STUDY REGARDING WINE MARKET IN ROMANIA

STUDIU PRIVIND PIATA VINULUI IN ROMÂNIA

ELENA SOARE[1], ELENA COFAS[1], AURELIA BĂLAN[1], LIVIA DAVID[1]

[1]University of Agronomic Sciences and Veterinary Medicine, Bucharest, Romania; elena_soare@hotmail.com

Abstract: *This paper highlights the dynamics of wine market in Romania, in the period 2005-2010. In the period considered, the sector recorded a decline in profitability, because the Romanian producers were faced with several difficulties arising from the economic crisis. During this time, there is an increase in imports and a significant decrease in exports. This should prompt local producers to join them, in order to achieve positive results and follow carefully the evolution of the internal market and external market developments. Depending on the movements of the market, manufacturers will make decisions in a timely manner. This will determine, on the one hand efficient on economic growth for manufacturers, on the other hand, increase consumer satisfaction, in terms of quality and price.*

Keywords: *wine market, vineyard area, production, import, expo*rt

INTRODUCTION

Romania has a long tradition in cultivation of vineyard and, the same, in obtaining to quality wines. This culture is divided territorial and is found mainly in specialized farms and in individual exploitations.

The statistical data provided by the United Nations Food and Agriculture certifies the Romania quality like a European wine country. According to hierarchy made by F.A.O. in 2009, Romania has sixth position in the production of wine, accounting for 3.4% of total European production. From this point of view, Romania was surpassed by Italy, France, Spain, Germany and Portugal.

In conditions of market economy and of foreign competitive pressure, the Romanian producers must consider several issues, among

which the most important: obtaining the quality grapes, producing wines that meet the requirements of consumers, and not the least the practicing of accessible prices, considering that all the economy is affected by the economic crisis

To achieve the objectives, the producers of this field must to follow: the practices of cultivation, pest and disease control, the application of treatments in phase to pre harvest, the achieving of lower production costs, the harvest of production in optimal period.

MATERIALS AND METHODS

In order to achieve the study were used data from the National Institute of Statistics and Romanian Center for the Promotion of Trade and Foreign Investment, for 2005-2010. For more realistic characterization of the wine market in Romania has been using a number of indicators of which include: the area occupied by bearing vineyards, the total production of grapes and wine, the average production of grapes, the import and export of grapes and wine . Besides the statistical data was used specialty materials, which were published internally.

RESULTS AND DISCUSSION

Actually, Romania has over 200 thousands hectares occupied by vineyards and nurseries, which represent 4.6% of total European agricultural areas for these crops. In 2005-2010, this area recorded a downward trend, which directly contribute to lower grapes production and consequently to lower wine production. In table 1 is presented the evolution of the areas with bearing vineyards.

Table 1

Evolution of area occupied by bearing vineyards

-thousands ha-

Vineyards categories	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2010/2005 (%)**
Bearing vineyards, of which:	190,6	190,5	187,6	183,9	184,4	176,9	92,8

Grafted bearing vineyards	98,5	96,7	92,3	92,7	93,9	90,0	91,3
Hybrid bearing vineyards	92,0	93,8	95,2	91,2	90,5	86,9	94,4

Source: -National Institute of Statistics, 2011
-Own calculations

In this period, the areas cultivated with bearing vineyards are reduce comparative with the year to reference, so from 190,6 thousand ha, in 2005, to 176,9 thousand ha, in 2010 (-7,2%). Another important issue to our attention is the structure of bearing vineyards in this period. As can be seen from table 1, bearing vineyards consist of two components: bearing vineyards grafted and. bearing vineyards hybrid. In the period taken into account, the two components had a fluctuating evolution, noticing a decrease in 2010 compared to 2005, as follows: for vineyards bearing grafted (-8.7%) and hybrid vineyards bearing (- 5.6%). Were identified several factors that have contributed directly to lower areas of bearing vineyards in Romania, in the period 2005-2010: achievement of small income from agriculture for producers, which could not invest in the establishment and maintenance of new plantations, buying low quality planting material, producing the planting material in specialized farms, but in a disorganized mode, decreased purchasing power and not least, the import of lower quality wine, but at lower prices.

An important indicator for achievement of this study is represented by the grapes production to hectare. The evolution is presented in table 2.

Table 2

Evolution of the average production of grapes per hectare in the period 2005-2010 -Kg/ha

Indicators	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2010/2005 (%)**
Bearing vineyard	2654	4788	4654	5360	5369	4182	157,5

s, total							
Grafted bearing vineyards	2344	5192	5537	6353	6255	5055	215,6
Hybrid bearing vineyards	2880	4171	3798	4351	4449	3277	113,7

Source: -National Institute of Statistics, 2011
-Own calculations

In the period studied, average production of grapes per hectare has significant increases, as follows: for vines bearing production increased from 2654 kg / ha in 2005 to 4182 kg / ha in 2010 (57.5%) for vines grafted production increased from 2344 kg / ha in 2005 to 5055 kg / ha in 2010 (115.6%). It can be observed and a maxim of production in 2008, the 6353kg/ha. The production for vines grafted depends largely on climatic conditions, the hybrid vines bearing production increased from 2880 kg / ha in 2005 to 3277 kg / ha in 2010 (13.7%). It maintains upward trend, as with grafted vines bearing, but the increase is less pronounced and the production obtained is recorded in 2009, 4449 kg / ha. Lower production was observed in individual exploitations that do not have, most times, high varieties. Depending on the area cultivated with vineyards and average production, is determine the total production of grapes produced in a given time. In table 3, shows the evolution of grapes and wine production in 2006-2010.

Table 3

Evolution of the wine and grapes production in Romania, 2006-2010

Specification	**U.M.**	**2006**	**2007**	**2008**	**2009**	**2010**	**2010/ 2005 (%)**
Bearing vineyards, of which:	thousands to	912,4	873,2	996,0	990,2	737,0	80,7

Grafted bearing vineyards	thousands to	502,1	511,3	589,0	587,5	447,0	89,0
Hybrid bearing vineyards	thousands to	391,4	361,9	407,0	402,7	290,0	74,1
Total production of wine	thousands hl	5.014,0	5.015, 0	5.288,8	5369,2	4.957, 4	98,8

Source: -Romanian Center for Trade Promotion and Foreign Investments
-Own calculations

After analyzing data from table 3 for production variation both grape and wine production, in 2010 there was a production of 737.0 thousand tons compared with 2005, when was obtained a production of 912 400 tons. In 2006-2010, grape production decreased by 19.3%. On total production of wine, it recorded a labile, with a maximum of 5369.2 thousand hl (2009) and a minimum of 4957.4 thousand hl (2010), which represented a decrease of 1.2% compared to total. The total productions of grapes and wine have been modified, depending on certain factors, such as: climatic factors, changes in the varieties, application of technology in the best times of culture, labor used in this domain.

You must specify that the supply of wine on the Romanian market is diverse in terms of assortment. In Romania can produce about 402 types of wines, with the following structure types: 11 types of table wines, 42 types of high quality wine, 118 types of high quality wine designation of origin, 231 types of wine quality designation of origin and quality levels

Generally, the supply of grapes and wine in Romania is provided both from domestic production and imports. A negative aspect is the increase in imports that ahead of exports. In table 4 is presented the situation of foreign trade in 2006-2010

Table 4

Evolution of the foreign trade with grapes and wine
-million euro-

Specification	Flux	2006	2007	2008	2009	2010
Grapes,	Export	0,08	1,10	0,45	0,65	0,62

fresh and dried	Import	9,05	18,24	19,60	12,46	8,66
	E -I	-8,97	-17,14	-19,15	-11,81	-8,04
Fresh grapes	Export	0,03	1,06	0,38	0,56	0,51
	Import	5,65	14,03	15,78	9,31	6,02
	E-I	-5,62	-12,97	-15,4	-8,35	-5,51
Dried grapes	Export	0,05	0,02	0,04	0,05	0,07
	Import	3,41	3,79	3,30	2,79	2,34
	E-I	-3,36	-3,77	-3,26	-2,74	2,37
Wine of fresh grapes, including fortified wines, grape must	Export	18,3	16,21	17,19	14,63	14,53
	Import	29,5	29,64	37,51	16,05	21,79
	E-I	-11,2	-13,43	-20,32	-1,69	-7,29
Vermouth and other wine flavored with plants or aromatic substances	Export	0,03	1,79	2,54	1,87	0,52
	Import	1,88	2,66	3,37	1,55	2,46
	E-I	-1,85	-0,87	-0,83	0.32	-1,94

Source: Romanian Center for Trade Promotion and Foreign Investments
-Own calculations

We can observe that for all product groups the trade balance, during the period analyzed, it was negative, with one exception, in 2009 for the *Vermouth and other wine flavored with plants or aromatic substances,* when was recorded a positive balance, respectively 0.32 million euro.

Increased imports of grapes and wine highlights, on the one hand, the Romanian consumer preferences for these products, on the other hand, grape production seasonality. One important indicator of market knowledge, is the average consumption of grapes and wine in Romania. In Table. 5 is presented the evolution of grapes and wine consumption in the period 2005-2010.

Table 5

Evolution of average annual consumption of grapes and wine in Romania,in the period 2005 – 2010.

Specification	U.M.	2007	2008	2009	2010	2010/2009(%)
Grapes	kg/capita	3,0	3,2	3,4	2,3	76,6
Wine	l / capita	23,4	24,6	22,2	18,5	79,0

Source: NIS-Food balance sheets 2007-2010
-Coordinates of living in Romania. Income and consumption in 2005- 2010
-Own calculations

The data above is observed oscillatory evolution of the consumption of grape and wine in Romania. If the reported the wine and grape consumption from 2010 to 2007, there is a decrease for those categories analyzed,so: for grapes has been a decrease by 23.4% and for wine a decrease of 21% Fri. These declines were caused by several factors as the nature of objective and subjective: the economic crisis, lower purchasing power. Consumer behavior in terms of wine purchasing decision is based on several determining criteria: quality, region of origin, variety, offers the time of year, price, brand, etc. According to European official statistics, there is an increase in consumption of red wine and dry. Romanian producers of grapes and wine must consider both the preferences of domestic consumers, but the trend of the European market, in order to produce those wines are top choices for consumers, to achieve positive financial results.

CONCLUSIONS

- Romania has a long tradition in vineyards and in producing the wine;
- The vineyards are divided in most part of area from Romania. The climate is favorable for this plantations;
- This plantations are meet in commercial society, in small exploitations, like some individual, but is need the extension and development in the exploitations with a great potential and specialized;
- Is needed to guidance and knowledge to obtain quality productions, especially for export;

- The variety of Romanian wines and high quality are important for increase their value on the European market.

Wine market in Romania recorded a decline in 2009 and 2010. Although the producers in this sector have allocated large sums, in order to make investments that are necessary, for a long time. This decline, the market was determined, especially economic crisis, which on the one hand, blocked access to credit for producers and on the other hand led to a decrease in volume selling, contributing directly to reducing income producers. Currently, it is necessary to pay more attention to Romanian exports and reduce imports, in order to achieve balancing the trade balance. This is possible because, in our country there are climatic conditions, resources and long experience in this sector**.**

REFERENCES

1. **CHIRAN AUREL, GINADU ELENA, BANU AUREL, CIOBOTARU ELENA-ADINA,** 2004 - The Agricultural and Agrifood Products Market, Ceres Publishing House, Bucharest, p. 191-194;
2. **IOANA ANDA MILIN, ANCA, A., ELENA PET , CAMELIA CIOBAN,** 2009- Agriculture- Branch of modern economies, Scientific Papers- Series Agronomy, vol. 52(2), Ion Ionescu de la Brad Publishing House, Iasi, p.508-512
3. **MANOLE, V., PETRACHE, A., RALUCA-ANDREEA ION, IOSIF, D.,** 2002 **-** Marketing diagnostic on the chain of product in agriculture, Evenimentul Românesc Publishing House, Bucharest, p. 59;
4. **ZAHIU LETITIA and collab,** 2005 - Policies and agricultural markets. Reform and European integration, Ceres Publishing House, Bucharest, p. 354-358
5. **ZAHIU LETITIA, TOMA ELENA, DACHIN ANCA, ALEXANDRI CECILIA**, 2010 - Agriculture in Romania's Economy, Ceres Publishing House, Bucharest, p. 77-78;
6. *** **NIS:** Coordinates of living in Romania. Income and consumption in 2005- 2010
7. *** **NIS** :Romanian Statistical Yearbook, 2011
8. ***NIS: Food balance sheets 2005-2010.
9. ***www.romtradeinvest.ro-Romania-Wines, 2011