

ECONOMIC OF THE INFORMATIONS CONCERNING COMPETITIVITY OF AGRO-FOOD STUFFS SECTORS - HOW DO GLOBAL POLITICAL FRAMES INFLUENCE PRODUCERS

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Problems of humanity, nowadays, but especially in the future are linked to energy and food.

To answer the need for agricultural products, water, electricity, to eliminate waste rising along with the population, will have to get answers, to the scientific issues, today unsolvable after which there will be the need for new technologies and logistic systems, effective industrially speaking, applicable financially speaking, and socially.

All must take into account that although rise means change in quantity, development involves changes in quality, in a synchronous approach with the world around, that can satisfy present generations, but not compromising future generations possibilities.

In the context of globalization, inputs regarding production, and the agricultural products flow, are varying from legislation to economic, management, engineering data, marketing, and not to be ignored to the ethical ones.

To a strange irony, the new economic order is accompanied by a return to nomadry.

We are contemporaries to this phenomenon: factories, intellectuals, students farmers, become travelers.

Everything, and everybody, are driven by the same desire to exist.

The production structures, but also those destined to services, and agrocommerce are adjusting themselves to new ranges.

This remark may be the explanation for the shortage of manpower in agriculture.

Key words: holdings, structure of agrofood production, holdings distribution

The problems of humanity nowadays, but especially in the future are linked to energy and food!

Long before the shortage of energy to be noticed, there will be penuries to be overcome, the most significant is the one that regards agricultural products.

According to J. Attali, to feed the planet's population, by 2050, the agricultural production will have to be doubled, being necessary a rise with 50% in comparison to the one of the year 2006.

To answer the needs for agrofoods products, energy, water, materials, to eliminate waste, according to the growth of population, there will be the need to fix

scientific problems today unsolvable, after which there will be developed new technologies and logistic systems, effective industrially speaking, applicable financially speaking and acceptable socially speaking.

It must succeed the modification of seeds in order for the cultures to consume less water, less fertilizers and less power.

It must succeed the storage of gas hydrogen in nanofibres to manufacture hydrogen batteries under high pressure and after that hybrid engines.

There will be to accomplish advances in miniaturization of some processes.

Biotechnologies and nanotechnologies are the goals of technological waves that are announced.

All this must take into account the fact that if the growth means change in quantity, the development forces changes in quality, in a synchronous approach with the time demands, that would satisfy present generations, but not compromising the possibilities of future generations!

But the dynamic of innovations seems to have slowed down. At the same time the ways of false progress are proliferating and this fact gets noticed under conditions that globalization will mean for Europe a fiercer competition from the creative economies such as the one in the United States, as well as from some low cost economies such as China, India.

There are imposed and will be imposed reforms that will tackle the structural weaknesses that affect EU competitiveness.

The Lisbon Strategy, for growth and workplaces, forms the spine of the entire policy for „Internal Market” with important role regarding social economic policies.

1 Actual Frame

The evolution of the economic conditions and environment come with two risks to the farmers: market risks due to prices and production risks due to climate conditions and health (diseases and harmful factors for plants and animals).

The introduction of a common managing risks is adequate and in the same time one to be desired for managing risks.

A solution for diminishing the effects caused by these phenomena, might be forming a fund or a mechanism of insurance at community level as part of Pillar I for situations generated by natural calamities or different diseases - it should be taken into consideration the co-financing the insurance bonuses for farmers from U.E budget / eventually with a component from national budgets.

A financing source to cope with the new challenges might form the annual savings recorded as part of Pillar I.

The climatic changes over the last years presents a high risk factor for European agriculture in general, but especially for that in southern member states, including Romania.

In the context of globalization, inputs regarding production and the agricultural products flow, are varying from legislation to economics, management, engineering data, marketing, and not to be ignored to the ethical ones.

Rural development has become a key tool for restructuring the agricultural sector, encouraging diversity and innovation in rural areas.

Local initiatives such as Leader (financed by EU structural funds to help rural actors improve the long-term potential of their local region) can play an

important role in encouraging innovation and entrepreneurship, promoting new ways of selling/dealing with risk in competitive markets, improving management processes in the agrofood chain, and applying the benefits of research and development and information and communication technologies (ICT) on the farm.

2 Situation of Agricultural Fields

In all *member states*, rural development is seen as promoting competitiveness in the agricultural fields and food processing sectors.

The majority (60.9 %) of the utilised agricultural area in the EU-27 was devoted to arable land in 2005 (see *Table 1*). This proportion rose to over 90 % in Bulgaria, Denmark and Finland.

In contrast, closer to two thirds or more of the utilised agricultural area in Ireland and the United Kingdom was permanent pasture.

Permanent crops (such as citrus and olive plantations and vineyards) accounted for a relatively high proportion of the utilized agricultural area in most Mediterranean countries, but particularly Greece and Cyprus, where they accounted for slightly more than a quarter of the land utilised for agricultural production.

Table 1

Utilised agricultural area (1000 Ha)

	Total	Arable land	Permanent pasture	Permanent crops
EU-27	171996	104717	55984	10872
BE	1386	845	519	21
BG	2729	2523	107	81
CZ	3558	2640	875	40
DK	2708	2501	198	9
DE	17035	11903	4929	198
EE	829	584	237	3
IE	4219	1152	3065	2
EL	3984	2058	824	1088
ES	24855	11937	8653	4260
FR	27591	18339	8131	1106
IT	12708	7040	3347	2286
1	2	3	4	5
CY	152	110	0	41
LV	1702	1076	599	25
LT	2792	1873	891	28
LU	129	60	68	2
HU	4267	3607	469	167
MT	10	8	0	1
NL	1958	1117	809	32
AT	3266	1405	1788	68
PL	14755	11308	3020	330
PT	3680	1241	1769	649
RO	13907	8867	4530	339
SI	485	174	282	27
SK	1879	1319	530	26
FI	2264	2233	26	5
SE	3192	2681	509	4
UK	15957	6114	9809	34

(1) Holding of less than 1 ESU accounted for 10,3 million hectares of utilised agricultural area in the EU-27, raising the UAA per commercial holding to an average 20,7 hectares

Source: Survey on the structure of agricultural holdings, EF OV LUFT and EF OV KVAAesu

3 Agrohholdings

There were 14.4 million agricultural holdings recorded in the EU-27 in 2005, a little under one half (46.6 %) of which were located in Romania and Poland together. However, almost half (46.0 %) of the EU-27's agricultural holdings were small units (typically semisubsistence holdings) of less than 1 economic size unit (ESU) and in Slovakia (81.2 %), Hungary (78.3 %), Bulgaria (77.9 %) and Romania (71.0 %), this share was considerably higher (see Table 2).

There were 7.8 million commercial holdings in the EU-27 in 2005 and a further 6.7 million small holdings. Almost 60 % of all commercial agricultural holdings (being of at least 1 economic size unit – ESU – and thereby excluding subsistence farming) in the EU-27 were located in Italy (17.7 %), Romania (15.8 %), Poland (13.8 %) and Spain (12.3 %).

The distribution of food and beverage manufacturing enterprises reflects more closely the economic weight of the Member State economies.

The highest concentration was in France, which alone accounted for a little over one fifth (22.0 %) of all the EU-27's food and beverages manufacturing enterprises.

Germany and Spain also recorded a high number of enterprises present within these activities.

A different pattern of geographic concentration was evident among food, beverage and tobacco wholesalers and among specialist food retailers; 46.6 % of the EU-27's food, beverage and tobacco wholesalers were located in France, Italy and Spain, while this same group of countries accounted for a clear majority (56.2 %) of the EU-27's specialist food retailers.

Almost twelve and three quarter million persons were employed full-time on agricultural holdings in the EU-27 in 2005.

A further 6.6 million persons were employed in restaurants, bars, canteens and catering throughout the EU-27, with just under a quarter of these (23.3 %) working in the United Kingdom.

Over one fifth (21.3 %) of the 5.1 million persons estimated to be working in the EU-27's non-specialised food retailing sector were also employed in the United Kingdom, a much higher proportion than in Germany (13.8 %), France (11.8 %) or other Member States.

The food and beverages manufacturing sector of the EU-27 generated EUR 188.2 billion of value added in 2005, which corresponded to EUR 40 147 per person employed, in both cases more than any of the other stages in the farm to fork chain. Value added per person employed was also relatively high in the food, beverages and tobacco wholesale trade (EUR 39 039 per person employed) and lowest for restaurants, bars, canteens and catering (EUR 16 437 per person employed) and primary agrofood production (EUR 11 726 per full-time labor equivalent).

4 The Structure of Agroproduction

Other countries like Hungary, Bulgaria și Lituany are producing the aproximative level of consumption.

According to the data in 2006 it was estimated a production of 269,4 million tons of cereals, of which 22.9% have as origin country France.

To cover the demand, UE-27 imported 22,4 million tons of cereals in 2007, which 46.55 coming from Brazil and Argentina.

In contrast with the reported situation at cereals, it is preferred for perishable agricultural products to be imported in much smaller quantities.

To clarify, there were imported 0,3 million tons of dairy products and eggs from Switzerland and New Zealand.

5 Agriculture- family activity

Agriculture remains very much a family-oriented activity in the majority of Member States: of the 17.9 million persons working regularly on commercial agricultural holdings across the EU-27 in 2005, around 90 % were farm holders or members of their families (see *table 3*).

Table 2

Number of agricultural holdings

	2000	2003	2005
EU-27		15021410	14482010
BE	61710	54940	51540
BG		665550	534610
CZ		45770	42250
DK	57830	48610	51680
DE	471960	412300	389880
EE		36860	27750
IE	141530	135620	132670
EL	817060	824460	833590
ES	1287420	1140730	1079420
FR		614000	567140
IT	2153720	1963820	1728530
CY		45200	45170
LV	140840	126610	128670
LT		272110	252950
LU	2810	2450	2450
HU	966920	773380	714790
MT		10990	11070
NL	101550	85500	81830
AT	199470	173770	170640
PL		2172210	2476470
1	2	3	4
PT	415970	359280	323920
RO		4484890	4256150
SI	86470	77150	77170
SK	71040	71740	68490
FI	81190	74950	70620
SE	81410	67890	75810
UK	233250	280630	286750

(.) About 6.7 million holdings in the EU-27 were smaller than 1 ESU in 2005, of which about 3.0 million were in Romania.

(..) The rise in agricultural holdings in the United Kingdom between 2000 and 2003 is almost entirely accounted for by holdings that were smaller than 1 ESU.

Source Survey on the structure of agricultural holdings, EF OV LUFT and EF OV KVAAes

Table 3

EU agricultural farm labour force, excluding subsistence labour on holding of less than 1 ESU

Family labour force 16.1 million persons of which, 42% women			Non-family labour force	
Holders	Spouses of holders	Other family members	Regular non-family labour	Non regular labour force
7,6 mil pers	4.2 mil pers			
Of wich, 23% women	Of wich, 80% women	Of wich, 36% women	Of wich, 28% women	
AWUs 4,2 mil	AWUs 1,9 mil	AWUs 1,4 mil	AWUs 1,5 mil	AWUs 0,9 mil

Source Survey on the structure of agricultural holdings, EF OV LUFT and EF OV KVAAesu, 2005

The main exceptions are Slovakia and Czech Republic were labour familiar represents 15-20% of the total work labour. Relevant are the dates from the chart.

Most regular non-family workers on agricultural holdings tended to work on a full-time basis, in contrast to many family members who only worked part-time .

There was a sharp decline in the volume of agricultural labour used in most of the Member States during the period from 2000 to 2007 (see *table 3*).

Across the EU-27 the labour force shrank by 19.5 % during the period considered. The most rapid declines (between 32 % and 44 %) were registered in Romania, Bulgaria, Lithuania, Slovakia and Estonia, in large part reflecting structural adjustments during the period after land restitution and the relative pull from other sectors of the economy offering alternative employment opportunities.

The relatively stable levels of agricultural labour witnessed in Greece, Ireland and Sweden should, nevertheless, be seen against the backdrop of substantial reductions during the decade to 2000, as the volume of agricultural labour almost halved in Ireland and was reduced by about a third

in Sweden and a quarter in Greece between 1990 and 2000.

Across the EU-27, more people worked on mixed crop farms than on any other farm type.

In 11 of the Member States, however, the largest proportion of the agricultural workforce worked on dairy farms.

CONCLUSIONS

In the context of globalization the inputs and outputs concerning agrofood chain are multiple, from legislation to reengineering and, very important to the ethical problems.

The food chain is large: it comprises a considerable number of operators, employs vast numbers of people, and generates considerable amounts of value added .

Globalization will mean for Europe a ferocious competition both from the low-cost economies (China, India) and from creative economies like USA..

Reforms shall be issued to tackle the structural weakness that affects UE competitiveness.

The UE globalization and the creation and consolidation of an Internal Market for XXI, in which funds and resources from the member countries are due to become multiplying rich, modernization and equilibrium need clear rules, stable in such way the consumers and producers become solvable.

Once these rules are set, the internal market becomes the promotor for innovative goods, conducts the UE producers to specialize in the production of merchandise with high added value, all these in context of a clear energy strategy which promotes efficiency.

The strategy of Lisabon, for growth and workplaces, forms the spine of the entire policy for „Internal Market” with important role regarding social-economic policies.

To a strange irony the new economic order is accompanied by a return to nomadism.

We are the whittneses, we are contemporans of this fenomenon: factories, intellectuals, students, workers,... are becoming nomadics!

All and everyone are gone by th same desire: to exist, to be on „stage”.

The production structures, but also the ones destined to services and commerce must be orientated and adjusted themselves to new areas of advantage.

In this context, who will support a creative class shall have" the order"!

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