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FISHERY PRODUCTS MARKET IN ROMANIA

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Abstract

Integrated management policies of water resources seeks to improve the efficiency, sustainability and equity of water allocations, using a multi-disciplinary approach that recognizes cultural diversity and socioeconomic disparities inside and among societies.

Integrated management policies of water resources will benefit from a sound use of economic and financial instruments that allow decision makers and water users to achieve those goals in a context of democratic decision making. Market liberalization of water resources means that nations and states introduce tradable property rights to water as a means to “increase the productivity of water use, improve operations and maintenance, stimulate private investment and economic growth, reduce water conflicts, rationalize ongoing and future irrigation development, and free up government resources for activities that have a public good content or positive externalities.

This study used questionnaires distributed in SE Region in order to obtain information on fish farm activity, access to fish resources, to fishing areas, fish prices and finally on the economic results obtained. A sample of 10 farms was studied, their having an average income being used to diagnose production and marketing activities in the current stage. This study considered the activity of two representative fish farms in SE Development Region.

Key words: *fish farms, fishing areas*

Introduction

The need for this research results from the changes in the fish product market, where there is a trend of change in consumption pattern, from conventional foods to traditional and / or organic, for certain categories of consumers.

Fish production of high value and quality must be encouraged instead of a simple increase in

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production of traditional species. An increase in added value through processing and marketing is an opportunity, as well as diversification to new species (sturgeon, turbot, mollusks etc), but also to tourism and related activities such as fishing lakes.

Material and Method

It should also be emphasized that the analysis of production structure must be made together with the study of marketing structures, turnover evolution respectively. Thus it can be established whether changes in the structure of sales economically favored the fish farm. The diagnosis of fish farming activity in the sample went through the following steps:

- ✓ identification of issues to be analyzed;
- ✓ determination of the necessary information system;
- ✓ analysis and presentation of results into a report which reflects the objective conditions, findings, recommendations.
- ✓ argument and a set of management measures geared towards improving fish farming activity analyzed.

The evolution of turnover shall be based on known statistical models. The veracity of the conclusions is given by the accuracy of the information used and the time period considered, in our case such period shall be at least three years of activity. Time analysis of turnover is more suggestive when done on the basis of comparison with indicators of business effort (number of personnel, fixed assets, of working time).

Results and Discussions

Changes in production structure of fisheries during the three years has influenced the average delivery price and, ultimately, the turnover of the holding. Thus, in 2006 fresh fish represented 60% of the total quantity of fish delivered, in 2007 the product reached about 56% and in 2008 the share of fresh fish delivered was only 45.5% of the total production of fish delivered. This change in structure has helped to increase overall turnover resulting from the fish market, which consisted in 2008 in the turnover from the sales of fresh fish (43.7%), and frozen fish (56.3%).

Table 1 - Production (QM), selling price per unit of product (PK) and turnover (CA) of the Tulcea farm

Fish species	2006			2007			2008		
	tons	lei/kg	thou lei	tons	lei/kg	thou lei	tons	lei/kg	thou lei
1. Fresh fish									
Carp 1-2 kg	25	5.0	125.0	16	5.5	88	5	6.0	30.0
Carp 2-10kg	20	7.5	150.0	25	8.0	200	25	8.5	212.5
Sanger 2-10kg	25	3.5	87.5	40	3.8	152	30	5.0	150.0
Novac 2-10kg	5	3.5	17.5	15	3.8	57	5	4.5	22.5
Pike	2	7.0	14.0	1	7.0	7	1.5	7.5	11.25
Sheat fish	1	9.0	9.0	1	9.0	9	1.2	9.5	11.4
Crucian	8	2.8	22.4	10	3.0	30	12	3.5	42.0
Total	86	X	425.4	108	X	543	79.7	X	479.65
2. Frozen fish									
Carp 1-2 kg	20	5.5	110.0	20	5.7	114	15	6.5	97.5
Carp 2-10kg	0	7.7	0	5	8.5	42.5	25	9.0	225.0
Sanger 2-10kg	25	3.7	92.5	35	4.0	140.0	30	5.5	165.0
Novac 2-10kg	10	3.7	37.0	20	4.0	80.0	20	5.0	100.0
Pike	0	0	0	0	0	0	1.5	8.0	12.0
Sheat fish	0	0	0	1	9.5	9.5	0.8	9.8	7.84
Crucian	2	3	6.0	5	3.5	17.5	3	3.7	11.1
Total	57	X	245.5	86	X	403.5	95.3	X	618.44
Total goods	143	X	670.9	194	X	946.5	175	X	1098.09
3. By products									
Summer carp II	18	5.5	99.0	10	5.7	57	25	6.0	150
Summer sanger II	25	4.0	100.0	15	4.1	61.5	30	4.3	129
Summer Novac II	17	4.0	68.0	15	4.1	61.5	20	4.3	86
Total	60	X	267	40	X	180	75	X	365

Source: own calculations based on case studies

Of course, such a situation was also caused by the average selling price per unit of product. In frozen fish, the price was higher than that of fresh fish. For instance, while the average selling price per unit of product for fresh fish ranged from 5.02 euro / kg in 2007 to 6.02 euro / kg in 2008, the price of frozen fish was 4.69 Euro / kg in 2007 and 6.49 lei / kg in 2008.

Moreover, changing the structure of production in 2008 calls into question the possibility of consolidation and expansion of freezing activity involving space and adequate facilities, both consuming much energy and other specific inputs. Such a situation may create problems in terms of product profitability, as long as the top level of sales price per unit of product (compared with fresh fish) is not higher for fresh fish to frozen fish.

As for the factorial analysis carried out, several significant conclusions can be drawn, namely:

1. variation in turnover is due to the influence of two factors with direct action: the quantity of product delivered fresh and average selling price per unit of product.
2. variation in turnover is due to the influence of two factors with direct action: the

structure of commodity production and the selling price per unit of product.

Table 2 - Commodity output by product category and turnover expressed in unit production costs and average sale prices to farm in Tulcea County

Item	Symbol	Years		%
		2007	2008	
CARP				
Commodity output (t)	Qm	66000	70000	106
Turnover expressed in costs (thou lei)	$\Sigma Qm * c$	365772	643300	176
Turnover expressed in prices (thou lei)	$\Sigma Qm * p$	448800	560000	125
SANGER				
Commodity output (t)	Qm	75000	60000	80
Turnover expressed in costs (thou lei)	$\Sigma Qm * c$	262500	355200	135
Turnover expressed in prices (thou lei)	$\Sigma Qm * p$	285000	300000	105
NOVAC				
Commodity output (t)	Qm	35000	25000	71
Turnover expressed in costs (thou lei)	$\Sigma Qm * c$	122500	148000	121
Turnover expressed in prices (thou lei)	$\Sigma Qm * p$	133000	120000	90
PIKE				
Commodity output (t)	Qm	1000	3000	300
Turnover expressed in costs (thou lei)	$\Sigma Qm * c$	2700	10950	406
Turnover expressed in prices (thou lei)	$\Sigma Qm * p$	7000	22500	321
SHEAT FISH				
Commodity output (t)	Qm	2000	2000	100
Turnover expressed in costs (thou lei)	$\Sigma Qm * c$	5400	7300	135
Turnover expressed in prices (thou lei)	$\Sigma Qm * p$	18000	19400	108
CRUCIAN				
Commodity output (t)	Qm	15000	15000	100
Turnover expressed in costs (thou lei)	$\Sigma Qm * c$	40500	54750	135
Turnover expressed in prices (thou lei)	$\Sigma Qm * p$	45000	55500	123

Source: own calculations based on case studies

Conclusions

Analyzing factorial influences, according to previous determinations, we note the following:

1. Commodity stocks lower production by 10% in 2008 over 2007 had the effect of reducing profits with 789.428 lei. As demand for such products continues to grow, this situation is not beneficial for economic and financial position of the company. Such a situation may be caused by internal factors or external factors of the company.
2. Changes in fish selling prices, increasing by 27.5% of them in 2008 compared with 2007, resulted in an increase in total profits of the enterprise with 28,518.363 lei. The change in prices was caused by high demand and low supply, but also by the

- increased share of the fish products with higher market prices.
3. Both the commodity output and sale prices per unit have contributed as turnover to an increased overall profit of the company by 20,625.936 lei.
 4. Commodity output structure, as a factor to influence indirectly, contributed to higher profit of fish farms with 17,112.021 lei. This means that compared with 2007, in 2008 the structure of production has improved in terms of species that bring high returns with less expenditure. The extension of such fish species, and increasing supply will improve the financial situation of the company.
 5. Selling prices were higher than the previous year in most fish products, their effect is increased profits with 162,794.063 lei. This may be due to the company effort to improve production structure and quality, as well as of temporary external factors.
 6. Unit production costs have exerted a negative influence on profit farms in the amount of 480,060.027 lei. The situation was caused by cost overruns in fish species that have a majority share in total sales. Influence of change in unit costs can be explained according to components (material expenses, personnel expenses, liquidation, other charges, bank interest expense, taxes or fees) and their specific factors (specific consumption of material, labor productivity, supply prices, etc.). Increased costs should not be seen as an adverse action. It is justified only when the additional consumption of resources is reflected in improved product quality and increased selling prices, the effect obtained is greater than the effort.
 7. Influences the structure of commodity output (17,112.021 million), the average selling price (162,794.063 million) and cost per unit of product (-480060.027 billion) contributed to decrease farm income with 300,153.943 lei.
 8. In conclusion the factors that negatively influenced the change in income have a decisive role in relation to factors that favored greater profits, fish farm activities in 2008 ending with a loss of about 354,000 lei.

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