Support Available for Investments by Agriculture Holdings in Latvia

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A **hypothesis** – investment support is a significant instrument in increasing farm competitiveness, therefore, it is important to use it in Latvian farms.

The **research aim** to prove the hypothesis – to analyse the use of funds allocated for investment support in farms groups and in regions.
The following research tasks were set forth:

- to define the term of investment support and to evaluate the changes in its amount in Latvia in 1997-2008
- to evaluate the use of investment support allocated from the support programs co-financed by the EU in Latvian farms in 2002-2008
Amount of investment support paid in Latvia 1997-2008 and on average a year, million LVL
## Investments made with co-funding of EU in Latvia in 2002-2008, million LVL

<table>
<thead>
<tr>
<th>Object of investments</th>
<th>SAPARD</th>
<th>EAGGF</th>
<th>EAFRD</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Million LVL</td>
<td>%</td>
<td>Million LVL</td>
</tr>
<tr>
<td>Machinery</td>
<td>35,16</td>
<td>64,25</td>
<td>37,43</td>
</tr>
<tr>
<td>Equipment</td>
<td>13,30</td>
<td>24,30</td>
<td>14,31</td>
</tr>
<tr>
<td>Construction</td>
<td>5,72</td>
<td>10,46</td>
<td>19,09</td>
</tr>
<tr>
<td>Other investments</td>
<td>0,54</td>
<td>0,99</td>
<td>0,27</td>
</tr>
<tr>
<td>Investments in total</td>
<td>54,72</td>
<td>100,00</td>
<td>71,09</td>
</tr>
</tbody>
</table>
Structure of machinery units purchased with co-funding of EU in Latvia in 2002-2008, %
Units of machinery and construction projects made with co-funding of EU in Latvia in 2002-2008
Quantity of tractors purchased with co-funding of EU in Latvia in 2002-2008
Investments made with co-funding of EU grouped by regions in Latvia in 2002-2008
Conclusions

- Investment support is an important instrument for improving the efficiency and competitiveness of farms.
- The investment support for improving the efficiency and competitiveness of farms in 2002-2008 was allocated under the support measures co-financed by the following three EU support programs: SAPARD, EAGGF, and EAFRD.
- During the period 2002-2008, Latvian farms have received support for investing in increasing their efficiency and competitiveness, which amounted to almost 95 million LVL; 70% of support were co-financed by the EU.
Conclusions

- The purchases of machinery was more than a half of the total investments co-financed by the EU in the period 2002-2008.
- The largest funds are spent on tractors and grain harvesters.
- Farmers in Zemgale, Northern Vidzeme, and Southern and Northern Kurzeme have attracted 77% of all the investments during the analysed period.
- The largest part of investment support was attracted by farms with large land area.
- Of the projects submitted, 78% were implemented in grain farming and dairy farming.
Thank You for Attention!