



Sub-measure 4.2. “Support for investments in processing, marketing and/or development of agricultural products” – implementing type operation 4.2.1 “Increasing added value of agricultural products”

“Investments in modernisation of the fruit and vegetable processing plant, new technology and new products of the Kalnik factory”

The project is co-financed by the European Union from the European Agricultural Fund, and by the Republic of Croatia from the Rural Development Programme 2014-2020

Koprivnica, 7 June 2021

PRESS RELEASE FROM PODRAVKA

Podravka's Kalnik factory approved for a HRK 19.4 million grant for investments to modernise production

Project co-financed by the European Union and Republic of Croatia from the Rural Development Programme

Podravka's Kalnik factory has formally received the co-financing agreement for the project entitled “Investment in modernisation of the fruit and vegetable processing plant, new technology and new products of the Kalnik factory”.

The project overall is valued at HRK 40,650,376.79, and the Ministry of Agriculture, in accordance with the decision of the Agency for Payments in Agriculture, Fisheries and Rural Development, has approved a grant in the amount of HRK 19,373,509.18. The project was submitted in the call for the Rural Development Programme 2014 – 2020 for implementing measure M.4.2.1. Increasing added value of agricultural products.

The project is co-financed by the European Union from the European Agricultural Fund for Rural Development, and the Republic of Croatia from measure 4.2.1. Rural Development Programme 2014–2020. The co-financing agreement was formally presented to President of the Podravka's Management Board Ph.D. Martina Dalić by Agriculture Minister, Marija Vučković, MSc.

Investments will be in the procurement of new equipment for a production line for the reception, processing and aseptic filling of fruit, procurement of a vacuum boiler and preparatory works to secure additional production capacities, and replacement and modernisation of existing packaging equipment. The investment also includes construction works on reconstruction and repairs to warehouse space, which will be



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refurbished into new production areas. These investments will have a positive impact on the quality of raw ingredients, and will allow for production of new products.

This investment will also see the introduction of new products: jams, marmalades, extra jams, plum jam, new types of ajvar (red pepper and eggplant relish), vegetable spreads, fruit spreads, fruit filling and products packaged into squeeze packaging.

A part of the investment in the Kalnik factory is aimed at achieving the economy of volume in the production of condiments and fruit spreads, which will increase the price competitiveness of Podravka products, both on domestic and international markets. The second part of the investment pertains to the introduction of new packaging and packaging materials. In the next step, the investment will also enable the launch of a new innovation cycle.

It should be stressed that the company is intensively developing its BIO (organic) product line, and the next evolutionary step in the development of the Kalnik factory will be towards even higher levels of product quality.

The co-financing opportunities for development projects from EU funds are of major importance for Podravka, since this significantly contributes to capital investments, above all in accelerating the return on initial investment and as a contribution to environmental protection.