

THE DIRECT OR INDIRECT ACCESS OF AGRICULTURAL PRODUCERS IN TIMIȘ COUNTY ON THE URBAN MARKET IN TIMIȘOARA

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Abstract:

The paper shows some aspects with respect to the direct or indirect access of private agricultural producers in Timiș County on the market in the City of Timișoara. A study carried out at wholesale and retail markets in 2011.

Key words: *Agricultural producers, wholesale trade, retail trade, customers.*

JEL classification: *Q13*

Agricultural products are marketed by means of production and wholesale markets.

Production markets are those markets where agricultural producers operate as sellers, and wholesale distributors or retailers, who also have the wholesale function, operate as buyers. Examples of such markets could include: livestock markets, fruit and vegetable production markets, as well as auction markets.

Livestock markets cover, in general, large animals, and are usually created at the initiative of the municipalities and are managed by specialized companies in such activities. Fruit and vegetable production markets are located in proximity to the production areas or even within their premises.¹

The trend that currently exists in European countries, with regards to these types of market, is a decreasing one, due to the strong development of auction and mixed markets (production and wholesale).

Auction markets offer several advantages for the buyers (quick transactions, high concentration and consistency of the supply, high-quality logistics services, parking lots, restrooms, telephones, faxes, high transparency of the supply), as well as for the suppliers (the selection of buyers according to creditworthiness, centralized payments, loyalty and transparency of transactions, the growth of the producers' collective power within their channels, compared to some other types of markets).

Wholesale markets are defined as “an organized framework to ensure the demand and supply of plant and animal products, an area arranged for the sale and purchase of food products, an organized structure, designed to facilitate the distribution of food products, a shopping center where shoppers strive to obtain the best price ”.²

The wholesale market is a complex institutional component, which makes it possible to form a large supply of domestic or imported origin. It provides a structured vertical distribution, and it consists of three elements, namely, the producers' markets, by focusing on capitalizing those agricultural products from a geographically defined radius (in these centers there are sorting, cleaning and packaging operations), the wholesale market itself, which has the main participants, the retailers, wholesalers and

¹ Patriche D., Patrichi G., Chițu I. B. – **Comerț rural. Perspectiva integrării în fluxurile de distribuție ale Uniunii Europene**, Editura Ecomomică, București, 2006

² Manole V., Stoian M. – **Agromarketing**, Editura ASE, București, 2003

logistics service providers and buyers (represented by specialized retailers, catering networks, restaurants, canteens, etc..).

The creation of a national system of wholesale markets for agricultural products is justified by the significant potential of our country and the tradition of consumption and marketing of these products, mostly fresh. This approach is necessary, especially since the measures of economic monopolization and autonomy have generated a series of failures in the distribution process, with a direct impact upon the costs, on the one hand, and on the purchase budget of the population, on the other hand.

The wholesale market is the place where wholesalers and retailers face each other, being also named consumer markets. The experience of countries with a developed market economy demonstrates the need for designing a trading system based on the vegetable and fruit classic distribution chain, in which a well-individualized place holds the link established by means of the existence of wholesale markets.

In a distribution system, designed for fruit and vegetable markets, the wholesale market is the institutional form that provides functions for the wholesale trade, and the central place for the producers (private farmers) to deliver products and also to be sorted, portioned, packed and from here to be taken by retailers, or other wholesalers, for the purpose of sale to their final consumers.

The marketing of vegetable and fruit products, the design and implementation of wholesale markets, are based on the classic marketing chain, which has the following configuration: producer \Rightarrow collecting place \Rightarrow wholesale market \Rightarrow wholesale trade \Rightarrow retail trade \Rightarrow consumer.³

The city of Timișoara has 335,000 inhabitants. The surrounding areas are mainly agricultural areas, with the tradition of cereal and vegetable cultivation. Timișoara is an attractive place for manufacturers and retail buyers in the region and elsewhere in the country, and, along with the cereal crops, cultivation of vegetables traditionally plays an important role.

Timișoara maintains ten agro-food market retailers, with a daily program, that sell food products, mainly vegetables, fruit and fish products, milk and cheese, flowers and meat products. These markets are: Iosefin - 35 Iancu Văcărescu Street, 700 - Coriolan Brediceanu Street, Badea Cârțan, which currently moved to Traian, Dacia - Stelelor Street, Giroc - 1989 Martirilor Road, Doina - Șagului Road, Lipovei - Silistra Street, Bălcescu - 1 December 1918 Street, Mehala - Grigore Alexandrescu Street and last but not least, the Soarelui Market.

The concentration of the wholesale and retail trade within the main agro-food markets, resulted in, on the one hand, the creation of chaotic selling (traffic problems, unsanitary storage conditions, excessive congestion of markets, etc..), especially during the season. On the other hand, some producers complained that they lack the access to some adequate marketing facilities.

Given all the above, the City has proposed the following:

- improve dissolution, especially for crops that are grown in the region;
- improve urban infrastructure;
- improve the supply for the city population and agro-food area with high-quality and reasonably priced agricultural products.

Thus, the wholesale market in Timișoara was born, a market that takes into account the current infrastructure issues in the city of Timisoara, as well as the needs of small producers, and, on the other hand, offers highly improved marketplace conditions

³ Patriche D., Patrichi G., Chițu I. B. – **Comerț rural. Perspectiva integrării în fluxurile de distribuție ale Uniunii Europene**, Editura Economică, București, 2006

to retail merchants, best corresponding to the expectations of the clients and the suppliers.

The market was set in the North-West area of Timișoara, near the main penetration artery in the city, coming from the West, Balea Ovidiu Street and Grigore Alexandrescu Street. The land comprises 2.56 hectares and is owned by the City.

The main focus of the market is the covered sales areas for producers, as well as the hall for large retailers, which encloses the front street. The wholesale market has 24 large boxes of 60 m² each, 23 of them equipped with ramps for unloading trucks, 2 cold rooms, 20 medium boxes of 30 m² each, 25 small boxes of 21 m² each, 16 kiosks about 14 m² each, 2 presocontainers, one for paper and cardboard and another for proper household waste, 10 bathrooms, two of them equipped with showers, a restaurant, two mechanical workshops and an office building. The employment rate of the wholesale market in Timișoara is 100%.

Traders who make their presence felt at the markets in Timișoara are:

- companies;
- private producers;
- small retailers.

Companies are present, mostly, at the wholesale market in Timișoara. Private producers are present both at wholesale and at other markets in the city, the manufacturer must show the Producer's certificate, which is issued by the Municipality to which that producer belongs; on that certificate, every crop and piece of land that each producer owns are enlisted. Small retailers can be either Licensed Individuals or Family Associations.

Table no.1

Retail agro-food markets in Timișoara

No.	Market	Number of tables	Daily rate of employment (%)	Private producers approx. (no.)	Storage space (m ²)	Sold products		
						Fruit and vegetables	Meat and meat products	Milk and dairy products
1.	Iosefin	400	60	50	-	YES	NO	YES
2.	700	432	50	40	60	YES	YES	YES
3.	Badea Cârțan	500	65	70	40	YES	YES	YES
4.	Dacia	206	55	30	20	YES	NO	YES
5.	Giroc	180	45	60	-	YES	YES	YES
6.	Doina	200	40	20	10	YES	YES	YES
7.	Lipovei	150	45	30	20	YES	YES	YES
8.	Soarelui	60	40	20	-	YES	NO	NO
9.	Bălcescu *	-	-	-	-	-	-	-
10.	Mehala* *	-	-	-	-	-	-	-

SOURCE: S.C. Piețe S.A.

* Bălcescu Market – Fishing gear and dog market

** Mehala Market – Clothing and car market

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