STUDY REGARDING CURRENT SITUATION AND EVOLUTION OF AN AGRICULTURAL COMPANY

NICOLA FRANCISCA PAULA[1], BERCIAN IULIAN[1], TRANDAFIR ALEXANDRA[1], HAJDU ROBERT[1], TONEA ELENA[1*]
[1]University of Life Sciences "King Mihai I" from Timisoara, Faculty of Management and Rural Tourism, Timisoara, Romania
*Corresponding author's e-mail: elenatonea@usvt.ro

Abstract: Abstract: *The COVID-19 pandemic had a significant impact on Romanian agriculture, affecting different aspects of the food supply chain and causing various problems in the agricultural sector. This study aims to present some of the challenges faced by an agricultural society,*

Key words*: jobs, effects of the Covid-19, agriculture, money, family*

INTRODUCTION

In our days, we can say that the concept of sustainable development into agricultural sector is receiving special attention due to his importance into the development of society and the phenomenon of globalization.

The effects of the pandemic crisis appeared in March 2020, after which on February 17 the state of emergency was established throughout the country.

The effects of the Covid-19 pandemic on the agricultural markets started at the beginning of 2020, with the establishment of the state of emergency in the country (starting on March 17, 2020). The Covid-19 pandemic effects were also felt on these markets all the rest of 2020 as well. In the second part of 2020, the biggest changes took place at the level of society, so that every fourth person faced new challenges that influenced his life and career. At the same time, at the end of the year, the effects of the crisis registered a downward trend and were much less felt in the agricultural domain as in the others sectors [1,5].

MATERIALS AND METHODS

This paper presents the main characteristics of the national grain market and the changes that have taken place during the Covid-19 pandemic on an economic unit with agricultural profile. To carry out the study, statistical data, presented by different sources, were used.

RESEARCH RESULTS

The emergence of the COVID-19 pandemic has shaken societies and economies around the world. One of the most affected sectors was agriculture, which faced unseen challenges in ensuring food security into communities. This paper wants to highlight the impact of the pandemic on an agricultural unit, focusing on the different dimensions of its consequences.

We can say that all the jobs on the labor market during the quarantine period was influenced by the lack of labor and movement restrictions [2,4,6].

During the periods of isolation and border closures, agriculture faced serious labor losses. With the closure of the borders, seasonal workers who usually travel abroad to work on the fields, were prevented from reaching their destination.

This caused a labor shortage, leaving farmers without the personnel to sow, grow and harvest crops. The pandemic has disrupted food supply chains, affecting the flow of goods and services. Travel restrictions and logistical constraints have slowed the transport of raw materials and finished products [3,7].

This led to animal malnutrition, the deterioration of perishable goods and made it difficult for agricultural producers to access markets.

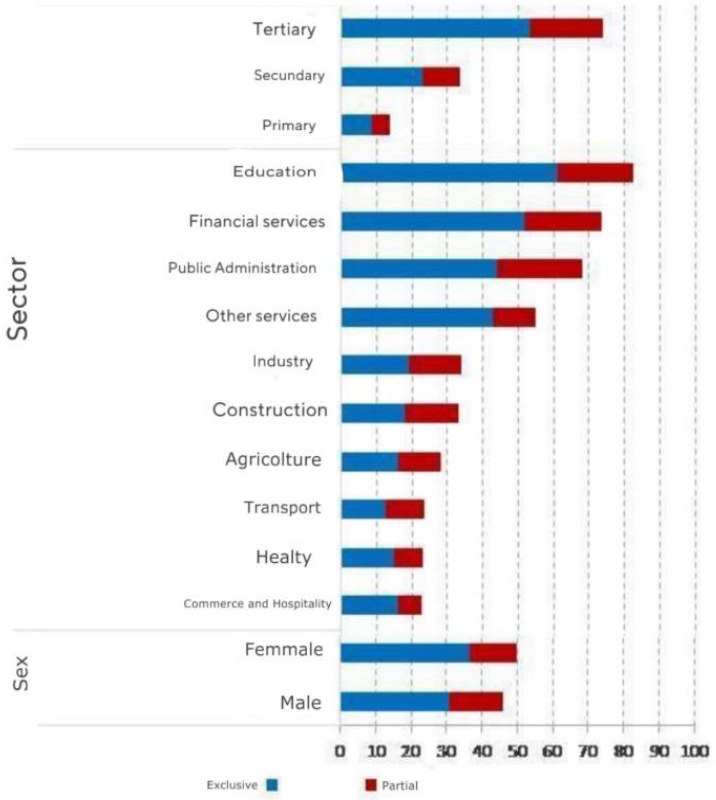

Figure 1. Working from home during the COVID-19 pandemic
Source: *https://www.ncbi.nlm.nih.gov/pmc/ [8]*

It was a big change in demand and market access. The pandemic has led to a change in consumption habits, with a decrease in demand for some agricultural products, such as those intended for public food services, and an increase in demand for others, such as organic and local products [14,15].

Farmers were faced with the need to adapt to these new demands and to find new distribution channels to sell their products. The impact of the pandemic on agriculture was also reflected in its economic and financial aspects [9,11].

Many farmers, especially small farmers, have suffered financial losses due to the decrease in income and the increase in production costs. Some supportive government policies have been put in place to boost the agricultural sector, but these have not always been sufficient to mitigate the economic damage caused by the pandemic.

Table 1.

Evolution of real GDP (Euro)

Years	Germany	Poland	Romania	UE-28
2019	35500	14500	9200	28500
2020	34000	13000	9000	28800

Source: https://ec.europa.eu/eurostat/ [10]

The agricultural sector managed to rise again due to the adoption of several strategies. First of all, farmers had to review their production practices, adapting them to new needs and changes in consumer demands. Many have switched to online or home sales systems to reach consumers directly. Financial aid, preferential credits and fiscal incentives were measures taken to provide economic support to farmers, sustaining business continuity and ensuring food security.

Several factors contributed to the recovery of the agricultural sector after the pandemic. First of all, the growing awareness of food security and the importance of sustainable production has led consumers to favor local, fresh and quality products. This favored agriculture at the local level, allowing farmers to strengthen their links with consumers and recover more quickly [11].

Table 2.

The value of agricultural production in %, between EU states in the period 2020/2021

Bulgaria	37%
Romania	25%
Czech Republic	17%
Hungary	14%
Croatia	12%
Austria	10%
Spain	9%
Netherlands	8%

Source: https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20221111-1 [12]

Over the entire period 2019-2021, the net profit of the sector reached 1.7 billion euro, indicating a rapid recovery after the pandemic that affected profits in 2020. At the country level, Romania was the largest market in terms of operating revenues, with 3.288 billion euro, increasing by a rate of 43% compared to the previous year. In 2022, we recorded quite an important number in wheat imports from Ukraine, reaching 505.442 tons, with a total imported amount of 338 kg. Ukraine's corn imports saw the second largest jump in 2022, reaching 745.968 tons. Related to Romania's wheat and corn imports from Ukraine in 2022, the figure increased to a share of 48.2% for wheat and 55.7% for corn [13].

FRIA is a company with one hundred percent Romanian capital, and has activities in agriculture and animal husbandry, founded in 1994. Currently FRIA exploits over 10.000 hectares of agricultural land, with a storage capacity of around 100.000 cubic meters, and a farm of 2.500 dairy cows.

The following tables show some data regarding the evolution of the company we are analyzing.

Table 3.

Fiscal value and net profit at the FRIA, (Euro)

YEAR	FISCAL VALUE	NET PROFIT
2016	15,893,297	1,414,707
2017	17,064,159	2,393,512
2018	17,854,755	1,617,984
2019	16,459,902	1,178,169
2020	15,097,312	1,414,515
2021	14,796,037	2,586,321
2022	30,313,235	7,892,841

Source: dates provided from FRIA

The success and performance of the group can be found in the positive evolution of the business during the year 2022.

Table 4.

The evolution of the number of employees

Year	Number of Employees
2017	70
2018	62
2019	52
2020	24
2021	29
2022	39

Source: dates provided from FRIA

It can be observed that due to the limitation of activities during the pandemic, the number of employees experienced a downward trend in 2019 and 2020, and then, from 2021, to slowly increase.

The desire for growth and development is also the most recent purchase of a farm in 2022, with an estimated value of 24.5 million euro. The farm consists of .700 hectares, with a private hunting fund, lakes and forests.

The division, in turn, is divided into other sources of income, such as the own production of cereals, oilseeds and wholesale trade in agricultural products.

The lands are cultivated with barley, apples, wheat, rapeseed, sunflower, corn, sorghum and they are using their own agricultural machinery to cultivate the land.

Another large component is the animal husbandry activity, composed of 2.500 milk cows. The cow farm has everything it needs to act through its own production. The food comes from the silos in the same yard. Around 100,000 cubic meters of cereal can be stored and processed there. The production is exclusive to customers who call the farm directly.

The farm is composed of 5 dairy cow sheds with a milking room with 50 seats. The amount of milk produced per day is around 30,000 liter.

All animal droppings reach the biogas plant by automated means. Obtaining the methane gas that allows the total energy of the farm independently. Part of the collected energy is distributed in the national grid. At the end, the waste is used as natural fertilizer.

CONCLUSIONS

By adopting innovative strategies, government support and guidance on food security, the agricultural sector has managed to face challenges, recover quickly and prepare for a sustainable future.

The resilience shown by the agricultural sector during the pandemic provides an example of how collaboration between farmers, institutions and consumers can contribute to building a stronger and more resilient society.

Large companies in Romania, with an agricultural profile, which also have a livestock sector, such as the case I presented above, managed to survive the crisis generated by the pandemic. This is a happy case. Unfortunately, a multitude of other businesses had to close their doors.

Governments and institutions should continue to support the agricultural sector by creating policies that encourage access to credit, technological innovation and training for farmers. In addition, farmers should take advantage of changing consumer attitudes by investing in crop diversification, organic production and improving sustainable practices.

This will not only contribute to increasing the sector's resilience to future crises, but will also promote environmental sustainability and long-term food security.

REFERENCES

[1]. ***, https://www.choicesmagazine.org/choices-magazine/themearticles/agricultural-market-response-to-covid-19
[2]. ***, https://www.reuters.com/graphics/ECONOMY/OCCUPATIONS/znpnbrlwjpl/
[3].***, https://www.whitehouse.gov/cea/written-materials/2021/06/17/why-the-pandemic-has-disrupted-supply-chains/
[4]. ***, https://acad.ro/SARS-CoV-2/doc/Efectele_pandemiei_asupra_ocuparii.pdf
[5]. ***, https://www.worldbank.org/en/publication/wdr2022/brief/chapter-1-introduction-the-economic-impacts-of-the-covid-19-crisis
[6].***, https://wellcome.org/news/equality-global-poverty-how-covid-19-affecting-societies-and-economies
[7]. ***, https://erc.europa.eu/news-events/magazine/effects-pandemic
[8]. ***, https://www.ncbi.nlm.nih.gov/pmc/
[9]. ***, https://www.oecd.org/coronavirus/policy-responses/the-impact-of-covid-19-on-agricultural-markets-and-ghg-emissions-57e5eb53/
[10]. ***, https://ec.europa.eu/eurostat
[11]. ***, https://agriculture.ec.europa.eu/news/eu100-million-support-farmers-bulgaria-hungary-poland-romania-and-slovakia-2023-05-03_en
[12]. ***, https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20221111-1
[13]. ***, https://www.consilium.europa.eu/en/infographics/ukrainian-grain-exports-explained/
[14].***, https://ec.europa.eu/social/main.jsp?pager.offset=20&catId=1223&langId=ro&moreDocuments=yes
[15]. ***, https://ec.europa.eu/social/main.jsp?catId=101&langId=ro