Romania’s Organic Food Market: The Role of Information in an Emerging Sector

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Abstract: The level of consumption of organic food has registered a rapidly increase in the last decade in the European Union, due to a growing health and environmental consciousness. Romania, as a member of the European Union, is acknowledging a wide process of development towards this new food market. So, having as a starting point the EU accession year of 2007, Romania’s agricultural and food sector has passed to a new level, characterized by the growth in numbers of organic land and animal farms and also by the branching out of organic food in supermarkets and dedicated stores. Therefore, this study aims to investigate Romania’s market positioning in relation with two main aspects: consumer attitude (reported to organic agriculture and food) and consumer awareness (basic knowledge concerning organic food sector). In this respect, key aspects regarding the organic market are highlighted, such as: evolution of the area cultivated with organic crops, main producing regions, main organic food assortments, certification, guarantees and labelling. All these indicators are analysed in a close relation with the level of consumption of organic food at a national level. The overall research identified a series of issues that Romania’s organic market is facing, issues that are founded on consumers’ lack of information regarding the organic sector combined with economic aspects and social beliefs. These assumptions explain the frequent confusions that consumers make between organic food and conventional food, the misinterpretation of organic guarantees and the need for a well build informational system that can meet consumer’s knowledge needs.

Key words: certification and labelling, innovation, organic food consumption, organic food market, consumer protection
JEL Classification: D18, L15, O13

1 Introduction

In the last decades, the global market has been characterized by a new phenomenon, based on a continuous transition and transformation. One of the main results was the fact that consumers became leading actors in the economic sector, a modern role that highlighted more and more complex demands, starting with key needs related to shelter or medical services and ending with the emergence of new industries based on welfare or entertaining.

In this context, basic elements, such as the meaning of food products and their origin, have reached multivalent senses, as main product functions are constantly reported to social end ethical beliefs. So, today, we cannot discuss about the main physiological act of nutrition without taking into consideration the following relationship: human – health – environment.

Organic agriculture represents one of the auxiliary sectors that emerged from the modern consumer’s needs and developed in a short time as one of the most competitive global markets. According to the European Union, organic farming and organic food products represents the only sustainable solution for a large number of human, health and environmental issues that have a long history based on new modern engineering processes implemented over time. Despite of the significant contribution of organic agriculture in assuring a high availability of high quality food, its main determinants vary from one region to another.

Having as a starting point the idea of organic food acceptance, this paper aims to identify the position of a developing European country regarding its organic food market, from the consumption point of view.

Having an experience of more than 14 years in the organic agricultural field and consistent natural resources, Romania was identified as matching the research profile of a developing European country, Romanian consumers’ s perception towards organic food being identified based on an exploratory study.
2 Romania’s organic food market. Main determinants

Organic agriculture represents a dynamic Romanian sector, with an annually average growing rate of approximately 20%, in terms of market indicators. The major determinant that sustained this growth is represented by the moderate use of chemical fertilizers, in the last decades. This evolution can be recalled in all sectors, including vegetal production, livestock and, starting 2012, aquaculture sub-branch. Organic agriculture has, as a starting point for Romania, the year of 2007, when the country acceded to the European Union, event that determined a series of changes in different domains, including agriculture. One of the main European challenges for Romania consisted of the development of an efficient agricultural system, based on sustainable technologies and ecological processes. Taking into consideration the status that organic farming has at a European and global scale, as well as the restrictions and limitations involved, Romania needed a clear legislative framework, harmonized, but strict in the same time that can provide guidelines for all involved parts. In this context, the European Union played the model role that Romania could implement for its own sector. The main legislation act, which represents the basis of organic agriculture, is the Emergency Ordinance no. 34/2000 on organic food products. The document is consolidated on the base of EC Regulation no. 834/2007 on organic production and labeling, being continuously revised and supplemented in order to be harmonized with European legislation. The law text is divided into seven chapters, which make reference to aspect like general provisions, defining terms, organic production regulations, and import from third countries and sanctions. The most important elements covered, in addition to the basic principles of organic agriculture, refer to certification conditions and labeling aspects. Therefore, the official framework provides helpful guidelines for developing an efficient organic farming sector, situation that can be confirmed by the increasing numbers registered in the last 8 years in this sector. In this sense, Table 1 describes the organic agricultural sector, from an evolutionary point of view, highlighting the main market indicators. Thus, in 2013, about 1.5 million hectares were covered by agricultural land with organic destination, at European ecological standards. Despite the high numbers, this value represents, as it can be seen from Table 1, only 3.54 % of Romania’s total agricultural area. We can also mention that the largest share in total value (1.144.109 hectares - more than 50%) is represented by wild flora harvesting land (berries, herbs, mushrooms etc.) which falls under lighter regulations. But, in terms of production, it can be easily seen that Romania registered a positive growth and that local producers see the potential of this sector and its benefits, both economic and environmental related, and that they are interested in offering top quality products.

| Table 1. Total Operators and Total Land dynamics in organic farming sector Period: 2006 - 2013 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Indicator                       | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  |
| **Organic Operators**           |       |       |       |       |       |       |       |       |
| **Total organic land (ha):**    |       |       |       |       |       |       |       |       |
| - Arable crops                  | 135.79| 9     | 182.39| 215.257| 240.000| 260.000| 567.996| 1.370.400| **1.435.740** |
| - Grassland                     | 45.605| 6.5112| 86.454| 110.014| 129.336| 147.581| 174.644| **178.529.93** |
| - Permananet crop, orchards, vines | 51.200| 57600 | 46.006,5| 39.232,8| 46.000 | 78.197,51| 105.836 | **103.701,5** |
| - Spontaneous flora             | 294   | 954   | 1.518 | 1.869,4 | 3.600 | 4.166,62| 7.782 | **9.400,31** |
| - Organic Area - %              | 38.700| 58728 | 81.279| 88.883| 81.064| 338.051| 1.082.138| **1.144.109** |

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Beside the positive evolution of the organic market in the last decade, Romania’s organic sector is characterized by a well-built certification and labelling systems. These systems provide, in fact, a guarantee that the food products are obtained in organic farming production chains and that consumers are not cheated regarding the product origin. In this sense, the legislation system has been extended to meet the needs of certification organisms and European labelling principles.

As a permanent mark of the work that certification bodies conduct, the Ministry of Agriculture and Rural Development publishes periodically lists where consumers can see which are the businesses whose organically producing license was suspended or permanently withdrawn.

Apart from the certification systems, labelling represent another main indicator for Romania’s organic food products. According to the legal regulations, the label of an organic product obtained in Romania will include the national "ae" logo and the European “Euro Leaf” logo (Figure 1).

![Figure 1. Romania's logos for organic food products](Source:MADR – AE Logo)

Base on the current national situation, Romanian consumers have access to these 3 main instruments:

- legislation - Romania’s legislation system regarding organic agriculture operates closely with European main rules and regulations, which allows the maintaining of an efficient organic farming system,
- certification systems - based on periodical inspections of both public and private authorized organisms,
- labelling – the main visual interface and most approachable guarantee that consumers have regarding organic food products.

Taking into consideration this scenario, Romanian organic market should be characterized by a positive evolution on both producer’s and consumer’s side. Thus, official numbers present a less favorable situation on the consumption side.

The consumption level of organic food in Romania is low comparing to other European countries. It stands at a maximum of 1%, reported to general food consumption level on the internal market. In its comparison, Romania situation is reported to other European countries where the average consumption rate is 3-5%.

According to the Research Institute of Organic Agriculture, individual consumption in Europe has reached about 200 euros/capita for countries like Switzerland, Denmark or Luxembourg, while Romania’s situation is discouraging, not even the threshold of one euro being met. Because of this cause, a big part of the domestic wide range production is sent for export in countries such as Germany, Switzerland, Netherlands, Denmark, Italy, or Austria.

3 Exploratory study concerning Romanian consumers’ perception regarding organic food products

Having as a starting point the general situation that characterizes Romania’s organic market, the present study has driven an exploratory attempt to identify and examine the main causes of discrepancy between Romania high productive organic sector and the low national level of organic food consumption.

The central objective of the present research was to identify the central influencers in consumers’ perception about organic food and organic agriculture, especially in report with the main benefits and challenges that these food products are subject to.

In this sense, the results of a questioner based study regarding organic food products were
correlated with the current paper’s results regarding the national organic market. The data source of the research has been a questionnaire based approach that was developed in 2014, among 180 respondents, both men and women, above 20 years old.

The main findings highlighted the fact that Romanian consumers are not familiar with the real sense of organic food and organic agriculture. In this context, the role of information in an emerging sector can be considered essential as it generates habits and behavioral patterns. The intense media coverage regarding organic food and wellbeing was extended in the last years. Beside the positive impact of raising the awareness among consumers for organic agriculture, this trend delivered information that was not strictly related to the notional dimensions and regulations. Therefore, the questioner based study revealed serious confusions that influence Romanian consumers’ perceptions in relation to organic food. Therefore, the exploratory study highlighted the following results:

- Despite that Romanian consumers consider themselves familiarized with the notional concepts related to the organic sector such as organic food, organic agriculture, labelling or certification (92% of total respondents), more than half of the same respondents have erroneous perceptions and incorrect knowledge regarding organic food products.

- Among the most encountered confusions regarding organic food, 46% of the respondents considered organic food to be related to diet food, traditional food, functional food, low sugar products, household products or the ones that can be found in local markets, as the offer of local-rural producers.

- There is a high misunderstanding regarding organic food products prices. A product that is more expensive than a similar one cannot be considered organic based on this only criterion, as price is a factor determined by the market positioning of the specific products.

- Consumers aren’t aware that organic farming is an independent sector in Romania, impacted by European rules and strict regulations in order to provide real guarantees that can have a positive influence on the buying decision.

- Some consumers (9% of the respondents) that have a clearer image regarding basic organic food notions but encounter several problems when confronting with expressions such as organic, biologic or ecologic food. For this group of consumer’s organic food, ecologic food or biologic food can have different senses, in spite that the term designates the same notional aspects, being different from one country to another.

- Concerning the main assortments of organic food consumed in Romania, first place regarding the frequency of buying is ranked by basic foods group (oil, sugar etc.), followed by eggs, wheat flour and flour derivatives (bread, pasta), dairy products (milk, butter, cheese etc.).

- Romanian consumers buy organic food products on a weekly basis, some of them even more frequent. Correlating this result with the main places from where they buy these products, it can be easily understood that some consumers (about 20% of the respondents) consider as organic local market food products or traditional manufacturers, that don’t offer any guarantee regarding the products’ origin.

- Romanian consumers (20% of the respondents) don’t know how to differentiate a conventional food product from an organic one and (more that 15%) aren’t aware of the fact that organic food products can be easily identified by the logos and details from the label.

- Among the most common reasons that impact the buying decision of an organic food product consumers refer to health aspects, social acceptance, periodical discounts applied to these products or modern trends.

- Informed consumers exists - 45% of the respondents were identified as being informed consumers, 20% of them as being
satisfied by the Romanian organic food products assortments, prices and 25% ranked as being unsatisfied especially by the high price of organic food products.

Based on the above results a series of scenarios have been projected regarding the way in which Romanian consumers react to the most important stimuli that can influence the decision of consuming organic food. As it can be seen from Figure 2, a consumer behavior pattern is outlined for Romania by adding six main determinants that were identified as basic stimuli of the organic food products buying decision. Analyzing the way in which these determinants are perceived by the consumer, a close relationship is established between cause – subject – responses.

As underlined in figure 2, four of the main determinants (more than 50% impact on the buying decision) are highly influenced by the consumer’s knowledge and familiarization with organic food concepts, organic agriculture and their benefits:

- nutritional content;
- no chemical GMO content;
- official guarantees of origin;
- ecological beliefs.

In this sense, these factors are marked with a dotted line, the main explanation being the fact that they are highly depended on the access and level of information that consumers have regarding this subject. In consequence, these determinants can be absent or misunderstood in some decision taking processes or can be highly valuable in others, depending on the consumer’s level of information regarding organic food.

The last two ones (sensory characteristics and price) represent direct-impact determinants, consumers usually getting in touch with them directly when visualizing the food product in the specific buying location.

Using this current model, the following assumptions can be made, in relation with the consumer’s level of information:

- Organic food products were created to satisfy an emerging need of the modern consumer; in this sense the product must be adapted to the consumer’s demands also from an informational point of view, so that any potential consumer can understand the product’s destination.

- Information must be accessible and related to common sense demands in order to be able to generate positive changes in the consumer’s behaviour.

- By integrating clear and well-structured information on the local market, Romanian organic food products’ lifecycle can be extended by building a permanent
interactive relationship between consumer and product

5 Conclusions

Several important conclusions have resulted from the present research concerning consumers’ option regarding organic food and organic agriculture. This paper aimed and managed to highlight the situation in which organic agriculture is positioned in a developing European country.

The main results of this paper materialized in the consumer’s awareness towards organic food and the role of information in determining the buying decision of these products. The overall situation cannot be categorized as positive one, the level of knowledge being correctly and sufficiently developed for a very small number of consumers.

Consumer information, their basic knowledge regarding organic food products, their attitude concerning ecological processes applied in the agricultural field, the development of organic crops and farms at a national level, the need of ecology in determining technological progress, food as a main source of innovation and organic food main advantages, all of these aspects have a major impact on Romania’s level of consumption in the organic food market.

It can be said that Romania’s organic food market raises the question of skepticism and lack of interest of consumers, scenario mainly caused by the insufficient information and promotion of these products, despite the existence of a well-built legislation system. The findings of this research indicate that consumers’ intention of buying organic food is determined more than 50% by factors that are highly depended on the consumers’ level of information.

In conclusion, the lack of information sources such as literature or awareness campaigns organized by official representatives or even marketers or policy makers can be identified for Romania’s organic agricultural market.

References


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