RESEARCHES AND RESULTS ABOUT THE MEAT MARKET IN ROMANIA

CERCETARI ŞI REZULTATE PRIVIND PIAȚA CARNII IN ROMÂNIA

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Abstract: *The analysis of the meat market requires a continuous and immediate approach, given the speed with which it triggers various phenomena of characterization. Through the changes in production or the other indicators rendering the level of performance, the analysis comes to outline the essential elements of the trend shown in this field. This paper highlights the behavioural aspects manifested in the Romanian meat market, surprising and synthesising through data and information, starting from the productive potential to results obtained in the economy of this branch.*

Key words: *available animals and poultry; production; import; export; meat expenditure*

INTRODUCTION

Meat represents an important source of food for the Romanian consumer, because it's rich in proteins, vitamins and nutrients. For the rural population, animal and bird raising represented a base activity in assuring the consumer's need and providing income from animal and livestock selling.

As economy developed, meat production and consumption increased rapidly worldwide, in the last 10 years being registered a growth of 20%. This trend is determined by the increase of meat consumption in the strong industrialized countries.

Therefore, we considered necessary to research the meat market in Romania for capturing the capacity of the market capable of satisfying the

population's need for consumption and for identifying the factors which slow the development of the external commerce.

MATERIALS AND METHODS

Data collected from "The National Institute of Statistics" and "The Romanian Centre for Commerce Promoting and Foreign Investment" for the period of 2005-2010 was used as an X-Ray of the Romanian meat market. The main indicators used as reference in the paper are: available animals and poultry, meat production, prices for different types of meat, average annual consumption, imported and exported meat and expenditures for buying meat and meat products.

The data utilised was processed using regular statistic methods appropriate for this kind of an analysis. It should be noted that, in order to achieve this study, specialty materials were also consulted.

RESULTS AND DISCUSSION

Available animals and poultry in 2010, in comparison with 2005: 2001 thousand cattle (-30.1%), 5428 thousand pigs (-18.1%), 8417 thousand sheep (+10.5%), 1241 thousand goats (80.6%) and 80845 thousand poultry (-6.6%). This evolution can also be seen in table 1.

Table no.1

Evolution of livestock and poultry in Romania in the period 2006-2010 (thousand heads)

Specification	2005	2006	2007	2008	2009	2010	2010/2005 (%)
Cattle	2862	2934	2819	2684	2512	2001	69,9
Pigs	6622	6015	6565	6174	5793	5428	81,9
Sheep	7611	7678	8469	8882	9141	8417	110,5
Goats	687	727	865	989	917	1241	180,6
Poultry	86552	84990	82036	84373	83843	80845	93,4

Source:-INS-Romanian Statistical Yearbook, 2011
-Own calculations

The data presented in the table above shows a downward trend for cattle, pigs and poultry starting with 2008. The most drastic decrease was

recorded in herds of cattle. There are many factors that contributed to this situation, namely: the increase of meat imports, the increase in animal-food price, the failure of the economic agents due to the economic crisis, the reduction of the subsidy for livestock, the access to bank loans, etc.

As expected, in the analysed period the meat obtained decreased for all the species analysed, except the production obtained from poultry, which increased by 11.2% in 2010 compared to 2005. This decrease is closely correlated with the reduction of livestock. The evolution of meat production is presented in table 2.

Table no.2

The evolution of meat production, in the period 2005-2010

(thosand tones, live weight)

Specification	2005	2006	2007	2008	2009	2010	2010/ 2005 (%)
Meat from which:	1508	1401	1503	1426	1443	1305	86,5
Beef	383	318	333	306	264	205	53,5
Pork	605	618	642	605	585	553	91,4
Mutton+ Goat	114	101	110	104	104	100	87,7
Poultry	401	361	416	410	489	446	111,2

Source:-INS-Romanian Statistical Yearbook, 2011
-Own calculations

From the data presented in Table 2 it is clear that the largest decrease in production was recorded in beef from 383,000 tons in 2005 to 205,000 tones in 2010. Decreases in production were recorded for: pork (-8.6%), mutton (-12.3%). This decrease in production was achieved on the one hand by decrease of animal effective, and on the other hand by the decreased weight of the slaughter animals, as for some producers the food costs were substantial effort, especially in dry years which led the manufacturers to sacrifice animal before the normal period. Amid rising prices of raw materials and utilities in Romania during 2005-2010, oscillations are recorded for the domestic market price of meat, as follows: the price of the pork decreased by 5.1% in 2010 compared to 2005; significant growths were recorded for beef (46.9%) and mutton (62.5%).

Table 3 shows the evolution of meat prices for the period taken into account.

Table no.3

The evolution of meat price in Romania, during 2005-2010 (lei/livestock k.)

Specification	2005	2006	2007	2008	2009	2010	2010/ 2005 (%)
Pork livestock	4,69	4,19	3,55	4,63	5,10	4,93	105,1
Beef livestock	3,3	3,31	2,98	3,52	4,79	4,85	146,9
Mutton livestock	3,31	2,93	3,52	4,2	5,33	5,38	162,5
Poultry livestock	3,78	3,71	3,33	3,41	3,47	3,2	84,6

Source: INS- Romanian Statistical Yearbook, 2011

The data above reveals a decrease in the prices for meat and poultry by 15.4% in 2010 compared to 2005. This decrease is attributed, on one hand, to the competitiveness and growth of integrated poultry processing, and on the other hand to the competitive pressure due to the massive imports in this period.

Another representative in the meat market in Romania is the import and export of meat. The balance to determine the degree of consumer's satisfaction determined according to their size. In the analysed period, approx. 70% of the food products were imported, this having a negative impact on the Romanian economy. Table 4 presents the evolution in foreign trade with livestock, meat and meat products, and fish, crustaceans, mussels other aquatic invertebrates' dishes, in the period 2005-2010.

Table no.4

The evolution in foreign trade with livestock, meat and meat products (mil. Euro)

Specification	Flux	2005	2006	2007	2008	2009	2010
Livestock	**Export (E)**	142,2	153,3	180,5	177,0	173,4	195,6
	Import (I)	35,5	37,5	46,3	102,4	116,9	95,7
	E-I*	**106,8**	**115,8**	**134,2**	**74,6**	**56,5**	**99,9**
Meat and offal	**Export (E)**	18,1	15,9	26,9	41,6	74,4	129,3
	Import (I)	503	519,5	553,9	729,9	642,1	515,2
	E-I*	**- 484,9**	**-503,6**	**-527**	**-688,3**	**-567,7**	**-385,9**

Meat, fish, crustaceans, mussels or other aquatic invertebrates' dishes	**Export (E)**	15,7	22,5	27,7	40,1	37,2	53,7
	Import (I)	21,1	30,3	52,1	69,9	59,4	61,4
	E-I*	**-5,4**	**-7,8**	**-24,4**	**-29,8**	**-22,2**	**-77**

Source: -"The Romanian Centre for Trade Promotion and Foreign Investment " 2005-2010

-own calculations

Between 2005 and 2010, live exports recorded a share of 0.5% - 0.6% of the total exports. As for imports, the shares held less than the total number of imports in the period analysed, 0.09% -0.3%. The trade balance for this chapter was positive throughout the period analysed and recorded a fluctuation; the highest value was 134.2 million euros in 2007, and the lowest was 56.5 million in 2009.

During this time, the meat and offal trade balance was negative. The largest deficit was -688 million euros, recorded in 2008. The smallest deficit in the period analysed was -385.9 million euros, recorded in 2010.

The meat, fish, crustaceans, mussels or the aquatic invertebrates balances was also negative. The largest deficit was 77 million euro, recorded in 2010.

The import and export analysis of meat and offal proves that domestic production cannot cover the consumption needs of the population. This situation is due to the decreasing number of livestock and meat production, the lack of financial resources for development of mid-sized farms in cattle and sheep, the removal of the state aid poultry and pig farms since 2010.

In order to reduce imports, it is required to associate meat business operators in Romania and to find means of support for producers. An important indicator for producers, but also for the conduction of economic studies on the living standards of the people in Romania, is the average annual meat consumption per capita. According to the National Institute of Statistics, the consumption of meat and meat products is lower than the standards of developed economies.

The evolution of the average annual meat consumption in the period 2005-2010 is presented in table 5.

Table no.5

The evolution of the average annual meat consumption in 2005-2010 (K./capita)

Specification	2005	2006	2007	2008	2009	2010
Fresh meat from which:	30,4	32,31	34,8	36,8	37,3	37,2
% from the total consumption of fresh meat	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**
-cattle	3,8	4,0	4,7	5,4	4,3	3,9
% from the total consumption of fresh meat	*12,6*	*12,6*	*13,5*	*14,6*	*11,7*	*10,4*
-pigs	9,1	9,5	10,4	10,7	10,6	10,8
% from the total consumption of fresh meat	*30,0*	*29,6*	*29,8*	*29,2*	*28,3*	*29,1*
-poultry	14,3	15,1	16,0	17,0	17,9	18,2
% from the total consumption of fresh meat	*47,2*	*46,8*	*45,1*	*46,1*	*48,1*	*48,9*
Meat dishes	10,0	12,0	12,7	13,3	13,2	12,8

Source: -INS: Coordinates of living in Romania. Income and consumption in 2005 2010
-own calculations

Fresh meat consumption had an increasing trend, from 30.4 kg per capita in 2005 to 37.3 kg per capita, in 2009, followed by a slight decrease in 2010. During this period, the consumption of poultry had an increasing evolution, as the market price was lower compared to other types of meat and meat products: 14.3 kg per person in 2005 and 18.2 kg per person in 2010.

The table above provides a novel view on consumers' preferences in meat consumption. In 2010, poultry consumption occupied 48.9% of the meat, followed by pork, with 29.1% and beef with 10.4%.

The consumption of meat and meat products is influenced by price, income levels, tradition and the advice of nutritionists.

To better highlight the link between the quantity bought and the effort of the buyer, we presented in table 6 the evolution of expenditure, in the period 2005-2010.

Table no.6

The evolution of expenditure
(Monthly average/person)

Specification	2005		2007		2009		2010		2010/2005 (%)	
	quant. -kg-	value -lei-	quant. -kg-	value -lei-	quant. -kg-	value -lei-	quant. -kg-	value -lei-	quant.	value
Total purchase, from which:	-	97,90	-	124,66	-	167,54	-	168,55	-	172,16
Fresh meat	1,573	15,49	1,922	19,05	2,253	27,12	2,207	26,25	140,30	169,46
-cattle	0,234	2,63	0,284	3,34	0,271	4,21	0,228	3,72	97,43	141,44
-pork	0,442	5,51	0,532	6,58	0,629	9,55	0,635	9,49	143,66	172,23
-poultry	0,735	5,90	0,925	7,39	1,119	10,75	1,112	10,38	151,29	175,93
Meat products	0,691	8,82	0,809	10,58	0,874	13,94	0,841	13,74	121,70	155,78
Meat cans	0,040	0,44	0,044	0,51	0,048,	0,69	0,046	0,70	115	159,09

Source: INS:Coordinates of living in Romania. Income and consumption in 2005, 2007, 2009, 2010

In 2010, a person's average monthly expenditure for food purchasing, was 168.55 USD, with 72.16% higher than in 2005. To buy fresh meat, a person assigned, in 2010, an amount of 26.25 lei, 69.46% more than in 2005. In 2010, the amount allocated for the purchase of poultry was 10.38 lei. This amount increased by 75.93% in 2010 compared to 2005. Buyers allocated a sum of 13.74 lei, in 2010, to buy meat products. The amount available for these products was 55.78% higher in 2010 than in 2005. This shows the consumers' preference for these products as they are easy to cook. Canned meat expenses increased by 59.09% in 2010 compared to 2005, but the quantity purchased increased by only 15.0% at the same time.

The evolution of livestock and poultry production, imports, exports, prices, consumption, and expenditure to buy meat and meat products shows that the meat market in Romania is an oscillating market, strongly influenced by the evolution of the world market and the general evolution of the agencies of national economy.

CONCLUSIONS

During 2005-2010, the meat market in Romania could be characterized as follows:
¬ meat is supplied by both domestic production and imports. It should be noted that net imports exceeded exports, which contributed to a deficit balance for meat and meat products;
¬ the price of meat in this period increased for almost all meat types except poultry, which decreased by 15.4% in 2010 compared to 2005;
¬ the average annual consumption in the period analysed recorded oscillations. Although, during certain periods of time it increased, it was under the consumption standards of developed countries;
¬ the expenditure for meat and meat product buying has increased in this period compared to the amount purchased.
The meat market evolution was influenced by: the loss of livestock and poultry, the increase in commodity prices, the low purchasing power of money, the economic crisis, the changes in food consumption pattern, etc.

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