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ORGANIC VITICULTURE - FOR WINE SECTOR DIVERSIFICATION OPPORTUNITY

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Abstract

Romania is part of the most important countries in the field of viticulture and wine production. According to statistics our country lies in the fifth place in Europe (after Spain, France, Italy, Portugal) and 11th place in the world (after the four countries mentioned above and the USA, China, Argentina, Chile, Turkey and Iran) [5],[21]. *The vine is mentioned in documents on this area since Dacians times. Major ancient historians wrote about wines from this part of world. The leader himself of the greatest Thracian state ever mentioned, Burebista, stopped cultivating vines due the problems created by the effect of the wine over his people. Linking these things: rich wine history and especially the tradition existing in all areas of the country where the vine is cultivated, we have a consistent picture of this beautiful and noble activities.*

Key words: *organic viticulture, Romania, turnover, wine production.*

INTRODUCTION

The wine market in Romania is an economic premise particularly important in the context of our country's integration into the socio-economic area and of the European Union. Taking into account the more resources we the Romanians can benefit, realistically appreciate that wine represents a good, in the same way that, at the level of the consumer, it is regarded as art, tradition, labour market, great thinkers and the philosophic for writers, linking creative manifestation and authors through the inspiration so hard to reach sometimes. What would the world be today without wine? More than just a consumer product, the wine represents a pillar of our society. "If the wine would disappear from human production, would be a vacuum in health and intelligence, an absence more appalling than all the excesses of which he is guilty." (Charles Baudelaire) Production and consumption techniques have evolved throughout history, civilizations and many technological advances. Surprising digital revolutions of the last years have not been the exception. Of course we cannot break the civilization and humanity. It can be said with certainty that it was and that still remains a staunch "ally" of good taste, culture of elitism, it integrates in solid mode, display of, without a doubt, inherent in any scientific, cultural events, sporting or creative human spirit. Its presence within the sacral-religious civilization presents us another facet of this eminently human product namely the identification with the springs the most intimate and sensitive human being [7].
In this context, the objective of the paper was to analyze organic viticulture and identify consumption of organic wines in Romania.

MATERIALS AND METHODS

The purpose of this paper is to identify the consumption of organic wines in Romania. For this purpose quantitative research was used to describe the behaviour of a population related to the studied matter, using quantification methods and statistical analysis in interpreting the results [10],[34].
The starting point for cross-sector success lies in existing conditions natural humus content, one high, ensuring sustained production, as

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well as the crisis occurred after 1990 in the field of chemical fertilizers, this leading to their elimination. Part of financial impossibility to purchase chemical fertilizers as well as due to the ambiguous status of the people after the revolution in 1989, the "chemical removing" of soils occurred gradually creating the optimum conditions to practice this form of agriculture, like a niche, one in great fashion and highly sought after, especially due to favourable health effects arising from the consumption of organic products. Among the most important methods used in this purpose are: opinion of producers, surveys on the quality of wines, surveys on product sales and information and many more [2],[19],[20].

RESULTS AND DISCUSSIONS

The main producers of the wine market in 2016 according to turnover (>1,000,000 Euro)

In 2016, wine market value reached 218 Million Euro, being controlled by 25 manufacturers, whose turnover is at least 1 million Euros, representing between 45% - 49% of the total wine market in our country. Those are present every year in the competition to offer consumer the best wine deals and supplement the request through the diversification of market approach.

Table 1.The leading manufacturers of wine from Romania

Manufacturer	Turnover 2016 (mil.Eur)	No. ha	Turnover /Surface Euro	% Turnover Tot 25	% Total Turnover /Area
1. *Murfatlar Romania*	*28.9*	*3,000*	*9,633*	*13.23*	*3.07*
2. *Cotnari*	*24.3*	*1,400*	*17,357*	*11.12*	*5.53*
3. *Vincon Vrancea*	*24*	*1,500*	*16,000*	*10.99*	*5.1*
4. *Jidvei*	*21*	*2,400*	*8,750*	*9.62*	*2.79*
5. *Recas*	*19.4*	*1,000*	*19,400*	*8.88*	*6.18*
6. *Zarea*	*12.1*		-	*5.54*	*0*
7. *Angelli Spumante și Aperitive SA*	*11.5*		-	*5.27*	*0*
8. *Cramele Halewood SA*	*9.7*	*300*	*32,333*	*4.44*	*10.3*
9. *Tohani SA*	*9.1*	*500*	*18,200*	*4.17*	*5.8*
10. *Vinexport Trade Mark SA*	*7.1*		-	*3.25*	*0*
11. *Senator Wine SRL*	*6.5*	*850*	*7,647*	*2.98*	*2.44*
12. *Ostrovit*	*5.5*	*2,000*	*2,750*	*2.52*	*0.88*
13. *Speed Husi SRL*	*5.5*	*2,700*	*2,037*	*2.52*	*0.65*
14. *Domeniul Coroanei Segarcea SA*	*4.8*	*300*	*16,000*	*2.2*	*5.1*
15. *Vinexport SA*	*4.8*		-	*2.2*	*0*
16. *Crama Ceptura SRL*	*3.6*	*180*	*20,000*	*1.65*	*6.37*
17. *Carl Reh Winery SRL*	*3.6*	*252*	*14,285*	*1.65*	*4.55*
18. *SERVE Ceptura SA*	*3.5*	*110*	*31,818*	*1.6*	*10.13*
19. *Casa de Vinuri Cotnari SA*	*2.7*	*350*	*7,714*	*1.24*	*2.46*
20. *Vinarte Total*	*2.5*	*344*	*7,267*	*1.14*	*2.31*
21. *Da Vino*	*2*	*68*	*29,411*	*0.92*	*9.37*
22. *Mera Com International*	*1.8*	*200*	*9,000*	*0.82*	*2.87*
23. *Vitipomicola Samburesti*	*1.7*	*400*	*4,250*	*0.78*	*1.35*
24. *Odobesti Vinex*	*1.5*	*65*	*23,076*	*0.69*	*7.35*
25. *Domeniile Sahateni*	*1.3*	*76*	*17,105*	*0.58*	*5.4*
TOTAL	*218.4*	*17995*			

Source: Ministry of public finance, financial Newspaper, www.crameromania.ro, sites, data processing [22], [27], [31], [33].

➢ The first category belong to one of the largest players in the market (Vincon, Murfatlar, Cotnari, Jidvei, Recaş), with between 9% and 13% of the total value produced by the 25 large manufacturers.

➢ The second category, more numerous, those with turnover between 5 and 10 million. A heterogeneous category including both manufacturers selling premium wine segment in the first instance and producer focuses on volume (Halewood, Princely House, Ostrovit, Slipcovers, New Delhi).

Finally, a last category belongs to those who subsist mainly on premium wine segment, HORECA distribution, and which is characterized by an orientation towards quality, trend what continues in the case of producers who are not included in this ranking

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(the type of small wineries with less than 1 million euros turnover). Please note that large producers have developed production and marketing divisions of premium wines, but its share in the sum of their activity remains low compared to those one remember above. Much of the exports of wine can be found in the case of the 25 manufacturers present here and also a great deal of wine imports [23],[24],[28].

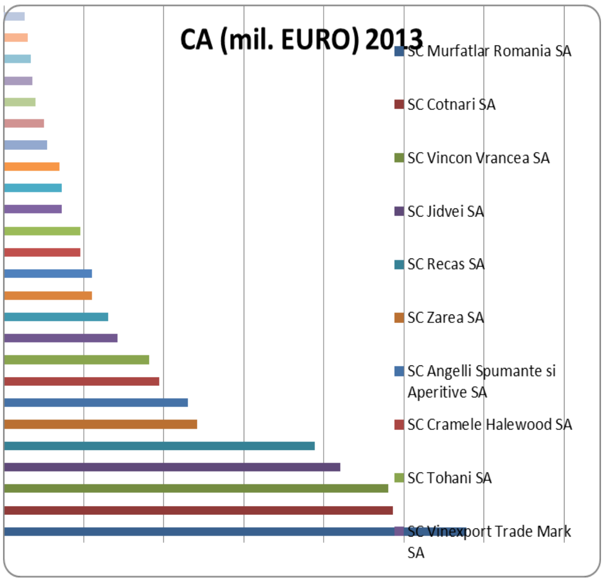

Fig. 1. Manufacturers' turnover in 2013
Source: data processing [12],[13],[14],35]

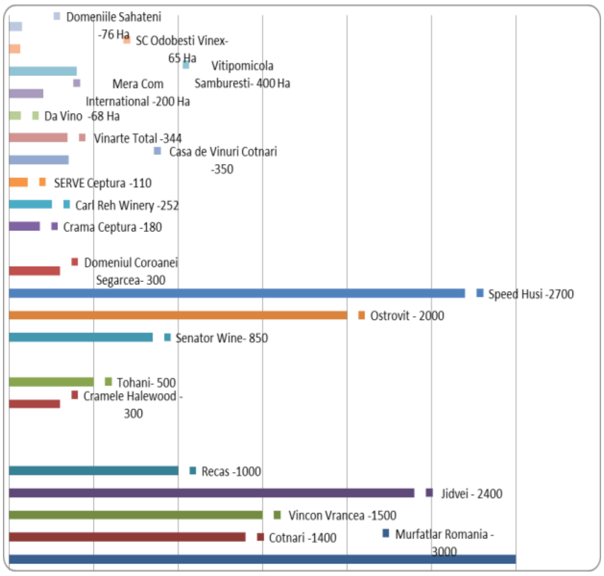

Fig. 2. Viticulture surface (no. Ha)
Source: data processing [12],[13],[14],35]

The chart helps us to highlight the ways in which access to European funding helps develop and strengthen the wine market. Those 25 producers sums of almost 18,000 ha. Most of them have received retraining programmes and replanting, and other funding programmes (SAPARD), making an eloquent calculation, we see that, through the reporting of aggregated turnover of their total area under vines owned, we get a sum of EUR 12,137/ ha [29],[30].

Proven efficiency is an example to follow and by other smaller producers. Of course, we have some of them who only process the wine, obtaining sparkling wine and special vermouth type, and other wine-based products. It is also interesting to point out that they control a market of about 45-50% of the total value of wine sold in Romania, although holding only 10% of the total area under vines of our country and only 20% of the area planted with noble vineyards [15],[16].

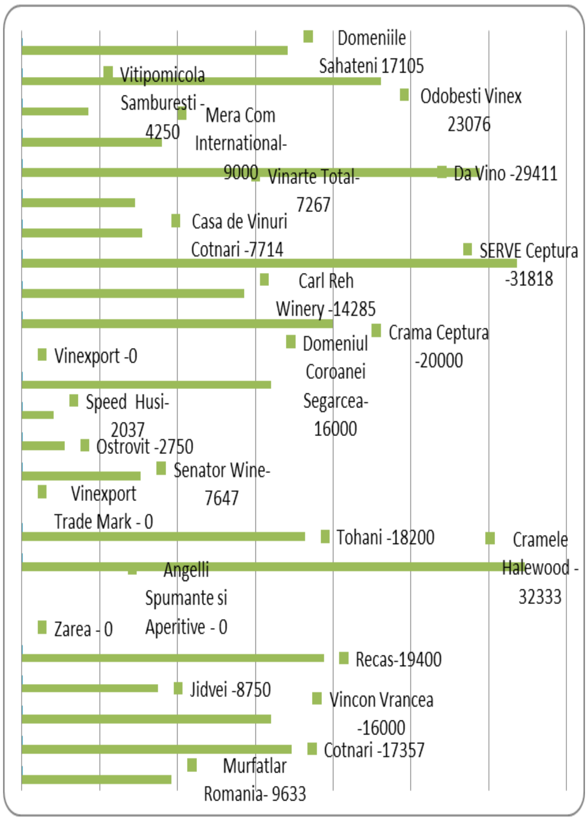

Fig. 3. The ranking of the 25 manufacturers after turnover (EURO/surface)
Source: data processing [12],[13],[14],35]

Figure 3 shows us another presentation of the 25 manufacturers present in this turnover ranking. Reporting of the total turnover of each producer, the number of hectares of vineyards owned by the same manufacturer, achieve some interesting results. Thus, with the sum of 30,000 euros we find: Serve, Northampton and Da Vino, which is found on the premium segment of wine sold on the domestic market and each with vastly different vine-growing areas in size. Between 10,000 and 20,000 euros included: Murfatlar, Cotnari, Vincon, Recaş, Princely House, Carl Reh (Hussain), Săhăteni and Mera Com Domains (Gârboiu Cellar). We also have producers what are focused on segment of affordable wines and quantity or those who addresses aggressive price policy giving generous discounts [11].

The most appropriate way of opening an organic system is situated in the hilly and mountainous country and maximum ecological potential for agricultural production are between 10-15% of the total agricultural area. If in 2007 the eco market reached 2 millions euro, in 2014 reach over 200 millions euro, according to the website Bio Romania [17],[25].

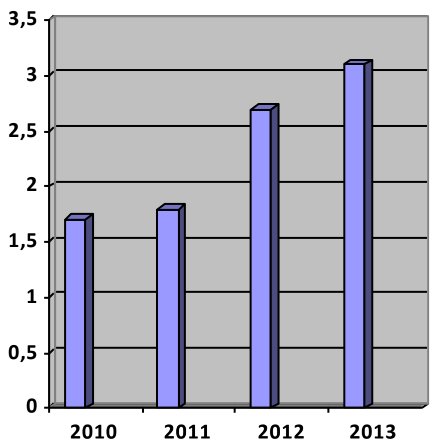

Fig. 4. Vineyards and orchards surfaces between 2010 and 2013
Source: data processing [12],[13],[14]

We can see from Fig.4. the existing situation in the bio from our country. In the year 2013 there is an area of 301,148 hectares, with a positive trend as regards the increase of the surface and the number of producers in the years to come. As regards the ecological living and established orchards, we note an increase every year, at the got into the study, with values from 1.69% of total organic area in 2010, from 3.12% of the total area of land bio in 2013. Vineyard, in 2014, there were 332 hectares certified organic, area which is between 0.19-0.18% of the surface of vineyards and orchards, and cumulative 0.11% of the total area under cultivation. The percentage of organic vineyards in the whole national wine stands at 0.18% [38].

Bio wine - In the universe of organic products, wines are special products, at the intersection of two markets - the organic products and the wines. The motivation for buying is different from that for other organic products. Sales channels and opportunities are globalized. This raises several questions to growers who are thinking about switching to organic farming. There is still much information to be centralized to understand the market for this type of product: the adjustment of supply and demand, prices, volumes available by product type and more others. Market development should be accompanied by an improvement in its observations on the operation - knowledge production, inventories, prices… Organic viticulture sector is one of the channels that recruits the most new entrants. The motivations of this conversion are manifold: coherence bio production and the production of local wine growers and consumer health protection, environment protection and water management, market attractiveness, aid for conversion. Public policies are favourable to biological viticulture. The increase in opportunities and support measures make this mode of production to become more attractive. From the 2012 harvest, a new phase has been overcome with the recognition and the possibility of using the term "organic wine", where the wine is made in compliance with European specifications. Until 1 August 2012, European legislation specifies bio production, biological production of grapes frame, but not winemaking, which is the reason for not talking about "organic wine", but about "wine produced from grapes bio". This time it was possible to use the term "biological wine" on their labels. Regulations implemented from 1 August 2012 establishes a series of rules in order to comply as much as possible real nature of the product, preserving at the same time, the diversity and quality of wines produced from biological grapes [1], [11], [17].

Consumption of organic wine –

Regarding the consumption of "conventional" (traditional) wine, in Europe can be easily seen two major trends: a decrease in its main producing countries like France, Italy, Spain and growth or stagnation in the countries of northern Europe, USA and Japan. Regarding biological wines, however, this trend is totally different, blocking a general increase in all countries, even more important in northern countries than in the South [8], [36].

Bio wines know, lately an upward trend in European and global context. In the French market, for example, more than half of the wines of this type is sold directly from the grower to the consumer (36%) or through specialty bio stores (27%), it follow's the food hypermarkets (20%), wine merchants and other vendors and restaurant owners (17%).

This trend is reflected in several indicators: for example, in 2011, according to statistics, there were over 216,500 hectares of vineyards cultivated bio in the EU and in 2012, the first three growing areas bio in Europe have progressed: + 3% in Spain, + 6% in France and + 9% in Italy (Eurostat- organic crops). At the end of 2012 the area cultivated by organic standards represent 8.2% of French vineyards and the volume of organic wine sold in France was estimated at more than 855,000 HL in 2012, of which 60% sold in France and 40% exports with a value of 413 millions EURO [26].

Organic wine market

Market organization of import / export of wine differ in each country - some countries are strongly oriented towards export (Italy, France), others are big importers (Germany, Switzerland). This guidance is maintained in the case of biological wines. If organic wines are sold through the same channels as conventional ones, the relative importance of each varies. While organic wines are sold mainly in specialized stores or direct sales, especially, conventional ones can be found in supermarkets and even discounters. Biological development of the European wine is influenced by general market trends of wines. Consequently, no sector escapes the general debate on types of wines by the market and the opposition between traditional and modern wines (technological). Organic wine market is in rapid growth. This increase relates to all kinds and types of wines. The context is very favourable: stimulate consumer demand changes – the most important sales channels are for export, mainly to Germany. Specialized circuits are growing rapidly: selling through distribution chains is still underrepresented compared with conventional and market outlook varies by circuits and outlets. Differences in selling prices compared to conventional wines are important, but they illustrate and support differences in costs of production and yield. Several obstacles must be overcome in order to boost market: achieve reasonable sales prices for producers and attractive to buyers, adapting supply and demand clarification of the legal status of winemaking. Many winegrowers are increasingly are questioning the transition to organic viticulture. Bio wine market in recent years is growing. Reasons to move to this type of production are multiple: restricting the use of pesticides, direct financial aid granted for conversion, promotion campaigns for the consumption of bio products that help to stimulate demand. All indicators are positive, but one of them is still in a delicate situation: the retail market. There is a very strong consumer demand for quality products containing that protect both the environment and health. This is a sustainable trend of consumption [32], [37].

Quality of wines produced in biological viticulture has improved markedly in recent years, as evidenced by the numerous medals Bio wine producers participating in conventional wine competitions. The image is constantly evolving products, but customers expect the highest quality product. The market is growing internationally, with great prospects for trade (import-export) of bio wines.

The financial crisis does not seem to have slowed this development, although it is apparent a geographical redistribution of the export market in Germany represents an opportunity for the European BIO wines, especially those of the French. On the German market there are several classes of consumers of bio wines: bio-typical consumer purchasing wines from specialized shops with new bio-products, consumers who frequent bio shops and buy these products, especially those for kids' range-wine enthusiasts, who buy wines for their quality. Other important markets for biological wines are: United Kingdom, Switzerland, Belgium, Luxembourg, the Netherlands, Scandinavia, North America and Japan. (Monique Jois, Hanna Sad, Otto Schmid, 2008) [3],[4],[18].

CONCLUSIONS

In conclusion, the transition from a niche market to one of great consumption will be achieved with the resolution of several issues:

- *Bio/conventional price* - agronomic risks inherent in biological wine growing how the culture can result in yield losses more important than in the conventional sector. The fixing of the selling price must be taken into account for these risks, as well as the increase in production costs in the system. At the same time, however, the difference between the price of a wine from organically and that of a conventional wine must remain reasonable to consumers attract. Current prices allow insurance costs, but nothing prevents their decrease if there is a minimum bid.
- *Adaptable offer-market* - quantities of bio-wine placed on the market are growing. This poses questions concerning the adjustment of demand and supply, the more so as this dynamic is becoming more widespread - an increase of supply to attractive prices may cause an increase in sales in the coming years [9].

Unfortunately, Romania barely manages to make the first 12 countries as its quantitative level of production of wine, due to oscillations of the recent years with undesirable effects. We overcome not only by countries with higher productive potential, but also of States lies at the level of our wine-growing areas or even in our wake. Thus, South Africa, Chile, Australia, New Zealand achieves higher yields, high quality and at a favourable level of their net costs, in comparison with the costs of our productions.

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