

MILK CONSUMPTION IN ROMANIA IN THE CONTEXT OF THE NEWCOMMON AGRICULTURAL POLICY – QUANTITATIVE ANDQUALITATIVE COMPARISONS WITH COUNTRIES WITHSIMILAR CONSUMPTION HABITS

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Rezumat: Lucrarea are ca scop identificarea unor noi oportunități de relansare a consumului românesc de lapte și produse lactate, din perspectiva restructurării ofertei interne, având în vedere noua Politică Agricolă Comună (2014-2020). Cercetările privind evaluarea aspectelor comparative legate de consumul de lapte din România și alte țări cu obiceiuri de consum asemănătoare, s-au bazat pe analiza indicatorilor tehnici (efective și producții de lapte, consum) și economici (venituri cheltuieli), având la bază informații și date furnizate de Institutul Național de Statistică - baza de date Tempo-online, FAOSTAT Agriculture și EUROSTAT. Rezultatele obținute, prezintă diferențe semnificative, în ceea ce privește aportul alimentar pe persoană, provenit din consumul românesc de lapte și produse lactate, atât din punct de vedere cantitativ, cât și calitativ, față de țările luate în studiu. Se desprinde concluzia că, asigurarea necesarului de consum al populației cu produse din lapte din producția internă și crearea de disponibilități pentru export, precum și îmbunătățirea calitativă a consumului românesc, reprezintă un obiectiv major, ce poate fi atins doar prin măsuri de politică sectorială, măsuri ce sunt deja înscrise în noul PNDR.

Cuvinte cheie:*producție, consum lapte și produse lactate, productivitate, cheltuieli*

Abstract: The paper intends to identify new opportunities for relaunching the Romanian milk and dairy consumption, from the perspective of domestic supply restructuring, while having in view the new Common Agricultural Policy (2014-2020). The research study on the evaluation of comparative aspects of the Romanian milk consumption and that from other countries with similar consumption habits, was based on the analysis of technical indicators (herds and milk production, consumption) and economic indicators (incomes, expenditures), on the basis of data and information supplied by the National Institute of Statistics – Tempo-online database, FAOSTAT Agriculture and EUROSTAT. The obtained results reveal significant differences, with regard to the food intake per capita, coming from the Romanian milk and dairy consumption, both in quantitative and qualitative terms, compared to the investigated countries. The conclusion that can be drawn is that meeting the population's milk and dairy consumption needs from domestic production and the creation of export availabilities, as well as the qualitative improvement of the Romanian consumption represent a main objective, that can be reached only by sectoral policy measures, which are already specified in the new NRDP.

Key words:*production, milk and dairy consumption, productivity, expenditures*

INTRODUCTION

Food consumption in Romania, compared to Europe's developed countries, is deficient in meat, milk, eggs, fish and certain types of fruit and vegetables; it features surplus in cereal products instead. Meeting the population's food needs and a balanced diet depend both on the creation of sufficient consumption availabilities and on the population's purchasing power increase [3].

Milk market liberalization in the year 2015 will mean a larger production in the countries from Western Europe that already have well-organized production, collection and export systems in place. Practically, the great producers will suffocate the local producers' businesses, who will have to sell or lose to the detriment of imports, and we can even expect the emergence of certain disequilibria on the European market.

For the Romanian producers, milk market liberalization will represent both a challenge and a threat. In order to adapt to the competition on the European Single Market, it is necessary to support the Romanian milk production sector through investments in technology, equipment, biological material, in the conditions in which a global conjuncture exists favourable to the consumption of dairy products, in which the dairy world prices are expected to rise, on the basis of increasing demand in the developing regions. The stimulation of the Romanian dairy consumption through programs running at national level would represent an important support solution, having in view that an increase of milk production is estimated, following the greater subsidies addressed to the milk production sector.

METHOD

The research on the evaluation of the comparative aspects related to the milk and dairy consumption in Romania and in other countries with similar consumption habits was based on the analysis of technical indicators (herds, milk production) and economic indicators (incomes, expenditures), milk and dairy consumption, based on the data and information provided by the National Institute of Statistics - Tempo-online database – 2014. In order to have a high level of data homogeneity in the comparative analysis of consumption in quantitative and qualitative terms, in countries with similar consumption habits, the website <http://faostat.fao.org/site/339/default.aspx> was used as main source.

RESULTS AND DISCUSSIONS

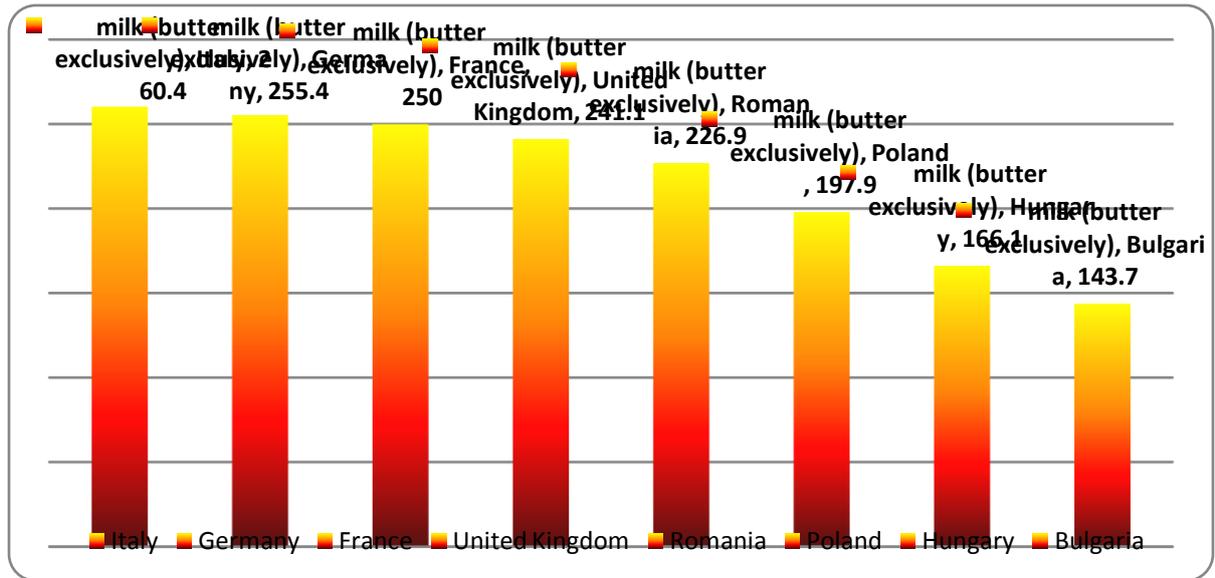
Romania is one of the two countries from the European Union that have optimum natural premises for ensuring an adequate nourishment of population. Hungary has a similar situation in the EU [1].

However, the population's consumption pattern in our country is characterized by:

- relative high share of food expenditures in total consumption expenditures (35-40%), twice as high compared to the EU average, while the consumption structure remains deficient (crop products prevail, more inferior and cheaper, to the detriment of animal products);
- relative high share of food self-consumption in total consumption, which has the highest value in EU-27 (more than three times as high, compared to the EU-15 member states);

As regards **milk consumption (butter exclusively)** in countries with a similar consumption to Romania (Figure 1), we can notice that Italy is on the first place (260.4 kg/capita/year), followed by Germany (255.4 kg/capita/year) and France (250 kg/capita/year).

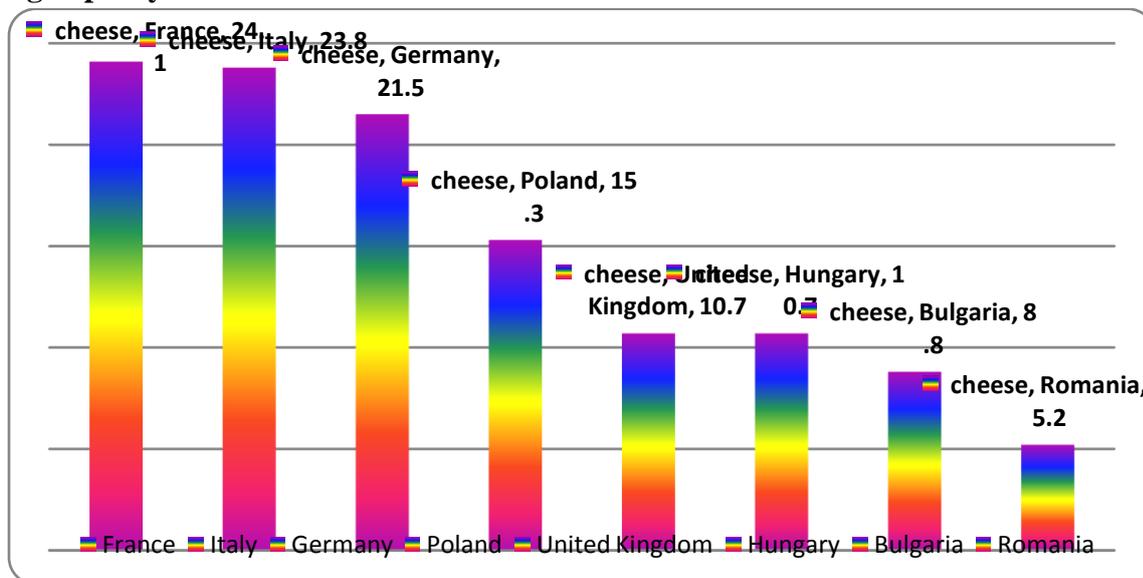
Fig. 1. Consumption of milk, butter exclusively, in countries with similar consumption patterns to Romania – kg/capita/year – 2011



Source: <http://faostat.fao.org/site/610/DesktopDefault.aspx?PageID=610>

Bulgaria lies at the opposite pole (143.7 kg/capita/year), followed by Hungary (166.1 kg/capita/year). Romania has quite a good position among the investigated countries, milk consumption being the indicator with the most significant evolution among the agri-food products, up from 197 kg/capita/year in 2000 to 243.4 kg/capita/year in 2011 (+23.5%). As regards **cheese** consumption, the same countries hold the first positions, i.e. France (24.1 kg/capita/year), Italy (23.8 kg/capita/year) and Germany (21.5 kg/capita/year). Cheese consumption represents 5.2 kg/capita/year, which places our country on the last place among the investigated countries (Figure 2). This includes, besides the products coming from the organized trade (that represents only 60% of total consumption), cheese from the organized street markets and from self-consumption.

Fig. 2. Cheese consumption in countries with similar consumption habits – kg/capita/year – 2011

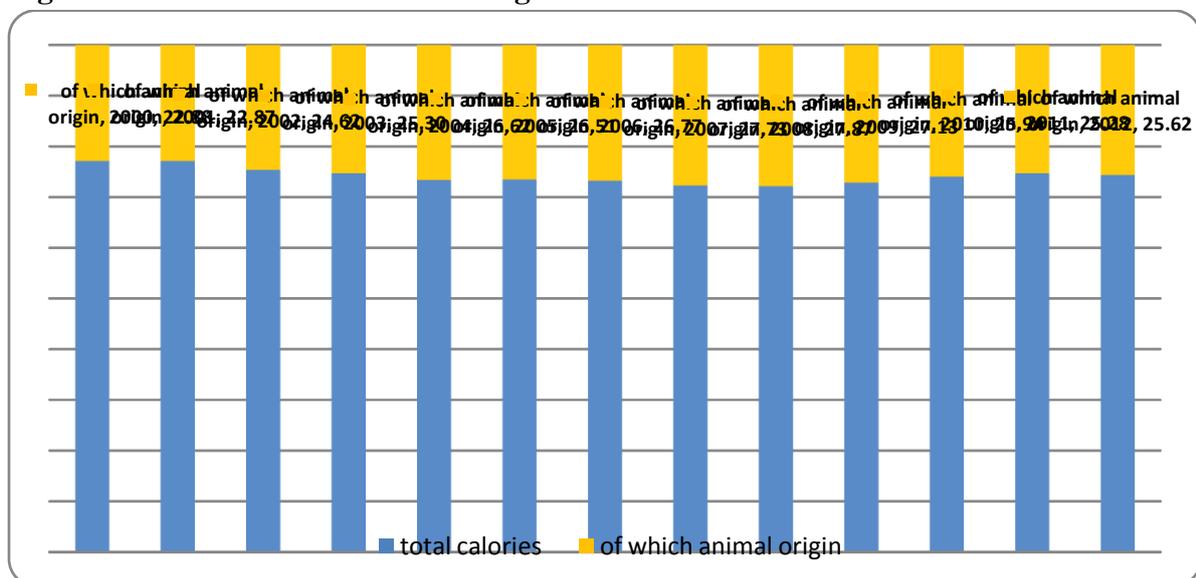


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One particularity resides in the fact that a higher consumption of cheese bought on wholesale basis can be noticed in Romania, mainly *telemea* cheese, *kashkaval* and fresh cottage cheese, compared to other countries. Unlike other countries, sliced cheese is still an undeveloped segment on the Romanian market; however, from the analyses, it results that the product *Hochland sliced kashkaval*, for instance, is more and more preferred by the Romanian consumers and is gaining ground together with other sliced dairy products.

According to FAO norms, the minimum normal calorie consumption per capita in the temperate climate and for average physical and intellectual effort conditions is 2700 calories (2500 calories under warm climate conditions). Compared to the minimum FAO norms, the average daily calorie consumption at national level was 3283 calories per capita in the year 2012, out of which 25.6% calories of animal origin, which reflects a deteriorated nutrition in qualitative terms (Figure 3).

Fig. 3. Share of calories of animal origin in total calories

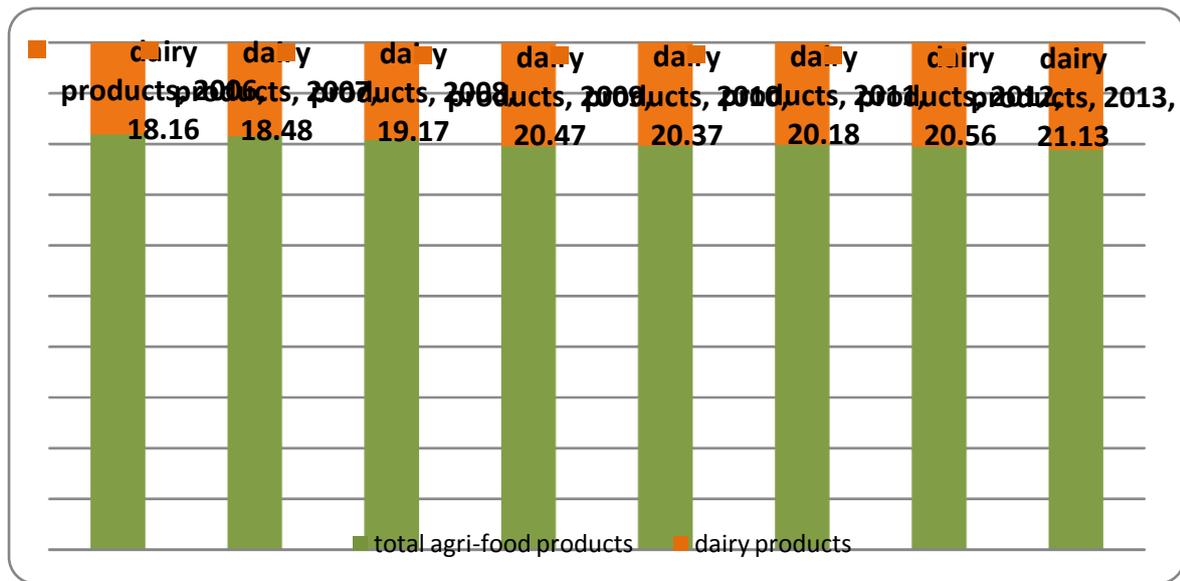


Source: National Institute of Statistics – Tempo-online, 2014

While as regards the average energy content of food per capita we cannot speak about bridging up the gaps, with regard to the structural-qualitative improvement we must specify that Romania has a high share of food expenditures in total household budget compared to most EU developed member states.

Thus, with regard to the expenditures for the purchase of dairy products in total agri-food products in the period 2006-2013, we can find both a doubling of expenditures in nominal terms, from 19.36 RON/person to 40.81 RON/person, and an increase in share from 18.16% to 21.13% (Figure 4)

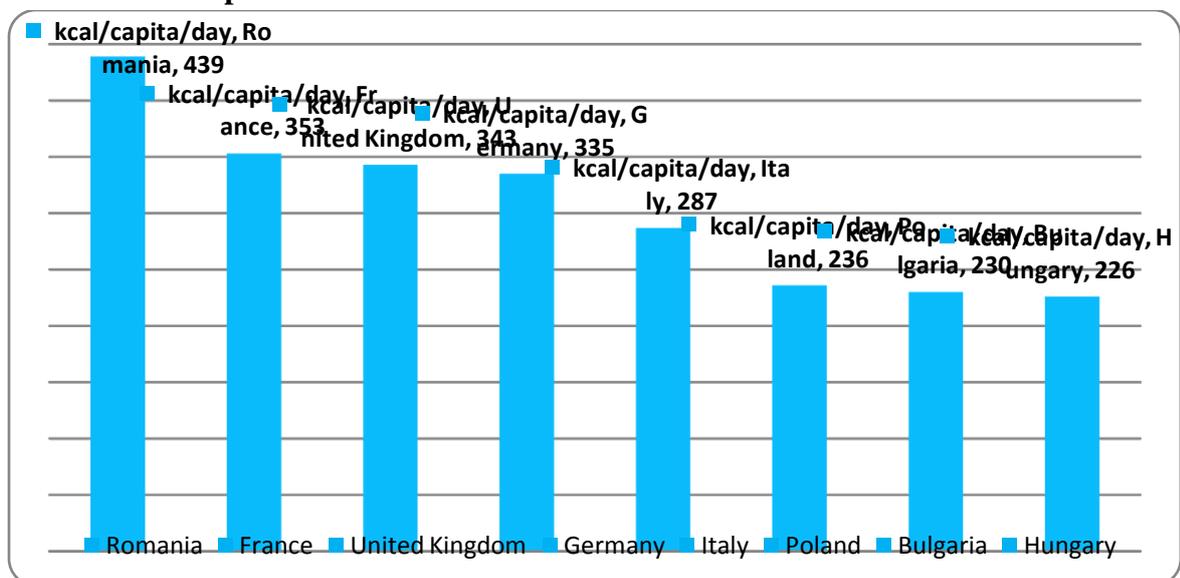
Fig. 4. Share of expenditures with dairy products in total expenditures for agri-food products - %



Source: National Institute of Statistics – Tempo-online, 2014

As regards the consumption of calories from milk, as it can be seen (in Figure 5), Romania is on the first position (439), compared to the consumption of the other investigated countries.

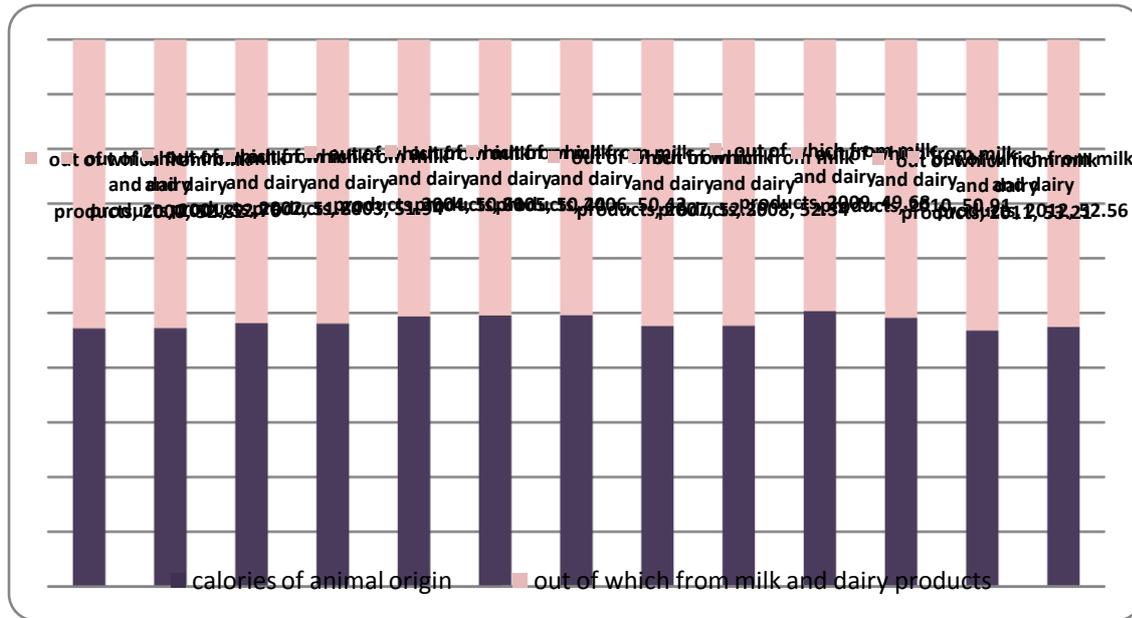
Fig. 5. Consumption of calories from milk (butter exclusively) in countries with similar consumption habits – number – 2011



Source: <http://faostat.fao.org/site/610/DesktopDefault.aspx?PageID=610>

In structure, the share of calories from milk and dairy products in consumption, in the year 2012, was 13.5% in total calories, and 52.5% in total calories of animal origin (Figure 6).

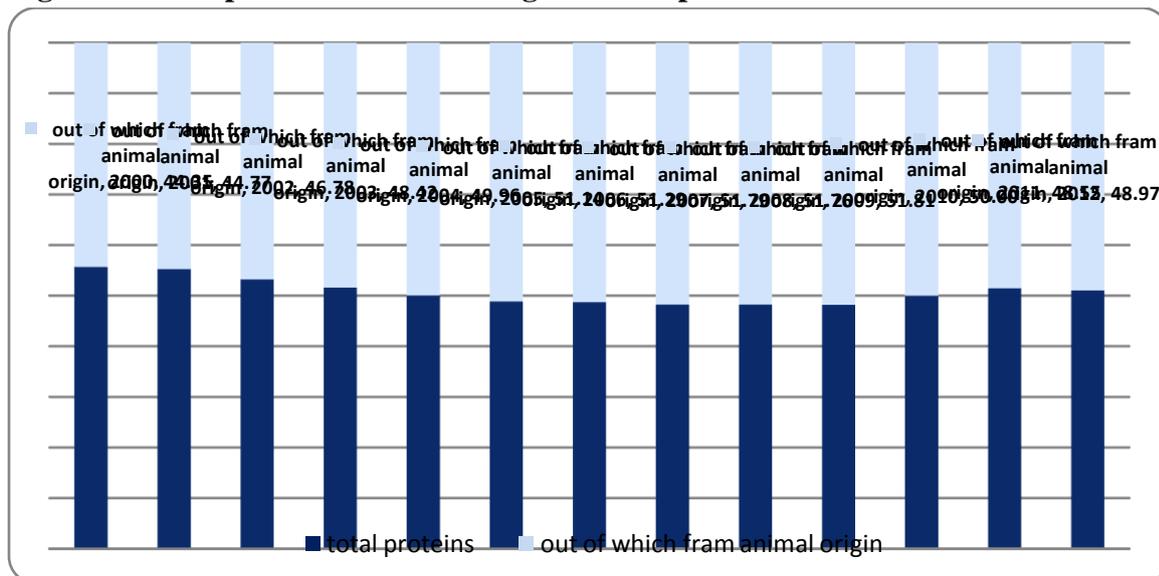
Fig. 6. Share of average daily consumption of calories from milk and dairy products, in total calories of animal origin, per capita



Source: National Institute of Statistics, Tempo online, 2014

The second qualitative element that can be considered with this indicator refers to the protein consumption structure, i.e. the share of animal proteins in total daily protein consumption. The experts in nutrition consider that the optimum share of animal protein consumption in the daily protein consumption should be higher than 60%. In Romania’s case, in the year 2012, the proteins of animal origin represented 48.9% in total protein consumption, which once again confirms the Romanians’ food consumption inadequacy to the normal physiological needs (Figure 7).

Fig. 7. Share of proteins of animal origin in total proteins



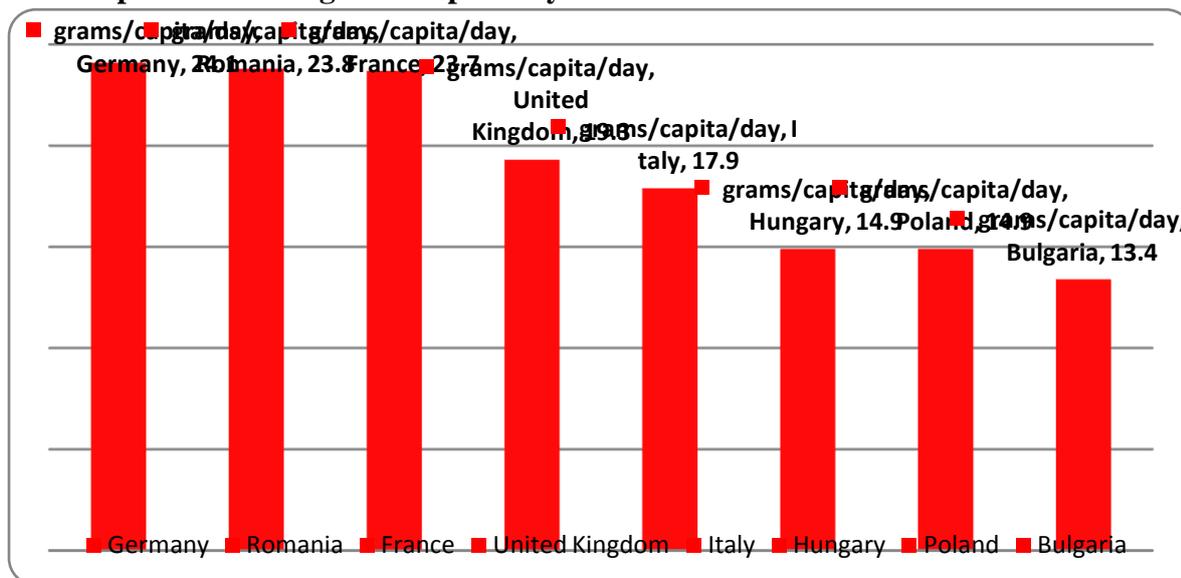
Source: National Institute of Statistics, Tempo online, 2014

Although Germany has the highest consumption of proteins from milk and dairy products (24.1 grams/capita/day), the share in total consumption of proteins of animal origin

is 38.75%, while Bulgaria, with the lowest consumption of proteins from milk and dairy products (13.4 grams/capita/day), has a share of 34.18% of proteins of animal origin, which demonstrates the dairy consumption traditions in this country.

Romania's consumption of 23.8 grams/capita/day of proteins from milk and dairy products (second place next to Germany) reveals that the milk proteins have a significant contribution to the population's consumption, their share in the year 2011 representing 48.3% of total proteins of animal origin (Figure 8).

Fig.8. Protein consumption from milk (butter exclusively in countries with similar consumption habits – grams/capita/day – 2011



Source: <http://faostat.fao.org/site/610/DesktopDefault.aspx?PageID=610>

CONCLUSIONS

As regards the results of the quantitative and qualitative analysis of the Romanian milk and dairy consumption and comparisons with countries with similar consumption habits, the conclusions that can be drawn reveal the need of structural-qualitative improvement of consumption. This because the consumption structure remains deficient (the consumption of products of vegetable origin prevails, of lower quality and cheaper, to the detriment of products of animal origin), compared to the EU countries taken into consideration.

Another important conclusion that can be drawn from the milk production sector analysis is that the exponential shock expected from the removal of milk quotas in 2015 can be counteracted by the organization and association into structures that can provide economic equilibrium throughout the production chain, from farm to final use.

Relaunching the milk and dairy consumption in Romania and the creation of export availabilities, as well as the qualitative improvement of the Romanian consumption represent a main objective, that can be reached only through sectoral policy measures that must have in view the following:

- Establishment of competitive agricultural holdings and reshaping the existing holdings by attracting investments and utilization of structural funds in the animal raising activities;

- Improvement of production performance, as well as of the animal raising and exploitation conditions, in order to increase the relative share of livestock production in agricultural output value;
- Improvement of animal feeding and nutrition by ensuring nutrients with optimum protein and calorie level for the bovine species.

The present and future policy measures addressed to the dairy cattle sector should take into consideration the improvement of the present situation with regard to sector fragmentation and low productivity compared to the West-European countries.

Thus, the following support schemes will be put at the disposal of the beneficiaries of the new NRDP 2014-2020, to farmers, be they natural persons or legal entities, who own, raise and exploit production animals, identified and registered in the national system:

Domestic policy measures

- ***Stimulating the increase in number of herds and of production*** – *de minimis* aid for the procurement of heifers from specialized breeds (measure launched in 2014).

Stimulating farmers' association - *de minimis* aid for the procurement of milk cooling tanks, benefiting the livestock farmers who own up to 5 dairy cow heads and who got organized for this purpose into a single associative form established at commune level (Government's Decision (November 2013). The total value of financial support allocated for the year 2014 is 70879 thousand RON (15885000 euro), each associative form receiving maximum 5000 euro (22310 RON). This amount includes the procurement costs, the costs of milk cooling tank installation with a maximum capacity of 1000 liters/administrative-territorial unit organized at commune level, the costs of necessary training for its utilization, as well as ensuring the servicing for a 12-month period since its installation. As effects of the measure, we mention that by April 15, 2014, 270 communes from Romania submitted the documents for the procurement of 399 milk cooling tanks, with a total capacity of 308470 liters for 53132 dairy cows. The required amount is 1.5 million euro, i.e. 9.4% of the total value of financial support (there is also the possibility of procuring two lower capacity tanks, of 500 liters each, in one commune).

- ***premia*** - The *transitional national aids (TNA)* in the livestock sector, for bovines, are granted from the state budget, through MARD budget, to farmers who benefited from complementary national direct payments in the previous year, the eligibility conditions being identical with those authorized for the payments effected in the previous year.

Support measures from EU funds (EAGF)

- *scheme decoupled from production in the milk sector* – the coupled support for dairy cows (250 euro/head in 2015 and 325 euro/head in 2020) will be received for minimum 10 and maximum 250 dairy cow heads per beneficiary, for the females of maximum 8 years, from specialized and mixed breeds established by ANARZ, which calved at least once until the deadline of application submission and have at least one product in RNE, registered in the Genealogical Register of the breed with minimum 4500 liters of milk per lactation. The beneficiary of payments must have milk delivery contract for minimum 6 months.
- *Scheme decoupled from production in the meat sector* – the coupled support for beef cattle (300 euro/head in 2015 and 375 euro/head in 2020) will be received for minimum 10 and

maximum 250 heads, aged maximum 12 years for cows and 6 years for the reproduction bulls, at the deadline of application submission, and registered in the Genealogical Register.

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