



Source: PORA RDA of Podravina and Prigorje

# FOOD-PROCESSING SECTOR AND CLUSTER INFORMATION



Source: [www.podravka.hr](http://www.podravka.hr)

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In general in Koprivnica Križevci County (KKC) are no operating clusters in food processing sector. In food-processing industry are existing for many years partial cooperation relations among agricultural producers and several companies (first of all Podravka). Producers of fruits and vegetables are connected among themselves through Association of greengrocers and fruit producers of KKC and Association of vegetables cultivators in KKC. Those linkages could be tighter and there is a space for strengthening those cooperation relations as well as bringing them to an upper level.

There are 11 incentive measures for agricultural producers (producers of fruit and vegetable) from KKC administration for supporting and encouraging agricultural production in the County. After Croatia joins EU, those incentives will no longer be available, so agricultural producers will be forced to turn to other possibilities that will enable them to be more competitive on the market. In that sense, strengthening of cooperation relations or joining into a possible cluster would be one of the best solutions.

Food production and food processing sector in KKC have a long tradition. Before the two major companies, Podravka and Mlinar were founded, there were mainly small entrepreneurs working and producing in this sector. Today this sector is the main contributor to the County development, making 32% of total commerce income of KKC and employing over 30% of total County work force.

Currently there is no cluster in the County within food-processing industry, but there is certainly a space for development of potential clusters in this sector. Agriculture as one of the main linkages with food-processing sector has a share of 5% in total County revenues while profit, salaries and number of employees are continuously increasing in last few years. From total realized revenues, family farms (total number of 12.893) make 65% while companies (97 of them) make 35%.

Due to the fact that 65% of total production and revenues in agriculture are result of small family farms productions, this is a strong positive precondition for stronger development of cooperation relations in food-processing industry.

From total number of 12.893 registered agricultural family producers, some of them have periodic cooperative relations with largest food-processing companies in the area, but larger part of them don't have ensured market. so there is a significant space for development of stronger and long-lasting cooperation relations or agricultural cluster development.



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### Existing cooperation relations - possible fruit and vegetable producers cluster

In KKC are registered 206 fruit producers and 99 vegetable producers. They by themselves have a small market share, but there are strong positive reasons and possibilities for development of cluster, in order to increase their competitiveness.

Since production of fruit and vegetable mainly needs good soil and good climate, KKC provides a good basis for this kind of entrepreneurship and forming a potential cluster. In return, such connected producers could use the same infrastructure and share their machinery, thus drastically reducing startup costs.

In KKC is operating following 2 Associations of agricultural producers: Association of greengrocers and fruit producers of Koprivnica Križevci County and Association of vegetables cultivators in Koprivnica Križevci County. Those associations gather almost all fruit and vegetable producers from all over the County, who represent potential cluster members within food processing sector. Their activities are mostly referring to: presentation of their products on fairs in the region, influencing on norms and regulations regarding agricultural production, education on new methodologies in agricultural production.

Those already existing cooperation relations could also be connected to Podravka and their fruit and vegetable processing business in order to create a constant chain of production from fresh produce to a final, processed product. Podravka has business relations with agricultural producers from KKC in the way of certain agreements for supply of products, but those agreements are not long term or defined for longer period of time.

Agricultural sector in KKC contributes with around 5% in total revenues of the County. Agricultural land makes 44% of total County surface, from which are following:

**Table 1. Total number of cultivated surfaces in KKC**

YEAR	TOTAL NUMBER OF CULTIVATED SURFACES	ACRES	LAWN, PASTURES AND NONCOMMERCIAL NEKOMERCIJALNI ORCHARDS	ORCHARDS	VINEYARDS
2009.	77.000,00	59.000,00	15.830,00	570,00	1.600,00

Source: Koprivnica Križevci County Development Strategy 2011-2013, page 60.

Data for 2010 regarding agriculture in KKC are following:

**Table 2. Data on agricultural production in KKC in 2010**

FRUIT		VEGETABLE	
Land (ha)	Seedlings	Land (ha)	Production (ton)
527,4844	1.335.077	4.231.3835	815,1904

Source: Koprivnica Križevci County Department for agriculture, rural development and tourism

In order to establish a cluster in food-processing sector, besides involving food producers and existing food-processing companies, there is also a strong precondition for involving existing education institutions in KKC in the field of agriculture and food-processing: College of Agriculture at Križevci, Vocational Economic School Križevci and High School Koprivnica.

## Possible bakery products cluster

In KKC crop cultivation is taking place on 59.000 ha of agricultural land.

In order to consider a bakery cluster as a possibility for further development, one must take into consideration that there are two large companies who make bakery products, Podravka and Mlinar, as well as numerous smaller ones. So, in order to consider a bakery cluster, one must realize that so far the only possibility would be sharing production capacities and/or know-how amongst them. Main companies to do that would be Podravka or Mlinar, with others gravitating to their bakeries. Also, there is also a possibility to involve in possible cluster above mentioned existing education institutions in KKC in the field of agriculture and food-processing: College of Agriculture at Križevci, Vocational Economic School Križevci and High School Koprivnica.

In that way small bakeries would have an opportunity for further development and adoption of new and advanced standards, what would contribute to overall development and improvement of production and selling processes within bread-making.



Source: [www.besplatne-slike.net](http://www.besplatne-slike.net)



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