

THE MEAT MARKET SECTOR IN ROMANIA, CURRENT SITUATION AND PERSPECTIVES

VENIG ADELINA^{*1}, VENIG AURORA¹, ADAMOV TABITA², PEȚ ELENA²

¹University of Oradea, Faculty of Environmental Protection, Oradea, Romania

²University of Life Sciences "King Mihai I" from Timisoara, Faculty of Management and Rural Tourism, Romania

*Corresponding author's e-mail: adelina_venig@yahoo.com

Abstract: *Breeding animals and selling meat are traditional activities in Romania, having a special importance for the economy and the consumption of the population. This present paper is a research on the meat market sector in Romania, in the last years. In Romania, this sector has certain deficiencies, both at the level of production and processing and marketing. Now, the meat processing industry is disadvantaged in the market economy by the outdated and non-performing technology, the low level of long-term investments, and the lack of a payment system depending on the quality of the carcasses. The paper presents meat production by category, as well as its import and export. According to the data provided by Eurostat, Romania has become the largest net importer of pork in Central Europe and the Balkans, pork being the most deficient food product in Romania.*

Keywords: *meat, import, export, breeder*

INTRODUCTION

Meat from different species of animals, birds, aquaculture species, etc. is a food of particular importance for the proper functioning of the human body, especially in the context of a normal life, due to the increased content of high-quality proteins and mineral substances. The quality and quantities consumed daily must be considered in order not to become a harmful agent for the health of consumers [10]. The production, processing and valorization of meat follows a well-defined route starting with the holdings where the species that provide the raw material (red meat, white meat) are grown, then the slaughterhouses, processing units (factories, butchers, butchers), storage units and, finally, distribution units (specialty stores, agri-food halls, hyper and supermarkets) [1].

In Romania, the activity of these categories of objectives is permanently under veterinary sanitary control and for food safety, aiming to ensure that the local, national, and global market is provided with healthy and quality meat and meat products that do not endanger the health of the population [4]. However, in order to maintain the responsibility towards consumers, of the operators in the units that produce, process, store, transport and sell such products, complex periodic assessments are also required, which aims to: verifying the provision of administrative measures in holdings, with reference to, strict records of livestock, registration of the holding, identification and registration of animals, keeping the holding register, contract with specialists in the field to ensure the specific technology, biosecurity norms, health, hygiene and animal welfare; ensuring the sanitary protection system at the entrance to the reception and processing areas of raw materials [11]; the provision of refrigerated spaces according to technological flow or depending on the activity being carried out and to monitor the temperature in the respective spaces daily; compliance with hygiene rules, by washing and disinfecting work spaces, storage spaces, commercial spaces, machinery, utensils and means of transport; ensuring the transport of raw materials and finished products with properly arranged and equipped means of transport, depending on the product assortment and the transport distance, ensuring the appropriate conditions, aimed at preventing degradation and contamination of products depending on their classification, respectively: fresh meat means meat that has not been subjected to any treatment for preservation, except for refrigeration, freezing, including meat packed by vacuuming or in a controlled atmosphere [3]; minced meat means boneless

meat that has undergone a mincing operation and contains less than 1% salt; meat preparations (prepared meat) means fresh meat, including meat that has been cut into pieces, to which foodstuffs, spices or additives have been added, or which has undergone insufficient processing to substantially alter the fibrous structure of the muscles and determine thus the disappearance of the characteristics of fresh meat [9]; compliance with the traceability rules for meat and processed products, through documents certifying information about their route from the producer to the consumer; compliance with the provisions regarding the labeling of products of animal origin, in correlation with their classification and the food additives used in the composition, especially fresh meat (the species from which it comes), minced meat, prepared meat, meat products [7]; obtaining samples of raw materials and finished products, at the accredited laboratory, to examine their quality and sanitation, within the established self-control program; checking the health status of staff who process and handle food; compliance with the legislation regarding the management of products withdrawn from marketing, due to sanitary, veterinary, and technological reasons and which can no longer be intended for human consumption.

One of the basic branches of the Romanian economy is animal husbandry [8]. Its share in total agricultural production has decreased in recent years – the minimum level was recorded in 2022, being 27.7%. This important component of agriculture presents a high potential for development, an aspect supported by several factors, including access to raw materials, the upward trend for domestic meat consumption, the record level of the commercial meat deficit, the prospect of continuing the process of European economic convergence and the consequences of the shock induced by the pandemic period. Since Romania's entry into the European market, the Romanian poultry sector has evolved enormously, both in terms of quality, food safety, and through the diversification of rearing systems – starting from rearing on the ground and reaching the ecological, free-range system. The sector is currently above the European Union average in terms of technology [12]. Throughout the production chain, from compound feed mills, to farms, slaughterhouses, processing plants, significant investments have been made over the last few years, investments that have almost always brought the best/newest equipment in the field [13]. Welfare conditions on farms have evolved, nutrition is superior, mainly based on cereals, genetics are of superior quality. Water and impurities are well monitored, so that the consumer benefits from healthy, tasty, and stress-free meat. In slaughterhouses, the technology used does not allow contamination of the carcass, respecting the legislation on animal welfare during slaughter. In addition, the ambient temperature, of the carcasses in the slaughterhouse, the transport to the stores and the display of the meat in the windows are carefully controlled, so that the consumer is protected from risks. The meat industry has constantly evolved in recent years in Romania and is one of the most technologically advanced at the European level [2].

The companies in the poultry breeding sector annually generate revenues of over 4 billion Lei and provide over 90% of the domestic market's consumption needs. It is one of the most developed industries in the country, which has absorbed significant sums for modernization. As general challenges, the sector faces inflation, rising prices of raw materials and feed, lack of staff. According to Eurostat, from approximately 148 Euros/100 kg carcass weight, the average Romanian price reached 133 Euros in just a few months. In 2022, the price increased to around 150 Euros/100 kg carcass weight and continued to rise in 2023, when it reached an average of 202 Euros, more than 35% higher than in 2022. With all this growth, Romania had an average sale price, at the end of 2023, below the European average, of 258.08 Euros. Only two large poultry meat producing countries, namely Poland and the Netherlands, recorded a lower average price in 2023 compared to

Romania: Poland (190 Euros) and the Netherlands (174 Euros). At the opposite pole were Germany, with the highest price in Europe: 385 Euros/100 kg carcass weight and Austria, with an average of 349 Euros. Until January 2023, the population was used to a lower price for poultry compared to pork. At the beginning of 2023, pork carcass was quoted at €1.5/kg, while chicken carcass was around 2 €/kg. The increase in the price of electricity, gas and feed, the decrease in exports based on the lack of confidence of third countries due to the prolonged drought led to the emergence of this unusual situation. 2023 was a year with generalized price increases in all categories of goods and especially in consumer products, price increases that influenced the shelf price of products in different ways, depending on many factors specific to each industry. If the increase in the price of energy was broadly similar for all companies, the increase in the price of raw materials strongly and very differently affected the production of goods in 2023. In December 2023, the price of pork in the European Union was approximately 205 Euro/100 kg (and in Romania 232 Euro/100 kg), while for poultry the EU reported a price of 265 Euro/100 kg (and in Romania of 208.65 Euro/ 100 kg).

For the moment, poultry meat has remained the cheapest animal protein in Romania, although prices are constantly moving and it is difficult to anticipate what will happen to their level. The other animal proteins (beef and lamb) are well above the price of pork and chicken. The year 2023 brought for the poultry sector a weight of approximately 40% of imports, simultaneously with the reduction of production and the decrease of the price to farmers by 15%-17%. The main European producer, Poland, brought over 100,000 tons of meat to Romania, with an average price below the European average. By 2022, Romanian producers would provide over 90% of consumer needs and exports were expanding. After 2022, exports decreased by 10-15%, warehouses were full and producers tried several alternatives to sell the meat, either as such or processed into poultry products. In addition, the promotion of exports was stopped, which led to negative forecasts for exports and, implicitly, to the reduction of the external market for Romania. Unlike pork, where consumption decreases by 1 kg/year, poultry consumption increases, the evolution has been supported by the increase in the population's income [15].

Poultry remains the favorite of Romanian consumers, data from the INS showing a monthly consumption of over 1.7 kg per capita. Poultry meat is preferred due to its lower price than beef, the modernist orientation towards white meat, more dietary and easily digestible, easy to match with different vegetables. The protein content of poultry meat varies between 16% and 24%, the breast being the richest piece – preferred by Romanians. It contains 90% of the necessary amino acids, having a high biological value [5]. Pork is the second most purchased category. As far as beef is concerned, there has been an upward trend in the recent period regarding the consumption of beef, proving the growing interest of consumers to purchase quality products, regardless of the preferred platform (online shop, restaurant, retail etc.) or by the type of ingredient (meat or processed product). Romanians focus more and more on the local consumption of meat, on the fact that they can get their meat from a safe and accessible source. Consumers have an increasingly busy life, so in recent years there has been significant growth in the segments that offer the benefit of "saving time": pre-cut, portioned, prepared, marinated, even semi-prepared meat. At the same time, the concept of healthy eating has led some consumers to limit processed meat and move towards fresh meat products, possibly organic or bio [6]. These trends, in parallel with the increase in living standards, have led to the creation of an important premium segment in a category so far dominated by undifferentiated products, at a mainstream or low-price level. The general objective of this research is the analysis of the production, import and export of different meat categories, for the period 2022-2023 in Romania.

MATERIALS AND METHODS

The key research methods employed were analysis and synthesis, analogy, and graphics to resemble the results. The data provided by the World Bank and the European Commission were analyzed.

RESEARCH RESULTS

The evolution of pork production is represented in Figure 1. In 2023, a decrease in production is observed, compared to 2022.

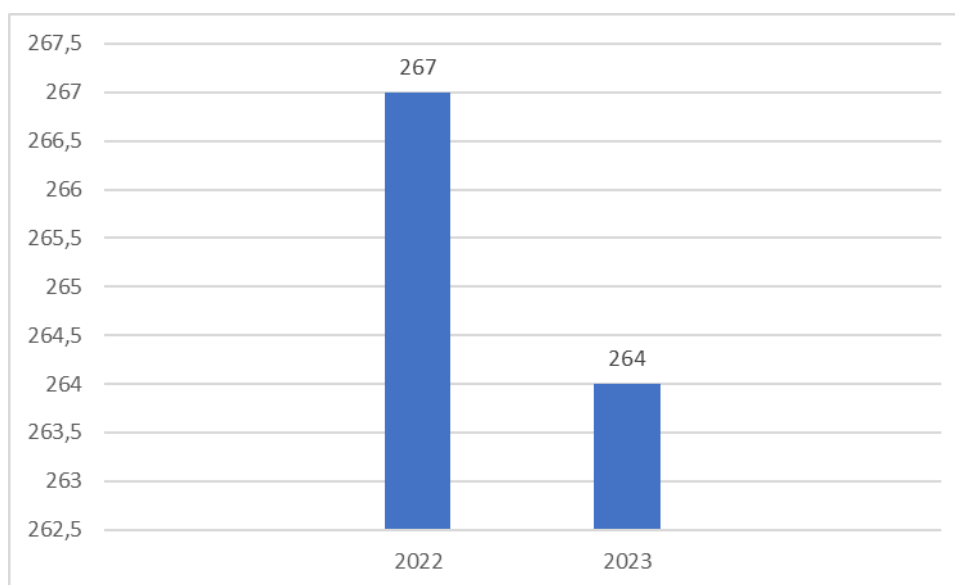


Figure 1. Pigmeat production in Romania (thousand tonnes)

Regarding the export of pork, the values remain constant for the two years.

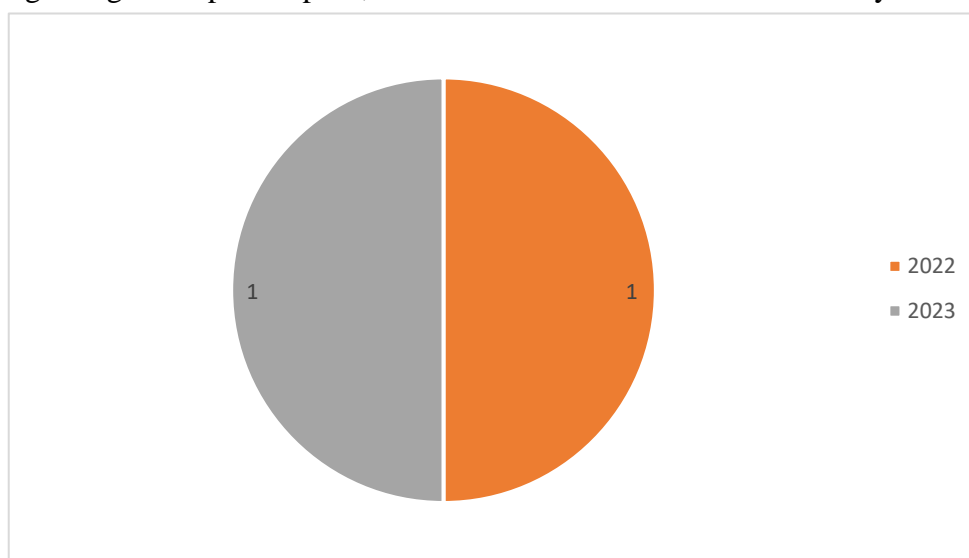


Figure 2. Fresh pigmeat export (tons)

Despite the fact that pork is the meat of choice for consumers, most countries in Central Europe and the Balkan region, including Romania, are not self-sufficient in terms of pork production. The main net importers of pork in this region are Romania, Poland, the Czech Republic, the Slovak Republic and Bulgaria. Although African swine fever (ASF) remains a prevalent feature in the Central European pig sector, outbreaks have decreased

and industries in some Member States have increased investment to increase supply and reduce the share of imports in consumption. Based on this development, it is expected that pig production in Romania will increase slightly in 2024. From Figure 3, it can be seen that in 2022, Romania imported 701 tons of fresh pork meat, in the carcass, and in 2023, a major decrease is observed, to 150 tons fresh pork meat, in the carcass.

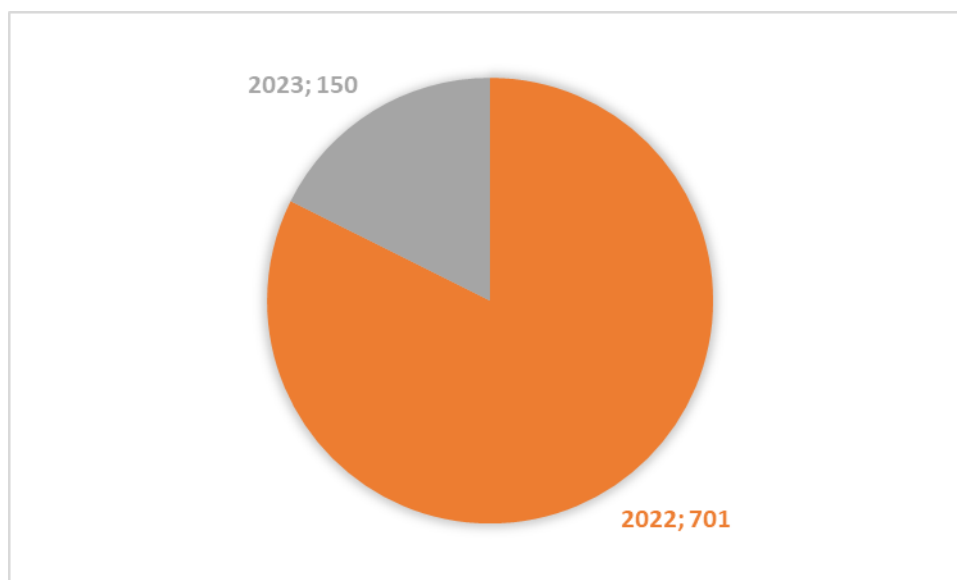


Figure 3. Fresh pigmeat import (tons)

Poultry production in Romania has a value of 491 thousand tons in 2022 and 511 thousand tons in 2023.

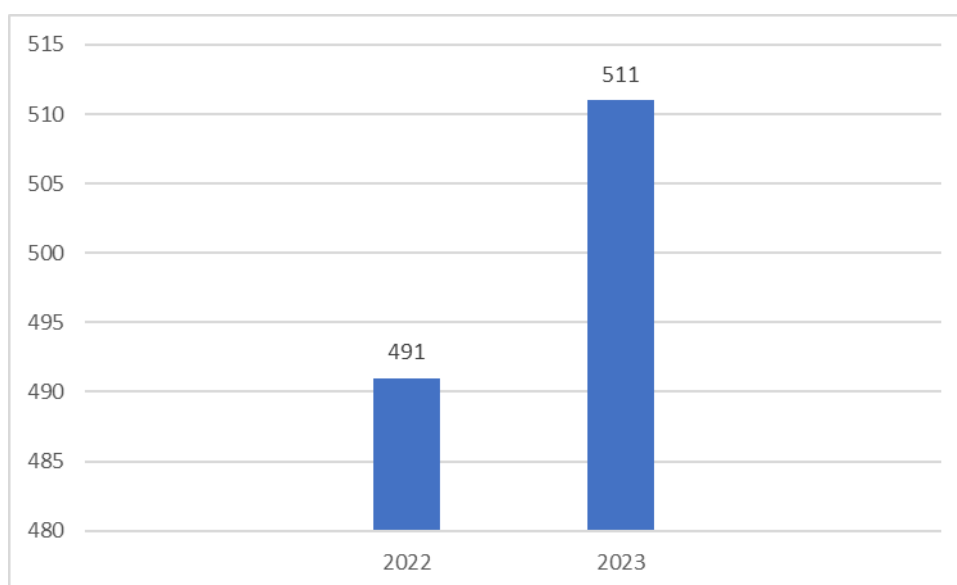


Figure 4. Poultry production (thousand tons)

The amount of poultry meat exported in 2022 is 9373 tons and in 2023 it is 10354 tons.

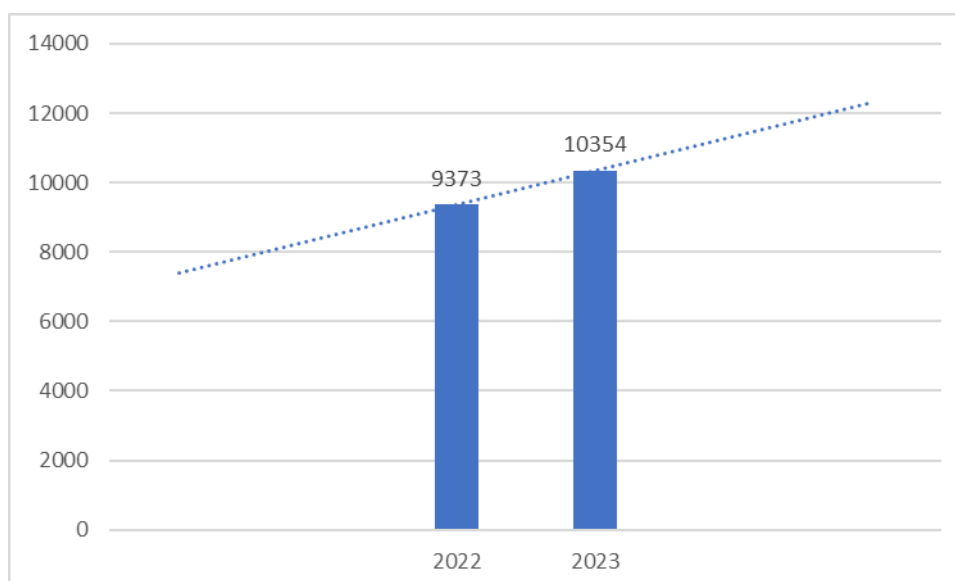


Figure 5. Fresh poultry export (tons)

Regarding the import of poultry meat, it reaches values of 20 thousand tons in 2022 and 25 thousand tons in 2023. The main source of imported chicken meat is Ukraine. The cost of producing a chicken is mainly related to its feed, and Ukraine has large volumes of grain at home. Thus, their production costs are at least 40% lower than in Europe. This sector, which has experienced strong growth over the past thirty years, now accounts for most of the poultry meat consumed in Europe. The huge quantities that have entered the EU space in recent months have destabilized the market and European producers. Beef production in Romania decreased in 2023 to 31 thousand tons, compared to 36 thousand tons in 2022.

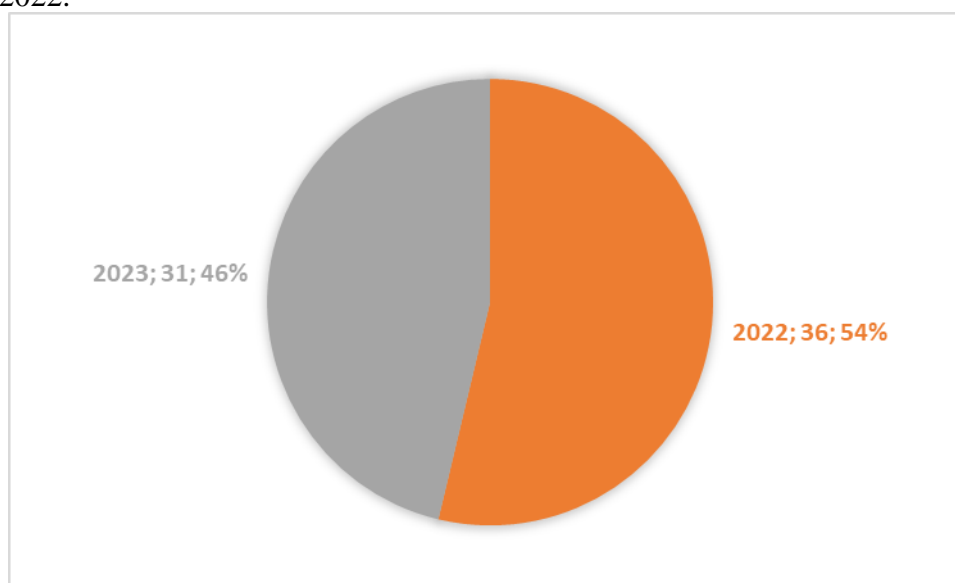


Figure 6. Beef meat production (thousand tons)

The export of beef increased in 2023 to 206 thousand tons, compared to 139 thousand tons in 2022. In the world top of beef exporters, Romania occupies the 43rd position, the most important markets being Hungary, Denmark, Bulgaria, Portugal and Germany. At European level, 120,682 tonnes of carcass weight, including fat, were imported, mainly from Argentina (31.5%), Brazil (30.2%), Uruguay (20.6%) and the USA (5.6%), according to the Meat Market Observatory of July 2022. Imports of meat and live

animals in carcass tons decreased by 16.1%, respectively 249,302 tons. The main destinations were Israel (10.5%), Ghana (6.6%), Philippines (6.1%) Bosnia and Herzegovina (5.6%), Switzerland (5.5%), Lebanon (4.2%). Exports to Japan accounted for 3.6% of the total, up 46.5% from 2021, the same period. Cattle breeding is a sustainable activity that can ensure the stability of the workforce in rural and mountainous areas.

This implies less production expenses, especially energy and feed, and the use of pastures as a feed source could be accompanied by a special quality label, which would bring the animals added value and the farmers a secure source of income. According to specialists, by developing specialized breeds of meat, Romania can ensure domestic consumption and export more value-added products, giving up the sale of live animals as raw material. In addition, increased slaughter weight is an important factor for higher carcass meat yield. This objective should include a support scheme so that farmers are interested in keeping animals to a weight that brings them a higher profit. Romania has enormous potential for cattle breeding, a traditional activity for many generations. Unfortunately, aging in the countryside, the lack of interest shown by the younger generations in raising livestock, the magic of jobs in other countries, gradually led to a true abandonment of the sector. The improvement of cattle herds in the direction of meat production, the preservation and development of native breeds and those already acclimatized in Romania, but also the stimulation of herd growth in mountainous areas are essential. Equally important is the financial support for the organization of farmers in associations, in order to represent the interests in relation to the suppliers of inputs and beneficiaries of the products made.

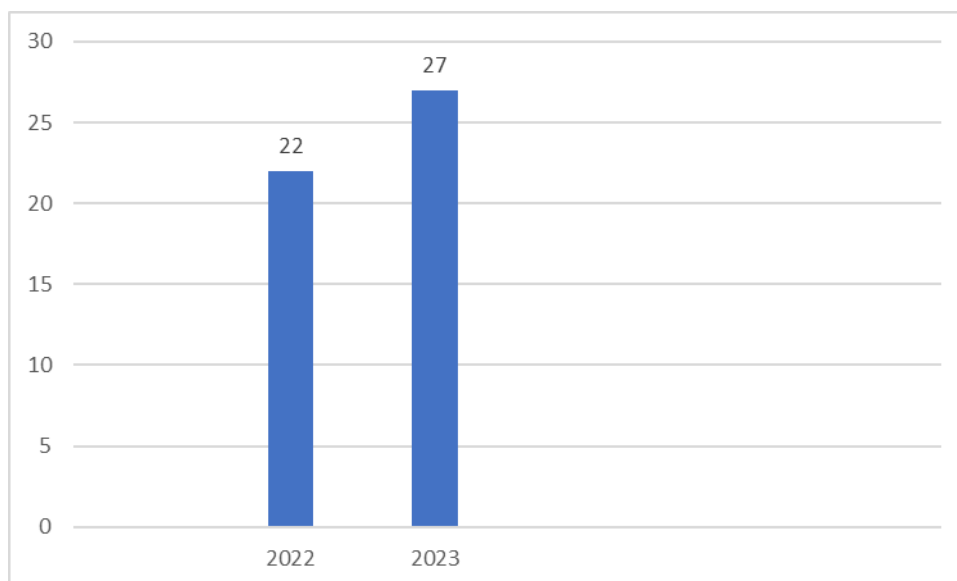


Figure 7. Beef fresh meat import (thousand tons)

In terms of importing beef, there are regions with a tradition of raising beef cattle such as North and South America, Ireland, more recently, and Poland where meat of similar quality comes from, but where cost prices are very low compared to Romania. The import of beef maintains an upward trend, in 2022 22 thousand tons were imported, increasing in 2023 to 27 thousand tons of meat, as shown in Figure 7.

CONCLUSIONS

The current context is not an optimistic one, a reinvention being necessary at the European and, implicitly, national level. Starting from the price increases of feed, energy and gas, the imminence of a dry year 2022, the increasing restriction of the production and distribution of meat for national sale, due to the influx of meat from other Member States, the African swine fever with the decimation of herds and the closure of many farms, the worrying evolution of avian influence at European level, the lack of application of protection means for the single European food market, fierce competition with large European producers and from third countries, all represent elements of long-term risk. Among the measures that should come to the support of animal breeders are: Compensation to farmers for the increase in electricity and gas prices; a coherent policy for the provision of grains, premixes, oils necessary for the manufacture of animal feed; participation of farmers in risk management tools, crop insurance for extreme phenomena, including the establishment of a mutual fund of 3% of direct payments, as proposed in the National Strategic Plan and by the European Commissioner for Agriculture; application of the laws of reproduction to pork and poultry; medium and long term measures for irrigation.

REFERENCES

- [1]. **ALECU I. I.**, 2011, Marketing agricol, Editura Ceres, pg. 25
- [2]. **ANGHELACHE C., ANGHEL MĂDĂLINA GABRIELA**, 2017, România-membră a Uniunii Europene . Zece ani de la aderare, Editura Economică, pg. 16
- [3]. **CHIRAN A.**, 2015, Strategii de marketing agrar, Editura Ion Ionescu de la Brad
- [4]. **CHIRIPUCI B.**, 2019, Diversitatea economică a spațiului rural românesc, Editura ASE, pg. 20
- [5]. **CIULINARU CARMEN DENISA**, 2019, Fundamentele managementului agricol, Editura Economică, pg. 48
- [6]. **DIACONU AURELIA**, 2018, Economia fermelor agricole, Editura Economică
- [7]. **DONA I.**, 2015, Economie rurală, Editura Economică, pg. 8
- [8]. **GÎNDU ELENA**, 2014, Marketing agrar, Editura PIM, pg. 64
- [9]. **LĂDARU GEORGIANA RALUCA, PETRE I. L.**, 2023, Sectorul agroalimentar românesc în contextul Strategiei “De la fermă la consumator”, Editura Economică
- [10]. **POCOL CRISTINA BIANCA**, 2013, Economie rurală, Editura AcademicPres
- [11]. **URSU ANA, PETRE I. L.**, 2022, Ghid practic cu soluții tehnico- economice pentru principalele produse animale obținute în sistem convențional și ecologic, Editura Economică, pg. 59
- [12]. **ZAHIU LETIȚIA**, 2010, Agricultură în economia României, Editura Ceres, pg. 24
- [13]. **ZAHIU LETIȚIA, DACHIN ANCA**, 2001, Politici agroalimentare comparate, Editura Economică, pg. 50
- [14]. ***** European Commission**, 2024, Meat Market Overview. Available at https://agriculture.ec.europa.eu/data-and-analysis/markets/overviews/market-observatories/meat_en. Accessed on 27th of March 2024
- [15]. ***** European Commission**, 2024, Market Data on National and European Agriculture. Available at https://agridata.ec.europa.eu/extensions/DataPortal/agricultural_markets.html. Accessed on 27th of March 2024