

# A THEORETICAL SPOTLIGHT OVER THE ROMANIAN AGRICULTURAL PRODUCTS

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*This paper aims at identifying and classifying new types of agricultural products, especially in Romania, but not only. As we well know, all the countries all over the world have their own history, traditions, economic structure, and a certain type of agriculture, adapted to their soil, climate, and nevertheless to theirs people needs. So, we know that certain countries used to cultivate certain agricultural products, while others are wellknown for others. Usually, we associate Spain with great wines, Belgium with delicious chocolate, Turkey with coffee, India with rice, Romania with grain, Russia with cereals, SUA – tobacco, etc.*

*There are new researches in the agribusines sector, the worldwide commerce is spreading and growing very fast, peoples' needs are continuously changing and therefore consumers behaviour is a new, different one. Every country, as well as every small or medium sized agrocompany has to focus itself on a new type of Marketing strategy, in order to be a succesfull one. Agricultural and food products are the most important ones in a persons life, and that's why we have to give them the right attention, starting with their production, pricing and selling, and nevertheless communicating and promoting their benefits.*

*The paper is a short literature review of defining and classifing agricultural and food products in Romania, underlying the attention given by the European Union to the promotion of products bearing a protected designation of origin (PDO), Protected Geographical Indication (PGI) or traditional specialty guaranteed (TSG), organic farming products.*

*Cuvinte cheie: agricultural and food marketing, basic needs, organic food, healthy products*  
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## **1. Introduction**

People's needs and preferences have changed a lot during the last years. Looking back to the ancient times, the mankind was struggling for food and a place to sleep. They were struggling for satisfying their most important needs – food and safety, needs that nowadays are perceived as **basic needs**. So, people's needs are changing; the needs are varied and unlimited, while the resources for satisfying them are limited. Therefore, mankind had to search and find different solutions for their problems. The commerce has developed, the science has evolved, and the climate has changed. Many years ago, every country was associated with certain goods it used to produce or to commercialize. And most probably, that specific product could have been obtained (cultivated or produced) at great standards only in that specific country or region. Usually, we associate Spain with great wines, Belgium with delicious chocolate, Turkey with coffee, India with rice, Romania with grain, Russia with cereals, SUA – tobacco, etc.

Due to commerce development and to the new researches in the Agribusiness sector, nowadays almost every country can vary the crops it cultivates and commercializes. Moreover, the world's climate is continuously changing, and that affords some crops to be cultivated in more different soils/ countries than many years ago.

During the Great Discoveries Period, Europeans introduced and adapted several types of crops found in the countries they conquered. So, for example, the eggplant, originary from India, (1500 years ago) is grown in Europe since Middle Ages only, and in Romania after the First World War (<http://www.horticultorul.ro/legume/vinetele-sau-patlagelele-vinete/>); the potatoes where brought

in Europe, in France during the Reign of King Ludovic the XVI-th (Valnet, 1991), and so on. Nowadays, we buy and eat fruits and vegetables from Asia and South America or even Africa, products like goji, peanuts, pistachio, mango, avocado, cranberries, bananas; we try to find and develop different new products to achieve new sources of energy, fuels, etc. If not possible, we try to use old, traditional products to meet new needs, or to find opportunities to diversify the use of a product (rapeseed oil used for biodiesel, miscanthus for getting heating energy, paulownia to obtain high quality timber, chocolate taste tomatoes, watermelon flavored brandy) (revista Profitul agricol, nr. 12/ 28 martie 2012).

Because of this new trend of diversity, variability and need to identify new solutions for old problems, every country has to reconsider its own strategy towards agriculture and agricultural foods at a macroeconomic level as well as microeconomic level. In other words, small farmers and national governments have to turn their spotlight on a new Marketing strategy, in order to survive and develop themselves on a fast moving market.

The starting point in reconsidering the marketing strategy of this domain is a good knowledge of the products/ services offered. For these new offered products one can establish all the others policies: pricing, selling and promoting strategies. First of all, in order to create, establish and implement a good promoting strategy, the strategic planner has to know very well the products (the subject of the promotion action) and nevertheless to identify to whom they might be addressed - the target market. So, in this paper we will consider the right definition and classification of agricultural and food products as subjects of a future promotion strategy.

## **2. The actual context of agricultural domain**

It is considered that a country is a developed one if the Services Sector has a great percentage in its economical structure and contributes highly to its GDP; on the other hand, a country with an economy based on the Agriculture Sector is considered to be an underdeveloped or developing country. But, let's think a bit! A country can evolve only if it has a well settled Agricultural sector. Each country, whether developed or developing, has to put the importance of the agriculture at the right place. (We can see that, taking a look to SIC, or CAEN code in Romania). And Romania too! As LAPAR (The League of Agricultural Producers Association of Romania) said in its motto showed at the National Conference of Farmers, "mankind began with agriculture and would end in its absence" (revista Profitul agricol, nr. 12/ 28 martie 2012).

Considering Romania, agriculture is a very important domain, because our country was blessed with a great agricultural area and great climate conditions. It's up to us to create the appropriate legislative and strategic conditions to obtain the best from what we have! Romanian economy can overpass the crisis period investing and sustaining its "Cinderella" – agriculture. Contrary to the latest 20 years' trend of globalization, people tend to return to their origins, to their traditions and ways of being, turning their back to the new ideas of modernization and globalization. This idea of united states, free trade mark all over the world, the expansion of multinational companies sustains the development of junk food, a bad style of alimentation, the emergence of untreatable diseases. That's why now, we are looking back for our old style of life and eating, trying to find our original, healthy products.

In his new book, "Marketing 3.0", Kotler talks about a new level of satisfaction of needs, the spiritual needs (Kotler, 2010), considering that all the rest of mankind needs were satisfied by now. But, can we agree to this statement? It's true, almost all over the world basic needs are satisfied, but it has no importance the way they are satisfied? Yes, we have plenty of choices regarding food products, but we have to take care if they are healthy too. For example, Europe leads with the number of new yogurt products (1,234) introduced in 2003, and the number of cheese products introduced in 2003 with 979 launches. (Berry, 2004).

## **3. Perspectives of defining agricultural products**

What are agricultural products? To try their definition, we define two separate words “agricultural” and “products”.

What is a product? From an economic perspective, a product is a "physical good or service", material good for final consumption or use of individual or collective. After Ph. Kotler, "a product is anything that can be offered on the market to satisfy a desire or need. Products that are offered on the market are: physical goods, services, experiences, events, people, places, properties, organizations, information and ideas ". (Kotler, 2007) On the other hand, “agricultural” is seen as something that "keeps on agriculture", which "refers to agriculture" or "is used in agriculture". For example, Explanatory Dictionary of Romanian association offers "agricultural year" defined as "period of time between the beginning of autumn agricultural works, concerning next year's harvest, and harvest of this year", and the association of countries or regions with agricultural term: "What supports its economy especially on agriculture."

So, by joining the two words, agricultural and products, we could say that “agricultural products” are goods obtained as results of processes working on soil or biological transformation and results of natural phenomena caused by dependence on weather conditions.

Diaconescu, M. in his work “Agro-Food Marketing”, has another perspective: "food for final consumption, or for human consumption, is the result of an organization system, consisting of production companies, distribution and promotion belonging to different economic sectors." (Diaconescu, 2005)

So, food is "a product in its natural state or processed food, which serves as food for the maintenance of vital activity of the body." (Manole, V., 2010) Here we come back to its importance for our healthy body and mind!

In order to understand what agro - food products are, we have to make a short review of their characteristics. Here are some of them:

1. **Seasonality** - the process of producing agricultural products is long, often well defined, which depends largely on factors such as soil quality, weather, climate conditions, applied technology, etc. Agricultural products are produced only at certain times (short) of the calendar year, but there is demand for them throughout the year. Marketing has the task of finding solutions to meet demand regardless of season or growing cycle of the product. Planning and organization of marketing activities must be "so that supply and consumption of products to be relatively balanced, at least basic food." (Manole, V.)

2. **Perishability** - agricultural products are consumed in a short time after getting them, most often fresh. Consumers always look for these products to be top quality, to provide nutritional values, intake of calories, vitamins highest, but especially to be fresh. Often, consumers find that the processes in which the products to be kept for longer, for easy transport or storage adversely affects their quality. Following this "urgent transformation and distribution of these products," agricultural marketing takes the size of promptitude." (Manole, V.)

3. Agricultural production is done / achieved only in **certain geographical areas** (country) - most often in rural areas, while consumption of these products takes place throughout the country (especially urban agglomerations). Marketing specialist has to find optimal solutions in terms of distribution to meet the demand of any area it would be.

4. **Agricultural products can be harvested at different time intervals** depending on geographical area, but consumption is achieved in the whole country. The harvest is influenced by time of sowing, soil conditions, climatic conditions and cultivation technology used by the manufacturer. In periods of "high season" supplying markets must be done daily, regardless of the geographical area where the supply is made. This requires additional effort and expense distribution. (Constantin and Alecu, 2009)

5. Agricultural production (especially plant) is characterized by **high volume and low sales value**. Because of this, and highly perishable, high volume of work is required, the need for long distance transportation of agricultural products (from rural areas into urban areas), transport costs / unit of product are higher than in other sectors. To mitigate this shortcoming, it is recommended that much of the processing steps and processing of these products to take place as close to the place of production and not consumption.

6. As a result of more aggressive industrialization and urbanization, expressed mainly in economically developed countries, there is a tendency for consumers to invest more money in **processed foods** (downstream agriculture). Therefore, the amounts allocated to unprocessed agricultural products are increasingly reduced, which leads to the idea that agricultural products are becoming increasingly perceived as raw materials. This trend is denied by the new orientation towards a healthy diet, trying to avoid using chemical treatments, to bring the food processing stages, an orientation towards what is natural and healthy! (organic farming and organic food)

7. In the food domain we can't talk about **after – sales services**. A product once purchased and consumed, buyer shall meet all requirements as in this case there is the possibility of returning or replacement with another product properly. Therefore, many organizations, both national and international endeavor to develop rules, criteria and rules regarding the production and marketing of food products. Thus, FAO (Food and Agriculture Organization of the United Nations) and WHO / WHO (World Health Organization - World Health Organization) have developed a "code" of food, which provides standards and codes of good practice in food, Codex Alimentarius. ([www.codexalimentarius.net](http://www.codexalimentarius.net)) Therefore, marketer's activity will be to consider compliance with these rules and adapt products to consumer's demands.

#### **4. New approaches to classification of agricultural products**

In the field of agricultural markets for the capitalization of agricultural products we can distinguish several classification criteria, among which mention the following (Chiran and Gîndu 2003):

1. After **the origin** of the product can be distinguished:

- Production of grain crops, Horticultural, Animal products
- Agricultural products side (straw, stalks, haulm, manure).

2. In terms of **degree of perishability**, products are grouped into four categories specified in STAS no. 6952/64, as follows:

- highly perishable products (e.g. strawberries, blackberries, some vegetables and some animal products like meat and milk)
- easy perishable products (e.g. fruit: peaches, apricots, grapes, cherries and vegetables: peppers, cabbage summer)
- perishable products (example: apples, melons, and vegetables such as tomatoes, eggplant, potatoes)
- durable products (e.g. cereals, nuts and some fruits like nuts, some vegetables like onions).

3. Classification of agricultural products in commercial practice in the market derives from the fact that different categories of agricultural products are no longer sold in special shops yet, but are sold together with other vegetable or animal products. This classification, most often used, grouped them considering the **origin, composition, properties and degree of processing technology merchandise**. With respect to this criterion, agricultural products fall into the following main groups:

- I. Goods grain pasta, flour derived from grains
- II. Fresh and canned vegetables and fruit
- III. Sugar, honey and confectionery
- IV. Alcohol, alcoholic and nonalcoholic drinks
- V. Digestive products (stimulants, spices, seasonings, herbs)

VI. Edible fats

VII. Milk and milk products

VIII. Eggs

IX. Meat and meat products

X. Fish and fish products

The document issued in Bucharest, by the MARD (Ministry of Agriculture and Rural Development) and APIA (Agency for Payments and Intervention in Agriculture), "Measures to promote agricultural products domestically and in third countries", in 2011, eligible products which may be subject to programs / projects and promotion, are differentiated on the two markets which they are addressed ([www.apia.org.ro](http://www.apia.org.ro)). Products subject to information and promotion on third country markets are especially products intended for direct consumption or for processing, for which there can be exported or the possibility of opening new markets in third countries, especially where no refunds, as well as typical or quality products with high added value:

beef or pork, fresh, chilled or frozen, food preparations based on these products,

- poultry meat quality
- dairy products
- olive and olive oil consumption
- wines with protected designation of origin or geographical indication, wines with wine grape varieties,
- drinks with geographical indication,
- Fresh and processed fruit and vegetables,
- Products processed from cereals and rice
- in textile
- Live trees and ornamental horticulture,
- products bearing a protected designation of origin (PDO), Protected Geographical Indication (PGI) or are recognized as traditional specialty guaranteed (TSG) in accordance with Regulation (EC) no. 509/2006 or Regulation (EC) no. 510/2006,
- Organic farming products under Regulation (EC) no. 834/2007 on organic production and labeling of organic products and repealing Reg. (EEC) no. 2092/91.

([http://www.apia.org.ro/materiale%20promovare/promovare\\_prod\\_agr\\_piata\\_UE\\_terte\\_piete\\_09112010.pdf](http://www.apia.org.ro/materiale%20promovare/promovare_prod_agr_piata_UE_terte_piete_09112010.pdf))

A special attention is now granted by the European Union to products like PDO, PGI, TSG, medicinal herbs and organic farming products. These products definitions are established by the European Union in the REGULATION (EC) NO. 509/2006 THE COUNCIL of March 20, 2006 on agricultural products and foodstuffs guaranteed.

([http://www.madr.ro/pages/industrie\\_alimentara/r\\_509\\_2006\\_ro.pdf](http://www.madr.ro/pages/industrie_alimentara/r_509_2006_ro.pdf)) Therefore, “traditional product” that is used on the Community market for a period, showing transmission between generations that has been proven. Traditional specialty guaranteed (TSG) means a traditional agricultural product or foodstuff whose specificity was recognized by the Community through its registration under this Regulation.



In Romania, there are 147 products PDO and PGI registered. Most of them are included in the Dairy Products category (70 products), while the fewest are included in the Bakery products category (5), Meat and Meat Products (2 – Sibiu Sausage and Pleșcoi sausages) and only one product in Processed Fruits category (Topoloveni Plum jam). We can notice also a great number of registered products in the Alcoholic Drinks category (39) and Wines (31). ([www.portaldecomert.ro/DocumentDownload.aspx?parametru1=477](http://www.portaldecomert.ro/DocumentDownload.aspx?parametru1=477))

Organic farming has a large impact on consumers, especially in developed countries, where "to eat well is similar to maintaining health", not making excess for celebrations, special events, etc. Biological products meet the new requirements relating to: Food quality, Food security, Respect and care for nature (eliminates the use of synthetic chemicals, but relies on natural organic matter recycling and crop rotation).

Consumers say they choose these organic products for several reasons:

- Can avoid the risks of disease versus: ecoli bacteria in cucumber (milk bacteria) the influence of chemical factors can limit the negative effects of bacteria / viruses, etc.
- Respect the natural environment
- Retrieving natural products tastes versus: about 20 years ago in Romania, we were dissatisfied with the consumption of bread, rye bread, soy sausage, that our products taste, appearance not that great, and now we are willing to pay prices up to 100% higher for organic products, to return to the natural taste!

French Agency for Sanitary Security of Food (AFSSA), argues that differences in the contribution of organic food and conventional farming are insignificant.

Regarding organic farming there are many voices arguing. One of the most persistent questions is: "Can organic farming feed countries like India?"

([http://www.researchgate.net/publictopics.PublicTopicRewriteHandler.html?params=%2FAgriculture%2Fpost%2FCan\\_organic\\_farming\\_feed\\_countries\\_like\\_India](http://www.researchgate.net/publictopics/PublicTopicRewriteHandler.html?params=%2FAgriculture%2Fpost%2FCan_organic_farming_feed_countries_like_India))

## **5. Conclusions and further concerns**

In conclusion, we have thrown a short overview on the agricultural products, their characteristics, and the new concerns of European Union regarding the information and promotion of the PDO, PGI, TSG, medical herbs and organic farming domestically and in foreign countries. Starting with the thought that agricultural and food products are the most important ones in mankind's existence, underlying the attention that must be given to the quality of these products, considering the new environmental changes, as well the fast moving people's needs we took a short lesson of health!

It is considered that nowadays almost every person around the world can afford to satisfy his basic needs and struggles to achieve the necessary goods for needs positioned on the last stages of Maslow's pyramid. Trying to get a job, or a better job, trying to impress his boss, or to gain a lot of money, to afford to buy expensive clothes, cars and luxurious things, man forgets about his regular alimentation and gets sick. Therefore, he starts turning his face to nature: taking a short rest in a mountain resort, eating fruits and vegetables, taking medical herbs, or supplements. So, let's remember that its' highly important to satisfy the basic needs in a healthy way!

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