40%	33,000,000
	Bacau	60%	49,500,000
	Botosani	60%	49,500,000
	IASI	50%	41,250,000
Southeast	German	60%	49,500,000
	Suceava	60%	49,500,000
	row	60%	49,500,000
	Braila	60%	49,500,000
	Buzau	60%	49,500,000
South-Muntenia	Constant	50%	41,250,000
	Galati	70%	57,750,000
	Vrancea	60%	49,500,000
	Tulcea	60%	49,500,000
	Arges	50%	41,250,000
South-West Oltenia	Calarasi	60%	49,500,000
	Dambovita	50%	41,250,000
	George	50%	41,250,000
	Ialomita	60%	49,500,000
	Prahova	70%	57,750,000
West	Teleorman	60%	49,500,000
	Dolj	70%	57,750,000
	Gorge	70%	57,750,000
	Mehedinti	60%	49,500,000
	Olt	60%	49,500,000
Bucharest-Ilfov	dale	60%	49,500,000
	Arad	30%	24,750,000
	Caras-Severin	40%	33,000,000
	Hunedoara	50%	41,250,000
	Timis	30%	24,750,000
Bucharest-Ilfov	Partial Ilfov: Ciorogârla, Domnești, Clinceni, Cornetu, Bragadiru, Dărăști-Ilfov, Jilava, 1 Decembrie, Copăcenii, Vidra and Berceni	35%	28,875,000
	Partial Ilfov: Periș, Ciolpani, Snagov, Gruiu, Nuci, Grădiștea, Petrăchioaia, Dascălu, Moara Vlăsiei, Balotești, Corbeanca, Buftea, Chitila, Glina, Cernica, Dobroesti and Pantelimon	45%	37,125,000

In The North-East region , the counties of Bacău, Botoșani , Neamț , Suceava and Vaslui benefit from an intensity maximum state aid of 60%, with a ceiling of state aid of 49,500,000 euros for each county County IASI benefits from an intensity of 50%, with a ceiling of 41,250,000 euros . These allocations differently reflect support levels TO in depending on the counties from region , again businesses that will invest in these areas can access fund grants in depending on expenses eligible and the intensity established for each county (Table 2).

In South-East region , county Galati benefits from the highest intensity of state aid , namely 70%, with an aid ceiling of 57,750,000 euros . Brăila, Buzău, Vrancea and Tulcea counties have an intensity of 60%, and THE maximum aid is 49,500,000 euros for each county County Constant benefits from an intensity of 50%, with a ceiling of 41,250,000 euros . These allocations reflect support differences financial for each county , again investing companies in these areas can access fund grants in depending on the intensity and roof established (Table 2).

In The South- Muntenia region , Prahova county benefits from the highest intensity of state aid, namely 70 %, with an aid ceiling of 57,750,000 euros . counties Călărași , Ialomița , Teleorman and Giurgiu benefit from an intensity of 60%, and roof aid is 49,500,000 euros for each county counties Arges , Dâmbovița and Dambovita benefits from an intensity of 50%, with an aid ceiling of 41,250,000 euros . These allocations reflect levels different support for each county , again business from these regions can access fund grants in depending on the intensity and roof established for each county (Table 2).

In The region Southwest Oltenia , Dolj and Gorj counties benefit from the highest intensity of state aid , respectively 70%, with an aid ceiling of 57,750,000 euros for each county counties Mehedinți , Olt and Vâlcea benefit from an intensity of 60%, and THE maximum aid is 49,500,000 euros for each county These allocations Finance reflect support differences in depending on the intensity aid and roof

CONCLUSIONS

The DR 23 financing measure will have budget starting with year 2026 and is completed in year 2029. The amount unitary planned for each project has value average of 1,300,000 euros. Luanda in account the value average for each project of 1.3 million Euros, and anticipating a total of 127 projects , it is reached to a total allocated budget measure DR 23 of over 165 million of euros .

In the program national development and industry support investalim supply , enterprises from various regions of Romania can benefit from state aid under form of sums non-refundable , in depending on the county in which he realizes the investment . The

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established for each county from region (Table 2).

In The region West , Hunedoara county benefits from the highest intensity of state aid , 50% , with an aid ceiling of 41,250,000 euros . counties Caras-Severin and Timis receive an intensity of 40% and 30% respectively , with aid levels of 33,000,000 euros for Caras-Severin and 24,750,000 euros for Timis and Arad. Thus , there is a variation in intensity aid in depending on the county , and the maximum aid amounts reflect these differences (Table 2).

In The region Bucharest-Ilfov , county Ilfov is divided in two areas with intensity different types of state aid . The partial area it includes localities Ciorogârla , Domnești , Clinceni , Cornetu , Bragadiru , Dărăști-Ilfov and Other benefits from a 35% intensity with an assist maximum of 28,875,000 euros . In instead , the area it includes localities Periș , Ciolpani , Snagov and Other receives an intensity greater than 45%, with an aid ceiling of 37,125,000 euros (Table 2) .

intensity aid varies from 30% in county from the region west (Arad and Timiș) up to 70% in County FROM regions Southwest Oltenia (Dolj and Gorj) and South-East (Galați). Also , the ceiling maximum amount of aid is established in depending on the intensity agreement each area, reaching 57,750,000 euros in County with the intensity the largest and 24,750,000 euros in Zone with intension reduced . These differences reflect the need to support regional economic development and promote investment in areas with lower development potential, thus ensuring a balance between the financial support provided and local development.

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