

SHORT CHAIN - A SOLUTION FOR CURRENT CAPITALIZATION OF VEGETABLE PRODUCTION

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Summary:

Vegetables market is one of the most important sectors of the global economy is an area characterized by multiple contradictions. According to contract concluded with MARD ICEADR runs from 2015- 2018, ADER project 16.1.2 - "Models of development of short chains for the capitalization of vegetable production on primary production- services - storage - processing - sales market." Project falls under the the objectives of Sectorial Program ADER on mechanization and automation of processes in agriculture and development of conditioning systems - storage - processing of Romanian agricultural products. Among the project objectives are included: stimulating farmers to association / cooperation presenting them the opportunities by organizing a survey among the most important vegetable growing counties. The purpose of this paper is to identify the problems faced by small and medium producers of vegetable and highlighting their opinions to formulate proposals for the effective realization of vegetable production.

Keywords: short chain, vegetable growers, production of vegetables, subsidies

INTRODUCTION

Vegetables market is one of the most important sectors of the global economy is an area characterized by multiple contradictions. Vegetable segment is still insufficiently exploited, both internally and internationally. Although emerges increasingly clearer idea of ecological and healthy diet, data from the World Health Organization indicates that further consumption of vegetables at European level is below the recommended amount per person per day (around 400 g).

On a national level, things are similar, due to lower production, tax evasion and loopholes in certain norms, practicing above average prices discourage their consumption. Due to the large number of imported vegetables, farmers give up investing in emerging technologies or associate, unable to create a competent market with European standards. In Romania is recorded a consumption of less than 80 kg/year per capita, which is about 200 grams of vegetables available in the daily diet of a person.

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Along with ICEADR who is the project coordinator ASE and USAMV are our partners.

Project falls within the objectives of Sectorial Program ADER:

- *General objective:* mechanization and automation of processes in agriculture;
- *Specific objective:* developing conditioning systems / storage / processing of agricultural products Romanian.

The purpose of this paper is to identify the problems faced by small and medium producers of vegetable and highlighting their opinions to formulate proposals for the effective realization of vegetable production.

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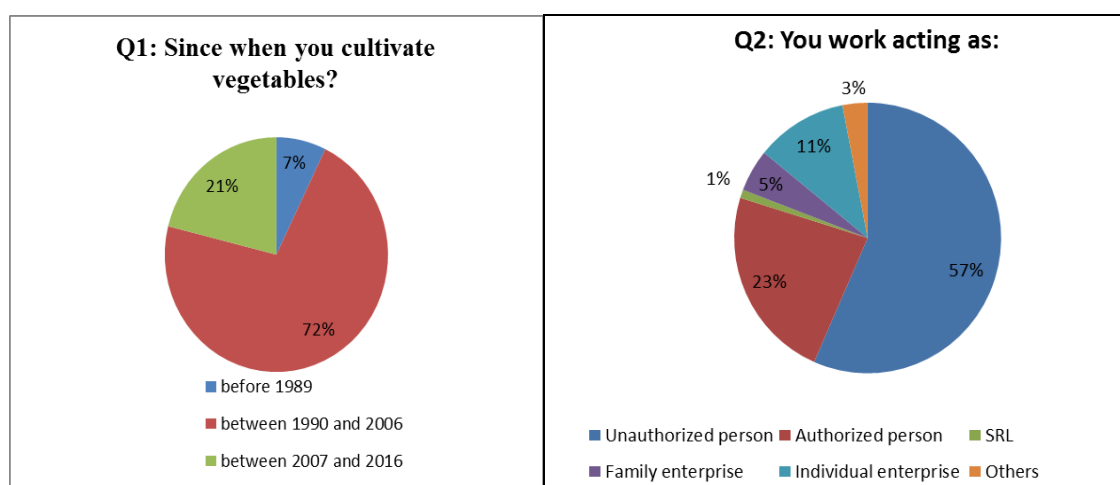
MATERIAL AND METHOD

For this study we used as a research method "survey based on questionnaire". This method has been expanding gradually in the last half century, from practical requirements dictated by the evolution of society, but also because of the advantages of the method. Muchielli R. (1968) sets 12 stages of the investigation, which Golu P. (1974) synthesizes them into four sections:

- preparation of the inquiry*: formulating objectives, according to these objectives, general and specific hypotheses are formulated, which give purpose of the investigation, because they will be tested by asking questions;
- drafting and implementation of the questionnaire*: the questionnaire itself is what determines the success of the investigation and must meet two prerequisites: the validity (ie the ability to provide information relevant to the objectives); loyalty (to produce output that varies predictable admitted theory and practice specialty).
- c) processing and interpretation of results obtained*: an important stage in the data processing is the encoding of responses and content analysis of questions in order to establish criteria for coding, which allows tabulation and processing.
- final report*: regardless of whether starting assumptions are confirmed or not, the results should be presented objectively, using tables, charts, posters, slides etc.

RESULTS AND DISCUSSIONS

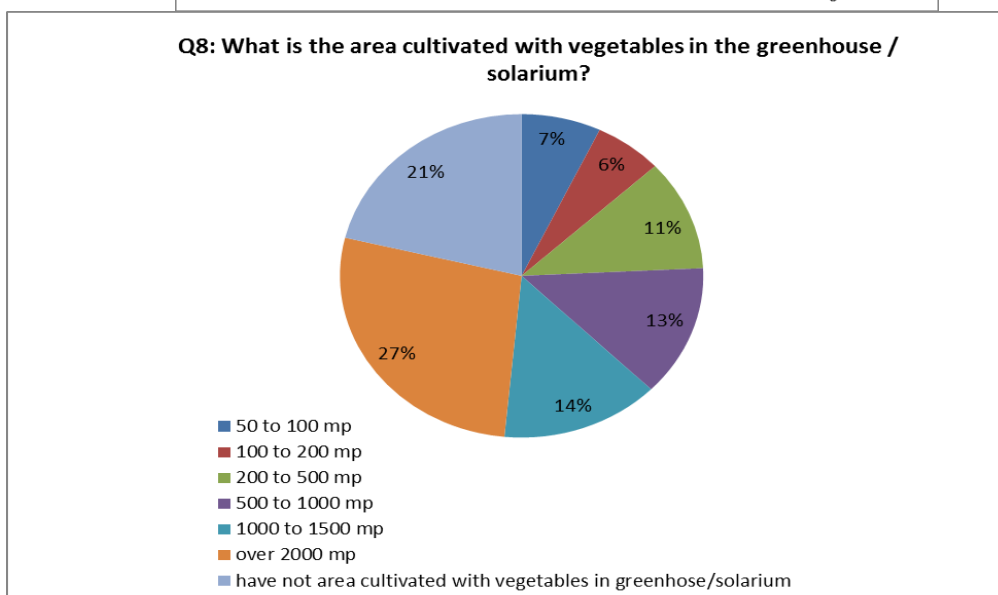
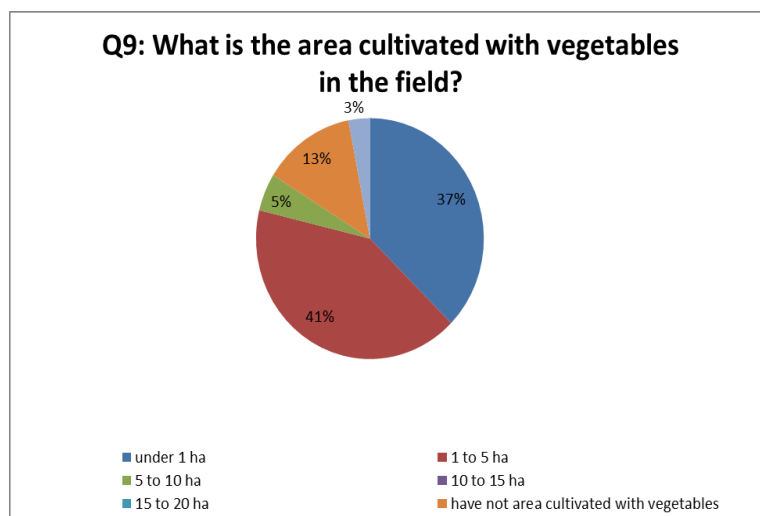
Among the project objectives include stimulating farmers to association/cooperation by presenting their opportunities; for this purpose the institute held a poll among the most important counties with vegetable crops. Therefore, the Research Institute for Agricultural Economics and Rural Development conducted under the Project ADER 16.1.2. "Models of development of short chains for the capitalization of vegetable production on primary production- services - storage - processing - sales market" during March-April 2016, a survey question posed to producers of vegetables in Romania, which aimed to identify the problems they face and highlighting their opinions to formulate proposals for efficient capitalization of vegetable production. It was applied a total of 180 questionnaires in 6 counties representative in terms of vegetable production: Dâmbovița, Călărași, Galați, Ilfov, Olt and Dolj. Number of respondents was calculated so that the level of precision of results provided to be +/- 3%, and the coefficient corresponding to the probability that the results are guaranteed to be more than 80%. Thus, 72% of respondents began their work vegetable growing before accession to the EU and only 21% by 2007. In terms of legal organization, 57% are unauthorized individuals, 23% PFA and 1% SRL.



It is overwhelming percentage of those surveyed who do not belong to any form of association / cooperative (97%, 175 in absolute value). 109 people (62%) of the 180 surveyed do not consider accession in

the near future in one of the forms of association. The reasons for this reticence relates primarily to higher taxes (double taxation), and the lack of loans at preferential rates.

Analyzing farm size we find that 62% of respondents have small holdings below 5 ha, areas planted with vegetables in these holdings being 78% under 5 ha for vegetables grown in the field and 73% surfaces up to 2,000 square meters for those grown under shelter.



Regarding the structure of vegetable production, area planted with cabbage ranks first, and the county with the largest production is Dambovita. On second place we have the production of peppers, followed by tomatoes and eggplant; to all these cultures on the first place is being placed Calarasi County. 42% of crop varieties used for production come from both imports and domestic production, the domestic production is used in only 17% of cases.

71% of respondents said they use material produced in-house. By analyzing the responses, it appears that only 9% of respondents employ service companies in agriculture, the remaining of 91% applying mechanized works with their own means and private individuals.

The work force employed in these holdings is 93% made up of family (2-4 people), 5% employ skilled workers and 2% unskilled workers/seasonal.

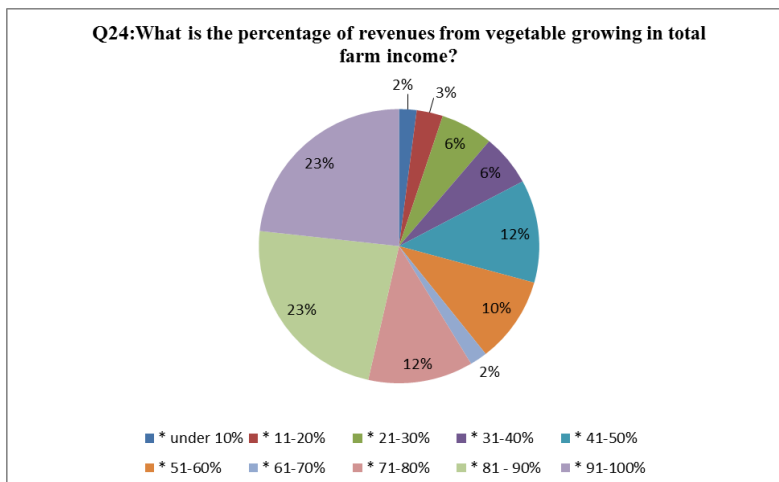
Regarding the use of fertilizers, 51% use both chemical and organic fertilizers, 31% use only natural fertilizers and only 1% said not fertilize crops. As a conventional phytosanitary treatments are 67% of them and only 33% are organic.

It is noted that only 6% of respondents said they did not apply irrigation on the farm and of those who use irrigation systems, 73% use dripped and 23% sprinkler.

Survey results confirm concerns raised by producers on the sale of fresh vegetables, namely:

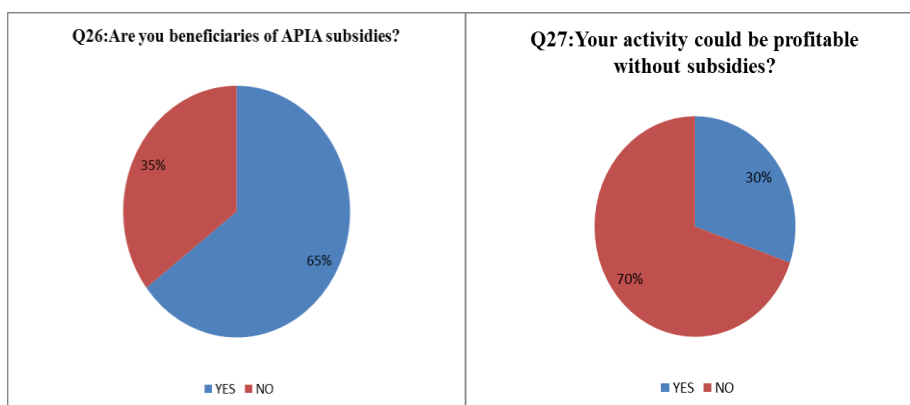
- 95% of respondents do not have contracts for sale;
- 74% sell directly to farmgate / farm / household;
- 80% of customers are at distances of 10 to 50 km.

Over 80% of respondents receive income exclusively from vegetable growing. Hence the great uncertainty for farmers, their family incomes depending in very large proportion on weather conditions of those years.

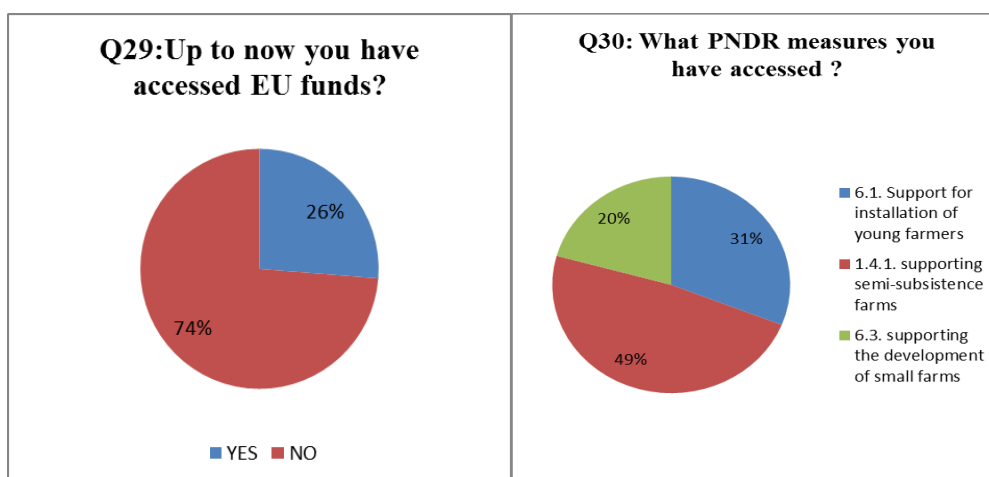


Degree of valorisation for vegetables is different; the best-selling are tomatoes (67% of the produced amount), followed by peppers (59%), cabbage (56%), cucumbers (43%). It follows that the difference is made up by self-consumption and untapped production (losses). Most of the quantities produced (64%) is sold retail, so in small quantities, leading to high qualitative and quantitative losses through increased time of capitalization. Consequently, only 36% of production is sold wholesale, which causes merchants to appeal to massive imports in order to cover the demand of vegetables in supermarkets and catering facilities.

For carrying out the activity, 64% of the farmers are self-funded from the results of previous years and only 17% resort to bank loans. Regarding the state subsidies for this sector, 65% of respondents said they had benefited from them. 70% of vegetable farmers who received subsidies appreciated that could not operate without them. However, state financial support is considered by most manufacturers (67%) as being insufficient, even insignificant.



The funds allocated through specific measures from PNDR, however, were accessed only by 26% of respondents, the main reason for those who have not used the EU funding is the high degree of bureaucracy in the process of submitting documentation. Of those who received PNDR funds, 49% have accessed sub-measure 1.4.1. "Support the subsistence farms" of PNDR 2007-2013, only 3% Sub-measure 6.1. "Setting up young farmers" and 21% Sub-measure 6.3 "Support for the development of small farms" of PNDR 2014-2020. The perspective is encouraging, however, since 71% of respondents want to access in the near future PNDR funds.



When asked about the solutions they consider necessary in order to develop their business, 89% said that accessing EU funds is an opportunity in this regard, 55% believe that membership in an associative form would be a solution, and 26% felt lending as being a way of business development.

As regards the forms of involvement of the authorities to support vegetable producers:

- 58% of respondents felt that granting of subsidies is an important step in this direction,
- 54% said that further promote the Romanian products can help to support vegetable producers,
- While 59% believe that eliminating unfair competition is necessary to facilitate market access and
- 46% said that it is necessary to amend and adapt legislation in this field for small and medium farmers.

CONCLUSIONS AND RECOMMENDATIONS

In order to obtain bigger productions on vegetable sector, a first recommendation for producers is to place greater emphasis on the use of agrotechnical factors in their work, according to the necessities of their specific, such as phytosanitary treatments, crop rotation and work at ground level.

Fragmentation of farms of vegetables, not belonging to associative forms, lack of contracts for their production, the bureaucracy in accessing funding are the most pressing problems faced by the small and medium producers.

A solution to the problem is the association / cooperation of producers would have easier access to credits and structural funds, concluding of contracts with major retail chains to capitalize production. By carrying out joint activities, manufacturers realize significant savings in the costs of supply, storage and sale. Equity is high because the cooperative members have equal rights and, being many, their economic strength increases, as well as the negotiation of upstream and downstream operators, which puts them on an equal footing with them.

Another viable option would be to create short chains for capitalizing of fresh vegetables with greater strength to eliminate intermediaries and/or processing a part of their production to increase its capitalization.

In conclusion, it is important for farmers to realize the importance of associating, to want to be informed and to implement all the innovations occurring in the agricultural area, access advisory services directly from specialists to deliver effective results. They also should use all opportunities related to accessing grants at national or European level, all these contributing to more efficient agriculture.

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