

ELIGIBLE PRODUCTS AND FUNDS ALLOTTED TO ENTERPRISES IN ORDER TO INFORM AND PROMOTE AGRICULTURAL PRODUCTS IN ROMANIA AND IN THE THIRD COUNTRIES

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Abstract

The paper aimed to present the promotion and information actions on the agricultural products in the context of the EU and Romanian regulations and the public budget allotted by products and actions. Also, there were pointed out the main aspects regarding the role of agricultural products marketing and the major factors which could influence market price and producers profit. Finally, there were presented the information and promotion actions suitable to the obtaining of the funds.

Key words: *agricultural products, eligible products for funding, information and promotion, Romania*

INTRODUCTION

Marketing is considered as a set of economic and organizational activities of the enterprise that seeks to create and discover customer needs and to cover their requirements with products and services which by their characteristics, their prices and time and space availability, can provide a set that can assure their frequent buying by consumers and enterprise profits [4].

In this context, the paper aimed to present the promotion and information actions on the agricultural products in the context of the EU and Romanian regulations and the public budget allotted by products and actions.

MATERIALS AND METHODS

In order to set up this paper it was used the legislation in force provided by the EU and Romania regarding funding for information and promotion of agricultural products.

RESULTS AND DISCUSSIONS

Information and promotion actions for agricultural products are a common agricultural policy instrument, financed by the European Agricultural Guarantee Fund

(EAGF) for financing of market measures, export refunds and direct payments to farmers. The support given to the information and promotion programs complete and reinforce the actions of the Member States and the third countries, especially in terms of quality, nutritional value and food safety and production methods, contributing to the multiplication of national and private initiatives, with an expected effect of increasing the trade flows and information on the products.

Information and promotion actions have as object the agricultural products and their production methods and food-based on agricultural products, without being guided by certain commercial brands and without encouraging a product consumption because of its specific origin. Product origin could be indicated when the product name is registered and protected under EU policy on quality products. The information and promotion actions are being conducted under the Regulations, Ordinances and Laws in force, as follows:

-Regulation (EC) no. 3/2008 of 17 December 2007 on information and promotion actions for agricultural products on the internal market and in third countries;
-Regulation (EC) no. 501/2008 laying down

detailed rules for implementing Regulation (EC) no. 3/2008 of the Council on information and promotion actions for agricultural products on the internal market and in third countries [2];

-Emergency Ordinance no. 76/2008 to designate the competent national authorities for coordination, monitoring, management and implementation grants for the financing of information and promotion of agricultural products on the internal market and in third countries, as well as Law no. 1/2004 on the establishment, organization and functioning of the Agency for Payments and Intervention in Agriculture, approved by Law no. 36 of 13 March 2009.

-Emergency Ordinance no. 34/2006 on the award of concession of services contracts. Organizations and Bodies which could implement these measures are the following ones:

-Public Funds - Co-financing of max. 80% (30% of national public funds and up to 50% of the EU budget);

-MARD (Ministry of Agriculture and Rural Development);

-APIA (Agency for Payments and Intervention in Agriculture);

-SEAP (Electronic System of Public Procurement);

-ANRMAP (National Authority for Regulating and Monitoring Public Procurement);

-EU (European Union);

-The internal market (European Union's single market).

-List of the third countries and geographical areas where promotion actions can be achieved:

a) Countries: South Africa, Macedonia, Australia, Bosnia and Herzegovina, China, South Korea, Croatia, India, Japan, Kosovo, Montenegro, Norway, New Zealand, Russia, Serbia, Switzerland, Turkey, Ukraine.

B) Geographical areas: North Africa, North America, Latin America, Southeast Asia, Near and Middle East [3].

Marketing is very important for societies because it is like a bridge between producers and consumers. Normally we must pay a

special attention to this domain but curious is the fact that only 40% of all the companies in the world are focused on this sector, invest and have specialized departments.

Table 1. Annual MAPDR Budget by agricultural product

| PRODUCTS | Annual Budget, MADR (Euro Thousand) |
|--|-------------------------------------|
| Milk and dairy products | 110 |
| Wines with protected origin or protected geographical indication, wines with the grape varieties for wine-making | 130 |
| Products with protected geographical indication (IGP) | 100 |
| Fresh and processed fruits and vegetables | 120 |

Source: www.madr.ro [1]

There are two important aspects of the marketing of agricultural products:

1. The first aspect is dealing with the physical process that brings products from producers to consumers; the fundamental stages of this process are collection, packaging, transport, processing, storage and lastly retail sale of agricultural products.

2. The second aspect involves the market pricing mechanism. Emphasis will therefore be placed on the market mechanisms that contribute to the pricing of agricultural products and on the way that producers can obtain acceptable prices for their crops.

Agricultural prices depend on various factors such as:

-demand and supply, depending in their turns on the total available amounts of a given product and can include local production;

-the production of neighbouring countries as well as world production in the case of export products;

-producers' need for ready cash: the more they need cash at harvest-time, the more they will accept low prices. On the contrary, if they decide to stockpile instead of to sell immediately, market prices will go up;

-demand originates from the end users or consumers and is supplied by dealers or intermediaries;

-demand is influenced by product quality and price, when consumers will buy more if the

price is low, but they may be willing to pay a higher price (depending on their income) if product quality is good [2];

- perishability of agricultural products;
- lack of labour force (in our country and also in Europe, most of the people are not tempted to work in agriculture);
- high prices for inputs;
- farmers obtain money only after one cycle of production (which can vary from one product to another);
- economic crisis.

Types of promotion and information actions:

- actions on public relations, promotion and advertising, mainly intended to point out intrinsic features and advantages of the EU products in terms of quality, food safety, specific production methods, nutritional and health aspects, labeling, animal welfare and environmental protection;
- information campaigns;
- evaluation studies of the results of the information and promotion actions;
- attending events in the field;
- participation in national and international fairs and exhibitions, where special stands are organized in order to enhance products;
- market studies;
- high level trade missions.

CONCLUSIONS

Based on the EU and Romanian regulations regarding the information and promotion measures and actions which could be financed, it was concluded that the actions have to be carefully selected depending on the agricultural products and also to take into consideration the main aspects and factors which could influence these actions.

Funding is allotted only for the products listed by the Ministry of Agriculture and Rural Development.

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