

## ASPECTS OF AGRICULTURAL MARKETING STRATEGIES FOR THE MAIN CROPS SITUATED IN NORTHERN BĂRĂGAN, ROMANIA

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### Abstract

*In Romania, agriculture is undergoing restructuring and economic development as a result of the changes following the 1989 Revolution. Within this background, agriculture has remained one of the priority branches of the national economy, in close correlation with the level of technical and economic performances achieved worldwide and especially within the agriculture of developed European countries, where technical, scientific and managerial progress has penetrated faster. The authors' intention is to analyse the main aspects related to the marketing actions for the main crops of grain maize, feed barley and rape, within S.C. AGRAR-M SERV S.R.L. company, based in Bordei-Verde, Lișcoteanca Village, Brăila County, for the reference period 2012-2015. In order to achieve the purpose of this paper, we started from compiling the database for the period under review, and thereafter we presented and analysed the natural conditions in the researched area that influenced the production results and, implicitly, the economic and financial ones.*

**Key words:** marketing strategies, development, agricultural marketing, Northern Baragan

### INTRODUCTION

Factors influencing the development of agriculture are divided into three categories: natural, technical and socio-economic [4] (Chiran A. et al., 1995).

**Technical factors** influence the increase of productions by means of mechanization, chemistry, irrigation, etc., while the influence of the **socio-economic factors** is manifested through the capacity and level of training of the labour force and the entire economic context in which the unit operates [10] (Chirouze Y., 1986).

Agricultural activity is meant to meet the needs of human consumption and the general progress of the economy. In order to maintain and perpetuate the soil quality used for crops, particular attention was paid to ecological and technical standards regarding the quality of work.

The procedures used provided the following:

- The company should not cultivate twice in a row sunflower or sugar beet on the same soil [2] (Axinte M. et al., 2003);
- The burning of stubble fields and land of any kind for cleaning and fertilization purposes was done only when absolutely necessary and with approval from the competent authorities in the territory where such cleaning and care activities took place;
- Earth moving or minimal soil coverage to prevent erosion;
- Avoiding damage to habitats by observing the minimum densities of livestock and appropriate regimes thereof [3] (Bold I., Crăciun A., 1995);
- Maintaining landscapes;
- Protection and maintenance of stubble fields;
- Avoiding the growing of undesirable vegetation on agricultural land, for which

were used various chemical fertilizers and minimally invasive agricultural practices.

## MATERIALS AND METHODS

The case study was conducted at S.C. AGRAR-M SERV S.R.L. Company, based in Bordei-Verde, Brăila County, the business object of which consists of field crop cultivation, rendering of services, distribution and placing on the market of agricultural production.

S.C. AGRAR-M SERV S.R.L. company of Liscoteanca concentrates its activity on the following crops: corn, barley, rape and sunflower. The company has modern machines which allow sowing directly into stubble, meeting the standards of each crop and thus ensuring freedom of crop rotation.

In order to prevent diseases and pest control in crops, the company follows recommendations such as: rotation of herbicides, combination of chemical control with crop-based methods of control, compliance of rotation, deep ploughing, seed treatment.

The territory of the undertaking is part of Brăila Plain, and the depressions (converted into lakes) are located in the central part of the plain. The entire area of Brăila Plain is divided into the Southern Bărăgan, Central Bărăgan and Northern Bărăgan. Brăila Plain contains the following landforms: Câmpia Mircea Vodă (Mircea Vodă Plain); Câmpul Ianca (Ianca Field) or Movila Miresei (Miresei Hill); Câmpul Viziru (Viziru Field); Câmpul Gemenele-Romana (Gemenele-Romana Field) and Valea Iencii (Iencii Valley).

The average annual temperature varies between 10.3 °C and 10.5 °C. Annual rainfall (per agricultural year) was 447 mm, potential evapotranspiration was 705 mm, and the water deficit reached 258 mm (according to Brăila Meteorological Station).

Brăila Plain is a dry area characterized by high water scarcity due to climate: 2.50 mm in moderate years, 100-150 mm in wet years and 300-350 mm in dry years.

Chernozems occupy 70-75% of the area of Brăila County and cover a highly varied

range: *brown and dark brown chernozems; carbonated chernozems; compacted leached clayey chernozems; sandy leached chernozems; alluvial chernozems.*

The accumulated humus content, especially in the A saturation horizon, varies between 2.8 and 5.7%, and calcium carbonate reaches saturation horizon C up to 14-23%.

## RESULTS AND DISCUSSIONS

S.C. AGRAR-M SERV S.R.L. Company of Lișcoteanca, Brăila County, constantly follows the implications of the competition policy in developing and perfecting new products and applying new product strategies specific to competitive organic products.

Also, price strategies for agricultural products, distribution and promotion strategies specific to agri-food products and actions directed to the integration of marketing policies and strategies into the company's mission and overall objectives are targeted and implemented [12] (Dona I., 2000).

The company pays a great deal of attention to environmental quality in the actions it carries out, and therefore in the day-to-day agricultural activities it uses minimal invasive methods to preserve a competitive soil, quality fertilizers, but also composts, so as not to influence soil quality over time, and modern low-pollutant machines, but also agricultural aggregates meant to maintain and improve the soil structure.

Agromarketing does not focus only on short-term concerns about company competence, but it is also a lever of general improvement, management of economic processes, cost-efficient organization of long-term production and distribution activities, with the purpose of determining whether this activity is carried out with maximum efficiency and practical input [1] (Alec I.N., Merce E., Pană D., Sâmbotin L., Ciurea I.V., Bold I., Dobrescu N., 2001).

At S.C. AGRAR - M SERV. S.R.L. company, based in LIȘCOTEANCA, for the last 4 years, the grain maize has had a share ranging from 39.2% (in 2014) and 48.8 % (in 2012), with

an average for the analysed period of 42.6 % (Fig. 1).

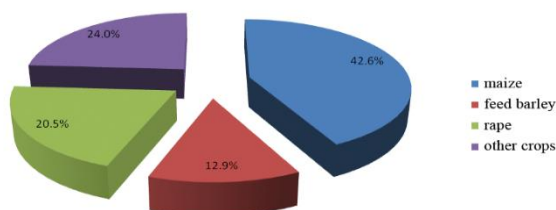


Fig.1. The structure of the main crops cultivated areas of S.C. AGRAR-M SERV. S.R.L. LIȘCOTEANCA, Brăila County 2012-2015 average.

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County

**Feed barley** is the second grain, after maize used, for animal feed. However, the evolution of the cultivated areas and productions achieved, both worldwide and in Romania, showed a rather high variance index, although the sales price was generally at the same level as maize price. It is worth mentioning that the supply of feed barley worldwide was relatively stable due to the large existing stocks, which led to an increase in the consumption of feed barley, also determined by its advantage, which can be a substitute for other cereals used in animal feed. In fact, FAPRI forecasts show an apparent increase in feed barely consumption of about 1 million tonnes per year from about 144 million tonnes in the 2008/2009 agricultural year to about 154 million tonnes in the 2018/2019 agricultural year. In Romania, the phenomenon was on the opposite, meaning that, due to the drastic reduction of livestock (especially pigs and poultry), the consumption demand for feed barley had a downward trend, both in terms of the cultivated area and production, correlated with low resistance of autumn barley to low winter temperatures.

At S.C. AGRAR - M SERV S.R.L. company, based in Bordei-Verde Commune, Lișcoteanca Village, Brăila County, the feed barley crop had a positive evolution, with an ascending trend, ranging between 9.8% (in 2012) and 16.0% (in 2015), and an average of the period 2012-2015 of 12.9% (Table 1, Fig.1).

**Rape** in edible oil production ranks 5<sup>th</sup> worldwide, with about 27 million hectares cultivated, of which 72.8% in China, India and Canada.

**In Europe**, the largest areas are cultivated in Germany, France, the UK and Poland (13.6% of the world total).

**Romania** cultivates annually about 500,000 hectares of rape, and the figures tend to go upwards, as a result of the fact that it is one of the most profitable plants, so that after 1990 the demand for biodiesel has increased, as biodiesel is considered the best fuel [15] (Guțu Oana-Adina et al., 2005).

Rape is also grown very early as a green feed [17] (Magazin P. et al., 1995). It is also a good melliferous plant, and from one hectare of rape it is possible to collect 80-90 kg of honey, which is recommended for kidney diseases [16] (Lup A., Apetroaie Camelia, 1997).

Table 1. The evolution of the areas cultivated with maize, feed barley and rape of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County, during 2012-2015

| Year                | Crops               | Surface (ha) | % of arable land |
|---------------------|---------------------|--------------|------------------|
| 2012                | Maize               | 210          | 48.8             |
|                     | Feed barley         | 42           | 9.8              |
|                     | Rape                | 49           | 11.4             |
|                     | Other crops         | 129          | 30.0             |
|                     | <b>Total arable</b> | <b>430</b>   | <b>100.0</b>     |
| 2013                | Grain corn          | 195          | 42.9             |
|                     | Feed barley         | 50           | 11.0             |
|                     | Rape                | 85           | 18.7             |
|                     | Other cultures      | 125          | 27.4             |
|                     | <b>Total arable</b> | <b>455</b>   | <b>100.0</b>     |
| 2014                | Maize               | 190          | 39.2             |
|                     | Feed barley         | 70           | 14.4             |
|                     | Rape                | 110          | 22.7             |
|                     | Other crops         | 115          | 23.7             |
|                     | <b>Total arable</b> | <b>485</b>   | <b>100.0</b>     |
| 2015                | Maize               | 200          | 40.0             |
|                     | Feed barley         | 80           | 16.0             |
|                     | Rape                | 140          | 28.0             |
|                     | Other crops         | 80           | 16.0             |
|                     | <b>Total arable</b> | <b>500</b>   | <b>100.0</b>     |
| Average (2012-2015) | Maize               | 198.75       | 42.6             |
|                     | Feed barley         | 60.50        | 12.9             |
|                     | Rape                | 96.00        | 20.5             |
|                     | Other crops         | 112.25       | 24.0             |
|                     | <b>Total arable</b> | <b>467.5</b> | <b>100.0</b>     |

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County.

At S.C. AGRAR - M SERV. S.R.L. company, based in Bordei-Verde Commune, Lișcoteanca Village, Brăila County, during the period under review, rape had a fairly small share, which averaged 20.5%, with increasing variation limits, ranging from

28.0% (maximum value in 2014) and 11.4 % (minimum value in 2012) (Table 1).

The analysis of the average production per hectare for the three crops shows the following (Table 2, Fig. 2).

**-In grain maize**, for the four years under review, the average production was 9,076 kg/ha, with the highest value recorded in 2014 (10,650 kg/ha) and the lowest value in 2015 (7,980 kg /ha);

**-In feed barley**, the average production over the period under review was 7,559 kg/ha with a relatively low variation index: + 11.1 % ( in 2014) and - 9,7 % (in 2015);

**-In rape**, compared to 3,694 kg/ha (average of the period), in 2014 the growth rate was 506 kg/ha (+13.6%), while in 2015 the average production was 414 kg/ha (- 11.2 %). Differentiation of average production per hectare is explained by the influence of climatic conditions (*rainfall, temperature, winds etc.*) in 2014, as a result of more favourable conditions compared to 2015, when the lack of rainfall led to the decrease of average yields per hectare, especially for grain maize.

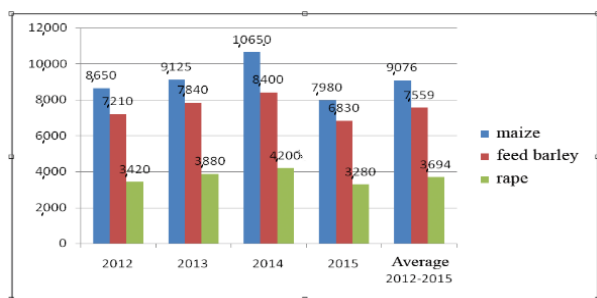


Fig. 2. The evolution of the average production per hectare for maize, feed barley and rape of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County, during 2012-2015 (tons)

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County

The evolution of total production in the three crops under review was influenced directly by two factors, namely: the cultivated surface and the average production per hectare (Table 2, Fig.3).

The largest total production of grain maize was registered in 2014, even though the cultivated area decreased by 9.5% compared to 2012. In this case, the average production

per hectare had a positive influence. In 2015, the value of total production was minimum, even though the cultivated area increased by 5.3% compared to the previous year.

Table 2. The evolution of the average production per hectare and the total production for maize, feed barley and rape of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County, during 2012-2015

| Year                | Crops       | Average production (Kg/ha) | Total production (tons) |
|---------------------|-------------|----------------------------|-------------------------|
| 2012                | Maize       | 8,650                      | 1,816.5                 |
|                     | Feed barley | 7,210                      | 302.8                   |
|                     | Rape        | 3,420                      | 167.6                   |
| 2013                | Maize       | 9,125                      | 1,779.4                 |
|                     | Feed barley | 7,840                      | 392.0                   |
|                     | Rape        | 3,880                      | 329.8                   |
| 2014                | Maize       | 10,650                     | 2,023.5                 |
|                     | Feed barley | 8,400                      | 588.0                   |
|                     | Rape        | 4,200                      | 462.0                   |
| 2015                | Maize       | 7,980                      | 1,596.0                 |
|                     | Feed barley | 6,830                      | 546.4                   |
|                     | Rape        | 3,280                      | 459.2                   |
| Average (2012-2015) | Maize       | 9,076                      | 1,803.9                 |
|                     | Feed barley | 7,559                      | 457.3                   |
|                     | Rape        | 3,694                      | 354.7                   |

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County.

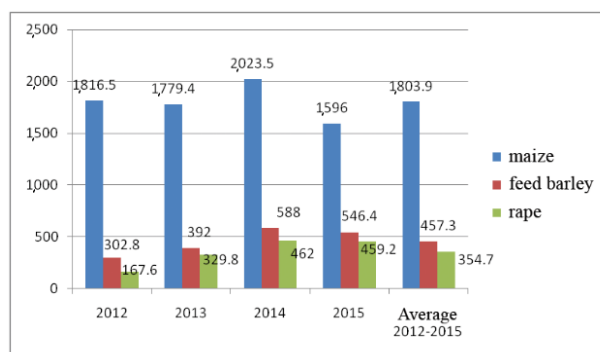


Fig. 3. The evolution of the total production for maize, feed barley and rape of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County, during 2012-2015 (tons)

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County

In the other cultures, evolutions were similar. Thus, in 2014, **the feed barley** had the highest total production, both in terms of the average yield per hectare and the cultivated area having a positive influence compared to the reference year 2014.

**For rape crops**, in the last two years, total yields were virtually equal (-2.8 tonnes in 2015 compared to 2014), with the highest influence from cultivated area, which in 2015 was 27.3% higher compared to 2014 and 2.9 times higher compared to 2012.

At S.C. AGRAR - M SERV. S.R.L. company, based in Bordei-Verde Commune, Lişcoteanca Village, Brăila County, for all three analysed crops, the entire production achieved is intended for sale. The company complies with the marketing standards referred to in the Council Directive no. 66/402/EEC and Order no. 1262 on the rules and technical standards on production for marketing, quality control and certification.

The market for the sale of production is exclusively the domestic market. Beneficiaries are permanent customers, with whom relationships have been strengthened over time, due to the seriousness and confidence they have shown. The sold production is taken over by the beneficiaries with their own means of transport, under a local farm or storage scheme, on a contract basis, without intermediaries.

**Beneficiaries** with the highest weight are: S.C. SEROMGAL S.R.L., Galaţi; S.C. AGRIMAT Matca, Matca Commune, Galaţi County; S.C. Prutul S.A., Galaţi;

An especially important issue is related to establishing the sale price, which is based on quality, demand and competition. That is why prices are based on the negotiation process between the parties, which means that the company needs to set a price that will ensure it a certain market share that ultimately covers the total production and sales costs and generates a profit.

In order for the pricing decision to be properly substantiated, it is recommended to go through several stages:

-*Target market analysis* [8] (Chiran A., Gîndu Elena, Ciubotaru Adina, 2004);

-*Analysis of the economic factors influencing the price* [6] (Chiran, A. et al. 1999);

-*Setting goals to be achieved by the price set* [11] (Constantin M. et al., 2008);

-*Choosing a price strategy* [5] (Cojoc Doina, Ignat Gabriela, 1999);

-*Establishing the basic price and adapting it from time to time* [9] (Chiran A., Ciurea I.V., Gîndu Elena, Ignat Gabriela, 2006).

-Pricing is also marked by the wide diversity of product delivery conditions, local business practices, restrictions imposed by certain legal

provisions, etc [13] (Gîndu Elena, Chiran A., Jităreanu A.F., 2014).

-Various price variations have recently taken place as a result of the ratio between the prices of certain products and the diversification of prices across different market categories [19] (Vainer A., 2000). In this respect, a marketing-oriented agricultural holding and/or agribusiness should closely monitor market prices, identify trends and anticipate possible evolution in order to achieve the best possible marketing [20] (Zahiu Letitia, 1999).

-Often, a high price is associated with a high quality product, which may be a reason to attract consumers with high financial strength [7] (Chiran A., Gîndu Elena, 1999).

-Also, a lower price may cause consumers not to purchase that product, suggesting that it is of an inferior quality [18] (Pekar V., 1995).

-If a company has several products within a line, the price will be set to maximize sales or profit across the portfolio [14] (Gîndu Elena, Andrei Ioana, 2006).

-The base price level (list price) is not fixed (rigid), as there is the possibility of temporarily adjusting it, depending on market pressures due to changes in the market, customers and competition. The minimum price will be determined by the cost of production, while the maximum price will be determined by the quality of the product.

-During the period under review, at S.C. AGRAR-M SERV. LLC Lişcoteanca, Brăila County, selling prices had an oscillating evolution (Table 3, Fig. 4).

Table 3. The evolution of sale prices for maize, feed barley and rape of S.C. AGRAR-M SERV. LLC LIŞCOTEANCA, Braila County, during 2012-2015 (lei/kg)

| Crops       | 2012 | 2013 | 2014 | 2015 | Average |
|-------------|------|------|------|------|---------|
| Maize       | 0.60 | 0.55 | 0.52 | 0.65 | 0.576   |
| Feed barley | 0.65 | 0.62 | 0.54 | 0.58 | 0.587   |
| Rape        | 1.40 | 1.25 | 1.30 | 1.35 | 1.316   |

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIŞCOTEANCA, Braila County

Thus, for grain maize, the maximum selling price was recorded in 2015, and the minimum level was recorded in 2014.

In feed barley, the 2015 evolution of the sales price showed a downward trend compared to 2012, as it was 21.5% lower.

Also in rape the sales price was characterized by a downward trend compared to the reference year (2012), with the lowest selling price in 2013, when the cut was 10.7%.

The level of sales prices has been influenced by several factors such as: relatively fluctuating offer; unstable short-term and medium-term demand; adverse climatic conditions; imports at advantageous prices; product quality and market share; advertising methods and techniques; destination of the products; price policy; inflation rate, etc.

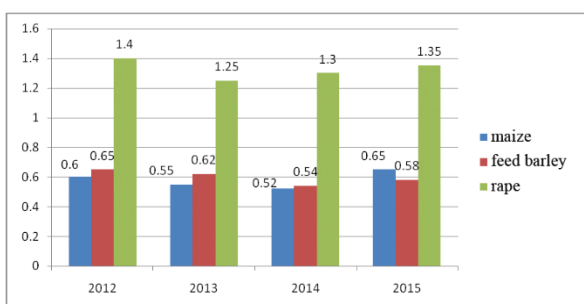


Fig. 4. The evolution of sale prices for maize, feed barley and rape of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County, during 2012-2015 (lei/kg)

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County

Production costs are an essential tool for the activity of agricultural holdings as they fall under the Liabilities item in the Balance Sheet, showing the consumption of material goods and labour required to obtain a product, work or service. The possibility of obtaining a certain profit depends directly on production costs.

In the case of the analysed unit, the evolution of the total production costs was influenced by several factors, the first of which consisted of the cultivated area and the used technology (Fig. 5).

On average over the period 2012-2014, the production costs per hectare have been disaggregated by the three crops analysed (Table 4).

Thus, on the average over the four analysed years, the highest costs per hectare were

recorded for maize grain (2,999 Lei/ha), while for feed barley, costs per hectare were lower by 26.9% (minimum), and in rape by 12.0% (2,640 Lei/ha).

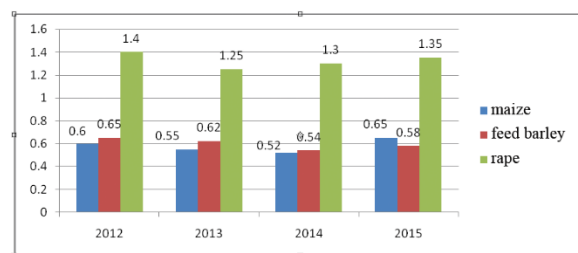


Fig. 5. The evolution of the unit cost for maize, feed barley and rape of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County, during 2012-2015 (lei/kg)

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County

Costs incurred to obtain an income of Lei 1,000 represent an indicator of the efficiency of their use in the production process of agricultural and/or agri-food businesses.

Table 4. The evolution of total costs, unit costs and expenditures per 1000 lei revenues realized by S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County, during 2012-2015

| Year    | Crops       | Production costs lei/ha | Total production costs (thousand lei) | Unit costs lei/Kg | Expenditures at 1000 lei revenues |
|---------|-------------|-------------------------|---------------------------------------|-------------------|-----------------------------------|
| 2012    | Maize       | 2975                    | 624.75                                | 0.344             | 573.3                             |
|         | Feed barley | 2,134                   | 89.63                                 | 0.296             | 455.4                             |
|         | Rape        | 2,677                   | 131.17                                | 0.783             | 559.3                             |
| 2013    | Maize       | 3,110                   | 606.45                                | 0.341             | 620.0                             |
|         | Feed barley | 1,985                   | 99.25                                 | 0.253             | 408.1                             |
|         | Rape        | 2,710                   | 230.35                                | 0.698             | 558.4                             |
| 2014    | Maize       | 3,068                   | 582.92                                | 0.288             | 553.8                             |
|         | Feed barley | 2,210                   | 154.7                                 | 0.263             | 487.0                             |
|         | Rape        | 2,538                   | 279.18                                | 0.604             | 464.6                             |
| 2015    | Maize       | 2,852                   | 570.4                                 | 0.357             | 549.2                             |
|         | Feed barley | 2,340                   | 187.2                                 | 0.343             | 591.4                             |
|         | Rape        | 2,660                   | 372.4                                 | 0.811             | 600.7                             |
| Average | Maize       | 2,999                   | 596.13                                | 0.331             | 573.4                             |
|         | Feed barley | 2,193                   | 132.7                                 | 0.290             | 494.0                             |
|         | Rape        | 2,640                   | 253.4                                 | 0.714             | 542.7                             |

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County

Depending on this indicator, on average during the analysed period, the three cultures ranked as follows

1st place - feed barley, costs of Lei 494/income of Lei 1,000;



2nd place - rape, costs of Lei 542.7/income of Lei 1,000;

-3rd - grain maize, costs of Lei 573.4/income of Lei 1,000.

Total income is directly influenced by the sales price and the amount of goods production. The analysis of the calculated data revealed that the highest income was obtained from grain maize, with a variation amplitude ranging from 978.7 thousand Lei (minimum) in 2013 and 1,089.9 thousand Lei (maximum) in 2012, with an average for the period of 1,039.6 thousand Lei (Fig. 6).

In feed barley, the highest income was recorded in the last two years (317.5 - 316.9 thousand Lei), and in 2012 the income was minimal (196.8 thousand Lei).

Total revenues from **rape** in 2015 reached 619.9 thousand Lei (maximum), while the lowest income was obtained in 2012 (234.6 thousand Lei), when the area cultivated was the smallest.

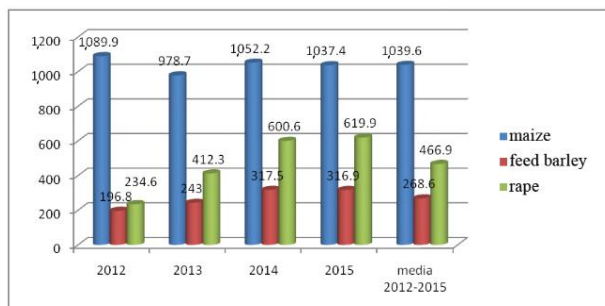


Fig. 6. The evolution of total revenues for maize, feed barley and rape realized by S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County, during 2012-2015

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County

The capacity of an agricultural or agri-food business can be analysed also on the basis of a certain profit at the end of the financial year, namely by assessing the use of production costs and costs of selling the production achieved and intended for sale outside the establishment.

In the system of market economy, the sale of production is a factor of growth and economic development of agriculture, a tool which must be prepared from the moment of programming production and its destination, by taking the

appropriate technical, economic and management measures. In addition to these measures, one must also appropriate the art of selling so as to ensure a successful capitalization, which can be demonstrated by increasing the amount of the gross profit achieved (Fig. 7).

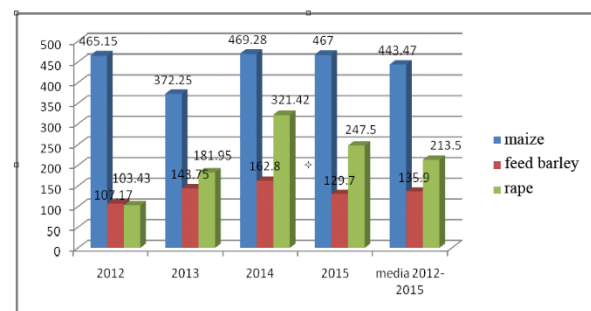


Fig. 7. The evolution of total gross profit achieved in grain maize, feed barley and rape at S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County, throughout the period 2012-2015

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County

At S.C. AGRAR-M SERV. S.R.L. Company of Lișcoteanca, Braila, in the period under review, the highest gross profit was recorded for grain maize, which also occupied the largest area.

In terms of area, we can see that, on average, the three crops are as follows, with a very small difference between them:

1st place - feed barley crops with a gross profit of 2,246 Lei/ha;

2nd place - grain maize crops, with a gross profit of 2,231 Lei/ha [with a difference of - 15 lei/ha (- 0.66%)];

3rd place - rape crops, with a gross profit of 2,224 Lei/ha [with a difference of - 22 lei/ha (- 0.98%)].

The efficiency of using production costs keeps feed barley on the first place, at a rate of return of 102.4% (Fig. 8), while rape is on the second place, with a rate of return of 84.26%, and maize on the third place, with a rate of return of 74.4%.

More importantly, overall, the average rate of return was 80.72%, demonstrating that both the technical and technological elements and the management system for the capitalization of the goods production contributed to the

achievement of some outstanding results, proven by the fact that, at an average cost per hectare of 21 million Lei, the turnover reached 38 million Lei, which means that a cost of 1 Leu resulted in 1.81 Lei, that is 0.81 Lei/1 Leu spent.

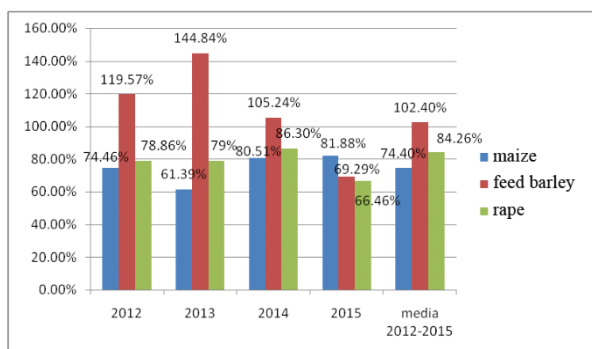


Fig. 8. The evolution of the rate of profitability achieved for grain maize, feed barley and rape at S.C. AGRAR-M SERV. LLC Lișcoteanca, Brăila County, throughout the period 2012-2015

Source: according to primary records of S.C. AGRAR-M SERV. LLC LIȘCOTEANCA, Braila County

The distribution of agricultural and/or agri-food products involves development of policies and strategies aimed at establishing marketing channels for the transport of products from production to consumption under economic efficiency conditions.

**Distribution** involves several steps, such as: *production stage, shipping stage, wholesale stage, retail stage, consumption stage.*

**Physical distribution** refers to both product flows (*transport, stocking, storing, prepacking, dispatching*), as well as information and monetary flows that contribute to its achievement.

In the case of *agricultural and/or agri-food products*, the distribution is extensive or general, specific to substitutable products currently demanded that meet an immediate and repeatable need. Under these circumstances, there must be a larger number of shops and points of sale where the products could be purchased by the final buyer. Different types of distribution channels can be used when one, two or several intermediaries are interposed between the producer and the consumer.

**For perishable products**, it is preferable to use direct distribution channels or short indirect channels to facilitate their transfer to consumers.

For products requiring pre-sale operations (*packing, prepacking, labelling*) a longer channel, such as the *manufacturer - wholesaler - retailer - consumer channel*, will be used.

The elements that influence the choice of the distribution strategy are numerous and depend on the company's commercial policy.

Choosing the right strategy is up to the manager in charge of fixing and tracking the use of the price as a means of achieving the fundamental objective, namely the highest profit.

The unit intends to create a website both in Romanian and English to make its products known and to become easier to notice, as this promotion method implies:

- The possibility of an optimal targeting meaning a high impact on the number of visitors;
- Low, almost insignificant cost;
- Easier provision of detailed specialized information to those interested;
- Practically unlimited flexibility in terms of approach.

This type of promotion is appropriate for higher value agricultural products and services intended for all customers, in general, to those who are open to new, but especially to other large companies operating as suppliers or potential partners and buyers.

## CONCLUSIONS

S.C. AGRAR - M SERV. SRL Company of Lișcoteanca, Brăila County has its registered office in Bordei Verde Commune, Lișcoteanca Village, and was founded in 1995 as a limited liability company with a business object consisting of field crops growing, supply of raw materials and consumables, spare parts, etc., provision of services, distribution and capitalization of agricultural production.

Soil and climatic conditions are favourable for the cultivation of plants, as the location of the



unit is in the Northern Bărăgan Plain, known in the literature as “Brăila Plain”, with a temperate continental climate, a drought area which requires irrigation of crops.

The crop structure consists of four crops (wheat, maize, feed barley and rape), of which the largest share is that of grain maize (42.6%) (on average for the four years under review), followed by wheat (24.0%), rape (20.5%) and barley (12.9%).

In the period under review, the average production per hectare was quite good: 9,076 Kg for corn, 7,559 for feed barley and 3,694 for rape.

The unit has achieved its basic objective, meaning that all crops have been profitable, with a gross profit per hectare that was insignificantly different from one crop to another (average of the period under review): Lei 2,246 for feed barley, Lei 2,231 for grain maize and Lei 2,224 for rape.

The production was capitalized on the basis of a short circuit (manufacturer -wholesaler) - a local farm or supplier warehouse, under a sale and purchase contract.

Achieving superior technical and economic results should be based on optimizing the process flow by groups of activities and, at the same time, on an efficient management and marketing, so that the managing and the operational staff could work closely together.

8. It is recommended to work closely with the Agricultural Research Centre in Brăila or Fundulea to inform and apply novelties that can contribute to increased production and economic efficiency.

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