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THE ROLE OF WHOLESALE MARKETS IN RURAL DEVELOPMENT

ROLA RYNKÓW HURTOWYCH W ROZWOJU OBSZARÓW WIEJSKICH

Summary: In the Republic of Poland, agricultural sector is of a greater socio-economic importance than in Western European countries. There are still regions in which agriculture plays the role of one of the main branches of the economy, affecting the level of their development and standard of living of the inhabitants. In the Republic of Poland, the rural area, according to the terminology used by the Central Statistical Office (CSO), is the territory outside the administrative boundaries of cities.

According to this criterion, rural areas occupy the area of 291 400 km² in the Republic of Poland, which is 93% of total country territory. Wholesale markets are an important element of the institutional infrastructure in rural development. The paper presents the importance of regional and local wholesale markets and their importance in rural development.

Keywords: rural areas, agri-food market, fruit and vegetable market, flower market, wholesale market

Streszczenie: W Rzeczpospolitej Polskiej sektor rolny ma większe znaczenie społeczno-gospodarcze niż w państwach Europy Zachodniej. Wciąż istnieją regiony, w których rolnictwo pełni rolę jednej z głównych gałęzi gospodarki, wpływającej na poziom ich rozwoju i standard życia mieszkańców. W Rzeczpospolitej Polskiej obszar wiejski, zgodnie z terminologią stosowaną przez Główny Urząd Statystyczny (GUS), to terytorium pozostające poza granicami administracyjnymi miast.

Zgodnie z tym kryterium, obszary wiejskie zajmują w Rzeczpospolitej Polskiej powierzchnię 291,4 tys. km², co stanowi 93% obszaru kraju. Ważnym elementem instytucjonalnej infrastruktury w rozwoju obszarów wiejskich są rynki hurtowe. W pracy przedstawiono znaczenie regionalnych i lokalnych rynków hurtowych i ich znaczenie w rozwoju obszarów wiejskich.

Słowa kluczowe: obszary wiejskie, giełda rolno-spożywcza, rynek owocowo-warzywny, rynek kwiatów, rynek hurtowy

Introduction

The main problem in research that concerns rural areas is to define the term 'rural area'. In colloquial terms, intuitively, everyone understands them, but from a scientific point of view there is no universal definition. Various disciplines deal with rural issues. Rural areas in Poland constitute 93.1%, which is inhabited by 39.2% of the total population. There are strong links between rural areas and local urban centers. High economic activity of rural areas (production of fruit, vegetables, flowers) neighboring cities contributed to the development of wholesale markets [Adamowicz 2005].

The need to launch wholesale markets in the Republic of Poland was also caused by the effect of the transformation of the food economy, which resulted in the elimination from the market of structures dealing with the current organization and marketing

of agri-food products. The activity of wholesale markets was commenced in the Republic of Poland in 1992, when the Greater Poland Agricultural and Horticultural Market S.A. was opened in Poznań. As a result of the implementation of government programs for the construction and development of wholesale markets, new wholesale markets were created. The object of trade in wholesale markets includes primarily fruit, vegetables and flowers, processed general food products, including dairy products, meat and its products. It is estimated that 80-90% of fresh agri-horticultural products are traded through wholesale markets, marketplaces and intermediaries, while only 10% go through chain stores.

The technical and technological progress taking place in agriculture enables the increase of production, and thus deepens (or tightens) the links between farms and the wholesale market. The wholesale market is the second level of trade in goods and

appears as an intermediate link in the process of trade in goods. It is here that homogeneous goods are purchased from all possible farms for further sale. Markets are equipped with places for presenting goods or samples, and prices are based on local supply and demand. Domestic and foreign customers buy on wholesale markets [Jabłońska 2014; Duczkowska-Matysz, Duczkowska-Piasecka 1999].

Wholesale market owners or shareholders can be various organizations, i.e. manufacturers, traders, producer groups, local government units, the Agency for Restructuring and Modernization of Agriculture (ARMA), the National Center for Agricultural Support (NCAS), food banks and insurance companies. There are wholesale markets in Poland: trans-regional, regional, local and border. The wholesale market as a link in the distribution channel is a place of direct transactions between a large number of sellers (mostly farmers from rural areas) and buyers.

The purpose of this study is to show an extremely important element of the agribusiness network in the form of wholesale markets, because the success of their activities is determined by the efficiency of information links created with producers of agri-food raw materials and their recipients. In addition, it is very important to achieve progress in the quality of service to consumer needs by more effectively meeting the individual expectations of end users, this role of wholesale markets in achieving this goal cannot be overestimated.

Concept and features of the wholesale market

In Polish and world economic literature there is no uniform definition of the term "wholesale market". Most often, wholesale markets are defined as organized meeting places for market participants taking place at a specific time, where supply and demand are concentrated and purchase and sale transactions are concluded.

One of the basic functions of wholesale markets, which also distinguishes them from commodity exchanges, is meeting the needs reported by retail trade companies for agri-food products and flowers. That is why their role is particularly important in the case of large and large urban agglomerations, in which a significant number of retail outlets are concentrated [Baker 2005].

The main features of the agri-food wholesale market are as follows:

- large scale of commercial transactions of agri-food products;
- offering a physically present product (as opposed to exchanges);
- direct negotiations between sellers and buyers (in separate places or directly from the farmer's car or from processor);
- appropriate technical, technological and service infrastructure (wholesale trade halls, warehouses, cold stores, unloading facilities, storage rooms, banks, customs offices, quality control institutions).

Wholesale market participants are producers (individual producers, producer organizations and groups, cooperatives in particular from rural areas), traders, representatives of distributors as well as consumers and retailers. Legal and organizational forms of wholesale markets are: joint-stock companies, limited liability companies, public enterprises, merchant associations, cooperative associations. The subject of trade on agri-food wholesale markets in Poland (and also on most wholesale markets in the world) are primarily fruit and vegetables, flowers, but also meat and its products, fish and their products, dairy products and other food industry products.

Wholesale markets in the EU countries operate on general principles in accordance with the law in force in individual countries. There are no separate Community legal acts regulating their activities. Wholesale markets are non-profit organizations in a significant proportion of the EU member states. This means that the use of the wholesale market (fees for renting sales space) should cover the costs associated with their conduct; in particular, where the appointing authority is self-government bodies or government institutions. In Poland, wholesale markets operate mainly based on National Trade Company (joint-stock companies, limited liability companies, other business entities) [Mierwiński 2010].

Functions and tasks of wholesale markets

The main task of the functioning of wholesale markets is to facilitate access to the market for small and medium-sized enterprises, including primarily producers of agricultural and food products operating in rural areas. Wholesale markets are primarily created to better meet the demand of retail trade units for agricultural, food and flower products. Hence, their location is mainly for large and large urban agglomerations, in which a large number of retail outlets are concentrated. The development of large-scale retail stores and wholesale networks did not limit or narrow down the basic functions of wholesale markets. However, it forced the group of recipients mainly by outdoor consumption outlets (restaurants and catering in the broad sense).

The basic functions of the agri-food wholesale market are in particular [Niecko 2018, wholesale markets to expand and improve the services offered, as well as expanding the Adamicki 1999]:

- concentration of supply and demand primarily for small market participants;
- reducing the number of intermediaries in trade;
- ensuring a higher quality of trade in agricultural, food and flower products by equipping them with appropriate technical, technological and service infrastructure;
- improving the quality of products offered on wholesale markets through their preparation for sale (packaging, completing) and quality control of the offered products (sanitary and phytosanitary inspection);
- participation in the dissemination of information on price levels;
- reducing price fluctuations due to the expansion of the storage system;

- improving financial and commercial security of transactions carried out on wholesale markets;
- facilitating the adjustment of the supply of agricultural and food products to the volume and structure of consumer demand.

The functioning of wholesale markets allows primarily:

- increasing the impact of customer expectations on the volume and structure of production in the region of the market and the assessment of the volume and structure of demand;
- balancing demand and supply and shaping prices of food, mainly agricultural products;
- accelerating price objectification due to concentration of supply and demand;
- increasing market transparency by improving the functioning of market information;
- implementation of applicable trade rules and rules.

Wholesale markets in Europe and in the world

The development of wholesale markets for agricultural products is closely related to the development of cities and the increase in urban population. In most countries it was started in the second half of the 19th century. These markets experienced particularly intensive development after the First and Second World War. In most countries, food wholesale turnover fell, also due to falling prices, during the Great Depression. In the US, wholesale food turnover decreased in 1938 compared to 1929 by 27%. In subsequent years, however, the food wholesale markets were rebuilt. In the USA, this turnover in 1953 was more than four times higher than in 1938.

In Western European countries, wholesale markets began to lose their significance in the early 1970s with the development of commercial networks and modern forms of sales. The importance of wholesale in individual countries and in Europe varies, with as much as 80% of total turnover in four countries: Germany, Great Britain, France and Italy [Gburczyk 2005].

It should be emphasized that in the wholesale trade of these countries there are clear transformations, consisting mainly in modernizing and expanding the forms of the conducted activities. In particular, the following phenomena can be observed:

- 1) reducing the role of wholesale in relation to the internal exchange of food products for their export;
- 2) the growing importance of wholesale trade in the internal exchange of fresh unprocessed products, such as fruit, vegetables, meat and fish;
- 3) introducing new forms of sales, including mail order based on publishing catalogs presenting the products offered, telephone and electronic sales via the Internet;
- 4) diversifying logistics functions;
- 5) vertical backward and pre-emptive integration related to extending the scope of implemented tasks to include manufacturing activities and retail sales.

In Central and Eastern Europe, the construction of wholesale markets began only in the early 1990s. During this period, the distribution system for food products related to the centrally planned economy ceased to operate in most of the transforming countries. Wholesale markets seemed to be the best solution for this group of the countries. This was argued by the low level of organization of agricultural producers with the poor organization of food distribution. The development of wholesale markets in this region of Europe was supported by international financial institutions: the World Bank, the European Bank for Reconstruction and Development as well as Germany and Switzerland (as donors supporting the development of agriculture in Eastern Europe as part of bilateral relations with individual countries from this region). Thanks to these financial institutions as well as institutional donors in Poland, Bulgaria, Romania, Croatia and Hungary, many new wholesale and regional wholesale and supra-regional markets have been created. However, their development did not reach the level observed in Western Europe in the early 1960s. In most of these countries, these are single markets organized and functioning in a similar way as Western European. Most of them were created in Poland, and many of them achieve comparable turnover to large Western European markets. The fact that wholesale markets in Central European countries began to be organized at a time when international trade concerns joined their network expansion significantly limited their development opportunities. The bank's credit strategies and insufficient support for the development of wholesale markets by municipal authorities or government administration bodies were also important [Tajner 2003].

Department and government programs for construction and development of wholesale markets

As a result of political changes in 1989, significant structural changes took place in the Polish economy. It has been marketed, including the elimination of many structures dealing in trade in agricultural products. It was necessary to build new distribution channels for products manufactured in rural areas, similar to those operating in the European Union, which will eliminate adverse phenomena on the market.

The first modern wholesale market in Poland was Greater Poland Agricultural and Horticultural Guild SA in Poznań. Created with the involvement of aid from Switzerland, it began operating in 1992. The need to organize and build modern agri-food market infrastructure in Poland after a change in the economic system (as well as a favorable example of the operation of the Poznań market) decided about the involvement of government administration in the creation and development of modern distribution channels.

The organization of wholesale markets was initiated by the Wholesale Markets and Commodity Market Organizations Program until 2000, approved on July 17, 1996 by the Minister of Agriculture. The continuation of activities undertaken as a part

of the departmental program was the Government Program for the Construction and Development of Wholesale Markets and the Warsaw Commodity Exchange - stage 1 of 1999 and the Government Program for the Construction and Development of Wholesale Markets - stage II of 2001. A number of actions have been undertaken in the government programs to eliminate any irregularities and reasons hindering the construction and functioning of wholesale markets created in accordance with the departmental program. Wholesale markets were to operate in accordance with the provisions of the Commercial Code and other provisions of national law.

The 1996 department program envisaged the creation of several dozen wholesale markets, including:

- (excluding Poznań) of a supra-regional nature: in Warsaw, Gdańsk, Wrocław, Katowice, Kraków, Lublin, Szczecin;
- markets with regional reach in Białystok, Bydgoszcz, Łódź, Radom, Rzeszów and Zielona Góra;
- local markets operating in border regions, which were to be created in order to increase and facilitate trade with neighboring countries.

Markets of this type were intended to be created in Biała Podlaska, Terespol, Elbląg, Przemyśl, Medyka, Suwałki, Wałbrzych and Zgorzelec. It was also planned to build many local markets to support the functioning of regional and trans-regional markets. Appropriately equipped, they were to be created in cities with over 100,000 inhabitants. Already in 1996-1997, about 20 local markets were to be created.

The main shareholders and organizers of wholesale markets (created as joint-stock companies) were to be agricultural producers and producer groups and organizations, agricultural cooperatives, companies, trade associations, wholesalers, as well as local government organizations, banks and insurance companies and government agencies. The Agency for Restructuring and Modernization of Agriculture was designated to dispose of the treasury resources intended for the organization of markets, and the agency's capital support consisted in buying back shares of companies. The Agricultural Property Agency of the Treasury carried out in-kind contributions in the form of land intended for the construction of markets. FAPA (Foundation for Agricultural Assistance Programs) and PHARE (Poland and Hungary: Assistance for Restructuring their Economies) as well as FAO (United Nations Food and Agriculture Organization) and World Bank funds were also involved in building wholesale markets. The own and assistance funds were to be supplemented with preferential investment loans repaid from revenues obtained from the sale of lease space and rent. Co-financing the construction of local markets in the form of loans and interest subsidies from ARMA was to take place when the capital advantage in joint-stock companies is obtained by producers and their groups operating in particular in rural areas.

Under the departmental program, significantly fewer wholesale markets were created than expected. At the end of 1998, there were about 30 companies with very diverse capital, some of which were in a very unfavorable financial position. First of all, the plan to build a network of local markets failed. Less than expected trans-regional exchanges were created. Only the centers in Wrocław, Lublin, Gdańsk and Warsaw were created from scratch.

The main reasons for the much smaller development of wholesale markets and the financial disadvantage of many of them in Poland in relation to their intentions were primarily:

- heavily overvalued estimates of the volume of expected turnover on wholesale markets;
- not estimating the financial outlays necessary to build wholesale markets, in particular those incurred for creating associated infrastructure;
- failure by local government and administrative authorities to close existing makeshift municipal marketplaces;
- no progress in the organization of the primary market (organized producer groups), which was in some way a reason for the low participation of producers in creating markets.

In August 2000, 22 companies involved in the construction of wholesale centers conducted operating activities in Poland, and 4 prepared the investment process; 6 companies suspended their operations or were put into liquidation. A significant number of operating companies continued to generate losses. The main problems determining the poor financial condition of many wholesale squares were limited to a small extent, primarily competition from local marketplaces as well as incorrectly estimated investment needs and regional turnover.

Agricultural and food markets today

There are 28 agri-food markets in Poland, 12 of which were created as part of the departmental government program or with the financial involvement of state treasury funds (used through ARMA), and these are:

- Warszawski Rolno-Spożywczy Rynek Hurtowy SA in Bronisze;
- Pomorskie Hurtowe Centrum Rolno-Spożywcze SA Rėnk in Gdańsk;
- Lubelski Rynek Hurtowy SA Elizówka in Lublin;
- Dolnośląskie Centrum Hurtu Rolno-Spożywczego SA in Wrocław;
- Podlaskie Centrum Rolno-Towarowe SA in Białymstok;
- Rolno-Spożywczy Rynek Hurtowy Giełda Elbląska in Elbląg;
- Rolno-Przemysłowy Rynek Hurtowy Giełda Hurtowa SA in Legnica;
- Rolno-Spożywczy Rynek Hurtowy SA in Radom;
- Podkarpackie Centrum Hurtu Agrohurt SA in Rzeszow;
- Małopolski Rynek Hurtowy SA in Tarnow;
- Wałbrzyski Rynek Hurtowy SA in Wałbrzych;
- Zielonogórski Rynek Rolno-Towarowy SA in Zielona Gora.

In addition, 15 agri-food wholesale markets in the form of:

- joint-stock companies;
- limited liability companies;
- general partnership;
- business activities carried out by natural persons.

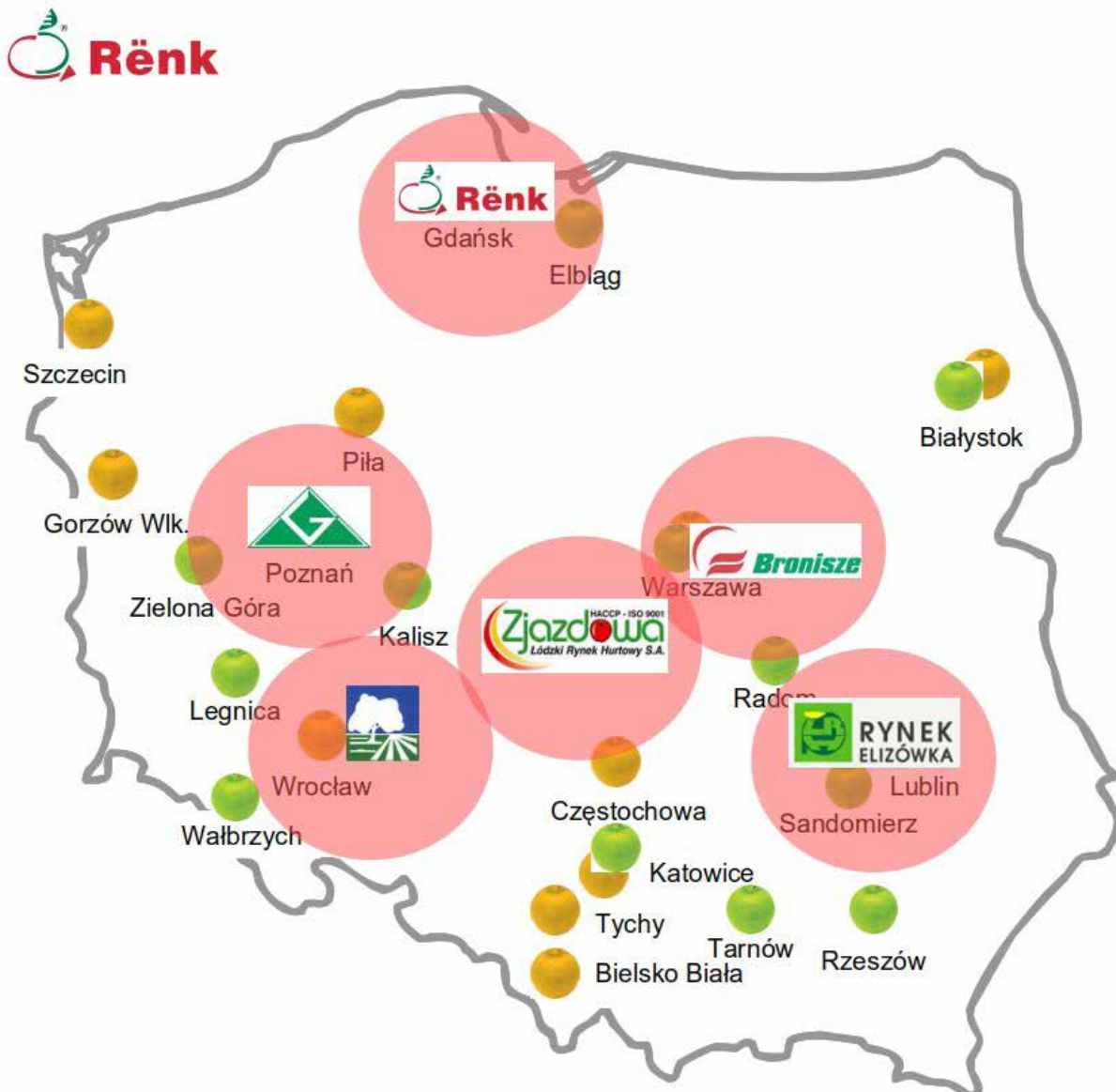
One market was created with the use of financial assistance from abroad - 10 million francs was donated by the government of the Swiss Confederation for the construction of Wielkopolska Gildia Rolno-Ogrodnicza SA in Poznań. The network of agri-food markets in Poland is shown in Figure 1.

Wholesale markets have a total area of about 360 ha. The area intended for trade in agricultural and food products is about 70 ha, including in halls - over 20 ha, and under shelters - 10 ha. Annually, around 6 million customers supply the wholesale markets. The range of products offered by individual wholesale markets is similar, although the sales structure is different.

On all wholesale markets there is a technical infrastructure necessary for conducting commercial activities. Most have refrigerators, freezers, warehouses (which helps stabilize the supply of agricultural and food products) and the infrastructure needed to maintain cleanliness and waste management. A small number of markets have supporting infrastructure in the form of banks or ATMs. Deficiencies in technical infrastructure, primarily supporting trade and enabling the improvement of the commercial quality of offered products are caused by insufficient financial resources of wholesale markets. This applies especially to trans-regional markets built from scratch (the need to repay investment loans).

However, wholesale markets achieve positive financial results, and some of them, in addition to renting sales space, conduct commercial activities on their own to improve the financial condition. Representation of agri-food wholesale market interests to central and local government administration bodies, as well

Fig. 1. Agri-food market network in Poland [PHCRS SA Rėnk]



as activities aimed at strengthening the position of wholesale markets in the supply chain are handled by the Polish Wholesale Markets Association (SPRH). It includes markets created as part of government programs, as well as those created with the involvement of local and private capital. The exchange of experience in the functioning of wholesale markets is also carried out within the framework of the World Union of Wholesale Markets. Polish wholesale markets also belong to this association.

Economic and financial situation of wholesale markets supervised by the Minister of Agriculture and Rural Development

Pursuant to the Regulation of the Council of Ministers of 3 January 2017 on the list of the companies in which rights from treasury shares are exercised by persons other than the president and members of the Council of Ministers, government proxies or state legal persons (Journal of Laws of 2017, item 10, as amended), the minister of agriculture and rural development exercises rights from shares in 21 companies with the participation of the state treasury, of which 14 companies are wholesale markets.

The economic and financial situation of agri-food wholesale markets supervised by the Ministry of Agriculture and Rural Development is stable. Based on the results of the analyses, conducted after the second quarter of 2017, out of 14 companies, 13 achieved positive financial results, while one recorded a negative result, however, it is worth adding that the specifics of the above of companies means that they record the highest value of sales revenues only in the fourth quarter of the financial year.

The companies supervised by the Ministry of Agriculture and Rural Development implement investments involving the construction of modern commercial facilities that are to increase the market value of real estate, and thus increase the value of companies, generate higher revenues and improve the quality of commercial, logistics and technical infrastructure of a given wholesale market. The condition of success in a competitive environment is the introduction of changes, improvements and innovations in the services offered.

Polish Parliament on November 24 2017 adopted the Act on trade restrictions on Sundays and public holidays and on some other days. Since March 2018, the ban on Sunday trading has been in force, though only partially so far. In 2018 we will be able to shop in shopping centers and supermarkets only on two Sundays a month. The Act includes the postulates of wholesale markets, agricultural chambers and the Ministry of Agriculture so that wholesale markets and entities conducting activity on them could work on Sundays. In Art. 6, exclusions from this Act were included.

The ban does not apply:

- point 28 - on the agri-food wholesale markets operated by commercial law companies, the main activity of which is the rental and management of real estate for the wholesale of agri-food products;
- point 29 - at commercial outlets run by entities purchasing goods on the agri-food wholesale markets referred to in point 28,

in the scope of activities related to the purchase and entrusting an employee or an employee with these activities.

The new regulations on trade restrictions on Sunday will not hamper the work of wholesale markets, on the contrary - they are an opportunity for their development. The tradition of agri-food wholesale markets active on Sunday results from the need to supply fresh agricultural products from very early Monday and post-holiday hours, as wholesale supplies retail, restaurants, hotels (which is of great importance in tourist traffic). Over 35% of trade turnover in the agri-food wholesale market takes place on Sunday, 35% on Thursday, and 30% on other days of the week.

Importance of wholesale markets in the sale of agricultural products

The modern wholesale market has ceased to be exclusively a place of sale of agri-food products. In Western European countries, various additional services have been offered as part of wholesale markets for several decades. The transactions concluded there are only one of the elements of the market, which must offer buyers a much greater added value, for example in the form of comprehensive support addressed to suppliers and buyers. For food producers, we offer: consulting, training, ensuring comfortable sales conditions, signing long-term contracts ensuring sales for manufactured crops or education in creating producer marketing groups. On the other hand, for entities purchasing products offered on the wholesale market, they are offered: the opportunity to purchase in comfortable conditions (e.g. air-conditioned rooms, modern sanitary, gastronomic, automotive), access to modern office equipment and IT network, the possibility of purchasing sorted, clean and labeled in detail products, lack of anonymity, packed in a way that meets the expectations of various groups of buyers. In addition, the seller and buyer conclude commercial transactions regardless of weather conditions.

Another extremely intangible product that should be offered by wholesale markets for both parties is the information set. Information resources must be up-to-date, complete and available in time and in a form that best suits their users. These conditions can only be met if a computerized market information system (SIR) is created in the wholesale market, enabling the acquisition and appropriate processing of necessary information resources. The above system also allows for quick access to specific data and editing according to the indicated criterion. Information should be available to all entities participating in the wholesale market by creating an internal Internet network and via external Internet connections. In the case of using the Internet, the interested entity should receive an access password enabling access to information resources collected in the wholesale market database, which would also protect the system from interference from representatives of competing companies. At the same time, one should not forget about traditional information media, such as the regularly published industry newsletter - an important element of the process of communicating with the market's marketing environment, especially with its regular collaborators.

Changes in customer preferences and the resulting growing pressure on quality and ensuring safety in food trading, force the wholesale markets to create the necessary organizational and infrastructural conditions to achieve and maintain product quality and improve trading conditions. All these activities serve to integrate participants in the food chain "from farm to the table" in order to maintain food traceability, i.e. to trace the product path (identification of origin) - from production to the finished product on the shelf in store - because of the need to believe that food sold on the wholesale market is safe. Wholesale market activities in the sphere of quality assurance focus on organizing training for agricultural producers and other market participants in order to obtain Euro and Globalgap certificates and implement strict requirements related to obtaining HACCP and ISO certificates in the food sectors.

Wholesale markets do not own agri-food products sold in their area, which is why their quality control capabilities are defined primarily by the Food Health Safety System. They undertake many activities aimed at maintaining the efficiency of this system through training in order to make market operators aware of the need to ensure the appropriate quality of products and the need to supervise, monitor and document all elements important for food health safety. Wholesale markets carry out internal audits of the system, commission external audits and cooperate with the commercial quality inspection of agri-food products and voivodship plant protection and seed inspectorates, possessing legal tools regulating and admitting primary production to trading. Taking over the functions of an initiator, organizer and coordinator of activities for the quality by the markets means that the costs of obtaining certificates and their maintenance are lower for operators [Oleszko 2006].

Analysis of the functioning of PHCRS Rėnk in rural development

The Pomeranian Wholesale Center was founded pursuant to the founding act in 1995 as part of the implementation of the government's Wholesale Markets and Stock Exchanges Program in Gdańsk. Under this program, the construction of modern agri-food market infrastructure in the form of wholesale markets and commodity exchanges was foreseen, whose main organizers and participants would be agricultural producers or producer groups and their associations as well as wholesalers, with significant support of local governments. Significant capital entry into companies was expected from banking and insurance institutions. The company's operational activity began in 1999, after the completion of necessary investments and commissioning of facilities.

The company's mission presented in the strategy expresses the role that the company wants to fulfill for the environment in which it operates, especially in such matters as: the subject of the activity, market position, size of the target market and quality. The mission of PHCRS SA includes in particular:

- specialization in warehouse and commercial space lease services for the agri-food market, and shape the nationwide wholesale standard in quality and technical level;
- development and improvement of currently offered methods and ranges of customer service as well as promotion of the benefits of mutual cooperation and specialization;
- maintaining a good brand of a facility specializing in servicing regional agri-food trade, supports trade - domestic and foreign - with products offered by tenants and promotes exemplary ways of storing agricultural produce and healthy eating;
- the company's activities should be focused on flexibility to meet the expectations of the market and individual tenants;
- conscious participation of employees and shareholders in creating the company's value and achieving its success.

The main goal of PHCRS SA is to satisfy the interests of owners, employees and customers by continuing the stable and long-term development of the organization, providing tenants with stable and predictable operating conditions and development opportunities.

Analysis of the indirect and direct environment of the company

Centrum Rėnk can be described as an exchange with high standards of services and importance beyond the Tri-City region. The Rėnk Agricultural Stock Exchange was established in 1995, although it began operating in 1999. Its surroundings and geographical location are very important in defining and maintaining a strong market position. The location of the market next to the Tri-City ring road gives the possibility of free access to clients from both the metropolis and neighboring provinces. The company has a trans-regional character and is the largest in northern Poland - it covers an area of 24.73 ha.

The location of the market has been designed in such a way that it constitutes a food base for the Tri-City and the entire metropolitan area - from Wejherowo to Tczew. Successive road investments completed in recent years (A1 motorway, southern beltway) create further perspectives for the future, as the time to travel to the market from further areas is shortened.

The Pomeranian Wholesale Market is not only a place where the distribution of articles from the agro-horticultural industry takes place, it also plays an important role in the organization of the horticultural environment. It includes fairs and exhibitions on gardening topics, which are also very popular among retail customers.

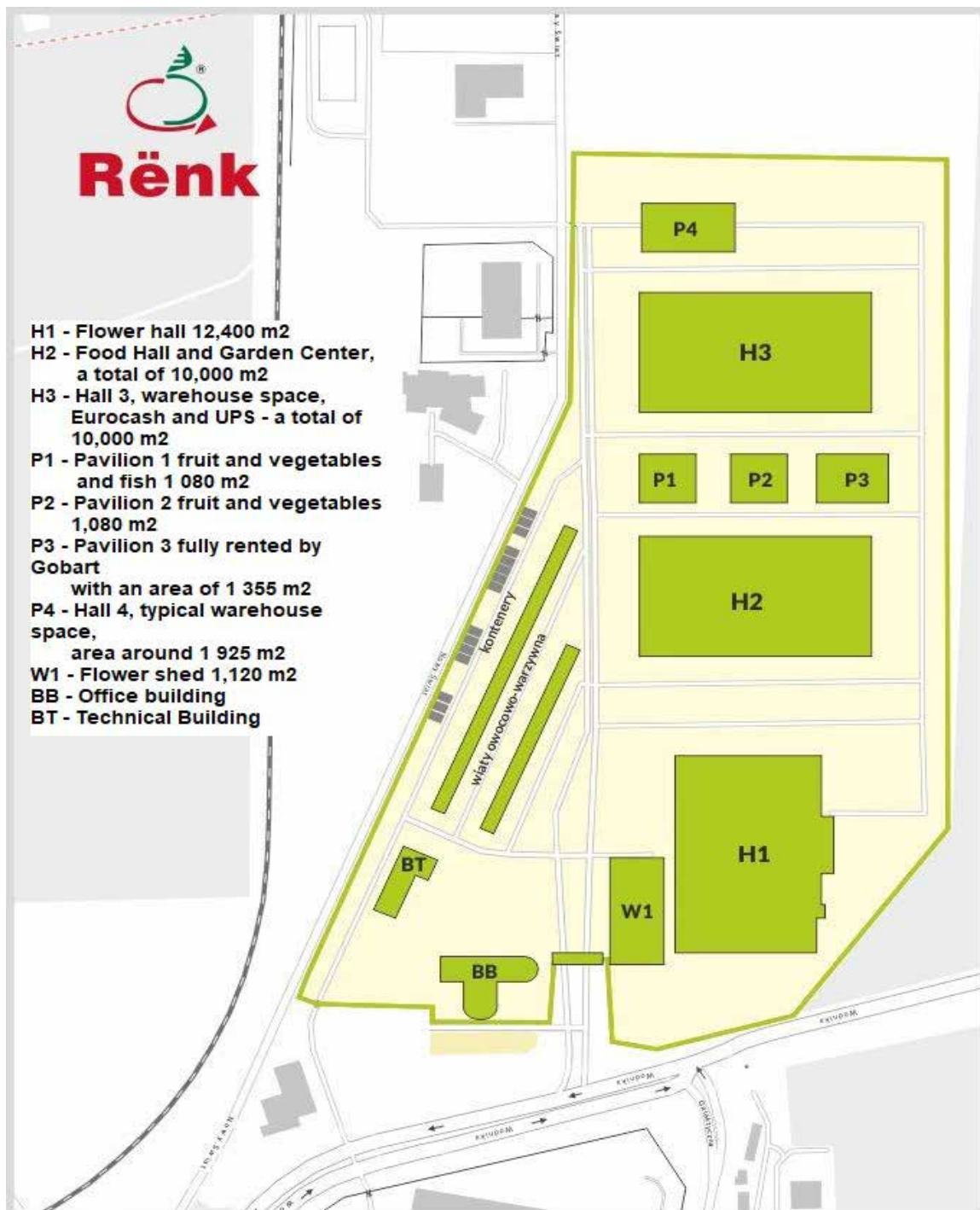
The main regional competitors include two trade exchanges - the Wholesale Market in Gdynia and the Commodity Exchange Transbud in Gdańsk. The Gdynia Stock Exchange - also known as the Chwaszczyńska Stock Exchange - operates at 7 Rdestowa Street, close to the Tri-City ring road.

In addition to the market in Gdynia Pomerania, there is also one more stock exchange called the stock exchange at Miałki Szlak, which was established in 1991. at the Transbud transport company base. Despite the fact that after launching the real wholesale market, PHCRS, there were no administrative decisions to close these marketplaces, many entities gradually moved their operations to Rönku.

Rönku has been repeatedly awarded for professional organization and the highest quality standards and has become an example of

great management. As previously mentioned, the modern center of Rönku has not been fully used since its inception. Merchants traded at ordinary markets instead of air-conditioned halls. High standards of space for trade and storage of goods at the same time high prices of space for rent, entrances and parking lots did not prompt traders to change location. The situation improved significantly when rental costs were reduced and a lower entry fee was introduced. Currently, over 99% of the stock market space is used, and interest in vacant space and renting by subsequent entities is very high.

Fig. 2. Plan of facilities located on the wholesale market [PHCRS Rönku]



Development strategy for the Rėnk enterprise

The company jointly provides lease services to nearly 210 tenants and rents space in three halls, four commercial pavilions, an office building, a shed and roofed commercial stands. Trading conditions allow you to operate throughout the year. The boxes are equipped with water access and secured with electronic blinds. It was ensured that the conditions for trade and purchase of goods by customers were carried out in safe and hygienic conditions. The halls have toilets, showers and social rooms.

The center mainly sells flowers, decorative and gardening items, fruit and vegetables, general food items, meat and fish. Tenants who operate in Rėnek rent an average of 99% of the space designated for rent. Figure 2 presents a plan of facilities located on the wholesale market at ul. Wodnika 50 in Gdansk.

Company development plans

Due to the nearly 100% utilization (rental) of commercial space, the company's development possibilities are limited. Further development is mainly planned through the construction of new facilities.

After the exchange of land with the commune of the city of Gdańsk in 2015, the company has definitely better development opportunities, as the area obtained in this way has a regular shape (similar to a rectangle), which will enable orderly development of commercial facilities in the future. The company has provided a development plan through the construction of new facilities, which assumes the implementation of future development using the area occupied by the protective shaft.

The company operates on an area of over 23.1 ha (of which the developed area is 17.3 ha), while the covered facilities occupy just over 4.2 ha. Considering the need to maintain full freedom of movement and maneuvering of large motor vehicles and taking into account existing green areas, the company may implement, according to the land use plan, further development of land by over 30 thousand. sqm. commercial space. Such development, however, depends on the needs of future tenants and the implementation of possible new directions of activity.

The company has economic development potential and areas for new facilities. The company's infrastructure development program should include the construction of a place to complete the delivery of products shipped for export. The proximity of Kaliningrad, established cooperation with Lithuanian food producers, and increasingly better contacts with representatives of Belarus may be of great importance in developing mutual exchange of food and industrial products between our countries. Such activity could expand the sale of many goods currently offered by operators only to domestic customers. Opening a wholesaler in Rėnk offering food or industrial products (unknown in Poland) would increase interest in purchasing among existing customers and attract new buyers.

Summary

Wholesale markets have been and will be needed, in particular for producers in rural areas, but changes in the way they operate are necessary. Investments are not everything, however, the need for greater consolidation of joint projects and promotion of the brand under which sellers could operate and better promote Polish products. The location of wholesale markets within large urban agglomerations is associated with high consumer demand reported by retail outlets located there. Wholesale markets integrate clients on a large scale both in terms of the number of entities and the volume of sales realized. District stores, bars, catering outlets do not have a large storage area, and therefore are forced to supply fresh products on a daily basis. If wholesale markets were far from the agglomeration, people who needed fresh food every day would have nowhere to buy or would do it very rarely.

The biggest advantage of agri-food wholesale markets is the rich, year-round offer of vegetables and fruits. In the offer addressed to the owners of grocery stores, catering companies or bars and restaurants, wholesale markets also include agricultural products from around the world, but the basic group is the most popular domestic food produced in rural areas.

For the sake of rural development, we should all care about support for local enterprises, because they prove the condition of our economy. Agri-food wholesale markets operating primarily on the principle of distribution of goods between small and medium-sized agricultural producers and small and medium-sized shops, restaurants and catering companies seem to be one of the most important areas for this phenomenon. Daily supplying the company on a locally located wholesale market, not only with agricultural and fruit products, but also with complementary purchases, provides real support for producers from rural areas. The goods purchased there, due to their high quality and popularity among consumers, can significantly contribute to increasing turnover and sales in every company using them. Buying in a store supplied in the markets of local producers, we have the opportunity not only to benefit from the quality of fresh high-quality products, but to take an active part in the chain of building strength of the local food market focused on rural areas.

On the basis of the presented considerations, several important conclusions can be drawn regarding the Pomeranian Wholesale Agricultural and Food Center Rėnk. First of all, the phenomenon of disappearing the boundaries between wholesale and retail sales will be more and more clearly visible, while at the same time the possibilities of meeting the changing needs of increasingly demanding buyers and competing with market rivals will be significantly expanded. This applies in particular to reaching producers and buyers operating on competitive markets. Secondly, the sales function will become one of the many functions fulfilled by wholesale markets. Regional producers from rural areas will increasingly cooperate with distributors located in Rėnk, especially with larger wholesalers. This will allow the development of increasingly fashionable online

sales. Thirdly, Polish wholesale markets - in response to actions taken by foreign hyper- and supermarket chains - can fulfill the role of activating the development of their environment. The most important issue will be building a Polish brand and increasing the quality of products. In addition, an intangible product in the form of a set of information that should be offered by each party, i.e. supply and demand, is extremely important for both parties represented on the market.

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