

EUROPEAN FINANCING FROM POST-ACCESSION FUNDS FOR BLUEBERRY CROPS

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ABSTRACT. This paper presents the post-accession EU funding that benefited farmers through the National Rural Development Programme, in the period 2007–2013, for establishing plantations of blueberries in Romania. It is presented the description of the European Agricultural Fund for Rural Development through which they could access the post-accession funds for agriculture, the financial allocation grant under this Fund, as well as some examples of projects approved for the establishment of blueberry plantations by the measure 121 "Modernization of agricultural holdings" within this program. For the next period of funding, 2014–2020, the EU will encourage investment by farmers in blueberry plantations through measures under the NRDP program 2014-2020.

Key words: *National Rural Development Program, European Agricultural Fund for Rural Development, blueberry, projects*

INTRODUCTION

EU policies in 2007–2013 and the related post-accession funds

The EU budget is projected by the European Commission for a period of seven years, also called "financial perspective", the current period being 2007–2013. The budget was allocated for the financing of EU policies, the highest amounts going to the common agricultural policy and cohesion policy (European regional policy).

The European Funds allocation is made by the European Commission to finance internal and external policies. European funds allocated to Romania in 2007–2013 were over 30 billion Euros.

Romania follows, in terms of agriculture and rural development, the principles of Common Agricultural Policy (CAP), which is a set of rules and measures aimed

mainly at increasing productivity, ensuring a fair standard of living for the population in agriculture, stabilizing markets, guaranteeing the security of supplies, providing consumers with supplies at reasonable prices.

In Figure 1 are presented the EU policies and the related funds allocated.

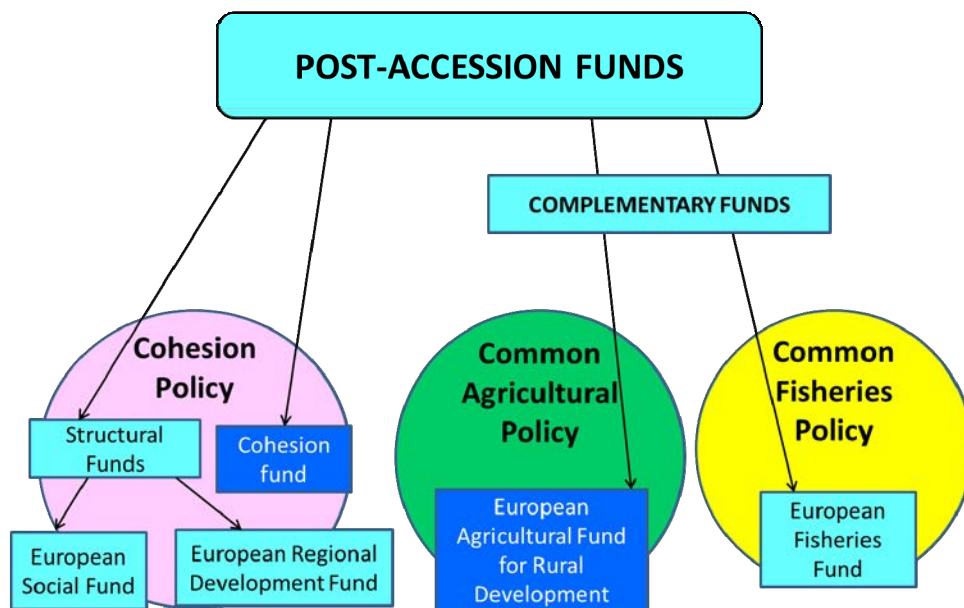


Fig.1. Scheme of 2007-2013 post-accession funds.

Separation on specific policies of the Structural action Funds action for 2007–2013 has resulted from the reform of the Cohesion Policy required by the unprecedented expansion of the European Union. To simplify and support the reform of the Common Agricultural Policy and the Common Fisheries Policy conducted in 2002/2003, the funds for agriculture and fisheries were transferred towards the related policies, no longer assigned to the Structural Funds, but operating on the same typology (Rozenberg et al, 2007).

According to the European Council Regulation no. 1290/2005 on the financing of the common agricultural policy, two European funds for agriculture were created (www.fonduri-structurale.ro):

- EAGF – The European Agricultural Guarantee Fund – to finance marketing measures;
- EAFRD - European Agricultural Fund for Rural Development – for the funding of rural development programs.

EAFRD was accessed since March 2008, after the approval of the National Rural Development Programme (NRDP).

The National Rural Development Programme 2007 - 2013

Based on the Council Regulation (EC) no. 1698/2005 of 20 September 2005 regarding the support for rural development through the European Agricultural Fund for Rural Development (EAFRD), it was created the National Strategic Plan for Romania, which formed the basis for the implementation of the National Rural Development Programme for the period 2007–2013. The National Rural Development Programme 2007 - 2013 (NRDP) was a document drafted at the Ministry of Agriculture and Rural Development, which detailed the specific way in which investments were financed from European funds for agriculture and rural development. NRDP was the document based on which the European Agricultural Fund for Rural Development could be accessed and which respected the strategic guidelines for rural development of the European Union.

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The European Agricultural Fund for Rural Development was intended to finance rural development programs and has been accessed since March 2008, after the approval of the National Rural Development Programme (NRDP).

The priority axes within EAFRD were (www.apdrp.ro):

Axis 1 - *Improving the competitiveness of agriculture and forestry sectors*

Axis 2 - Improving the environment in rural areas

Axis 3 - Quality of life in rural areas and diversification of the rural economy

Axa 4 – LEADER

Technical and financial implementation was provided by the Payment Agency for Rural Development and Fisheries (APDRP), which was represented at the central and county level.

Grant funding from European funds through NRDP varied from one development region to another, from one operational program to another, from one priority axis to another, from one domain to another.

Thus the Measure 121 "*Modernization of agricultural holdings*" was part of the Axis I - "Increasing the competitiveness of agriculture and forestry" and had the following objectives:

- a. The introduction and development of new technologies and procedures, diversification of production, adjusting the profile, level and quality of production to the market requirements, including the environmental one as well as the production and use of energy from renewable sources;
- b. Adapting exploitations to the Community's standards;
- c. Increase of the supported farm income;
- d. Supporting members of producer groups or other associative forms to encourage the association phenomenon.

This measure included:

- upgrading or setting up vegetable farms and providing them with equipment and machines;
- modernization and setting up of turkey farms, laying hens, cows, goats, geese and calves;
- purchase of irrigation systems;
- establishment of vegetable greenhouses, strawberries or mushrooms and sea buckthorn plantations, walnut, cherry, apple, plum, *blueberry*, grape vines and currant.

Please note that blueberry plantations in Romania are regulated by the 2003 Law of horticulture (Legea nr. 348/2003).

In the Guidelines for the applicant for the 121 measure, in Chapter 2.3 *Types of investments and eligible expenses*, there is point 8, *Setting up tree plantations, fruit shrubs and strawberries*.

Also in Chapter 2. 5 *Criteria for selection of the project*, the projects investing in *Nurseries for fruit trees and bushes, strawberries* are the second priority in the selection criteria.

We present in Table 1 some of the projects which have established blueberry plantations with European grants funding through Measure 121:

Table 1. *List of Beneficiaries of the European Agricultural Fund for Rural Development (EAFRD) Measure 121 - "Modernization of agricultural holdings" - SECTOR VEGETABLE projects of blueberry plantations, 2010 session.*

| No. | Project name | The amount of grant (Euro) |
|-----|---|----------------------------|
| 1. | Ecological plantation establishment of organic blueberries in Chisindia locality, Arad county | 204.198 |
| 2. | Blueberry plantation establishment in Sinteia Mare, Arad county | 435.147 |
| 3. | Accomplishment of blueberry and strawberry plantation, Recea commune, Brasov county | 200.693 |
| 4. | Establishment cranberry plantation culture, Recea commune, Berivoi village, Brasov county | 665.916 |
| 5. | Accomplishment of blueberry plantation culture Siliștea, Constanta County | 418.565 |
| 6. | Establishment of "Blueberry valley" plantation, Robanesti commune, Dolj county | 311.610 |
| 7. | Establishment of blueberry plantation at Ruginoasa, Neamt County | 150.441 |

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| No. | Project name | The amount of grant (Euro) |
|-----|---|----------------------------|
| 8. | Establishment of a blueberry plantation in Medies Raturi locality, Satu Mare county | 130.200 |
| 9. | Establishment of a blueberry plantation in Ghilvacii locality, Satu-Mare county | 85.000 |

By this measure grants were awarded in the amount of 50% - 75% (2007-2009 period) and of 40% - 75% (2010–2013 period) of the eligible value of the project that was supposed to be complemented by private contribution (Varga N.S. et al, 2013).

The accepted minimum threshold for one 121 measure project was of 5.000 Euros, this amount representing the total eligible value of the project.

For the vegetable sector, where projects regarding blueberry plantations were included, the maximum eligible amount of a project was not supposed to exceed 1.000.000 Euros and the share grant support had to be 40% (representing 400.000 Euros).

In Romania the first crop of blueberries was established in 1968 at Bilcești, 10 km from Câmpulung Muscel at an altitude of 840 m. First research on the blueberry cultures was initiated by Gheorghe Bădescu (genetic improvement, breeding) and Lidia Bădescu (agricultural technology). After 1978, at the research on blueberry crops have also participated Chichirez Eugenia (propagation), Copăescu Valeria (protection), Cătălin Bădescu (genetic improvement, irrigation) and Cristina Bădescu (agricultural technology, multiplication). Research carried out at Bilcești, for over 30 years, have led to the conclusion that high bush blueberry can be successfully grown in the specific climatic conditions of the submountain areas of Romania (<http://www.pomiculturasubmontana.ro>).

In the early '80s Romania has started an expansion program of the shrub cultures on 10.000 ha, of which 1200 ha of blueberries. As a part of this program, until 1989 there were planted approx. 300 ha of blueberries. After 1989 due to the side effects of the land restitution process, the areas planted with blueberry decreased to less than 50 ha.

After the year 2000, the interest in shrub cultures has increased and new plantations began to be established. In 2010 the areas with blueberry cultures have exceeded 150 ha. Following developments in recent years and the results of the new farmers, it is expected that the pace of expansion of the blueberry crop will significantly accelerate (<http://www.pomiculturasubmontana.ro>).

The cultures are more extensive in Arges (Bilcești, Baiculesti), Suceava (Todirești), Sibiu (Făgăras), Maramureș (Coltau). Due to the temperate continental climate with Mediterranean influences in the Western and North-Western lowlands (Maramures depression for example), of the types of soil - very acid, these shrubs can grow successfully. Of course, it can be grown in other areas as well – in Northern Moldavia and the entire surface of Transylvania (exactly because of soil – to which could be added pine sawdust and peat material) (Varga N.S. et al, 2013).

Institutional structure 2014 – 2020

The first version of the Partnership Agreement 2014–2020 describes the general framework for drawing the European funds allocated for the 2014–2020 period. The reform of the current system is provided by the simplification of the institutional structure in order to increase the efficiency (figure 2).

ANEXĂ

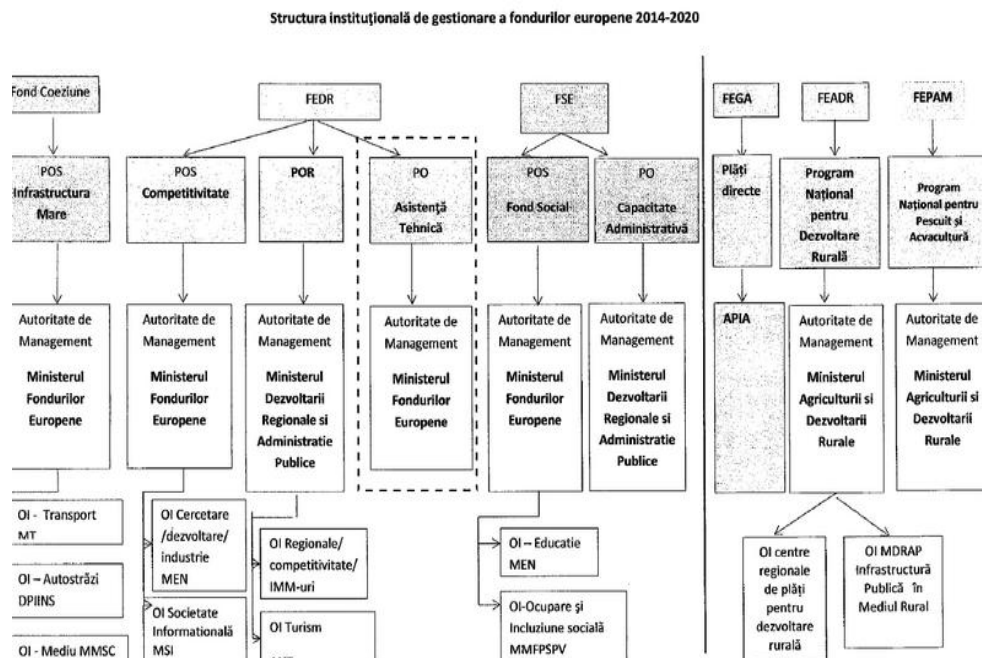


Fig. 2. Management of EU funds in 2014 – 2020 period.

The system will be better coordinated, establishing the management duties at the level of only three ministries:

- The Ministry of European Funds for the management of four operational programs: Large infrastructure (transport, environment and energy), Competitiveness (Research - Development Digital Agenda) Human Capital and Technical Assistance;
- The Ministry of Regional Development and Public Administration for the management of regional development programs, of the programs dedicated to European territorial cooperation program and of the program for administrative capacity;
- Ministry of Agriculture and Rural Development for the management of programs dedicated to agriculture, rural development and fisheries and aquaculture.

National Rural Development Programme 2014 – 2020

The novelties of the National Rural Development Programme 2014–2020 are the following:

- The funds available to farmers for the next financial period will be reduced to 7.2 billion euros in the period 2014-2020 as compared to 8.1 billion euros in the 2007–2013 period.

- At least 30% of available funds through NRDP will be allocated to agri-environmental measures (encourages farmers to apply agricultural production methods compatible with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity). Examples of agri-environmental packages: High Nature Value Grassland, Traditional Farming, Important Grasslands for Birds and Green Crops

- The future NRDP will have, in the 2014–2020 period, only 14 measures, as compared to the current 24 measures

- Introduction of a credit system with subsidized interests, by the Ministry of Agriculture and Rural Development

Since 2014, the Agricultural Directorates, where farmers used to solve most of their problems will no longer exist. There will be established, however, eight Regional Centers for Agriculture.

For the two most important institutions under the Ministry of Agriculture and Rural Development, the Agency for Payments and Intervention in Agriculture (APIA) and the Paying Agency for Rural Development and Fisheries (APDRP) the regionalization doesn't bring any novelties, these institutions responsible for "sharing" the European funds already have regional branches.

At the end of the year the draft of the new NRDP will be subject to public consultation. The program will be sent to the European Commission in January 2013, the negotiation process may even take 6 months.

The key measures which will be reflected in the new RDP are all investment measures:

- measure 322 – investments in rural infrastructure,

- measure 121 – investments in farms,

- measure 123 – investments in the agricultural and food industry.

To avoid a vacuum of project applications, the Ministry of Agriculture and Rural Development intends, starting from the first part of 2014, to open a few needed measures on the member State's liability:

- measure 121 - "Modernization of agricultural exploitations" investments in agricultural exploitations,

- measure 123 - "Increase of the added value of agricultural and forestry products" - investments in the agricultural and food industry.

We note further that for the 2014–2020 programming period, through measure 121, the EU encourages farmers to set up blueberry cultures.

Here are 5 reasons for choosing the blueberry plantations:

- blueberries are rich in antioxidants and bring amazing health benefits, being used in food and pharmaceutical industries;

- the blueberry shrub is planted more and more around the world, and the life of a blueberry plantation is of at least 45 years;
- blueberry demand for their fresh consumption or for industrialization is increasing and the price of blueberries increases every year;
- by investing in blueberries, one may recover the full investment from the very first two years of production;
- blueberry is the most profitable alternative culture, providing opportunities of use for low productive lands.

CONCLUSIONS

Blueberry is the most profitable alternative culture, providing opportunities of use for low productive lands.

Blueberry crops present an ever increasing interest, because of food and pharmaceutical value of the fruit and plant.

In the next period, the European Union will encourage the investments made by farmers in blueberry plantations, through the measures in the program NPARD 2014–2020.

In early 2014, the Ministry of Agriculture and Rural Development plans to launch several measures, including the 121 measure by which blueberry plantations can be established.

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