

## THE COMPETITION ON THE VEGETABLES AND FRUIT MARKET IN ROMANIA

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**Abstract:** *Vegetables and fruit have a significant share in agricultural food production. In our country, several important and very interesting horticultural basins have been developed, both for the national economy and for the respective micro-regions. They made available to the population a very rich assortment of vegetables and fruit, fresh or preserved. Due to the particularly favorable pedoclimatic factors, as well as the less intensive cultivation system, local vegetables and fruit have the advantage of being particularly tasty, a performance that other countries achieve through the use of additives, which negatively influence the biochemical composition and the cost of the products. The huge energy costs, rising prices of pesticides, fertilizers and seeds are forcing farmers to grow less, in order to cover the expenses. This paper is an analysis of the current competition on the market of vegetables and fruit in Romania, taking into account the dumping prices of imported agricultural products.*

**Keywords:** *national economy, dumping price, cost of the product, agricultural food production, import, export.*

### INTRODUCTION

Through its economic and social dimensions and through its ecological functions, the horticultural sector is an important national asset of Romania [14]. From an economic point of view, the horticultural sector represents an important source of income for the state budget and offers the possibility of supplementing the country's foreign exchange reserves through export activities [7]. On the other hand, it offers the raw material necessary for the development of a processing and valorization activity that can be carried out in small and medium-sized units, easily integrated in rural communities [1]. Vegetables, fruit and potatoes have a significant share in agricultural food production [6]. In our country, several important and very interesting horticultural basins have been developed, both for the national economy and for the respective microregions. These horticultural basins have made available to the population a very rich assortment of vegetables and fruit, fresh or preserved [2]. Due to the particularly favorable pedoclimatic factors, as well as the less intensive cultivation system, local vegetables and fruit have the advantage of being particularly tasty, a performance that other countries achieve through the use of additives, which negatively influence the biochemical composition and the cost of the products [10]. The vegetable and fruit market is very different from the markets of other agricultural food products, having the following particularities: the great variety of products and the forms in which they can be presented and offered for consumption, namely: fresh, canned, frozen or dried [13]. There are about 150 vegetable products and numerous varieties of fruit, which ensure diversified consumption, giving buyers the opportunity to choose from a varied range of products [8]; different seasonality by product group, with the following categories standing out: products with very high seasonality, strawberries, cherries, cherries, raspberries, lettuce, green onions, peaches, apricots, etc., products with medium seasonality, where harvesting and consumption are staggered in time, tomatoes, cucumbers, green beans, pears, plums, etc., products with low seasonality potatoes, root vegetables, dried onions, apples, nuts, etc.; the demand for vegetables and fruit is for most products continuous, while the production is seasonal. In order to give the

supply a continuous character, it is necessary to resort to certain systems of culture (greenhouses and solariums) and storage (warehouses refrigerators, etc.) of vegetables and fruit [3].

Horticultural production is of particular importance for Romania, occupying about 5% of the agricultural area [12]. Among the products that occupy significant areas are: vegetables (tomatoes, cabbage, cucumbers, onions, etc.), potatoes, fruit (apples, pears), etc.

It should be mentioned that for vegetables, consumption per inhabitant increased much more slowly than prices increased [11].

The prices of vegetables and fruit are influenced by a wide range of factors, the most important being the following: production costs, considering that the price must fully cover the costs and allow obtaining a sufficiently large profit for expanding the production and marketing activity [9]; the seasonal nature of the production of vegetables and fruit, correlated with the continuous nature of the demand for these products, determines price fluctuations (high prices in the off-season and low prices during the season) [15]; the zonal character of the offer of vegetables and fruit, correlated with a dispersion of demand in all areas of the country, determines a differentiation of prices (higher prices for capitalization in areas with a deficit for certain products and low prices in areas with abundant products) [4]; the quality of vegetables and fruit leads to price differentiation (high prices for high quality products and low prices for medium and low quality products); the destination of the products also prints price differences (prices are higher for products intended for final consumption and lower for products intended for industrialization, also products intended for the domestic market have lower prices, and those intended for the foreign market have higher prices) [5].

## **MATERIALS AND METHODS**

The key research methods employed were analysis and synthesis, analogy, and graphics to resemble the results. To carry out the analysis, the data provided by the National Institute of Statistics and the Food and Agriculture Organization were interpreted.

## **RESEARCH RESULTS**

The fruit and vegetable market, one of the most important sectors of the world economy, has always represented a field of paradoxes. Underexploited, the fruit and vegetable segment, which is valued at 50 billion euros, with a production of 80 million tons, represents only 18% of the agricultural production of the European Union.

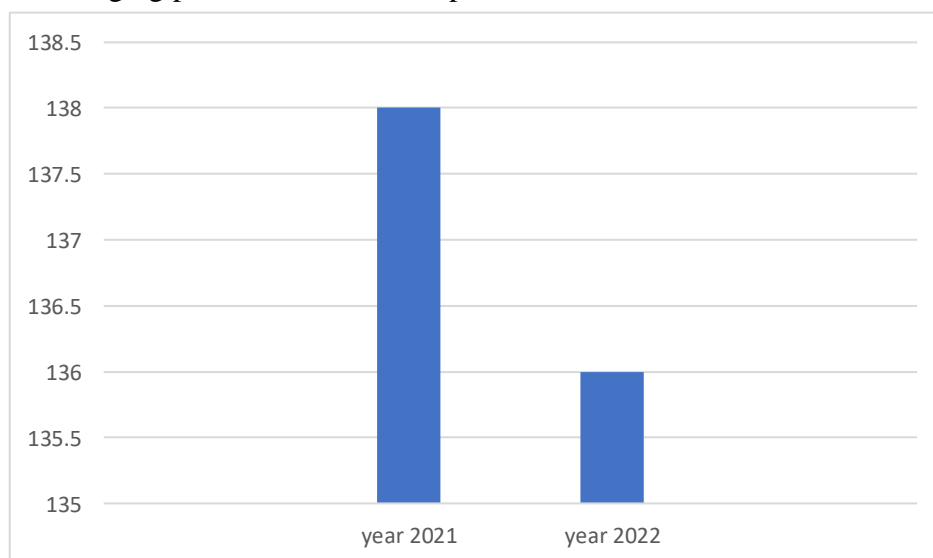
Although organic food is intensively promoted, the data provided by the World Health Organization show that the consumption of fruit and vegetables at the European level is still below the recommended amount of 400 grams per person per day.

Despite the fact that Romania has a very high agricultural potential, being the fifth largest market in the European Union in terms of arable land, Romanian agriculture is characterized by low productivity, which is automatically reflected by a relatively low production of vegetables and fruit.

Romania had an important contribution to the European and world trade in vegetables and fruit. Currently, this contribution is insignificant, and the balance is unbalanced by the large share of imports.

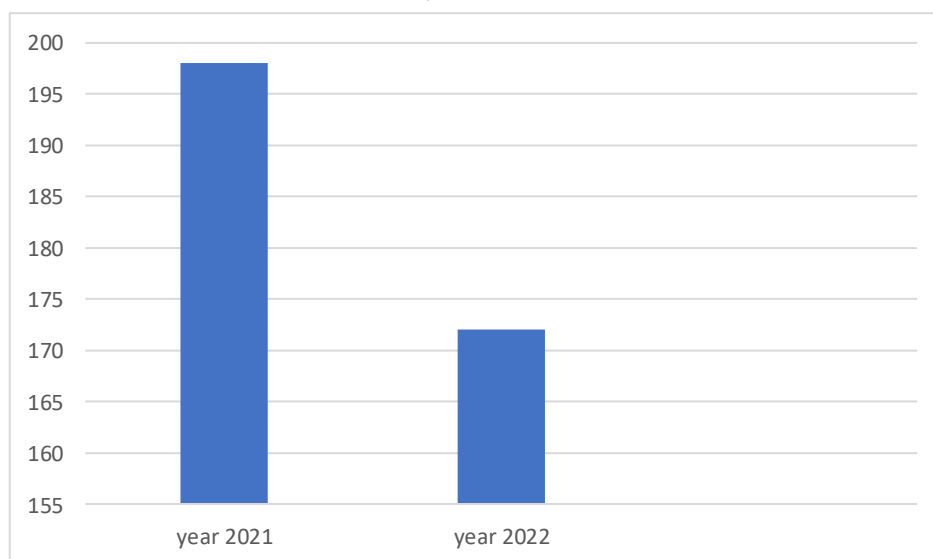
The agricultural area cultivated with fruit trees has decreased in recent years by 136,000 hectares in 2022, from 138,000 hectares in 2021, most of this area being covered by plums and apples, respectively 47% and 40%. Besides these, much smaller areas are cultivated with cherries, apricots, peaches, walnuts and fruit trees. The main causes that led

to the reduction of orchard areas are the low rate of investments at the farm level, abandoned and aging plantations, with low production.



**Figure 1. Agricultural area cultivated with fruit in 2021-2022 (thousand hectares- own representation according to the data provided by the European Commission)**

Regarding the area cultivated with vegetables, at the level of Romania, in 2021, 198,000 hectares were cultivated and 172,000 hectares in 2022.



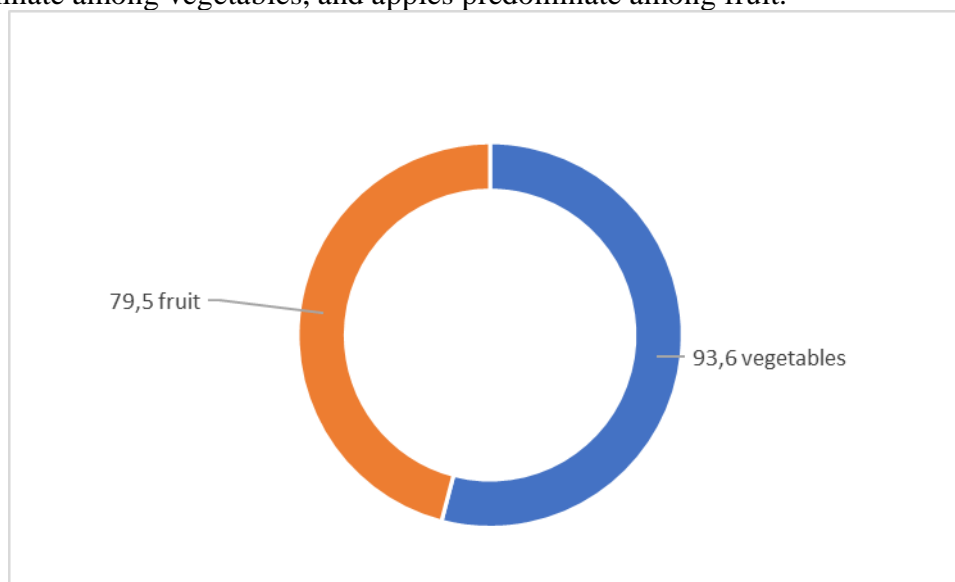
**Figure 2. Agricultural areas cultivated with vegetables in 2021-2022 (thousand hectares- own representation according to the data provided by the European Commission)**

In the period 2021-2022, our country produced an amount of 1,646,000 tons of fruit and approximately 5,789,000 tons of vegetables.

Concerning the imports, Romania imported approximately 484,900 tones vegetables and 705,200 tons fruit in 2022. According to the data, 84.32% (411,777 tons) of the amount of imported vegetables and 78.53% of the amount of fruit (553,793 tons) came from the European Union. Vegetables imported from third countries represented only 15.68% (76,032 tons) of the total imported, and fruit 21.47% (151406 tons). In the structure of imports, onions and tomatoes predominate among vegetables, and citrus fruit

and bananas predominate among fruit. The main suppliers were the Netherlands and Poland, followed by Turkey, Germany, France, Greece, Spain, Italy and Egypt.

Regarding exports, the number of quantities is significantly lower, in 2022 Romania exported only 93,600 tons of vegetables and 79,500 tons of fruit. According to the data, 95.73% of all vegetables were exported to EU countries, and 4.27% to third countries. The same situation is valid for fruit, 87.68% being exported to the EU and only 12.32% to third countries. In the export structure, cucumbers and dried vegetables predominate among vegetables, and apples predominate among fruit.



**Figure 3. Exports made in 2022 (thousand tons- own representation according to the data provided by the European Commission)**

The production of vegetables and fruit obtained in Romania in recent years covers the internal needs from May to October of the respective year (including the raw material for the factories for the industrialization of vegetables and fruit), the imported products ensuring the diversification of the assortments and the offer from the cold period of the year.

Evaluating the information related to foreign trade, it can be said that in the case of vegetables, potatoes and fruit, the trade balance has tilted towards imports. This phenomenon is the consequence of the faulty application of some existing policies, which have created a strongly unbalanced competitive environment in favor of agricultural producers.

The fragmentation of the areas cultivated with vegetables and orchards, the small number of producers' associations, the lack of a strategy regarding the exports of vegetables and fruit, at the local or central level, resulted in these very low levels of exports of horticultural products in recent years.

Unfortunately, low production, tax evasion and the lack of rules have transformed the fruit and vegetable market in a failure of the Romanian economy. The lack of regulations determined the practice of high prices that discourage consumption, and Romanian producers, discouraged by the avalanche of imports, gave up investing and joining associations, in order to create a competent market, at European standards.

Although this sector is characterized by relatively cheap labor, low processing costs of raw materials and a high potential for the practice of ecological agriculture, the lack of programs to promote vegetables and fruit in third countries and on the domestic market, as well as the low degree of competitiveness of products prevents the development of this market. Although the product offer is diversified, the added value of the products is low,

especially due to the lack of marketing knowledge aimed at ensuring attractiveness and safety in front of the consumer, the lack of technical means for sorting, packaging, labeling, storing and transporting the production to the market, as well as the lack of a production planning system and its articulation according to market requirements.

The policy of this sector must respond to the demands of the market by reducing price fluctuations and the imbalance between demand and supply and encourage the consumption of fruit and vegetables, ensuring at the same time the competitiveness of the products. Supporting local production through coherent legislative measures, facilitating access to European funds, creating an organized distribution chain, but also reducing the VAT for fresh vegetables and fruit would significantly contribute to the development of this segment in Romania.

Low consumption is another problem affecting the fruit and vegetable market in Romania. The UN Food and Agriculture Organization reported in 2022 that in Romania, the supply of fruit and vegetables intended for consumption was below 80 kg/person/year, being at the lowest level in Europe. According to the data provided by the Ministry of Agriculture, in the period 2021-2022 the average annual consumption of vegetables per capita was 182 kg, and that of fruit was only 69 kilograms per year.

Even if producers and distributors play an important role in the fruit-vegetable market, consumers are the ones who have the last word. The trends of recent years show that shops are starting to ask for more and more domestic goods, which reflects the desire of customers to consume Romanian fruit and vegetables. This trend is counterbalanced by the consumption of more and more diverse fruit and vegetables.

In recent years, there has been a consumer desire to try other types of vegetables or fruit, less known on the market. Consumers increasingly prefer exotic fruit and vegetables. The quality of vegetables and fruit is given by storage in optimal conditions, and this can only be achieved by means of efficient storage systems.

One of the largest suppliers of technology for the storage of vegetables and fruit, adapting to new technologies is an essential condition for optimizing the activity of producers and distributors of vegetables and fruit.

## CONCLUSIONS

The population is mostly supplied with vegetables and fruit from imports, although these are sometimes more expensive than Romanian products, because, producers still do not have the ability to meet certain commercial standards. Small producers do not have the ability to ensure continuity in delivery and do not use modern technologies. Imports will continue to exist, as long as the domestic supply will not be able to support the demand, and the producers will not be able to offer retailers competitive prices. Therefore, the impossibility of ensuring a continuous delivery and a constant quality are the main disadvantages of small domestic Romanian producers that disqualify them when it comes to imports.

As a recommendation, in order to eliminate the imports of fruit and vegetables on the Romanian market, several aspects should be taken into account for producers, like achieving a balance between demand and supply of vegetables and fruit, ensuring transparency of fruit and vegetable market and establishing commercial relations based on fair competition, also the products of unsatisfactory quality should be eliminated from the market, producers should be orientated towards the production of fresh vegetables and fruit that satisfy the demands of consumers and at the same time ensure a balanced ratio between quality and price, producers should enter with quality fresh vegetables and fruit on the foreign market, the profitability of fresh fruit and vegetable production should increase

and community compensations within the intervention policy of withdrawals from the market of surplus fresh fruit and vegetable production should be granted.

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