

Features of the Agroalimentary Market of the Timis County (Romania)

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Abstract

The analysis of the household categories in the Region West allows us to point out aspects that characterize and individualise each household also emphasizes a few trends common to all households operating in the same environment. Household incomes are impacted, in their turn, by the share of inactive people: thus, the larger the share, the less the mean income per capita; the discrepancies between household incomes are wider in the households with larger numbers of people. The share of the liquidities of the total households characterise the standard of living of the farmers since there is a close interdependence between the size of liquidities and the structure of consumption.

Keywords: market, agro-alimentary produce, Timiș County, features

1. Introduction.

Competition on the rural market involves a thorough research of all its components through techniques and methods specific to market research. The concept of marketing, through its features – price policy, product, distribution, promotional activities – meets such requirements and ensures the monitoring of the market, the analysis and diagnosis of its determining phenomena and processes. At the same time, through the information and results it supplies, the approach emphasises the short-term evolution trends to be taken into account in fundamenting the prognosis of rural market development long-time. In the rural area of the Timiș County (Romania) there are a number of limited liability companies whose aim is to market agro-alimentary or non-alimentary products. An example of rural industrial activity is the activity of processing main and secondary agricultural

produce. In almost every rural locality, there are agro-alimentary produce processing firms (milling, bread-making, dairying, etc.) that cover the needs of the population in both those localities and in the neighbouring localities.

2. Materials and methods

To characterise the milk market of the Timiș County, we analysed the main features of this market, i.e.: number of dairy cows, milk production, main milk producers and processors, as well as milk consumption.

3. Results and discussion

According to the data presented in Table 1, the number of cattle in the Timiș County, decreased, on December 31, 2008, compared to January 1, 2005, with 2,300 heads; sheep number decreased with 92,000 heads, and goat number decreased with 5,200 heads.

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Table 1. Number of dairy animals in the Timiș County (January 1, 2005 – December 31, 2008)

Number of animals	On January 1		On December 31	
	2005	2006	2007	2008
Cattle	59.8	61.5	57.1	57.5
Of which: in the private sector	57.2	60.3	56.2	57.1
- cows, buffalo cows, heifers	34.6	35.1	33.6	35.9
Of which: in the private sector	33.4	34.6	33.3	35.7
Sheep	325.0	342.9	422.6	417.1
Of which: in the private sector	320.0	341.3	420.3	417.1
- sheep and young sheep	239.9	270.0	340.9	345.8
Of which: in the private sector	236.4	269.0	340.3	345.8
Goats	11.7	12.3	6.5	6.5
Of which: in the private sector	11.7	12.3	6.5	6.5
Number of animals per 100 ha				
- cattle	8.7	8.9	8.3	8.4
- sheep and goats	48.9	51.7	62.3	61.6

Another conclusion is that the share of dairy domestic animals is very high in the private sector [1].

For instance, in the case of goats, they can be found only in the private sector. As for the number of animals per 100 ha, we can say that there are 300 cattle per 100 ha, while the number of sheep and goats increased and reached 12,700 capita per 100 ha.

Total milk production in the Timiș County, in 2008, i.e., 99.54%, came almost exclusively from private properties; as for cow and buffalo cows at the level of the Timiș County, the situation was similar: 99.49% of the total production came from private properties [1,2,3] (Table 2).

Table 2. Milk production in the Region West and in the Timiș County (2008) [6]

	Milk (thousands hl)		Bovine and buffalo milk (thousands hl)	
	Total	Of which: private property	Total	Of which: private property
Region West	5,037	5,029	4,596	4,588
Timiș County	1,309	1,303	1,175	1,169
Share (%)	25.98	25.90	25.56	25.47

According to the data from the Agricultural Consultancy Office in Timișoara, on December 31, 2007, the situation of the milk producers – and particularly that of bovine milk producers – was as follows:

- processing within dairies: 2,628 people owned 9,892 cows and they supplied 23,176,373 l of milk;
- direct sale: 10,761 people owned 19,402 cows and supplied 43,574,694 l of milk;
- requirements for expanding the activity: 65 people owned 2,077 cattle and asked for a quota of 8,914,977 l of milk;
- new investments: 23 owned 2,108 cattle and asked for a quota of 18,164,766 l of milk.

A first conclusion to be drawn from this analysis is that on December 31, 2007, there

were, on the milk market of the Timiș County, 13,477 producers who owned 33,479 cattle.

On December 31, 2007, there were, in the Timiș County, 16,400 exploitations whose structure was as follows:

- 1-2 cattle on 14 638 agricultural exploitations;
- 3-5 cattle on 986 agricultural exploitations;
- 6-10 cattle on 322 agricultural exploitations;
- 11-15 cattle on 127 agricultural exploitations;
- 16-20 cattle on 108 agricultural exploitations;
- 21-30 cattle on 87 agricultural exploitation;
- 31-50 cattle on 58 agricultural exploitations;
- 51-100 cattle on 54 agricultural exploitations;
- over 100 cattle on 20 agricultural exploitations.

As we can easily see, 89.26% of the total agricultural exploitations had 1-2 cattle, with

the lowest share of agricultural exploitations with 100 de cattle (0.12%).

As for milk processing in the Timiș County, only 30.00% of the total milk production gets to be processed.

The main milk processors of the Timiș County can be grouped depending on the milk collected as follows [1,4]:

- **S.C. Friesland Food S.A. Timișoara**, 1st rank, with about 70,000 l of milk collected daily;

- **S.C. Simultan**, 2nd rank, with 30,000 l of milk collected daily;

- **S.C. Remojet TMB S.R.L. Lugoj**, 3rd rank, with 3,000 l of milk collected daily;

- **S.C. Violin S.R.L. Alioș**, 4th rank, with 2,000 l of milk collected daily.

Fresh fruit production in the Region West and in the Timiș County, during the period 2000-2008, was characterised by the evolution presented in Table 3.

Table 3. Fresh fruit production in the Region West and in the Timiș County (2000-2008)[6]

	2000		2008	Evolution 2008-2000 (+/-)	
	t	%	t	t	%
Region West	168,276	100	16,7270	168,276	100
of which in the Timiș County	40,354	23.98	31,778	40,354	23.98

During the period analysed, we can see that fresh fruit production in the Region West decreased with 1,006 t, and in the Timiș County, it decreased with 8,576 t. This decrease of the fruit production was determined by the increase of imported fresh fruit from both European Union and non-European Union countries.

The increase of fresh fruit imports was also determined by the new forms of modern commerce ad by the increasing trend to purchase this type of products from hypermarkets and supermarkets, detrimental to the traditional form of purchasing fresh fruit. The decrease of fresh fruit production in the Timiș County was also determined by the lack of financial support from the county authorities – a support that could have been of use for both producers and processors.

As for the fruits that can be stored, the moment of the first harvest is accompanied by a decrease of the prices for the fruits of the previous harvest, and the price of the new harvest has a peak in June-July. Later on, the price decreases and it records ups and downs compared to a certain medium level; it increases again with the following harvest, when the demand increases.

We present, in Figure 1, the situation of fresh apples, a fruit permanently present on the market and that records price fluctuation. In fact, in this type of produce, price fluctuations from one year to another, are determined rather by the seasonal character of the consumption (religious holidays, physiological needs of the human body determined by temperature

variations from one season to another) than by production seasonability.

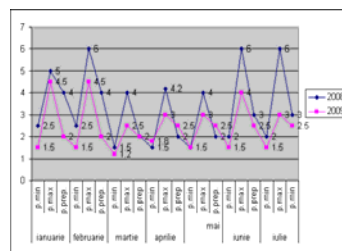


Figure 1. Dynamics of monthly mean prices in apples on the agro-alimentary markets of the Timiș County (RON/kg)

Unlike vegetal agro-alimentary produce, animal produce prices have much less seasonal fluctuations (Figure 2).

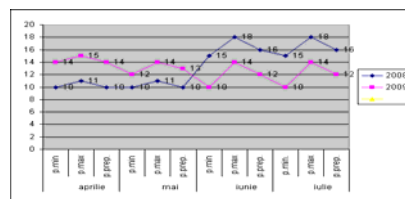


Figure 2. Dynamics of monthly mean prices in white cheese on the agro-alimentary markets of the Timiș County (RON/kg)

The decrease of the number of dairy animals and the production of fresh fruit resulted in the evolution of foreign trade with agro-alimentary produce. Table 4 shows an increase of Free on Board exports at county level in 2008 compared to 2006, with 218,042,000 Euros; as for the export of alimentary produce, beverages, and tobacco, Free on Board export decreased with 45,000 Euros. As for the Cost, Insurance and Freight import, it increased with 319,021,000 Euros in 2008 compared to 2006, as well as an

increase of the import of alimentary produce, beverages, and tobacco of 1,243,000 Euros.
Table 4. Evolution of the trade with agro-alimentary produce in the Timiș County (thousands of Euros) [5]

	2006	2007	2008	Evolution 2008-2006 (+/-)
Export FOB				
Total	1,542,271	1,689,868	1,760,313	218,042
Alimentary produce, beverages, tobacco	2,043	2,488	1,998	- 45
Import FOB				
Total	1,571,790	1,795,534	1,890,802	319,012
Alimentary produce, beverages, tobacco	7,686	7,545	8,929	1,243

Household incomes are impacted, in their turn, by the share of inactive people: thus, the larger the share, the less the mean income per capita; the discrepancies between household incomes are wider in the households with larger numbers of people (Figure 3).

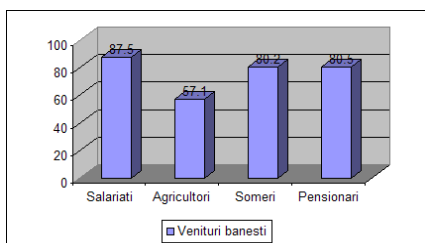


Figure 3. Share of liquidities of the total incomes per household categories in the Region West (2008) [7]Source: INS, *Statistică Teritorială*, 2010

for alimentary produce (Figure 4) decreased with 5.80% from 47.30% in 2005 to 41.50% in 2008, while the share of expenses for non-alimentary products during the same period increased with 3.00%, from 30.70% in 2005 to 33.70% in 2008, and the share of the expenses for services increased with 2.80%, i.e. from 22.00% in 2005 to 24.80% in 2008

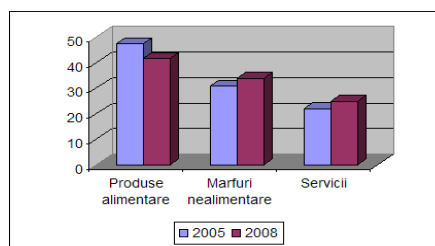


Figure 4. Consumption expenditure structure in households of the Region West (%) [7]

Table 5 presents the dynamics of household consumption expenses in the Region West between 2005 and 2008. The share of expenses

Table 5. Consumption expenditure structure in households of the Region West (%)

Year	Total expenses (RON/month/household)	Alimentary produce	Non-alimentary produce	Services
2005	882.26	47.3	30.7	22.0
2008	1469.16	41.5	33.7	24.8
Evolution 2008-2005 (+/-)	586.9	- 5.8	3.0	2.8

Source: INS, *Statistică Teritorială*, 2010

Consumption prices increased as a result of alimentary produce, service, and non-alimentary product price going up. The share of price categories of the total inflation increase was different, depending on the share of each category of goods/services of the population consumption. During the period analysed, the increase of the prices in alimentary produce is higher than the increase of the consumption prices reflecting the impact of unfavourable

climate conditions these last years on agricultural production.

The increase of prices in the group of alimentary produce in the context of low agricultural production was determined by higher-rate increases in some basic produce: milling and bread-making, meat and meat products, fish and canned fish, milk and dairy produce, sugar and sugar products. At the same time, there was less increase, i.e. less than the prices of alimentary produce (7).

The dynamics of expenses for agro-alimentary produce (Table 5) had a slightly decreasing curve: it decreased from 47.30% in 2005 to about 41.50% IN 2008. The size and structure of the households depending on the occupational status of the head of the family point out the prevalence of employee and pensioner households. The heterogeneous structure of active people in the households impacts their consumption pattern and standard

of living. The status of employee is present in each household, no matter the category of the household, while the share of non-active people (pensioners, schoolchildren, students, housewives) is increasing in all households.

Alimentary consumption expenses represent, in all the households presented in Table 6 and in Figure 5, over 50.00% of the total amount dedicated to consumption.

Table 6. Dynamics of consumption expenses per household category in the Region West in 2008 (%)

Specification	Consumption expenses	Foods and beverages	Self-consumption
Total households	86.8	24.0	13.2
Employees	91.6	22.7	8.4
Agriculturists	55.7	18.6	44.3
Unemployed people	83.8	24.7	16.2
Pensioners	81.4	26.2	18.2

Source: INS, *Statistică Teritorială*, 2010

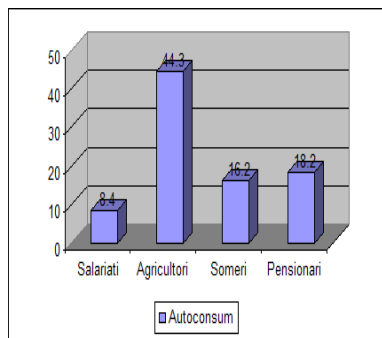


Figure 5. Dynamics of self-consumption expenses per household category in the Region West in 2008 (%)

Source: INS, *Statistică Teritorială*, 2010

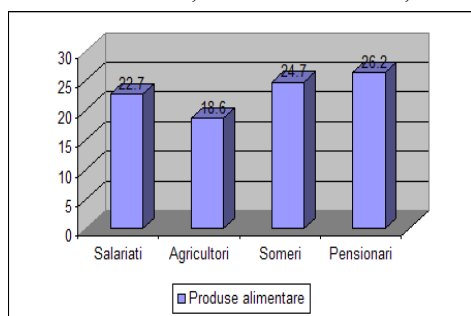


Figure 6. Share of agro-alimentary produce of the total expenses in the Region West per household categories in 2008

Source: INS, *Statistică Teritorială*, 2010

Another defining element is represented by self-consumption practiced by all households; it is less frequent in the households of agriculturists, pensioners, and unemployed people, as shown in Figure 6. The share of self-consumption is very high in agriculturists' households (44.40%), followed by pensioners' households

(18.60%), and unemployed people's households (16.20%).

4. Conclusions

Total milk production in the Timiș County, in 2008, i.e., 99.54%, came almost exclusively from private properties; as for cow and buffalo cows at the level of the Timiș County, the situation was similar: 99.49% of the total production came from private properties.

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