



**Good Practices on Regional Research and
Innovation Strategies for Smart Specialisation**
Fruit Producers Organisation “Stryjno-Sad”



Lubelskie Region, Poland

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1 Basic Data of the Practice

1.1 Title of the practice

Fruit Producers Organisation „Stryjno-Sad”

1.2 Precise theme/issue/policy tackled by the practice

- Clusters
- Innovation friendly business environments for SMEs
- Research infrastructures, centers of competence and science parks
- Universities
- Digital Agenda for Europe
- Key enabling technologies
- Cultural and creative industries
- Internationalisation
- Financial engineering instruments
- Innovative public procurement
- Green growth
- Social innovation

Process of regional change initiated:

- transition
- modernisation
- diversification
- radical foundation of a new domain

1.3 Geographical range of the practice

Lubelskie Region (NUTS code PL31)

Poland

1.4 Contact details

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1.5 Sources of information

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2 Introduction: Regional Smart Specialisation Background

The location on the eastern EU border with Ukraine and Belarus is one of the assets of the Lubelskie Region - a place friendly to investors, willing to act in the neighbourhood of eastern markets. There are 6 transcontinental road and railway routes from Brussels, Berlin and Warsaw to Lviv, Odessa, Kiev, Minsk and Moscow running through our region and six border-crossing points.

The economy of the region is based on agriculture - the Lubelskie Region with its good soil and climate conditions is a national leader of numerous agriculture and horticulture cultivations, among others hop, raspberries, currants and strawberries. In recent years there has been a dynamic development of production and processing of healthy, certified food. **Contribution of Polish agriculture sector in GDP of Poland amounted to approx. 3,% in 2010 whilst in Lubelskie Region remains at the level of 6,5%.**

Agricultural areas in Lubelskie Region in 2011 amounted to nearly 1,45 mln ha (3rd place in Poland, right behind Mazowsze and Wielkopolska), that was 57,8% of total Region area. At the same time nearly 97,5% was lands of good agricultural condition.

About 78% of all the crops are corns (as much as 10.9% of the country area).The biggest number of farms cultivate wheat (3rd place in the country), 85 thousand - barley (1st place in the country), 82 thousand - corns mix (2nd place), 65 thousand - triticale (3rd place). An important role in the region, cultivation structure is still played by white beets (15.5 thousand farms), rape and common agrimony (12.4 thousand). Many farms (35.7 thousand) cultivate ground vegetables (3rd place in the country) and strawberries (27 thousand, 2nd place). The specificity of the regional agriculture is cultivation of hop (1.8 thousand ha, 70% of national production), tobacco (8.2 thousand ha, 36%) and leguminous plants (edible and those cultivated for grain, 49% of national production).

An important role in agriculture of the Lubelskie Region is played by permanent cultivations including plantations of fruit trees and bushes, seedbeds of fruit trees and bushes, decorative bushes and others. The most popular in the orchards are apple trees (22 thousand ha), currants (17 thousand ha) and raspberries (14 thousand ha).

A new, evolutionary trend in the agricultural economy is ecological agriculture. According to the Inspection of Trade Quality of Agro-Food Products, in 2010 there were 1,386 ecological producers supplying the domestic and European market with healthy certified food. It places the region on a high 3rd place in the country.

The situation on the market of food and agriculture raw materials is monitored in terms of supply and demand and regular increase in the world demand for food has been observed.

Food market in Poland in 2011 amounted to 250 billion PLN, nearly 9 billion more in comparison to 2010. Food export from Poland amounted to 15 billion PLN and it noticed an increase of 10 billion PLN in comparison to 2005. By 2013 food sector is expected to notice further increase of 40 billion PLN. The main conditions for an amount and dynamic of the food sector are: healthy lifestyle, changing consumption habits, quality of food and increasing incomes of households.

Agriculture and agri-food industry in Lubelskie Region is of a significant potential in terms of contribution in a developing functional food market and production raw materials and ingredients for other sectors: pharmaceuticals, cosmetology, chemistry, biotechnology and medicine.

Creation of producers group is one of the co-operation form of farmers and other agricultural producers in order to reduction of production costs and improvement of competitiveness. Producers groups may be created within 35 agri-food sectors (both animal and plant). Currently 18 producers groups works in Lubelskie Region including The Association of Producers Organisation „Stryjno-Sad“ in Piaski and 15 initially recognised as a producers group among others: Lubsad in Motycz, Producers Group of Soft Fruit and Vegetables in Gmina Frampol, Association of Fruit and Vegetables Producers in Wandalin, Nadwislanski Society of Fruit Producers in Wojciechow and Association of Fruit and Vegetables in Franciszkw.

With four universities, a technical university and a few private higher education schools, Lublin is one of the biggest academic centres in the country - every fourth citizen is a student. As far as agriculture studies are concerned 4 high schools and universities offer education for over 20 000 students. The University of Life Science in Lublin and its unit in Zamosc, The University of Vincent Pol in Lublin, The State School of Higher Education in Chelm and Pope John II State School of Higher Education in Biala Podlaska play a significant role in education system in the region. With a strong emphasis on practical application, well-equipped laboratories and modern teaching methods the institutions guarantee the highest level of education. It is also worth mentioning that the offers of the Lublin and regional universities and higher schools encourage thousands of young people from the Ukraine, Belarus, Kazakhstan and the Commonwealth of Independent States to study and work in Poland.

Numerous state research – agriculture related – institutes and research and development centres operate next to the universities, among others the Agrophysics Institute of Polish Academy of Sciences and the National Fodder Laboratory of Zootechnics Institute in Lublin and the prestigious centres in Pulawy: the Institute of Soil Science and Plant Cultivation, the National Veterinary Research Institute, the Fertilizers Research Institute, the Apiculture Division of the Research Institute of Pomology and Floriculture, the Biological Threats Identification and Countermeasure Centre of the Military Institute of Hygiene and Epidemiology, the Experimental Plant of the Research Institute of Basic Technology Problems (State Academy of Sciences).

Thanks to a strong scientific background the sector of new technologies in the food sector becomes the most promising for the region.

Summarising, nowadays agriculture and food sector is treated as one of the most important determinants of the regional development. The agriculture production because of customary, specialisation and the soil and climate conditions of Lubelskie Region is likely to remain leading function of the region in the future.

3 Description of the Practice

3.1 Executive summary

The Fruit Producers Association, initially as a producers group (hereinafter called: Group), came into being on the initiative of 17 the fruit-growers of the borough of Rybczewice. It was registered on December 4th, 1998. Since the beginning the common goal of the Association was to organize the sale of fruit, especially apples. At that time it was production at the level of approx. 2.500 tons/year and only one basic cold room for 100 ton, 0% apples were in controlled atmosphere storage, no the sorting machine. In 2002, 42 horticultural farms was involved in co-operation and that allowed establish ensure production at the level of approx. 6.500 tons apples/year, including 20% apples in controlled atmosphere storage. At the same time the Group purchased a small 2 paths sorting machine and established the sorting department in the farm building of one of a member of the group. In 2003 the Group successfully purchased and modernised the storage building in Kaweczyn, where new sorting and office of the department were created. In 2006, 72 horticultural farms decided to co-operate within the Group. Then the production raised to the level of approx. 10.000 tons apples/year including 60% apples in controlled atmosphere storage. Transformation from Producers Group to Producers Organization (Association) fostered new investments including new sorting lines, packing lines, forklifts etc. Between 2006 and 2011 a lot of needful investments were made: extension of sorting department – approx. 6.500 m. sq., building of new production hall, construction of a new ULO storage for 3.600 tons, purchase of new Hi-tech sorting line with 26 water channels, 4 modern packing lines, 2 gluing machine for cardboard boxes, 16 forklifts, 32.000 plastic bins and harvesting machines for producers. The total amount of the investments was over 10 million Euros.

„Stryjno-Sad” achieved the status of Producers Organisation on November, 14th, 2011.

Nowadays the Association produces 15000 t of apples each year (there are mainly modern varieties of apples such as: Golden Delicious Reinders, Gala Must, Elise, Red Sports Jonagold, Ligol and more classic variety such as: Champion, Idared, Gloster). Every year the Association increases the number of planting of dessert fruit like sweet cherry, pear, and plum as well as industrial fruit like black currant, cherry, red currant, and gooseberry.

The Association numbers 96 fruit-growers from all around the Lublin District, as well as Wilga, Warka, Sandomierz, and Przemysl. An inclusive ground area of fruit producers is 1332 ha including 945 ha for fruit growing purposes.



3.2 Key features of the practice

Objectives of the Fruit Producers Association „Stryjno-Sad“:

- adaptation of production to market conditions,
- improvement of effectiveness in management,
- planning of production in terms of quality and quantity,
- concentration of demand,
- organizing a sale of agricultural products,
- common investments,
- natural environmental protection.

3.3 Detailed content of the practice

Currently benefits from participation in the Fruit Producers Association „Stryjno-Sad“:

- limited number of agents,
- higher individual income of the members (cheaper for members: fertilizers, crop protection substances, transport),
- better prices for products of good quality, identical standard and delivered on time,
- one manager,
- common investments (capital, equipment, stores and cold rooms, fertilizers; see: 3.1.),
- common preparation of selected batches of products (storage, drying, confectioning, packing and labelling),
- supply timetable,
- common promotion of products,
- exchange of technological experience,
- exchange of market information,
- stronger partnership in order to improve the domination on the market and its better monitoring (access to information),
- risk management among the group, finding problem solutions i.e. finding financial resources for producers disadvantaged by the adverse weather conditions (frost, hail)
- taking advantage of advisory services

Plans for future:

- providing constant development of the horticultural farms belonging to the “Stryjno-Sad” through the created infrastructure and prepared operational programmes (start in 2013)
- establish cooperation with other groups and organization for fruit in Poland
- opportunities for cooperation with other organizations all over Europe (EU)

3.4 Bodies and stakeholders involved

The Association numbered 96 fruit-growers from all around the Lublin District, as well as Wilga, Warka, Sandomierz, and Przemysl. The fruit-growers deliver apples, plums, pears and cherries.

3.5 Timescale and maturity

The Association, initially as a Group, has been acting since 1998 and a noticeable growth by now has been occurred in the number of stakeholders involved: from 17 to 96 (see: 3.1.)

3.6 Legal framework

Association of producers – non-profit organisation.

3.7 Financial framework

Association is a non-profit organisation, all incomes are spent for statutory objectives.

The financial framework as following:

- Member fees
- Private co-financing including credits
- EU funds

4 Monitoring and Evaluation

The financial situation of the association is monitored by the reports:

- per week (sorting department about sales results, number of sorted and packed fruit)
- per month (financial department about current financial situation including expenditure, payments, financial commitments, debts),

Analysis of costs is used for financing planning for further periods.

The employment amounts to 56 people.

The value of all new investments in 2006 – 2011: 42.577.495,09 PLN (≈ 10,5 million EURO) including EU and domestic grants – 32.122.651,93 PLN (≈ 8,0 million EURO)

The “Stryjno-Sad” exports its products to Ukraine, Scandinavian countries and Western Europe.

5 Lessons Learnt

The Fruit Producers Association „Stryjno-Sad“ noted dynamically increase in investments and development of organizational solutions related to the implementation of Recognition Plan.

Achievement of the status of producers organization allowed to gain opportunities for EU co-financing and develop the strategy for the Association using its resources and capital.