

Roman Chorób: *Determinants of development of innovative integration links between agriculture and food industry. Selected issues*, Rzeszów 2016, ISBN 978-83-7996-249-5.

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1. Introductory comments

In the effective development of farms in the region and local food industry units the important role is played by integration relations – the more advanced they are, the better the development of these entities. Adaptation to the market economy and the integration links occurring between the above-mentioned entities can take many forms and can proceed at a different pace and in a number of ways. The course of these processes depends on many factors such as the size of the farm and the structure of land use, the purpose and direction of production, the production capacity of the food industry, the rules of conduct in relations between the participants of market relations, the scope and intensity of state intervention and so on.

The membership of Poland in the European Union significantly affects the situation of agricultural commodities producers and processors and many other economic entities. The accession to the EU is associated with the increase of competition in the agri-food market, both from producers of the raw material as well as from its processors. The chances of Poland on the markets of other member states should be sought in reducing the impact of large fragmentation of farms of agricultural producers through the creation of structures integrating farmers, enabling rationalization of production and marketing of agricultural products. It is evident that proper development of processes of vertical and horizontal integration can help to achieve a better market position of the Polish producers of agri-food products.

2. Detailed comments

The subject of research, and also the aim of this study is to analyze the determinants of the development of integration links between agriculture and food industry, their various forms occurring in the Podkarpackie Province and to

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present the opportunities, limitations and prospects for their expansion. The undertaken issues are extremely important in this area due to large fragmentation of farms. Specifying the essential, cognitive objective of the research, there were put forward hypotheses which will be the subject of further detailed consideration. Research hypotheses were verified in three parts which were not formally separated in the structure of this study. The first of them, including the first chapter, is focused on theoretical issues characterizing the importance of integration links in food production and it presents different forms of vertical and horizontal integration in food economy.

The subject of the discussion carried out in the second part of the study, including the second and third chapters, is an overview of the concept of innovative integration links and main factors of development of cluster initiatives and structures. When making the inspection of the idea of clustering there was included the genesis of this concept, the review of legal forms, benefits, advantages and limitations of functioning of cluster structures. There has also been made the characterization of economic and institutional factors determining the development of cluster initiatives. The deepening of the discussion carried out is the characterization of the policy of support, as well as of the opportunities to develop cluster initiatives in the agri-food sector.

The third part covers the fourth and fifth chapters in which the subject of the discussion are the determinants of the development of cluster initiatives in Podkarpacie in the light of the opinion of agricultural producers and representatives of food processing entities. In this part of the study there are presented the microeconomic conditionings of the development of integration links, and especially the links between the state of advancement of these connections and the selected variables that characterize the processing entities and agricultural producers. There was also made the assessment of the state, opportunities and limitations to the development of cluster structures, taking into consideration the specific nature of agri-food industry in the region. In the final part of the study recommendations were made, as well as attempts to outline the prospects and directions of development of agri-food clusters in Podkarpacie.

3. Summary and conclusions

Studies have shown that the entities in food industry and agricultural producers, when entering into integration relations, are more likely to compensate for adverse fluctuations of the market game parameters. The entities participating in the integrated system experience less adverse effects arising from the formation of the price level and volatility of their height. To this fact there contributes both a stronger position of the integrated system in the market, as well as the obligations of the parties to the timely completion of purchase and sale in sizes and time previously agreed, technological and qualitative requirements and

loyalty of the entities in the integrated system. This is the confirmation of the thesis that the participation of processing entities and agricultural producers in the integrated system is conducive to offset adverse fluctuations arising from the market economy.

The carried out discussion has also shown that there is a positive dependence between the degree of development of integration links and the level of competitiveness of agriculture and food processing. Although the integration itself is not the main factor for the development of agriculture and food industry, it is, however, an extremely important impulse to accelerate this process. The development of food economy is also determined by technical and economic conditionings, the course of socio-economic processes, especially economic situation, the implemented economic policy and the internal efficiency of farming entities.

In the face of the above conditionings, one of the important directions of actions is to support the expansion of cluster initiatives in this area which are the best form of development of rural entrepreneurship. By participating in these structures, farms are incorporated into the economy on an equal basis with other market entities. A characteristic feature of clusters is low risk of investment, which should encourage agricultural producers to engage in the undertaking. Furthermore they encourage integration, both horizontal and vertical, having the influence on leaving in rural areas a higher percentage of earned value added. In the case of enterprises in the integrated system, participation in the structure facilitates, among other things, the increase in competitiveness, reduction of costs, transfer of knowledge and diffusion of innovations, and subsidizing of innovative activity.

The weakness of integration links is the barrier to functioning and development of the processing industry in the analyzed area. Removing the limitations and overcoming the barriers resulting mainly from high complexity of agri-food industry is one of joint tasks of the above-mentioned entities forming the cluster initiative. Local government units, agricultural organizations and business environment institutions have a special role to fulfill in this area. The projects undertaken in this area should also ensure the conditions for sustainable development of agriculture by creating favourable conditions for functioning of the entities in the ecological food market and by preservation of ecosystems and their biodiversity. Finally, functioning of cluster structures may generate positive effects for the development of enterprises in agri-food processing industry, farms and other agri-business links, the entire region and in the whole country.