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STUDY REGARDING THE SITUATION OF WINE PRODUCERS IN ROMANIA

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Abstract

A face-to-face survey among 209 Romanian wine producers was carried out in order to find out about marketing strategies and the degree of diversification. Results show that producers emphasize the importance of high yields. Half of the respondents' revenues originate from wine sales. Direct marketing is more common than middlemen. While wineries and events are rather common marketing instruments, only 10 per cent of respondents offer accommodation or playgrounds.

Key words**:** *financial situation, resources, Romania, vineyards, wine.*

INTRODUCTION

Vine culture is an ongoing theme; there is a growing wine industry. Romania, through its climate and the composition of the soils in the plateau and hill areas, is a country that is very well suited for vine culture. The main geographic elements that play a moderating climate role are the Carpathian Mountains, the Black Sea and the Danube. The Viticulture is an activity dated to Romania (on the current territory of our country) from ancient times, grapes and wine forming for hundreds of years some of the country's greatest natural riches. The ancient writers noted that Burebista had brought the Geto-Dacian kingdom to the greatest extent, uniting the ancient tribes, but only after exterminating the vineyards. Even the word "grape" is of Dacian origin. Historian Gustave Glotz (1925) noted: "Long before it was consecrated by Dyonysos, vines formed joy of prehistoric peoples." [3]
Approaching to our times, the Cotnari vineyard has been attested over 600 years ago. Over the time, other vineyards from Romania have become famous: starting with Murfatlar in Dobrogea, Sâmbureşti and Drăgăşani in Oltenia, Odobeşti and Panciu in Moldova, or Recaş and Tarnave vineyards in Transylvania.
Currently, international statistics places Romania among the top 15 world wine powers. Such a classification takes into account the land size of the vineyard, but especially the best quality of the wines still made in the main vineyards of Romania [12].
Having a significant agricultural area, our country also benefits of important areas cultivated with vines. Viticulture generates 14 % of turnovers of Romania's vegetal production, equalling a market of 400 million Euros (the average of the wine market turnover in the last 10 years) [1,10].
In 2015, Romania had about 180,000 hectares of vineyards (over 5% of the Romanian agricultural land), grouped in 37 large wine regions. In fact, the top 10 Romanian wine producers have over 15,900 hectares of vineyards, only the first place cultivating more than 3,000 ha. However, during the last 15 years, the export of Romanian wines has declined considerably so that much of the produced wine is used for domestic consumption [12]. The greatest quantity of wine consumption is registered in the rural area for the social category of farmers [7].
The main destination for the exports, generally, was Germany [9].

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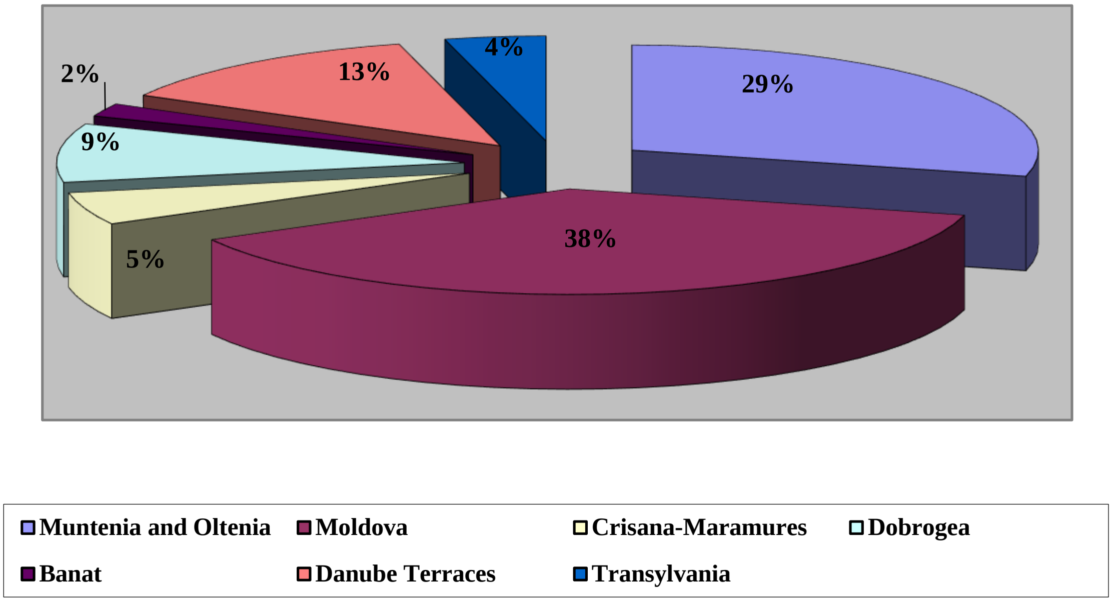

Fig. 1. Main wine regions of Romania - 2014 (%)
Source: [8], [11]

From the point of view of the percentage distribution of vineyards by regions, Moldova prevails with 38% of the total wine area of the country; followed by Muntenia and Oltenia with 29%; Danube Terraces – 13%; Dobrogea – 9%; Crisana-Maramures – 5%; Transylvania – 4%; Banat – 2%. In Figure 1 we can better see this distribution.

In Romania, the vineyard tourism is generally made in groups formed by friends, family or workmates. The group size is usually of 3 to 5 persons. In the case of foreign tourists, the groups are usually larger, of 20 persons on the average [2].

MATERIALS AND METHODS

In this paper we made an assessment on the productivity and financial satisfaction of the Romanian wine producers based on the questionnaires and national statistical data [5]. The survey was done between 1 February 2017 and 3 May 2017 by 209 producers (totalling more than 23,582 ha of vine) which come from both the small producers (with 500-600 square meters of vineyards) and the largest producers of our country (having up to 3,000 hectares of vineyards). The questionnaires represent the most popular method used in socio-economic research and it is one of the best in many ways, and especially the financial one.

Questions in the survey followed both quantitative (What percentage of the working time is devoted to wine-growing activity? What quantities of grapes or wine are marketed? What surfaces they possess? Which elements form the turnover and the percentage? What tourist facilities do they have and can be made available to potential tourists?) and qualitative data (In what county is production going on? When were you born? What kind of studies do you have? What is the financial situation of the farm?).

We also focused on addressing face-to-face survey questions to better communicate with interviewees, to keep them informed about our research goal, hoping to have the most sincere and realistic answers.

RESULTS AND DISCUSSIONS

As we mentioned above, the questionnaires were applied to 209 respondents, which came from 25 counties.

1. ***County or counties*** where production takes place - most wine producers interviewed operate on the surface of a single county but we met some exceptions that carries out its activities on two or even four counties. The main counties as the number of respondents to

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our questionnaires are Vrancea - 44, Prahova - 30 and Vâlcea with 20 producers. For the other 22 counties, the number of completed questionnaires differs between 1 and 16.
The number of responses is mainly due to the visibility of the producers, but also to the importance of the vineyards in some counties

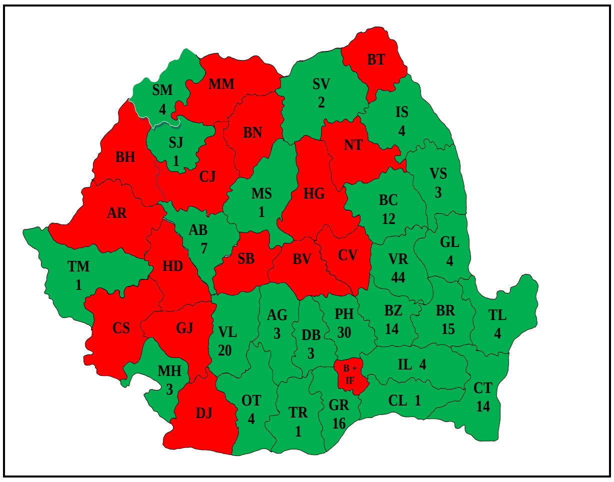

Fig. 2. Origin of respondents by Romanian counties
Source: [4]

2.***Year of birth*** of the person interviewed - the average age of the Romanian winemakers is 48 years.
3.***Gender*** - over 80% of men, but we have also encountered a high number of women in a considered job of men.
4.***Last graduated school*** - the calculated average tells us that most of them have at least graduate high school (with baccalaureate diploma);
5.***Full-time or part-time activity*** - unfortunately only 54% of the respondents have the full wine production concern, most of them being forced to carry out other remuneration activities;
6.***Selling price of grapes*** (if they sell grapes) - about 33% of producers sell grapes and the average price / kg is about 1.6 lei;

Table 1. The price of wine in Romania for 0.75 l

Wine price	%
under 10 lei / 0.75 l	59.4 %
between 10 and 25 lei/0.75 l	20.94 %
between 25 and 40 lei/0.75 l	12.68 %
over 40 lei/0.75 l	6.98 %

Source: Own calculation.

7.***The price of wine*** - For about 46% of the interviewees the winemaking is not the main source of income, the results obtained being, consequently (Table 1).
Thus, much more than 50% of the wine direct marketed by the producers is sold at a price of less than 10 lei / 0.75 l
8.***The agricultural area*** - as the questioned vine growers distributed it. The obtained results with the area of land cultivated by wine producers are shown in Fig. 3 as follows:
- Over 12 ha is the average of the arable land exploited by each producer;
- Approximately 3.4 ha is the average of the areas occupied by meadows;
- The vineyard culture - our country have some important areas cultivated with this plant - the resulting average is of 112.83 ha / producer;
- Almost 5 ha are grown on average with other perennial plants, especially fruit trees (soils suitable for the vine are very good for these plants as well).

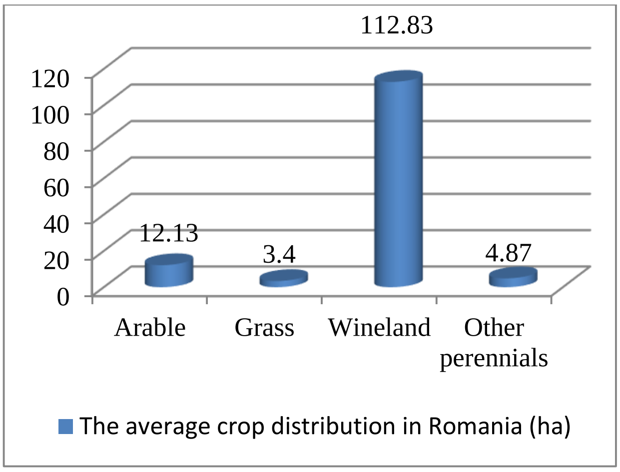

Fig. 3. Average distribution of agricultural areas for the 209 interviewed producers.
Source: Own calculations.

9.***The financial resources*** of producers are highlighted in Figure 4. We find the following percentage situation:
-Nearly 50% of the average revenue comes from the sale of grapes or wine;
-13.76% come from agriculture, except for viticulture;
-1.98% of the various forms of tourism practiced on the farm;
Over 34% of revenues are financial sources from other activities outside the agricultural holding.

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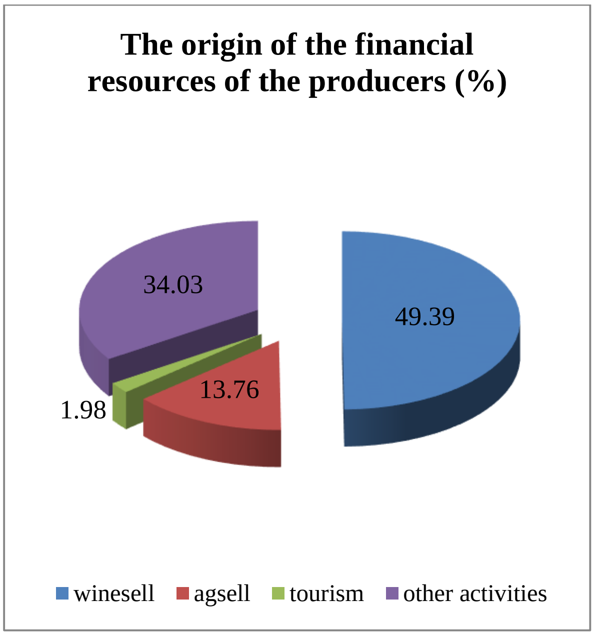

Fig. 4. The origin of the financial resources of the producers
Source: Own calculations.

10. ***Direct sale of wine or through specialized distributors*** (Fig. 5)
Direct sales predominate: direct sales (included restaurants) - 78.1% and specialized distributors - 21.9%.

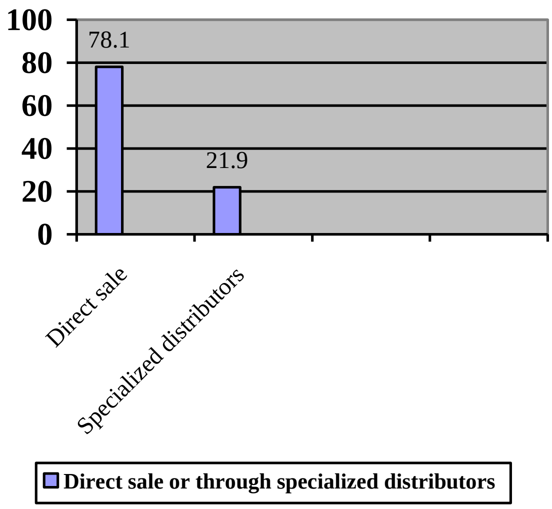

Fig. 5. Direct sale of wine or through specialized distributors
Source: Own calculation.

11.***Tourist facilities*** offered by wine producers (Figure 6). Although, in terms of the overall income average, tourism activities in wine farms are not very high (less than 2%) but they are on the upward path, most of the producers wanting to combine these two branches. In some cases, profits declined greatly due to investment in tourism.
Thus, in terms of facilities, we received the following answers:
-17% of respondents can provide food services;
-73% have wineries, cellars or at least one basement where they can store their wines (some of them can also organize wine tastings at their own farm);
-10% can offer accommodation for the tourists who wish to overnight in a vineyard;
-approximately 10% provide a playground for children;
-over 39% participate in different events: fairs, exhibitions, etc.;
-7% also offer other services worth mentioning.
12.***The attitude of Romanian wine producers*** towards the following statements:
• Productivity per unit area - the majority emphasized the amount obtained per hectare (quality going somewhat on a secondary level). The average is 6.08 points out of 7;
• The contribution of tourism activities to the direct sale of wine - because tourism revenues represent less than 2% of the average of the income of the respondents, we can perceive the somewhat favorable answer (4.58 points) rather as a logical assumption of the majority of the interviewed. Even under these conditions, the general trend transmitted by the majority of respondents was to diversify the farm activities and to combine in the near future wine production with rural tourism;
• the existing portfolio (5 points) - broadly they have loyal customers - this is relatively easy when quality products are sold at affordable prices;
• support from the local authorities and the state (4 points) - as the state and the local authorities have accustomed us not only does not help but also often confuses the situation (the obtained result having an artificial increase because a significant part of them (also very nice respondents) come from the employees of the local authorities;
• The location of the farm in the scenic area (5.60) - the attitude, from this point of view, is

favorable, the producers being pleased with the picturesque of the place.

In Table 2 we can more easily see the information presented above.

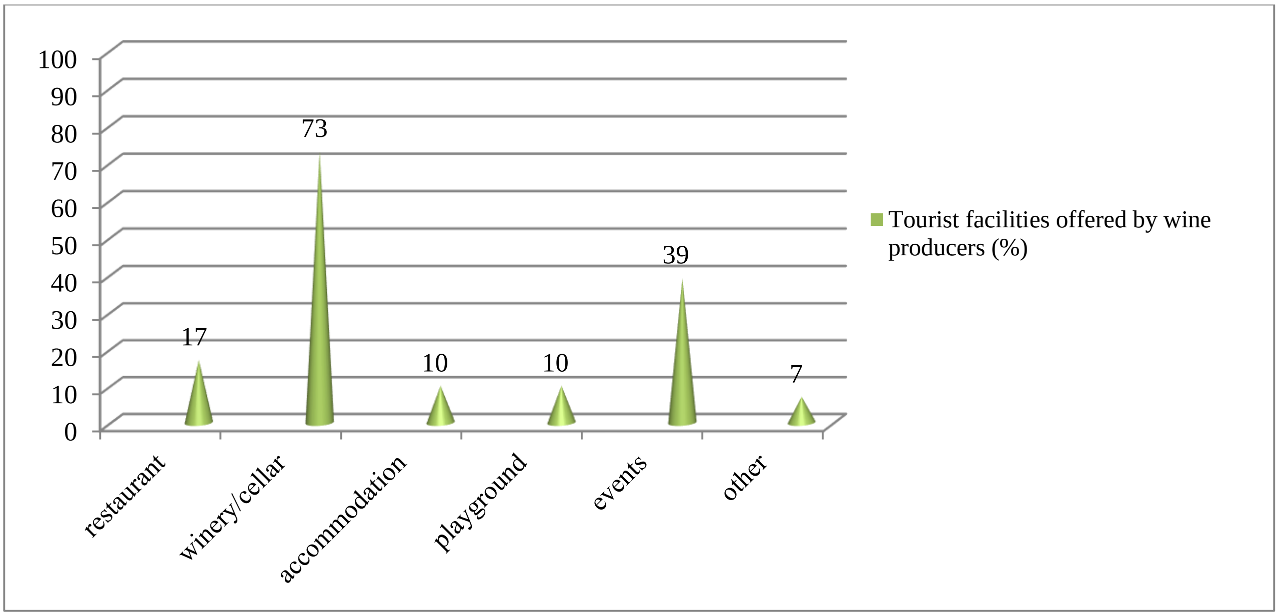

Fig. 6. Tourist facilities offered by wine producers
Source: Own calculations.

Table 2. The attitude of Romanian wine producers

Crt.No.	Statements	Average
1	Productivity per unit area	6.08
2	Contribution of tourism activities to the direct sale of wine	4.58
3	Portfolio	5.00
4	Support from the local authorities and the state	4.00
5	Landscape	5.60

Source: Own calculations.

CONCLUSIONS

Information such as: financial satisfaction, the price of grapes and, partly, of wine, the attitude of the farmers and others could be generalized in our country, the calculated averages, largely, are according to the literature.

The wine production and other agricultural products in Romania are influenced by weather conditions – in other countries with a tradition in wine production, a number of systems have been developed to protect the vine as well as possible (for example against the frost);

Romania remains an important European wine producing country, having a great historical past and rich cultural traditions.

The country ranks the 21st in the world in terms of wine consumption per capita - according to the National Institute of Statistics, wine consumption in Romania is over 25 l per capita / year.

The average is 5 million hectolitres of wine / year that are produced in the country, of which about 1.5-2 million hl are marketed, but only a little part is exported compared to the domestic market, the rest, more than a half being self-consumption [12].

The tourist activities in the vineyards or wine producing farms do not bring too much financial contribution, but they are in continuous process of development from this point of view [6].

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