



Strojírna Pálava, a.s. ; Kladno  
pobočka: areál firmy ALSTOM Power  
692 01 MIKULOV

CZECH REPUBLIC



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The company is written into the trade register at the city law court in Prague, section B, rider 9422.

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# Strojírna Pálava, a. s., Kladno - CZ

**Competitiveness in agricultural marketing,  
experience, positives and negatives  
after EU accession**

**Ing. Štefan Buzinkai - executive director**



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## COMPANY INTRODUCTION - STROJÍRNA PÁLAVA, a. s., Kladno

**Foundation:** 1993  
**Establishment:** Incorporated Company (Inc.)  
**Branch offices:** Kladno  
Mikulov  
Choceň

Incorporated company Strojirna Pálava belongs to the leading companies in the Czech Republic in the area of supplying the machines and equipment for meat processing industry oriented to the:

- × equipment for livestock intake and stables
- × slaughters – cattle, pork, sheep
- × cutting rooms – cutting rooms of the new generation with logistic solution for conveying system for empty, full, clean and unclean EURO boxes incl. their washing
- × meat production – machines and equipment for meat processing
- × hanging rails incl. segments of supporting structure – flat steel, tubular, zinc coated or stainless steel
- × hanging conveyers
- × equipment for hygiene and sanitation, working tables and shelves, building items incl. doors, handling device, lifting device, etc.
- × railway systems for quick-cooling rooms and cold storages
- × complete study and assembly-project realization for different processing capacities
- × consultancy by constructional and project solutions incl. realization
- × projects processing and preparation according the conditions and appropriate norms EU
- × hide storages

Strojirna Palava offers in Bulgaria the possibility of cooperation by studies preparation and subsequently executives and realization projects.

Our cooperation with the investor runs from the beginning. We have been assisted by opening studies, by obtaining the planning permission and also by executive projects processing for buildings and technologies in the Czech Republic and Slovakia. This process we have realized with most of the investors, fees for studies and executive projects are subs traced from the order after obtaining the coffers.

According to our actual experiences we offer the assistance by looking for support at the banks which are working upon the Bulgarian and Czech market – e. g. HVB.



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Other possibility is cooperation with the embassy of the Czech Republic in Bulgaria where are well experienced and willing representatives who are on to help and advise you anytime.

USAID – company, which by cooperation with the Secura Consulting LLC under command of Mr. Svab, already by organization of this 3rd regional conference confirms its tendency to give a hand to new candidates on their way to the EU.



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According the EU rules there is obtained specific procedures in particular areas:

### 1. SUBSIDIARY COFFERS OBTAINING area

- Coffers are divided from structural funds for specific developing programs and sector operating programs.
- for fulfilment of the conditions and possibility for support obtaining is needed:
  - after term enunciation for proposal presentation of the projects, in given term present the skilled processed project with all required belongings to the appropriate ministry
- agencies for project processing will be arisen in this period – on experience I recommend to use those, you save a lot of time and stress and you avoid the risk that your project does not pass the approving continuance
- by project presentation you decided to invest – here begins another stage in your activity linked with solving the answers about project financing – in case of passing is necessary to finance the whole project from own resources and after finishing and EU – verification will be paid off the approval part to the subsidiary coffers.
- bank domain – credit's question
  - development occasion of the cooperation with banks
  - banks will be understanding step by step the merit of the credits
  - after project ratification of the investor and allotment of the coffers from EU funds confirmation will have the bank domain warranty for their credits and will be using the warranty of the European money

### 2. FOOD FREE MOVEMENT IN EU, FOOD SAFETY AND LEVEL OF THE PUBLIC HEALTH PROTECTION area

During the access period is needed to count with the fact that in individual productive domains of the food-processing industry the EU commissars will do the verifications from the viewpoint of fulfilment of the hygienic and veterinary conditions.

- there will be running approval procedures by investors which will have the right to trade on the EU market or will be the authorized producer only for the home market
- many will be authorized only provisory, with the given term for elimination of the ascertained faults
- many of the plants will be disapproved because they will not answer to the given hygienical conditions and these quit their activity
- big emphasis is given to the fulfilment of the hygienic requirements, SVP, HACCP and ISO norms of the quality

It is necessary to submit that competitiveness on the market is reached only by fulfilment of the requirements for the hygiene and quality!



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### 3. Competitiveness in EU means **INVESTMENT INTO PRODUCTION'S MODERNIZING**

- the main tendency of the EU is to provide food safety in the whole area of the EU
- investment into modernizing means following:
  - at first to realize the modernizing
  - put into operation
  - after solid all data checking, procedure abidance and final verification by the supervisory bodies, will be paid off the coffers from EU amounting to % rated for your country

### 4. FOOD SAFETY – ANIMAL ORIGIN

#### Food safety

- is the main preference of the EU
- was framed in the document „White Paper on Food Safety“
- has the preference in every country of the EU
- in the Czech Republic is it authorized „Strategie BP v ČR“ – Food safety strategy in the Czech Republic

#### Legal regulations of food safety in the Czech Republic:

▪ food	33 prescripts – laws, notices
▪ veterinary care	29
▪ animal protection against abuse	9
▪ cultivation and breeding	6
▪ animal feed	5
▪ fertilizers	5
▪ phytosanitary care	5
▪ ecological agriculture	2
▪ GMO	2
▪ pharmaceuticals	4
▪ addictive substances	1
▪ biocides	3
▪ wastes	8
▪ wrappings	3
▪ public health safety	8
Altogether:	123

#### Term: food safety

- abidance of the requirements for production, processing, transportation and storage of the animal feed
- abidance of the requirements for animal feed
- abidance of the requirements for production, processing, transportation, storage and selling of the foods



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- abidance of the requirements for foods (not to contain agents of such dose they invoke at human food disorder)

### Principles of food safety provision

Principle: complex system from basic industry to the end-user.

- raw material and food following in all stages – *during the whole process, from food rise to the consumer*
- risks removal in all stages – *during the whole process – food → consumer*
- existence of the mechanism for quick pursuance of the effective disposals – *during the whole process to the reduction and elimination of the exposure of the consumer's health*
- factor's concurrence: conditions determination, checking, supervising, consumption

### Food safety provision

- legal limitation of conditions for safe food rise (**legal regulation**)
- abidance for provision of the food safety condition (**entrepreneur**)
- checking of the provision of the food safety condition (**entrepreneur**) – own internal checking system
- supervision on food safety – animal origin – (**supervising authorities**) – SV and hygienic practice, HACCP
- quick warning (**supervising authorities, RASFF system**)
- consumer's behaviour (**consumer**) – knowledges raising, information giving, ability to make decision, working with the food at home

### What does the notion „Right productive practise“ mean?

- abidance of all hygienic, technological, technical and legislative disposals and standards to provision of health wholesomeness and food quality with the respect of their sort, properties and determination

### What does belong further to food production?

- becomingly furnished operating areas where is possible to provide the health wholesomeness food production
- technological devices, machines, instruments, tools, crockery and working instruments which comes into the contact with products must be designed and equipped as follows:
  - smooth surface – washable and sanitizeable
  - anticorrosive finishing
  - easy access to cleaning, sanitization and reparations
  - care about production's hygiene
  - raw material and finished products safety by storage and transportation
  - using wrappings and sheathing material
  - personal hygiene by employees



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All others details are inducted in „Regulation No. 852 / 2004 and 882 / 2004 of the European Parliament and of the Council of 29. April 2004 on the hygiene of the foodstuff“ which are entering into force on 01. January 2006 incl. appendix No. I. and II.

Also two other regulations are entering into force – No. 853 / 2004 and 854 / 2004 which are called together „Hygiene rules“.

Countries which want to enter the EU like Bulgaria and Rumania will have enough time for good technological preparation of this way of food safety providing.

Only perfect preparation allows to the food producers fill all principles of producer's duty and appropriate authorities of structures, operational and hygienic requirements for the plants, process of plant's verification, requirements for storage and transportation and requirements for labelling with the mark of health wholesomeness.

Fulfilment of all principles mentioned above allows by competitiveness to reach free movement of food in EU and to provide high level of public health safety.

## **5. WHAT DOES MEMBERSHIP IN EU MEANS FOR PRODUCTION PLANT?**

- carry business in strong competitive atmosphere and to be competitive
- evaluate our position on the regional market and to set aims and range of business in time and space
- most prosper in EU qualified, prepared, active – these have more possibilities but also the harder competition
- opening of new possibilities for business possibilities expansion on the larger market
- ablation of administrative barriers by goods movement
- border opening allows to bigger penetration of foreign competitors from members of EU, comes on the free movement of goods, competitiveness increases
- possibility to trade according to exchange prices in EU – problem can be the price of transportation



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## 6. WHAT IS NEEDED TO LEARN

- step by step will come to price buffering in EU – long-term process
- change in sensation of home subjects – companies – by companies from west Europe and trust deepening of west investors into collective business are coming up
- foreign commercial network coming will put on the pressure on home suppliers – price-cutting
- pressure on food import will be continue
- European market opening – will show the competitiveness of home producers with the foreign ones

## 7. OTHER EXPERIENCES

- EU entry brought more grants to the farmers, agronomical sector had not collapsed, it has a good run to advance the incomes and perspectives
- grants help also to total modernization of the agronomical and food-processing sector and assisted to the improvement of relations with banks – adequate guaranties
- it was expected that investment into the fulfilment of the hygienic requirements returns in generally supposed higher prices of food – it has not happend
- commercial networks have not honoured higher prices
- stagnancy or price reduction has surprised the agronomical and food-processing sector
- hard comparison in effectiveness is coming up
  - e. g. in Czech Republic and Slovakia have in pork production strong lower effectiveness than west countries
  - similar situation is in fruit and vegetables
  - already now we can say that when the effectiveness of pork breeding does not improve, will the west Europe henceforth win
- in the area of fruit, vegetables, potatoes and others crops is necessary for the producers to join into the co-operative societies, which are moneyswise supported by EU
- WTO wants to reach the lowest business liberalism

## EPILOGUE

Dealing of financial perspective of the union for years 2007 – 2013 – Bulgaria and Rumania are meanwhile inserted to the limit for agricultural spendings, which was agreed up to now.

According to the present situation and plans of the EU could not be the grants for agriculture until year 2013 lower.

Thank you for your attention.