

DYNAMICS OF THE ORGANIC FARMING SECTOR IN ROMANIA

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Abstract: The objective of the paper is to identify how large is the sector of organic farming in Romania. Romania is currently seen as a market more for raw materials and less for its processing capacity. Cereals (wheat and maize), vegetables and honey remain the main organic products. Romania has a huge potential in organic agriculture, with an area of 450,000 hectares certified for production and another 250,000 hectares with meadows and a number of 26,000 registered operators at the end of 2012. Romania exports 80 percent of its production, especially raw materials and very little processed produce.

Key words: *organic agriculture, organic farming, organic products, organic market.*

JED Classification: Q1, Q57

INTRODUCTION

Organic Agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic Agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved (bio-romania.ro, 2013).

Organic agriculture has grown to a sector with profound impact on the societal and agricultural development. Hence, we want to utilize the upcoming seminar to reveal how organic research has contributed, or may contribute to change the many and serious challenges that we face to protect our environment and to ensure a satisfactory living for all. Concurrently, the needs for improvement in practical farming systems, both to support the farmers and to further develop organic farming in a sustainable direction, must be emphasized.

PRINCIPLES OF ORGANIC AGRICULTURE

- ✓ *The Principle of Health.* This principle points out that the health of individuals and communities cannot be separated from the health of ecosystems - healthy soils produce healthy crops that foster the health of animals and people. Health is the wholeness and integrity of living systems. It is not simply the absence of illness, but the maintenance of physical, mental, social and ecological well-being. Immunity, resilience and regeneration are key characteristics of health. The role of organic agriculture, whether in farming, processing, distribution, or consumption, is to sustain and enhance the health of ecosystems and organisms from the smallest in the soil to human beings. In particular, organic agriculture is intended to produce high quality, nutritious food that contributes to preventive health care and well-being. Considering this it should avoid the use of fertilizers, pesticides, animal drugs and food additives that may have adverse health effects.

Organic Agriculture should sustain and enhance the health of soil, plant, animal, human and planet as one and indivisible.

- ✓ *The Principle of Ecology.* Organic agriculture should attain ecological balance through the design of farming systems, establishment of habitats and maintenance of genetic and agricultural diversity. Those who produce, process, trade, or consume organic products should protect and benefit the common environment including landscapes, climate, habitats, biodiversity, air and water. This principle roots organic agriculture within living ecological systems. It states that production is to be based on ecological processes, and recycling. Nourishment and well-being are achieved through the ecology of the specific production environment. For example, in the case of crops this is the living soil; for animals it is the farm ecosystem; for fish and marine organisms, the aquatic environment.

Organic Agriculture should be based on living ecological systems and cycles, work with them, emulate them and help sustain them.

- ✓ *The Principle of Fairness.* Organic Agriculture should build on relationships that ensure fairness with regard to the common environment and life opportunities. Fairness is characterized by equity, respect, justice and stewardship of the shared world, both among people and in their relations to other living beings. This principle emphasizes that those involved in organic agriculture should conduct human relationships in a manner that ensures fairness at all levels and to all parties - farmers, workers, processors, distributors, traders and consumers. Organic agriculture should provide everyone involved with a good quality of life, and contribute to food sovereignty and reduction of poverty. It aims to produce a sufficient supply of good quality food and other products.

- ✓ *The Principle of Care.* This principle states that precaution and responsibility are the key concerns in management, development and technology choices in organic agriculture. Science is necessary to ensure that organic agriculture is healthy, safe and ecologically sound. However, scientific knowledge alone is not sufficient. Practical experience, accumulated wisdom, traditional and indigenous knowledge offer valid solutions, tested by time. Organic agriculture should prevent significant risks by adopting appropriate technologies and rejecting unpredictable ones, such as genetic engineering. Decisions should reflect the values and needs of all who might be affected, through transparent and participatory processes.

Organic agriculture is a living and dynamic system that responds to internal and external demands and conditions. Practitioners of organic agriculture can enhance efficiency and increase productivity, but this should not be at the risk of jeopardizing health and well-being. Consequently, new technologies need to be assessed and existing methods reviewed. Given the incomplete understanding of ecosystems and agriculture, care must be taken.

Each principle is articulated through a statement followed by an explanation. The principles are to be used as a whole. They are composed as ethical principles to inspire action.

ORGANIC FARMING

Organic farming works in harmony with nature rather than against it. This requires special techniques to achieve good crop yields without harming the natural environment or the people who live and work in it. The methods and materials that organic farmers use are summarised as follows (European Commission, 2013):

To keep and build good soil structure and fertility:

- ✓ recycled and composted crop wastes and animal manures;
- ✓ the right soil cultivation at the right time;
- ✓ crop rotation;

- ✓ green manures and legumes;
- ✓ mulching on the soil surface.

To control pests, diseases and weeds:

- ✓ careful planning and crop choice;
- ✓ the use of resistant crops;
- ✓ good cultivation practice;
- ✓ crop rotation;
- ✓ encouraging useful predators that eat pests;
- ✓ increasing genetic diversity;
- ✓ using natural pesticides.

Organic farming also involves:

- ✓ careful use of water resources;
- ✓ good animal husbandry.

Organic farming provides long-term benefits to people and the environment. Organic farming aims to:

- ✓ increase long-term soil fertility;
- ✓ control pests and diseases without harming the environment;
- ✓ ensure that water stays clean and safe;
- ✓ use resources which the farmer already has, so the farmer needs less money to buy farm inputs;
- ✓ produce nutritious food, feed for animals and high quality crops to sell at a good price.

Organic farming is also part of a large supply chain, which encompasses food processing, distribution and retailing sectors. Each link in this supply chain is designed to play an important role in delivering the benefits associated with organic food production across a wide range of areas, including:

- Environmental protection;
- Animal welfare;
- Consumer confidence;
- Society and economy.

So everytime you buy an organic apple from your local supermarket, or choose a wine made from organic grapes from the menu at your favourite restaurant, you can be sure they were produced according to strict rules aimed at respecting the environment and animals.

Organic farming has a particular focus on natural quality products, quantitative aspects and productivity being on a peripheral level. After outlining the new principles, specialized companies immediately appeared and offered such products distinctly labelled and commercialized at high prices. In many countries, specific rules have emerged in order to prevent and combat dishonesty, to eliminate fraud by substitution of organic products with the conventional ones (cheaper) and to ensure consumer protection. This was followed by the development and implementation of international standards, which aim at compliance with strict rules in the production, processing, transportation and marketing of these products.

In the development of specific rules an important role lies with the National Federation of Organic Farmic, which is part of the *International Federation for Organic Agriculture Movement* = IFOAM). This Federation – IFOAM has developed a standard for organic production, which as been translated into 19 languages and broadcast around the world. IFOAM has a magazine (*Ecology & Farming*) and specialized working groups, being consultatively represented at O.N.U. and F.A.O.

DYNAMICS OF THE ORGANIC FARMING SECTOR IN ROMANIA

In Romania, the legal basis for the organisation of production and marketing of organic products was made by the Government Emergency Ordinance No. 34/2000, approved by the law no. 38/2001 and the Government Decision No. 917/2001, which establishes the detailed rules for the applications of the G.E.O. No. 34/2000. According to G.E.O., organic farming means to obtain food without the use of chemical fertilisers, pesticides (insecticides, acaricides, desinfectants, etc.), to combat harmful organisms, food additives and biostimulators for animals (antibiotics, coccidiostats, hormones, etc.), drugs, genetically modified organisms and their derivatives. Agro-organic production aims to contribute to the development of *sustainable farming systems, diversified and balanced*, which ensures the protection of natural resources and the consumers health and refers to obtain (www.befarmex.com):

- plant products and unprocessed primary animals;
- processed plant and animal origin products intended to human consumption;
- feeding materials and compound feeding stuffs intended for animal consumption from farms with organic production.

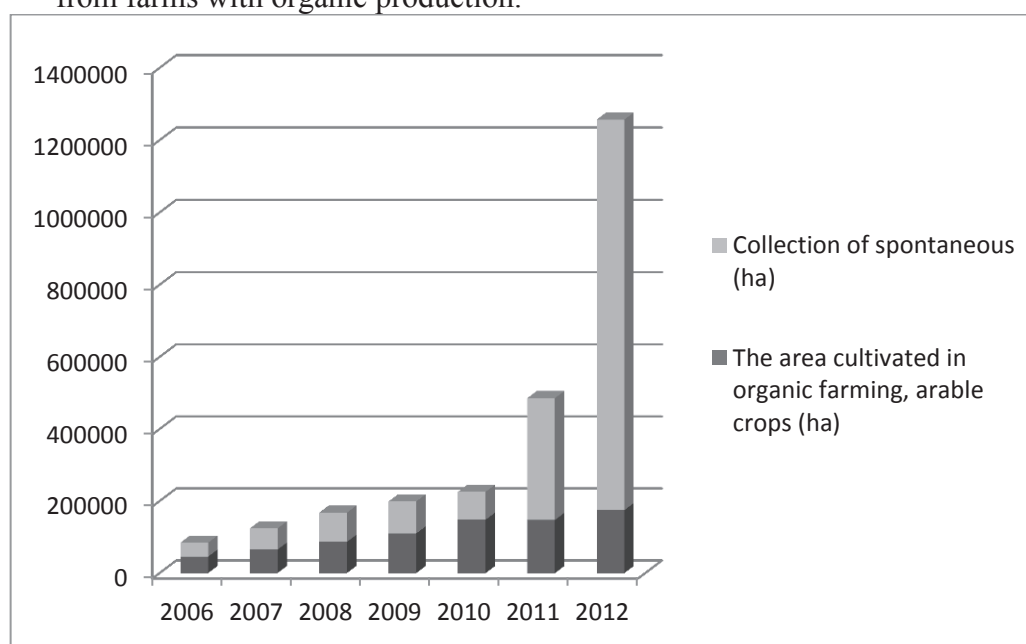


Figure 1. Dynamics of the Organic Farming Sector in Romania

Source: MARD statistics collection

Organic farming is a dynamic system in Romania, with an average annual increase rhythm of 23%.

In 2012, the organic areas increased by 45% compared to 2011, representing almost 3,38% from the total utilized agricultural area of Romania.

From the analysis of the cultivated areas with main crops in 2007, it was noticed that 32.222 ha are areas filled with cereals and almost 27.713 ha with oleaginous and proteins. Pastures and forages own a surface of 57.600 ha.

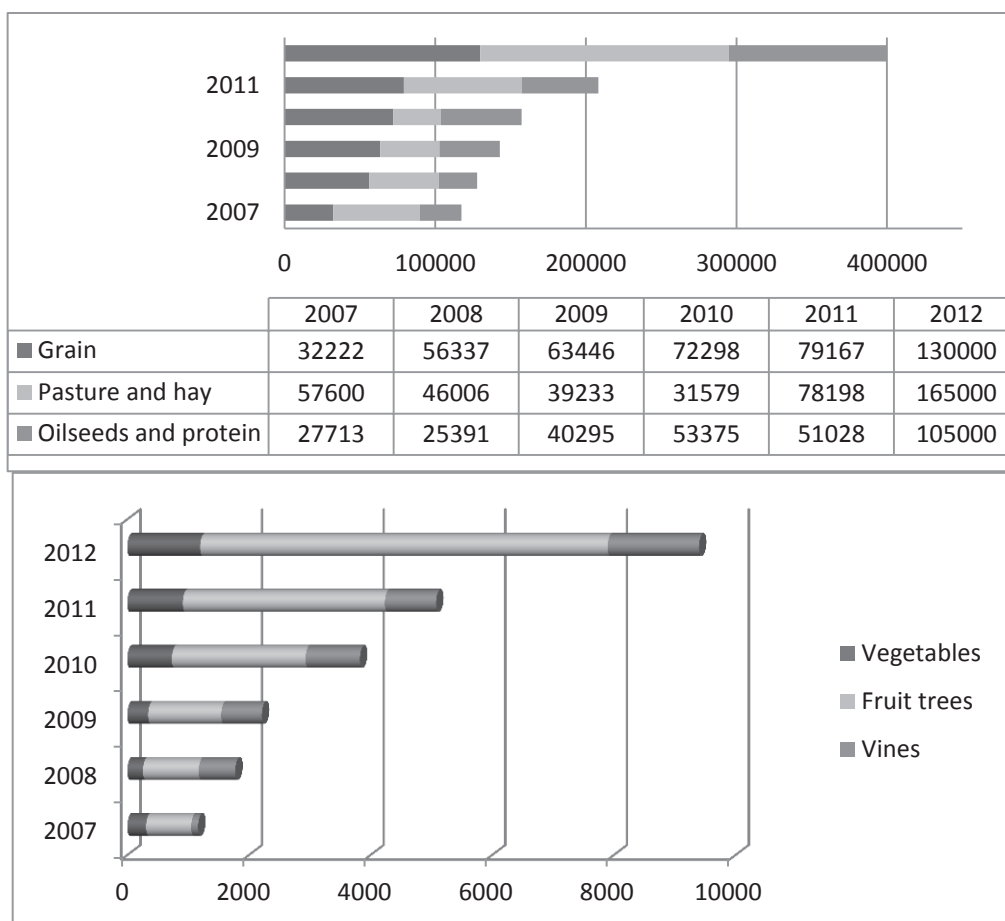


Figure 2. The total surface cultivated after the organic production method

Source: MARD statistics collection

For the year 2012, the areas of pasture and forage have the largest share from the total area - 44% (about 165.000ha) followed by cereals with 29% (about 130.000 ha), oleaginous and proteins (105.000 ha).

Since 2010, the number of operators increased annually by about three times compared to the previous year. This was mainly due to the existing support measures for the conversion period granted under *the Art. 68 of Regulation (EC) nr.73/2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and creating certain support schemes for farmers.*

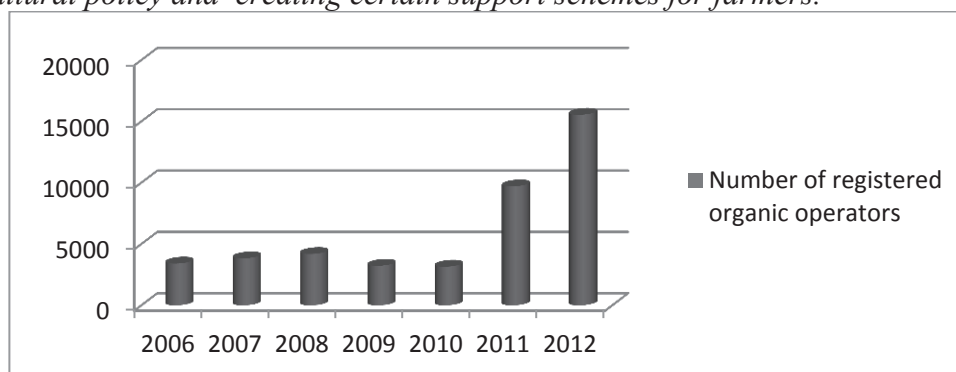


Figure 3. Number of registered organic operators

Source: MARD statistics collection

In 2012, out of 15,544 producers, 103 are in the processing segment, 211 represent the marketing segment and 15,200 are farmers.

Regarding the processed products sector, 2012 registered a significant increase in the number of processors (from 48 units in 2007 to 103 in 2012) and a wide assortment of organic products, including: processed products from cow and sheep milk

(cheese, butter, cream, etc.), processed soy products (milk, tofu, pate, croquettes), sunflower oil, various types of baked products (bread, pasta, cookies), processed rice products, corn flakes, herbal teas, forest fruit juices, products processed from hemp seed, bee products (wax, pollen), processed pork products (sausage, ham) and organic wine.

A holding area in organic farming, in vegetable production, ranges from about 100 square meters for growing vegetables in greenhouses, up to approximately 2000 ha for growing field crops. The average size of a farm in 2011 was about 20 to 22 hectares.

➤ **The market of organic products**

The demand for certified organic products is constantly increasing. Presently, the internal market for organic products is expanding. Organic products are sold directly from the farm gate or both through specialized stores and networks of supermarkets.

On the Romanian market, in 2011 were sold: fresh fruits and vegetables, processed fruit and vegetable products, herbal teas, bread, pasta, flour, processed products from cow and sheep milk (butter, sheep cheese) eggs, oil, wine made from certified organic grapes, processed soy products, honey etc.

The Romanian organic market has grown significantly over the past years, both in terms of organic farming and the consumption of organic products. After Romanian farmers started receiving financial support to convert from conventional to organic farming in 2010, the number of farmers and processors has gone up significantly, from about 3,100 that year, to 10,000 in 2011 and some 26,000 last year, according to Bio Romania data (business-review.eu).

➤ **Export**

Romania is a net exporter of organic products, relying mainly on grains and fruits. Last year's exports of organic products are estimated to be around EUR 200 million, according to data from the Export Development Direction part of the Ministry of the Economy, Trade and the Business Environment. Exports have grown over the last years by about 10 percent (annual growth rate) and a similar evolution is expected this year.

Many of the products obtained from organic farming were intended for export. A percentage of approx. 70-80% of organic products is exported to Romania annually.

According to data from the "Bio-România" Association, Romanian producers export about twice as much as they sell domestically, with annual exports estimated at 200-250 million Euro, of which over 90% consists of raw materials. The highest export figures are reported for grains, berries and wine. The main foreign sale markets are West European countries like Germany, Austria, France and Denmark, in addition to the USA, where grains are exported in particular. Two other major export destinations will be Russia and Switzerland, according to the Association. On the other hand, the domestic market is estimated at 100–150 million Euro and it is continuously growing.

➤ **Import**

The imports of organic products increased annually, especially due to the hypermarkets involvement in the retail distribution. Thus in 2007 the value of imports was about 5 million euro, whereas in 2011 it reaches a value of approximately 75 million euro (appraisals made according to the information available on the market).

The inspection and certification activity of organic products is carried out by private inspection and certification bodies approved by the Ministry of Agriculture and Rural Development, in accordance with the Community and national legislation.

In 2012, 13 inspection and certification bodies approved on Romanian territory operated in Romania, in accordance with the national and Community legislation in the field of organic farming.

➤ **Evaluating the competitiveness**

Along with traditional products and products with designation of origin, organic products are produced with a high level of valuation. They also represent products with competitive advantage.

In Romania, the quality of organic products as a real competitor on the market is determined by the following factors:

- The number of operators in the sector is increasing, as well as the number of processors. The area cultivated under organic farming increased every year;
- The market for organic products is characterized by expansion and diversification of products on the market every year;
- Increasingly, more consumers are aware that along the quality and value of organic products for the general health state, organic farming has a major contribution to sustainable development. Public awareness of the importance of organic farming in rural areas can be a solution to revitalize the countryside. Organic production based on non-use of synthetic chemicals and animal welfare compliance is a sustainable solution;
- Given the market performance of organic products, the agricultural potential and the increasingly high demand for organic products in Romania, an important factor is the continuous support of this sector. The domain can easily be encouraged by according financial support for the organic production and also for the processing sector.

CONCLUSIONS

If back in 2007 Romania were cultivated only **130,000 ha** of certified organic farmland, this has increased to about **450,000 ha** at present. According to data previously released by Bio Romania this is up by 100,000 ha compared to 2012.

After **Romanian farmers started receiving financial support to convert from conventional to organic farming in 2010**, their number has gone up significantly, from less than **3,000** that year, to about **15,000 at present** and is estimated to reach **20,000 by year end**.

If back in 2010 local organic farmers received total subsidies worth **EUR 2 million**, this has increased to **EUR 7 million** for the 2012-2013 period. Organic farming will continue to receive support under the 2014 - 2020 Common Agricultural Policy and in addition to this, 30 percent of the surface subsidies received by all farmers will be conditioned by greening measures.

While there isn't any official data related to the size of the Romanian organic market, Romanians are estimated to have spent between **EUR 50 million and EUR 80 million** on organic products last year, with demand continuing to rise, according to data previously made public by Bio Romania. However, most of the local consumption is covered from imports and Romania remains a net exporter of organic raw materials such as grains and fruits.

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