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THE USE OF STRUCTURAL FUNDS IN THE PROCESSING AND MARKETING OF AGRICULTURAL PRODUCTS

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Abstract. This article includes identification and evaluation of progress in the implementation of Sub-Measure 4.2. Support for investments in processing, marketing and/or development of agricultural products as a source of financing entities' investments under the RDP 2014–2020. It indicates the number of enterprises receiving support, the amount of funds received by individual branches, cross-sectional goals and the diversification of investment costs. This article shows how the funds allocated for the measure are used. It stresses the importance of investments in processing, marketing and/or development of agricultural products as a factor improving the competitiveness of existing enterprises and offering support to new entities beginning activity in the agri-food sector.

Keywords: processing, marketing, RDP 2014–2020, sustainable development, innovation

INTRODUCTION

Economy modernization processes, increased competition and measures focused on food quality and safety affect the functioning of undertakings in the unified European market and determine the need for the domestic operators to meet their customers' requirements. Market operators are "extremely complex organizations" due to multiple factors, including the diversity of objectives and of ways and methods for pursuing them, resource availability, and their ability to discover the emerging market trends. As today's market requires the entrepreneurs to diversify their offering, they provide the customers with value-added products, instilling benefits that go beyond the products' basic attributes (functional benefits). When fighting for customers (markets), agri-food companies are able to spend large sums of money on marketing activities aimed at winning new markets and maximizing their profits.

The agri-food sector is a key element of the sustainable development concept (the use of natural resources for the functioning and development). Great importance is also attached to sustainable consumption, which is crucial for implementing the sustainable development concept and pays attention to attitudes involving environmental, economic and social aspects desirable from the point of view of the societies.

Both the agri-food producers and processors find it extremely difficult to become innovative and inventive. Such projects require shifting from conservative attitudes (fear of changes) to robust attitudes, including research, technological, organization and financial aspects. After Poland's accession to the EU, the operators became eligible for EU budget funds, providing them with the ability to finance their undertakings with national resources supplemented with EU budget funds. The challenging and ever-changing socio-economic realities made it even more necessary for the businesses to continuously align their activities with variable conditions of their environment. On one hand, several opportunities arise for the operators. If properly seized, they could contribute to their success. However, on the other hand, a delayed response (or an absence of response)

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to changes may threaten their continued existence. For many operators active in various areas of the agri-food industry, the adopted financing targets became a major incentive to initiate development promoting measures both in the agriculture and in the food industry. Advertising campaigns implemented by key centers for the development of innovation and entrepreneurship in Poland encourage the use of European funds, having in mind the need to boost the operators' competitiveness through investments in innovative projects, including in the processing and marketing of agricultural products. However, the willingness of market operators to accept the "EU offering" depends on how they perceive it, and on their economic and financial standing, their ability to meet the eligibility criteria and their intent to participate in the shift towards sustainable development.

As shown by the economic practice, the competitiveness of goods and services needs to be improved. As regards this objective, the enabling measures include reducing the costs on a continuous basis and increasing the unit production scale to ensure the delivery of unified, repetitive batches of standardized, high-quality products. However, this type of production is usually specific to large or medium operators (i.e. production or processing facilities). Another step in the right direction for boosting the competitiveness is to deploy organizational improvements or new solutions within processes and products. However, most of the capital expenditure of the SME sector is financed with their own funds, with a smaller share of domestic loans and foreign funds. Note also that the use of own funds tends to decrease when moving from the "large" category to the "small and medium" category of the SME sector (Polish…, 2016).

Companies active in processing and wholesale, as well as agricultural producers active in agricultural products processing, may apply for support under measure 4.2 Support for investments in the processing, trading or development of agricultural products as a part of the 2014–2020 RDP. In the Polish agri-food sector, integration processes are still poorly developed (Kozera, 2013; Nosecka and Pawlak, 2014). Due to fragmentation of the operators, and in order to improve their competitiveness, it is crucial to demonstrate their ability to cooperate and maintain relationships with other market players active in the food chain (in the case of producers: with the processors, wholesalers and retailers) (Słodczyk, 2015). The development of these entities could increase their importance in the food processing and distribution flow. Thus, they will be provided with better opportunities for cooperation with other market players. Under the aforesaid measure, support is actually focused on investments (in tangible or intangible assets) related to the processing and wholesale of agricultural products. Note that the resulting product should also be an agricultural product. The analyzed aid instrument is a continuation of measure 123 Increasing the added value to primary agricultural and forestry production as a part of the 2007–2013 RDP and is an investment measure. As regards the nature of this aid, it is a partial refund of the costs of eligible operations[1]. The purpose of this paper is to identify and assess the progress of implementing measure 4.2. Support for investments in the processing, trading or development of agricultural products as a part of the 2014–2020 RDP.

MATERIAL AND METHODS

This paper is based on desk research. A classic analysis of strategic documents and descriptions of the current state was performed to establish the facts, make verifications and present the outcomes. This paper relies on unpublished data delivered by the Agency for Restructuring and Modernization of Agriculture (ARiMR). The figures represent the results attained by specific entities through the implementation of measure 4.2. Support for investments in the processing, trading or development of agricultural products as at 1H 2016, from the beginning of the period of financing provided for this measure from the EU budget. The degree of utilization of resources under the aforesaid measure is as at May 2017. The selection of the method was determined by the availability of source materials, including primary and secondary data (reports, public statistics documents, literature related to the financing for economic operators).

[1] The maximum amount of aid per applicant is PLN 3 million. In the case of agricultural producer groups or associations of producer organizations, the maximum amount of aid is PLN 15 million. The beneficiaries of this measure may be natural persons and national economy operators.

NUMBER OF UNDERTAKINGS PROVIDED WITH SUPPORT; AMOUNT OF EUROPEAN FUNDS ALLOCATED BY INDUSTRY

To specify the type of beneficiaries of support under the measure considered, the undertakings granted with financing were grouped as per the classification adopted by the Central Statistical Office. Accordingly, the groups of micro, small and medium enterprises were identified.

In Poland, during the implementation of measure 4.2. Support for investments in the processing, trading or development of agricultural products, project implementation agreements were entered into with 10 market operators from the small and medium sector (no micro enterprise entered into such an agreement) (Table 1). According to an analysis of food processing data by industry, 60% of undertakings provided with support are representatives of the meat sector and the fruit and vegetable sector (each with a share of 30%) (Table 2). Only the dairy industry demonstrated a slightly higher share (40%) in the total mix of operations covered by this measure. As shown by the data, so far, a relatively small number of representatives of the agri-food sectors have decided to participate in this measure. The involvement of these very sectors in measure 4.2 could be justified by the fact that within the food industry structure, the meat sector, the dairy sector and the food and vegetable sector are the sectors grouping a large number of operators and having a significant socio-economic role. So far, no support has been provided for investments in the cereals, potato, eggs, honey, flax, hemp and oilseed processing sectors which are also eligible for financing under the aforesaid measure[2].

The amount of public funds allocated varied from one industry to another. The average value of projects (operations) implemented in the food industry as a part of the measure considered was PLN 2.85 million. The amount of funds obtained by dairy companies was PLN 18.65 million, i.e. 65.42% of the total planned value of operations (Table 2). In the sectors covered by this analysis, similar figures were reported in the meat sector and in the fruit and vegetable sector (18.60% and 15.98% of the total value of operations, respectively). In each of the sectors considered, funds granted from the EAFRD were less than the total amount of public funds allocated.

[2] The forecasted market situation and future investment needs of specific sectors were the basis for developing a support strategy for the food industry. The agricultural product processing sectors eligible for financing under the measure considered were identified based on the above strategy (2014–2020 RDP).

Table 1. Categories of undertakings using support under measure 4.2. Support for investments in the processing, trading or development of agricultural products

Tabela 1. Kategorie przedsiębiorstw korzystających ze wsparcia w ramach działania 4.2. Wsparcie inwestycji w przetwarzanie produktów rolnych, obrót nimi lub ich rozwój

Categories of undertakings Kategorie przedsiębiorstw	Number of operations Liczba operacji	Number of undertakings provided with support Liczba przedsiębiorstw otrzymujących wsparcie	Amount of public funds allocated (PLN) Kwota przyznanych środków publicznych (zł)		Total planned value of operations (PLN) Planowana całkowita wartość operacji (zł)
			EAFRD* EFRROW*	total ogółem	
Micro – Mikro	0	0	0	0	0
Small – Małe	5	5	3,142,150.57	4,938,159.00	9,962,373.00
Medium – Średnie	5	5	5,713,245.76	8,978,855.50	18,541,512.00
Total – Razem	10	10	8,855,396.33	13,917,014.50	28,503,885.00

*The support for the development of rural undertakings is co-financed by the European Agricultural Fund for Rural Development as a part of the 2014–2020 Rural Development Program.

Source: own elaboration based on unpublished ARiMR data.

*Wsparcie rozwoju przedsiębiorstw wiejskich jest współfinansowane przez Europejski Fundusz Rolny na rzecz Rozwoju Obszarów Wiejskich jako część Programu Rozwoju Obszarów Wiejskich na lata 2014–2020.

Źródło: opracowanie własne na podstawie niepublikowanych danych ARiMR.

Table 2. Structure of sectors and operation values in the group of operators reporting the use of support under measure 4.2. Support for investments in the processing, trading or development of agricultural products
Tabela 2. Struktura sektorów i wartości operacji w obrębie podmiotów zgłaszających korzystanie ze wsparcia w ramach działania 4.2. Wsparcie inwestycji w przetwarzanie produktów rolnych, obrót nimi lub ich rozwój

Sector covered by the operation Sektor, którego dotyczy operacja		Number of undertakings provided with EAFRD support Liczba przedsiębiorstw otrzymujących wsparcie EFRROW	Amount of public funds allocated (PLN) Kwota przyznanych środków publicznych (zł)		Total planned value of operations (PLN) Planowana całkowita wartość operacji (zł)	Value of operations per undertaking (PLN) Wartość operacji na 1 przedsiębiorstwo (zł)	Share in the total value of operations Struktura całkowitej wartości operacji (%)	Industry Branża
			EAFRD EFRROW	total ogółem				
10.13.Z	Production of meat products, including poultry meat products Produkcja wyrobów z mięsa, włączając wyroby z mięsa drobiowego	3	1,659,558.21	2,608,138.00	5,302,331.00	1,767,443.67	18,60	meat mięsna
10.39.Z	Other processing and preserving of fruit and vegetables Pozostałe przetwarzanie i konserwowanie owoców i warzyw	3	1,449,267.74	2,277,648.50	4,555,297.00	1,518,432.33	15,98	fruit and vegetable owocowo-warzywna
10.51.Z	Operation of dairies and cheese making Przetwórstwo mleka i wyrób serów	4	5,746,570.38	9,031,228.00	18,646,257.00	4,661,564.25	65,42	dairy mleczarska
Total – Razem		10	8 855 396,33	13,917,014.50	28,503,885.00	2,850,388.50	100.00	–

Source: own elaboration based on unpublished ARiMR data.
Źródło: opracowanie własne na podstawie niepublikowanych danych ARiMR.

TRANSVERSAL OBJECTIVES OF CURRENT INVESTMENTS

When considering the aspects of the aforesaid measure, they may also be looked at from the perspective of transversal objectives. The development capacity of the Polish food sector depends on matters related to environmental enhancement, climate and innovativeness. Based on data from Table 3, it may be concluded that the total planned value of operations takes account of their transversal objective, i.e. the climate change mitigation (around PLN 20 million) and the innovativeness issues (slightly beyond PLN 21 million) had a similar importance.

The companies covered by this measure did not declare any environmental protection initiatives. However, agricultural product processing and marketing activities largely depend on climate issues (climate change mitigation). It is noted that the issue of improving the energy efficiency was addressed by half of the companies granted with financing under this measure. The use of renewable energies was reported by 2 operators granted

Table 3. Types of innovations, activities for climate change mitigation and environmental protection covered by the investments (PLN) of undertakings under measure 4.2. Support for investments in the processing, trading or development of agricultural products

Tabela 3. Rodzaje innowacyjności, działań na rzecz łagodzenia zmian klimatu i ochrony środowiska w inwestycjach przedsiębiorstw (zł) w ramach działania 4.2. Wsparcie inwestycji w przetwarzanie produktów rolnych, obrót nimi lub ich rozwój

Transversal objective Cel przekrojowy		Number of operations contributing to the objectives Liczba operacji wpływających na cele	Number of undertakings provided with support Liczba przedsiębiorstw otrzymujących wsparcie	Amount of public funds allocated (PLN) Kwota przyznanych środków publicznych (zł)		Total planned value of operations (PLN) Planowana całkowita wartość operacji (zł)
				EAFRD EFRROW	total ogółem	
Environment Środowisko	water woda	0	0	0.00	0.00	0.00
	sewage ścieki	0	0			
	air powietrze	0	0			
Climate Klimat	improved energy efficiency poprawa efektywności wykorzystania energii	5	5	6,373,066.27	10,015,820.00	20,117,696.00
	use of renewable energies wykorzystanie OZE	2	2			
	other inne	1	1			
Innovations Innowacje	process innovativeness innowacyjność procesu	7	7	6,699,981.93	10,529,596.00	21,145,248.00
	product innovativeness innowacyjność produktu	2	2			
	technology innovativeness innowacyjność technologii	4	4			

Source: own elaboration based on unpublished ARiMR data.
Źródło: opracowanie własne na podstawie niepublikowanych danych ARiMR.

with support. Two more of them reported other activities aimed at climate improvement.

As the projects implemented by specific companies and industries are of an innovative nature, the operators may be referred to as innovative businesses. Note that as regards the type of innovativeness, process innovativeness is prevalent (as it was identified in 7 out of 10 businesses covered by this measure). What also needs to be emphasized, is the importance and role of technology innovations (4 out of 10 businesses): indeed, the adequate base resources such as machinery and equipment provide the operators with multiple opportunities, including the diversification of market products. Technological changes are believed to be a major driver of progress. According to the Olso Manual (2008), the abovementioned nature of innovations is related to the deployment of new production techniques and/or technologies, previously not used in businesses. Having in mind the specific nature of innovation types, product innovations were identified only in two companies. A product innovation allows for proposing new products, new product lines, additional products that supplement the existing lines, improved versions of existing products, or cost-saving products. This type of innovations proves to be extremely important for winning brand new markets, gaining a competitive edge in the existing ones, and winning new customer groups. According to a report by the Polish Agency for Enterprise Development (Polish…, 2016), measures taken by the entrepreneurs to face competition usually include enhancements to the offering, marketing activities, improvements to products and services marketed, and deploying new technologies.

Most of the operators taking the aforesaid measure (i.e. 80% of them) reported an improvement of their competitiveness through an increase of the added value to primary agricultural production. Also, every fifth company claimed to have improved their competitiveness through a better integration with the agri-food chain. Upon completing the operations, all of the operators intend to maintain their long-term[3] agreements (3-year or beyond) entered into with agricultural producers to purchase primary products/acquire primary products for processing and/or store more than 50% of the total quantity of primary products necessary for production purposes.

VARIABILITY OF COSTS BORNE AS A PART OF THE INVESTMENT

The market operators demonstrated different needs for investments under the measure considered. Based on this data (Table 4), it may be demonstrated that the dominating investments were related to costs of "purchase (and installation) or lease of machinery and equipment with transfer of ownership upon completion of the lease period" and accounted for PLN 16.84 million, i.e. 59.06% of total eligible costs of all investments. Within the measure under consideration, the second most important cost component turned out to be "new buildings and constructions that provide infrastructure for the undertaking's facilities, as necessary for the investments in machinery and equipment or in environmental protection infrastructure," accounting for PLN 7.29 million, i.e. nearly 26% of total costs. The next item in the ranking of investments by importance was the cost of "extended, added, altered or renovated (repaired and upgraded) buildings and constructions related to the technical infrastructure involved in the use of basic facilities," accounting for PLN 3.02 million (10.61%). It may be demonstrated that other cost groups remained at low levels, reaching up to 5% of the total eligible investments costs in all companies.

As regards the measure under consideration, the financing conditions enable the construction of facilities as well as various types of improvements within the production or storage processes of the participating operators. Having in mind the objective of competitiveness of market operators, the expenditure involved in the

[3] Long-term agreements entered into directly between the beneficiary and agricultural producers/agricultural producer groups/associations of producer organizations/pre-processors of agricultural products (as applicable) should include the following provision: the way of price formation between the supplier and recipient of agricultural products which is the basis for settlements between the contracting parties (e.g. the parties to a long-term agreement may agree that the price per ton of an agricultural product specified in the agreement cannot exceed by more than 2% the average per-ton market price in the year preceding the year this agreement was entered into). As the Agency for Restructuring and Modernization of Agriculture does not own any templates or guidelines for the form and scope of provisions defining the price formation mechanism, it may be defined freely. It is important to maintain and comply with the condition to purchase agricultural products from the aforesaid agricultural producers pursuant to the terms and percentages provided for in the regulation of the Ministry of Agriculture and Rural Development.

construction or upgrade of buildings; purchase or lease of only new machinery, equipment or environmental protection infrastructure; deployment of total quality management systems; purchase of process management or control software; and patent and license fees guarantee that the eligible investment costs will cover state-of-the-art technologies, as available.

ASSESSING THE DEGREE OF UTILIZATION OF RESOURCES AS A PART OF THE MEASURE CONSIDERED

An important part of this analysis is to address the assumptions and assess the degree of utilization of resources as a part of the aforesaid measure. To do so, an analysis was performed based on data as at May 2017, covering the number of calls for applications and agreements entered into, the amounts of financing applied for, the number of requests for payment, and the payments disbursed on a countrywide basis.

A total of 1,127 applications[4] were filed from January 2015 (initiation of the 1st call for applications) to October 2016 (closure of the 2nd call for applications). Among them, 41.88% were rejected and 14.11% were accepted (and resulted in entering into an agreement), while 55.99% are being verified. In the case of measure 4.2, there are two steps of filing an application: step 1: the application for aid; step 2: the decision to grant aid is made and becomes final; the request for payment is filed.

The average value of support applied for by domestic beneficiaries was in excess of PLN 83,000, whereas in the case of approved applications it was above PLN 98,000. When analyzing the number of applications filed and the requested amounts, it may be concluded that there is high interest in this measure (the amount of funds within the two rounds of application filing accounts for 51.28% of the financial envelop that has been launched to date under this measure).

So far, during the implementation of the aforesaid measure in Poland, payments accounting for a total amount of PLN 12.15 million have been disbursed only to 12 beneficiaries, and the share of EAFRD funds is over 63%[5]. The payments disbursed represent only 0.42% of the available amount of PLN 2.93 billion.

From the perspective of the development of the Polish agricultural products processing sector, the use of financing by undertakings under measure 4.2. Support for investments in the processing, trading or development of agricultural products is an important direction for investments. According to the assumptions underpinning the 2014–2020 RDP (Ministry of Agriculture and Rural Development), the support will contribute to improving the competitiveness of existing undertakings while helping the start-ups in this sector. The support is also supposed to help improving the situation of agricultural producers as a part of the stabilization process of the selling market for agricultural products, taking into account the nature of relationships with processing plants and wholesalers. The above will condition the (improvement of the) level of the producers' integration into the agri-food chain in various ways, including by adding value to agricultural products, initiating promotion activities in local/regional markets or accelerating the delivery cycles. Also, this direction of investments should be reflected by an improvement of the economic and financial performance of the operators and an enhancement of their market presence while enabling a greater degree of differentiation, including in the production area.

Having in mind the assumptions of the measure under consideration, it could also be concluded that the businesses want to engage in activities focused on the enhancement of the processing and marketing of agricultural products, taking into account the transversal objectives of this measure, as resulting from the development orientations of the economy which moves towards sustainable growth (this means taking the following into account: climate change mitigation; adjusting the business; and developing product and process innovations). However, the innovation development processes should be approached conservatively because, according to the results of studies by Irani and Balakrishnan (2015) and to PARP information (Inwestycje…, n.d.) , a small percentage of them can actually be referred to as breakthrough innovations. This is also clearly seen in the domestic realities, becomes increasingly noticeable in

[4] The 3rd call for applications was announced on April 10, 2017. Applications may be filed by May 9, 2017.

[5] The highest numbers of payments disbursed were recorded in the Wielkopolskie (4), Podlaskie (3) and Kujawsko-Pomorskie (2) voivodeships.

Table 4. Variability of costs borne under measure 4.2. Support for investments in the processing, trading or development of agricultural products
Tabela 4. Zróżnicowanie kosztów działania 4.2. Wsparcie inwestycji w przetwarzanie produktów rolnych, obrót nimi lub ich rozwój

Specification Wyszczególnienie	Number of investment types planned to be implemented as a part of the operation Liczba planowanych do realizacji typów inwestycji w ramach operacji	Eligible investment costs (PLN) Koszty kwalifikowalne inwestycji (zł)	Total planned value of operations (PLN) Planowana całkowita wartość operacji (zł)	Share of eligible investment costs Struktura kosztów kwalifikowalnych inwestycji (%)
1	2	3	4	5
New buildings and constructions that provide infrastructure for the undertaking's facilities, as necessary for the investments in machinery and equipment or in environmental protection infrastructure Nowe budynki i budowle stanowiące infrastrukturę zakładów przedsiębiorstwa, niezbędną do wdrożenia inwestycji w zakresie zakupu maszyn i urządzeń lub infrastruktury służącej ochronie środowiska	2	7,293,744.00	7,293,744.00	25.59
Extended, added, altered or renovated (repaired and upgraded) buildings and constructions that provide infrastructure for the undertaking's facilities, as necessary for the investments in machinery and equipment or in environmental protection infrastructure Budynki i budowle rozbudowane nadbudowane, przebudowane lub wyremontowane (remont połączony z modernizacją) stanowiące infrastrukturę zakładu przedsiębiorstwa, niezbędną do wdrożenia inwestycji w zakresie zakupu maszyn i urządzeń lub infrastruktury służącej ochronie środowiska	1	944,417.00	944,417.00	3.31
New buildings and constructions of the technical infrastructure involved in the use of basic facilities Nowe budynki i budowle infrastruktury technicznej związane z użytkowaniem obiektów podstawowych	1	119,749.00	119,749.00	0.42
Extended, added, altered or renovated (repaired and upgraded) buildings and constructions related to the technical infrastructure involved in the use of basic facilities Budynki i budowle rozbudowane, nadbudowane, przebudowane lub wyremontowane (remont połączony z modernizacją) jako element infrastruktury technicznej związane z użytkowaniem obiektów podstawowych	2	3,024,332.00	3,024,332.00	10.61

Table 4 cont. – Tabela 4 cd.

1	2	3	4	5
Purchase (and installation) or lease of machinery and equipment with transfer of ownership upon completion of the lease period Zakup (wraz z instalacją) lub leasing zakończony przeniesieniem prawa własności maszyn lub urządzeń	45	16,837,143.00	16,837,143.00	59.07
Purchase (and installation) or lease of measuring and control apparatuses and production or storage process control equipment with transfer of ownership upon completion of the lease period Zakup (wraz z instalacją) lub leasing zakończony przeniesieniem prawa własności aparatury pomiarowej, kontrolnej oraz sprzętu do sterowania procesem produkcji lub magazynowania	1	18,000.00	18,000.00	0.06
Purchase (and installation) or lease of enterprise management software or production or storage process management software with transfer of ownership upon completion of the lease period Zakup (wraz z instalacją) lub leasing zakończony przeniesieniem prawa własności oprogramowania służącego zarządzaniu przedsiębiorstwem lub sterowania procesem produkcji lub magazynowania	0	0.00	0,00	0.00
Implementation costs of quality management systems Koszty wdrożenia systemów zarządzania jakością	0	0.00	0.00	0.00
Patent and license fees Koszty opłat za patenty i licencje	0	0.00	0.00	0.00
General costs Koszty ogólne		266,500.00	266,500.00	0.93
Other non-eligible costs Inne koszty niekwalifikowalne			0.00	0.00
Total investment costs Suma kosztów inwestycji		28,503,885.00	28,503,885.00	100.00

Source: own elaboration based on unpublished ARiMR data.
Źródło: opracowanie własne na podstawie niepublikowanych danych ARiMR.

markets such as FMCG, and is definitely a disadvantage from the perspective of enhancing the competitiveness of the agri-food sector. In this very area, the Ministry of Agriculture and Rural Development foresees the need for mitigation measures, e.g. detailing the definition of innovation for this sub-measure at the level of national legislation[6], building a unified, easily understandable engine for application verification, and controlling the deployment and implementation of investments. Innovations are a prerogative of the development of competing operators. As noted by Kozera (2013), innovativeness is of special importance in rural areas where the development of entrepreneurship is based on a better use of the existing human capital. In this case, innovativeness is assessed at a micro scale, from the perspective of the applicant for financing under the relevant sub-measure, by comparison to legacy technologies or production methods.

CONCLUDING REMARKS

In the next years, the development dynamics of market operators in rural areas will be driven by multiple factors, including the support to be granted. EU funds have become an important incentive that triggers activities focused on the development. It is desirable to make use of these funds, as reflected by agri-food investments, including in the area of the processing, trading or development of agricultural products. Note the market operators' interest in and willingness to engage in measures for the improvement of competitiveness of agricultural producers and of the processing sector. The innovations are a prerogative (privilege) of the development of competing operators. Most of the projects considered by the businesses were process innovations focused on improving the competitiveness through an increase of the added value to primary agricultural production. As shown by the analyses, the operators are interested in climate issues, and are committed to maintain their long-term agreements entered into with agricultural producers. However, both the investment needs and the amounts of public funds granted to specific sectors are very diverse.

Nevertheless, the use of funds as a part of support for agricultural producers and undertakings to improve the competitiveness of agricultural products processing and marketing requires some incentives which, rather than triggering interest in the measure concerned, should be related to the regulation of legal issues (so as not to extend the waiting time for the subsidy) and to consultancy on how to comply with formal requirements (including those caused by a large number of appendices, frequently required additional authorizations, such as building or modernization permits, and extended guides for filling in the applications), especially for new operators. Otherwise, the applicants' high interest in this support could not translate into the implementation and attainment of intended outcomes as a part of the measure deployed. This, in turn, could be crucial for their day-to-day operation and development. Matters to be considered in the future should include the development of tools to assess the quality of consultancy services.

Due to low utilization degree of the support limit, changes to the utilization levels of EU support need to be analyzed and monitored. An interesting research topic were the analyses which also enabled the identification of motives (including financial reasons) behind the decision to act/apply for aid from the system.

[6] As provided for in the Instructions for filling an aid application under measure 4.2 "Support for investments in the processing, trading or development of agricultural products" of the 2014–2020 RDP, "innovativeness of a process means a change to the production methods used by the undertaking. These methods could consist in modifying the equipment or production organization, may combine both types of changes or result from the use of new knowledge." Changes to production methods may be based on the use of new machinery/equipment, deployment of new production techniques or technologies, or implementation of innovative changes to the production organization system focused on improvements to the production process (or may be a compilation of the above factors). In turn, "product innovativeness means a change to the portfolio of products manufactured by the undertaking as a consequence of implementing an operation. The new product is a good or service whose features or intended purposes significantly differ from those of products previously manufactured by the undertaking." An innovative product is a product created, for instance, as a result of deploying new or newer machinery and equipment (with more user-friendly or environmentally-friendly technical and usage specifications), considered to be a new one within the entire undertaking.

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WYKORZYSTANIE FUNDUSZY STRUKTURALNYCH W DZIEDZINIE PRZETWÓRSTWA I MARKETINGU PRODUKTÓW ROLNYCH

Streszczenie. W artykule dokonano identyfikacji i oceny postępów realizacji działania 4.2. Wsparcie inwestycji w przetwarzanie produktów rolnych, obrót nimi lub ich rozwój – jako źródła finansowania inwestycji podmiotów w ramach PROW 2014–2020. Określono liczbę przedsiębiorstw otrzymujących wsparcie, wysokość przyznawanych środków w ujęciu branż, cele przekrojowe oraz zróżnicowanie kosztów realizowanych inwestycji w ramach inwestycji. Przedstawiono stopień wykorzystania środków w ramach działania. Podkreślono znaczenie inwestycji w przetwarzanie produktów rolnych, obrót nimi lub ich rozwój jako czynnika poprawy konkurencyjności przedsiębiorstw już istniejących, a pomocy podmiotom nowym, rozpoczynającym działania w obrębie sektora rolno-żywnościowego.

Słowa kluczowe: przetwórstwo, marketing, PROW 2014–2020, zrównoważony rozwój, innowacja

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