

PROJECTION OF AGROALIMENTARY PRODUCTS TRADE SYSTEMS

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Abstract:

Currently, the world trade of agricultural products is at a stage of modernization, therefore Romania should focus to those forms of marketing as practiced in the developed countries. In this sense, we should focus on the following agro food products trading systems:

- Marketing (sale) through wholesale or retail;
- Marketing of products through marketing cooperatives;
- Marketing of products through the wholesale markets;
- Marketing through agricultural commodity exchanges

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PROIECTARE SISTEMELOR ȘI FORMELOR DE COMERCIALIZARE A PRODUSELOR AGROALIMENTARE

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Rezumat

În momentul de față, în lume comerțul cu produse agroalimentare se află într-o etapă de modernizare, de aceea România ar trebui să se orienteze către acele forme de comercializare practicate în țările dezvoltate. În acest sens, demne de luat în seamă sunt următoarele sisteme de comercializare a produselor agroalimentare:

- comercializarea (vânzarea) prin intermediul comerțului cu ridicata sau cu amănuntul;
- comercializarea produselor prin intermediul cooperativelor de marketing;
- comercializarea produselor prin intermediul piețelor de gros;
- comercializarea produselor prin intermediul bursei de mărfuri.

Cuvinte cheie: distribuție, produse agroalimentare, burse de mărfuri, cooperativă de marketing

Clasificare JEL : Q3, Q18

1. The agro food products distribution through wholesale or retail

For the commercializations of agro food products, with large quantities in majority, enter in a process of processing (such as cereals, vegetables and fruit, etc.) is preferred selling through wholesale trade (beneficiaries of agro food products

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processing units being or specialized storage and distribution of those goods). This system determines long trade distribution channels with, at least two intermediaries, the first intermediate is the unit of processing and wholesale distribution (wholesale deposits), and the following intermediaries are represented, or other wholesale trade or retail stores.

Retail is the trading form suitable for agro food products (those entering the market and is addressed to final consumers). Selling agro food of food can be made either by own selling in stores, leading to a channel directly or through other economic units stores selling (creating a channel short or long, depending on the number of intermediaries that appear on the chain of distribution) sale or trade in agro food products from "booth", practiced mostly for vegetables and fruit.

- The direct form of the classical distribution practiced mostly by agricultural producers who own the shops selling the products. This represents a form of distribution that involves the transport of products to the stores or outlets markets (the so called market sector or trade "to stand", practiced by small-scale producers of agricultural products, like vegetables and fruit). The first variant determines the lowest prices on the market, and the second leads in the most frequent cases in economic inefficiency, because small quantities are transported, there is no protection over the perishability, and trade is unhygienic and generator of tax evasion.

The advantage of this form of trade consists in the fact that agro food products can be pursued throughout the succession of economic goods (Knowing their behavior on the market), plus the fact that due to prevailing low prices, agricultural products are sold in a short time, decreasing the danger of perishability and preserving the freshness and quality.

The main disadvantage is that the coverage of the market, by the agricultural organizations of large economic size, is quite restricted, and agro food organizations address to a limited number of consumers. Also, agro food units are restricted by the lack of financial funds needed for operating on a range covering an area more with more end-users.

In this way, the risk of not making the whole agro food production increases, which is why they address to the other units trade, specialized in the trade with such products.

Marketing of agro food products through intermediaries is justified especially for the units of medium and large sizes for them to sell their entire production of goods. The advantage of this form of marketing is that products are made in areas of high consumption (such as large cities) and provides a much higher sales rate than for direct distribution.

As the main disadvantaged of this form is that agro food producers record lower profits and have no control over the intermediaries sales and because of the higher prices charged by them, appears the risk not selling the whole products and in fully guarantee periods (as it means delays in recovering money from the market or perishability that generates additional losses).

2. Marketing of agro food products through marketing cooperatives

Marketing cooperative represents an economic organization in which farmers work together in order to solve a certain part of economic activity (buying the raw materials and selling the production), take part to the profit realization and risk

together for this activity to be as profitable (the production is the responsibility of producers of agricultural products).

The purpose of these modern structures that is to obtain a maximum value (maximum income) for members of valorification cooperatives. In this sense, marketing cooperative appears as the extension of the production process (of the farmer) and what is paid for membership of the cooperatives (associations) for products made from them, is actually what is collected from the sale of products from which that lower distribution costs (including the operation of cooperative marketing). It should be noted that a marketing cooperative does not work as an intermediary.

- The need for high-incomes able to contribute to increasing the purchasing power of individual producers, revenues are derived almost exclusively from agriculture production.
- Establishment of marketing cooperatives is determined by the need of production orientation from auto consumption to the market.
- Competition on the strong existing food products, both between individual local (small and large farms), and between producers and foreign. This feature requires the organization to farmers in all forms of cooperatives, not only in the marketing.
- In large part their markets are not transparent for farmers, and to know and predict the phenomena taking place on the market requires the unification of efforts of individual producers, efforts will be rewarded (recovered) by the prices obtained in the best markets.

The role and importance of marketing cooperatives in the process of structural adjustment of agriculture production and marketing of the products of this sector consists of the following main aspects: the maintenance of viable agricultural production and healthy; regulating agricultural markets, stabilize the rural areas, agricultural development and the processing of agricultural products etc. all contributing to increased competitiveness of agro food products on the domestic market and abroad.

Among the factors that require cooperation of farmers in production and marketing of agro food products are:

- Low possibilities of individual capitalization of family farms, especially the difficulties and to secure their own funding;
- Difficulties that arise in working with service establishments;
- Low development of marketing structures in rural areas;
- Limited access of agricultural producers in advanced technologies that require large financial funds;
- Community and financial support from the Romanian state is more easily achieved if associative forms;
- Efficient operation (rational) work can be done by creating strong and sustainable cooperation in the sphere of trade, etc.

For Romania there, are psychological barriers in the process of cooperation, barriers like the followings:

- the experience of those who lived in the communist period;
- in the cooperative movement are included owners who own behavioral traits to a certain level of Education, which makes harder the process of unification of efforts of farmers;
- the existence of conflicting state and some exaggerated ambitions make very difficult to be accept the person named "manager" of the cooperatives.

Despite these shortcomings the cooperation in areas such as supply of

resources, food storage products, collecting, retrieving and processing of agricultural products, marketing of agricultural products, lending and insurance against risk, etc. is organizing ways of enabling the integration of agriculture in the Romanian Union.

3. Marketing agro food products through the wholesale markets

An issue of great current which must be a major concern in view of the need for implementation of various structures and flexible specific to the market economy is the relationship between wholesale trade and its upstream contributors (farmers) and the downstream (retailers).

In the distribution of the intermediaries were, until recently, a simple link between manufacturers and retailers, although they had to play the harmonized interests of bidders and agro food product consumers. However, intermediaries must provide a wide range of services, especially in the development of science and changes that have occurred in the modern economy.

Wholesale markets are suitable for vegetables - fruits and other perishable products. These structures are suitable for the distribution the supply of agro food products to major cities and ensure that the main function of such products of the urban population in the market liberalization.

It should be noted that investments for the establishment and maintenance costs of the wholesale markets are very high, which is why our country has contacted, in 1994, a loan of 25 million euros, guaranteed by the Ministry of Finance, the European Bank for Reconstruction and Development (that loan was not paid not even today).

Creating the national system of wholesale markets in Romania is justified by the country's agricultural potential and tradition of the Romanian people for the consumption of fresh products. This was appropriate, on the one hand, because the measures of decentralization and increasing autonomy of economic agents, and on the other hand the necessity of bringing in the big cities fresh agro food products qualitative and homogeneous in terms of quantitatively.

Wholesale market, as an economic organization of trade for agricultural products is based on a number of structural components, which are meant to bring agro food products from production areas to the consumer as soon as possible. Thus, even if it is one of the longest distribution channels (which includes at least five intermediaries), agro food products on the table can reach consumers in record time (it may be less than 12 hours of the time).

Participants in this type of distribution channel are represented by the marketing structures, such as the central market where wholesalers activate; collection centers located in major producing basins agricultural producers of vegetables and fruits and other perishable products; other intermediaries that buy from the wholesalers (distribution companies or units of retail), the final consumer.

Relations between these participants in the distribution of wholesale market are different compared to other forms of trade, and the functioning of such markets, organized as a company limited by shares, is as follows:

- the products are collected at the wholesale centers and transportation being made by producers of agricultural products (it is a disadvantage because there is a risk that once loaded into transport products to be transported to the market sector);
- wholesale centers performing quantitative and qualitative reception and the

manufacturer issued a certificate specifying the amount which he delivered it and they will pay a price obtained from selling the product to the customer (second disadvantage, because the farmer does not know which is the price that he has to charge;

- agricultural products sorted by qualities are transported to warehouses located inside the central wholesale market;
- wholesalers and other potential beneficiaries of products obtained on the wholesale market value of wholesale (processing units, student canteens, hospitals for old people, etc.) enter into commercial relations with the wholesale market by purchasing products that further exploit them for consumption or sold to other traders (wholesalers stores or retail);
- after receipt of the amount paid to producers of agricultural products over the value from it.

4. Marketing of agro food products through agriculture commodity exchange

Stock trading with agricultural products began to practice in various countries of the world for over two hundred years. This process has increased, today the world operating a number of impressive produce exchange, which emerges at a great distance, Chicago Board of Trade (CBOT), founded in 1848.

Cereals were first active in the development of futures contracts. But as technical and technological developments, the overall progress of the economy, the foundations were created to standardize and other agricultural products and, accordingly, trading for them on time. Currently, besides the main cereals (wheat, corn, rye, barley and oats), the grants exchange goods and live animals, tropical products, etc., but also the financial and synthetic derivatives.

Agricultural market exchange deal, mainly fungible goods, the category they enter the plant and agricultural products, live animals and certain processed agricultural products - pork and poultry, etc..

Of all agricultural crop, the most traded stock of the world are the cereals, whether their use in human food consumption, whether intended for animal consumption. Around the world, corn and oats are used mainly as animal feed, wheat is used in obtaining the food necessary for human consumption, but at the same time and feed etc.. almost worldwide maize is used as feed, but in Central America, Mexico or other countries of the world maize is an important element in the population.

The biggest agricultural markets in the contemporary world are characterized by a high degree of organization and reliability due to more stringent regulations of transactions, the securities of large investors and brokers, and Standing on speculative transactions. At present function about 40 international agricultural commodities worldwide, which negotiates contracts comprising 80-100 product having a tend to increase significantly the number of futures contracts, options negotiated.

According to statistical data, the most important agricultural markets in the world are:

- for cereals: exchanges in Chicago (CBOT) for wheat, corn, oats, Association of Commerce for Cereals and fodder in London (CAFTA), the exchange of Bangkok in Thailand (barley, rice);

- for oilseeds and vegetable oils: CBOT and the term in Rotterdam;
- sugar: the exchange term in London, the exchange of sugar and coffee in New York, refined sugar (Paris);
 - for natural rubber: the exchange of Kuala Lumpur, Malaysia; exchange in London and Singapore;
 - for cotton: cotton exchange in New York and Liverpool;
 - leather for grown - Chicago Stock Exchange.

The bourses for agricultural goods are organized commercial market, specific to stock exchange competitive market economies, the association established by the traders concerned to conclude business by specific rules known. The stock exchange appearance in Romania has its origins in trade since the XII century by century fairs located (established) at the intersection of transport routes or commercial.

Transactions in stock exchanges of agricultural goods are made through term contracts (mainly) which means understanding that specifies the rights and obligations with respect to the delivery or purchase of a product.

Due to the large volume of transactions taking place through such contracts, it may be said that agricultural commodities exchanges is the most important exchange. The functions derived from grants of agricultural commodities, namely:

- facilitating the trading, i.e. the transfer of food products from the producer to the recipient;
- exercise some influence on the development of trade in agricultural products, are considered true barometers of trade in agricultural products (regardless of market or global);
- setting prices of the representative main products depending on the supply and demand, of the evolution of prices, according to political or social events occurring at a time;
 - pricing and reduced amplitude fluctuations of the course. It is known that the goods are traded through the stock exchange have varying prices less than price of the same categories of goods which are sold in other markets;
 - ensuring rapid and effective over the risks, they through contracts in which agricultural production is sold in advance at a fixed price when the contract is signed;
 - insurance against risk, which concerns the provision for the sale of all, and insurance against risk price change;
 - provide information on the prices of goods at a certain time, etc..

According to Law no. 357/2005 on the establishment of scholarships in goods, the regulation, supervision and control of produce exchange is The Chamber of Commerce and Industry of Romania and the College Board of CCIR authority is entitled to opinions, to supervise, control and penalize exchanges of goods.

Agricultural commodity exchange is the corporation having as main preoccupation the administration organized markets. Agricultural commodity exchanges are administered markets, mixed markets, auctions markets and markets of claims and any other markets where exchange of goods meet the conditions laid down in this particular legislation.

Agricultural commodity exchanges may engage in secondary, but not limited to, such as development, management and marketing systems specific agricultural commodity exchange, organization of seminars and courses in order to prepare participants in the agricultural commodity exchange. In order to establish an agricultural commodity exchange must be fulfilled the following conditions:

- take the form of corporation, according to Law no. 31/1990, republished, with subsequent amendments;
- principal activity to be developed for managing market exchanges;
- to issue shares only;
- shareholders are only legal persons;
- minimum capital to represent the equivalent in RON of at least 1,000,000 euros, based on the reference rate of the currency, communicated by the NBR, of underwriting;
 - capital is fully subscribed and paid in cash at the time of establishment;
 - incorporation not allow a shareholder to hold directly or through legal more than 5% of voting rights;
 - incorporation not allow any member of the board of the exchange of goods have participation of any kind would be, in another exchange of goods;
 - incorporation provide mandatory drafting regulations and procedures specific business exchanges;
 - incorporation act must contain binding by College regulations governing the CCIR

The agricultural commodities exchange through their operation and management practiced hav a strong influence on the agricultural field. Also, the interaction stock exchange-economic conjuncture is that, on the one hand, the economic situation is one of the factors determining price formation of companies, and on the other hand, the stock index is an important barometer of economic situation favoring processes funding.

Conclusions

The agricultural commodity exchanges represent an important element of economic growth, and also require to the firms activating on the stock exchange a suitable behavior, because taking part on the stock exchange represents a test that reflects the firm's fidelity.

There are a number of problems in the current exchanges of goods, issues that have contributed to the cessation of initiatives or attempts to establishing the exchange of agricultural commodities (particularly cereals). Under these conditions part of the initiators have begun to conduct business under LLC sites are named "exchanges" (exchange of Slobozia, in the Constanta, for example). Among the drawbacks of organic nature, economic and legal scholarship that affects the functionality of food commodities fall (can include):

- lack of functioning markets able to contribute to the creation of farms of optimal size;
- exaggerated atomicity of suppliers who do not ensure the homogeneity of the products (supply), which is a prerequisite for products traded on the stock exchange;
- instability of agricultural markets due to the influence that carries the beneficiaries of agricultural products on the market prices;
- distrust of farmers in the creation of cooperative collection and marketing of agricultural products;
- Low concern, especially from small producers, for marketing activities;
- notice of the operation of the exchange of goods shall be granted under the law, only if the members at the exchange, brokerage firms authorized to deal in stock (this condition requires further efforts from the shareholders on the financial sources, space, equipment, personnel qualified, etc.);

- compulsory payment of fees burden for those potential members of a scholarship;
- minimum capital subscribed and fully paid scholarship for agricultural goods is the minimum amounts to 1 million euros, it added to a minimum equipment such as computers, operating system appropriate records on computer, connect to the Internet line phone.
- lack of a better information system put in place both at the level of product offers as well as the beneficiaries and intermediaries.

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