

DISTRIBUTION OF AGRICULTURAL PRODUCTS IN ROMANIA

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In the present paper there are analyzed the main factor son which the distribution of the agricultural production within the Romanian economy depends. On the logistic chain made up of producers – merchants – consumers, there were pointed out the most important elements that must be taken into consideration by the distribution channels managers in order to assure a faster, cheaper and a more efficient distribution from the entire participant viewpoint.

Key words: *agricultural production, distribution, producers, consumers*

The movement process of products from manufacturers to consumers, operations and cash-flows that generate those means the name of distribution [3]. The process is very complex and justifies its place and role especially in the marketing mix. The setting of a specific distribution strategy is a significant activity and all the decisive factors involved must be taken into consideration.

The concept of distribution refers to [2]:

- the way that it should cover goods (services) from producer to consumer;
- all operations that facilitate this movement (sale, purchase, storage, etc.), which transfers ownership of the property until fall within consumption;
- the operative activities that involve goods on the producer-consumer route (physical distribution);
- the infrastructure that is used and the employees employed in distribution.

MATERIAL AND METHOD

On the route traveled by the product from producer to consumer it can identify the key factors that leaders channels of distribution should take into account when making decisions.

To identify the factors influencing the distribution, it must be analyzed in several ways, namely:

- manufacturers;
- distributors;
- buyers.

From the producers point of view to fix a certain strategy of distribution is also subject to:

- the possibilities for the companies producing them have to engage in activities specific to this area
- their financial,
- the products manufactured
- the objectives that they determine the company for future.

This last factor should be considered primarily to establish any distribution strategy.

RESULTS AND DISCUSSIONS

Each producing firm has certain conditions, its actions in a specific environment and therefore can determine a strategy to his own.

The possibilities that producers have to be involved in distribution are closely linked with:

- the interest that they have in the products following distribution routes to consumers;
- the brokers disposal in the arrangement lines as an sales area;
- the degree of dissemination of end users.

When producers are in a position to solve many complex problems of production or competition between producers can be very pronounced, it may be that the producer does not show interest in distribution. They can leave all distribution responsibilities in charge of distribution of traders, who may carry out, under acceptable conditions.

The involving producers in distribution can be achieved when production problems are simple and they are not indifferent the activity of product fructification. Also, the producers who are not involved in distribution to a certain point may fail to show their interest in this process.

Another factor which may involve the producer in the distribution is their financial potential. The financial difficulties which may face firms can reduce the concerns over the distribution, while the financial arrangement may be an argument for supporting the deployment and distribution activities, or even forming their own network marketing.

Not least, the producers can determine to carry out distribution of products and their features.

When producers of perishable goods running the service with very short viability terms, they can run the distribution activities, may use adequate vehicles and can transport supplies to the commercial retail units (the example of meat products and derivatives in meat, juices, beer, soft drinks etc.).

The involving of the producers in distribution may follow the increasing of the satisfaction that the products get to consumers.

The producer actions that belong to the distribution are closely linked with the environment in which they operate, the most remarkable to be considered are the following:

- features of the process of production company;
- the characteristic of products;

- the characteristics of clients;
- the specific of distribution routes.

The first element is worthy to be taken into account as matters specific production. Productive use of assets may require the manufacturers involved in distribution, while in case of non-use goods may not involve execution of distribution, in situations in which traders are leaders of the distribution channels.

In the case of agricultural products, agricultural area according to its use is as follows:

Table 1

Agricultural area by used

Type of area	Agricultural area (thou ha)	Structure (%)
Arable	9434.6	64.0
Pastures	3334.4	22.6
Hayfields	1524.9	10.4
Vineyards and vine nurseries	223.7	1.5
Orchards and tree nurseries	213.4	1.5
Total	14731.0	100.0

Source: *Romanian Statistics Yearbook 2007, National Institute of Statistics, Bucharest, 2008, p.519*

The complexity or simplicity of a product manufactures can influence the interest in distribution.

A production process that entails many factors of production, which requires a special combination of them, may be missing the producer of their interest in the distribution and vice versa.

The characteristics of products are provided to attract manufacturers to the distribution (they require special conditions of transport or producers have their own means of travel, or they leave to provisions intermediaries' full responsibility for the realization of assets selling

In agricultural marketing are frequent situations when in the distribution is necessary specific transport condition (agricultural products, meat, timber and other).

The characteristics of customers are also able to influence distribution policy. Arrangements customers to zoom the products, criteria that are priority to the purchase of goods, their arrangement in a given area, the services to which customers are expected elements of great significance in setting the type of distribution.

The distribution circuit's specificity existing at a given time is very important in determining the distribution in the territory and this especially when it comes to the farming industry, where distribution is an essential component.

Table 2

Agricultural branch production (thou RON) in Romania 2006

Production	Values (thou RON)	Structure (%)
Crop production	31327212	61.9
Animal production	18848602	37.2
Agricultural services	473788	0.9
Total	50649602	100.0

Source: *Romanian Statistics Yearbook 2007, National Institute of Statistics, Bucharest, 2008, p.519*

In Romania, the largest branch of agricultural production belongs to crop plant production (61.9%), followed by the animal production (37.2%) and agricultural services (0.9%). These products must be reported to the evolution in continuous decrease in agricultural area [1].

Each country, industry or activity can set their own structure of distribution of a product.

In choosing the place where the company will unfurl products are taken into account several factors, among which the most significant consider to be:

- the possibility of sale of products with efficiency;
- cash financial possibilities of the company;
- the opportunity to increase market share;
- diversification of the firms risks.

From the distributors' point of view, the distribution policy is determined by the objectives which they set and the actions of competitors.

It matters in particular:

- distributing company profile, the area where it has specialized and is closely related to the characteristics of goods which are distributed;
- the degree to which distributors and manufacturers cooperating, may provide favorable conditions to selling goods and to release the producer of the market selling, to offer the possibility to guide their efforts and resources towards the production activity;
- can not be devoid of any idea which is frequently of the appropriate allocation of profit shares between members of distribution channels.

In this manner it can be created conditions to encourage all members of distribution channel for their activities.

This is less possible in the current economy of Romania when the operators have no other purpose than to gain a more consistent share of the sale price and even bankruptcies to each other.

From those listed above shows the role of competition in the condition of market economy. The competition can occur between manufacturers and where they can establish a route to be followed by products, especially when some goods can be identified on different phases in the process of distribution without being used properly.

According to the Eurostat methodology (a European statistical organization) [5] regarding "*Economic Accounts for Agriculture*", the agriculture production sector in the Romania development regions in 2006 year is as follows:

Table 3

**Agricultural branch production in Romania
development region 2006**

Development region	Production of agricultural sector (thou RON current prices)			
	Vegetal	Animal	Services	Total
North-East	5521558	3605345	42490	9169393
South-East	4726760	2467921	150046	7344727
South	5066753	3362907	55750	8485410
South-West	3434550	1932735	51640	5418925
West	3451085	1783818	57640	5292202
North-West	4688624	2826860	57299	7555850
Center	4008363	2511108	40366	6550880
Bucharest	429519	2511108	31409	832215
Total	31327212	357908	44788	50649602

Source: *Romanian Statistics Yearbook 2007, National Institute of Statistics, Bucharest, 2008, p.561.*

However the bitter competition is between firms that are seeking to sell goods made by different manufacturers to end consumers.

As frequently the task of distribution is on intermediary's side, in establishing the marketing mix must be taken into account three factors, namely [4]:

- advantage of a change of technical, legal or economic, which can cause shifts in the functioning of channels distribution;
- consumer expectations regarding the conditions in which they can procure goods and other critical elements in the purchase act;
- the objectives that they propose that firms can be made or remain in the stage of simple desires.

Analyzed from the viewpoint of consumers, distribution may cause them to be actual purchasers, when the goods have a great reputation or absolute non-customers when the goods are in decline.

In addition to factors listed previously and covered by manufacturers, retailers and consumers can influence the political, juridical, cultural and social conditions which must be taken into account in the tests and in the determination of the distribution strategy.

Each country may establish their rules for the distribution of products which may be different from the international rules or from the other country, so we

consider that some distribution systems can be specific (such as drugs, tobacco and other products).

So, the strategic distribution decisions are those results from the marketing mix of the sales manager of the company.

It matter very much the features implemented by the firm. For some products, distribution problems occur after the contract took place at the branch, while for the others committed after the sellers have concluded a number of contracts, which offer the possibility of production organizing.

CONCLUSIONS

Regardless of the criterion that plays a decisive role in determining the marketing mix should be taken in consideration that the product reaches the consumer who wants it on a certain route of distribution and that it should be as short, lead to more spending reduced to ensure vehicular and as quickly as possible to stimulate them to all members regardless of channel distribution of factors who were taken into account in determining the distribution process.

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