

INSTITUTIONAL PROBLEMS OF PIG CARCASS CLASSIFICATION SECTOR IN ROMANIA

Roxana Florenta SAVESCU

“Lucian Blaga” University of Sibiu, 10, Victoriei Avenue, Sibiu, Romania, Phone: +40723499592, Email: roxanasavescu2003@yahoo.com

Corresponding author: roxanasavescu2003@yahoo.com

Abstract

The paper deals with the institutional problems faced by animal carcass classifying operators while implementing the SEUROP classification system in Romania. The research was performed in March 2015 by means of in-depth interviews with different economical operators in the pig-carcass classification sector. The main findings that need solutions in the next future are the following: still poor understanding of the benefits of the carcass classification activity by some direct beneficiaries, the need for a consolidation in current regulation, the need for a methodological framework for the uniform application of the law and a few external factors that can not be controlled by carcasses classification agencies and independent carcass classifiers but create difficulties in managing the daily activity.

Key words: institutional framework, pig carcass classification, SEUROP

INTRODUCTION

Starting 1 January 1985, SEUROP system for pig carcass classification became mandatory in all European Union (EU) member states [1]. Since then, all EU slaughterhouses have been required to weigh the pigs and to divide the carcasses into six quality classes (S, E, U, R, O and P), according to their estimated lean-meat content.

The final purpose of SEUROP carcass classification system is to “push” producers to grow pigs that meet nowadays consumers' preferences for high content lean meat. This objective is achieved by setting a mechanism of domestic prices that ensure market transparency and guarantee the producers a fair, impartial and equitable return according to the quality of their animals.

The EU system of grading pig carcasses was introduced in Romania with effect from 1 March 2006 [2]. Since then, classification activity has been implemented in all slaughterhouses and it must be performed for pig carcasses within the weight range of 50 - 120 kg, except those coming from pigs that have been used for breeding [3].

Currently, the carcass classification system in Romania is managed by Carcass

Classification Commission (CCC) [4]. The classification activity itself is performed by certified carcasses classifiers that work either as employees of independent carcasses classification agencies or as independent authorized carcasses classifiers [5]. Another important role is played by the Ministry of Agriculture and Rural Development (MARD) through its Technical Inspection Service for Animal Sector. This service, besides monitoring the application of the law and assuring nobody breaks the regulation on grading pig carcasses, is empowered to support the classification activity and to promote policies and programs in the animal classification sector [6]. Other professional organizations involved in the pork meat value chain perform only an advisory role (animal breeders associations, processors' professional organizations etc).

The direct beneficiaries of the SEUROP classification system are animal breeders (farmers) and abattoirs, because their product is traded in line with market quality requirements and they both have access to a fair payment system and updated market information. On the other hand, the national and European public authorities have access to accurate data for the development of sector

policies and market intervention mechanisms. By the end of 2014, 108 abattoirs in Romania classified a total number of 3,920,767 pig carcasses. Evolution of the annual number of carcasses classified in the period 2007-2014 is shown in Fig.1. [7]

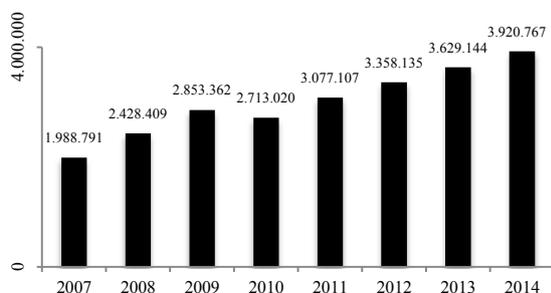


Fig.1. Annual number of classified carcasses, 2007-2014 (Source: CCC)

The accession of Romania to EU in 2007 imposed the adoption of SEUROP carcasses classification system along with many other new regulations on the meat sector in general. The actors involved in the pork meat value chain had been forced to adapt themselves to the new economic environment in a relatively short period of time. Any rapid transition period is characterized by chaos.

The aim of this paper is to provide an insight into the institutional problems encountered by pig-carcass classification providers (carcasses classification agencies and independent authorized carcasses classifiers) in Romania, after almost 9 years since the implementation of SEUROP system, in 2006.

MATERIALS AND METHODS

The research methodology applied in this study consisted in:

- Literature review: normative acts regulating pig carcass classification activity in Romania and secondary data available in reports issued by CCC;
- In-depth interviews with representatives of economical operators involved in the SEUROP classification system (CCC, representatives of carcasses classification agencies, carcasses classifiers and classification inspectors).

The research was performed in March 2015.

RESULTS AND DISCUSSIONS

The benefits of the carcass classification system are not yet well understood by all direct beneficiaries. It is necessary to develop temporary advisory services to facilitate the dissemination of information in the territory and exchange of ideas between different participants in the system.

Some slaughterhouses understood very well the benefits of grading the pig carcasses into quality classes. Therefore, they correctly and continuously implement the classification in their work and assume all obligations required in this regard. The collaboration between the representatives of the abattoir and those of different organization from the classification system is very good. Even if few and very small errors in the process might appear sometimes (very rarely), they do not substantially affect the classification activity and the slaughterhouse is interested in adopting measures to improve the classification process. It can be concluded that in such cases, the classification system reached its commercial purpose.

On the other hand, there are still slaughterhouses (usually those with a smaller capacity, but not only) where the implementation of the classification system still encounters difficulties. This happens either because of ignorance, misunderstanding of the benefits, inability to adapt or even refusal to accept the system on grounds of protection of the commercial interests.

The main problems that arise in these situations are related to the fact that slaughterhouses do not fulfill their obligations (e.g. obligations related to the standard presentation of pig carcass, carcass weighting problems, lack of communication of the negotiated price to the carcasses classifier etc.), which results in difficulties in ensuring continuity and accuracy of the classification activity.

When talking about animal breeders, the situation seems even more difficult to handle, since just a few of them really understand the usefulness of the classification activity. For many animal breeders, the classification

activity is still associated with the subsidy provided by the Government. Because of that, in practice, there are just few cases when the price between the supplier of animals and the slaughterhouse is negotiated on a lean meat content of the carcass basis. Suppliers still prefer the flat rate price (in kg/live weight) for entire batch of pigs delivered to the slaughterhouse.

In order to improve the current lack of understanding of the benefits of the classification system, MARD representatives (directly or via local structures), farmers' and/or processors' organizations, CCC, etc. should set up a system of communication both on vertical and horizontal level. A plan of regular meetings in the territory might be developed, in order to disseminate the information, get feedback on current practices and facilitate the exchange of ideas between the participants in the classification system.

In order to identify the aspects that need to be improved, periodically consultative meetings between the representatives of CCC, carcasses classification agencies and inspectors, are welcome. This topic can even be introduced in the curricula of the refreshment seminars that are periodically organized by CCC for the certified carcasses classifiers.

The current legislation is too laborious and needs to be consolidated

From its implementation in Romania in 2006, until today, the SEUROP classification system passed through a process of transformation and adaptation to the market conditions. As a consequence, the legislation had to be changed as well. At the moment, different aspects related to the animal classification activity are stipulated in several normative acts and this fact creates difficulties in fully understanding the whole process. The general opinion is that the current regulation in the field of animal carcass classification is too laborious and it requires a consolidation process.

A methodological framework for the uniform application of law and decisional transparency is very much welcome

The penalties applied in different situations are very broadly defined (as well as interval fines). This fact leaves room for

interpretation, leading to claims against penalties imposed.

A procedural manual, with examples of concrete situations from practice and proposed solutions, is necessary for the uniform application of the law.

A Department (Service) of Methodology and Technical Assistance to support the system by providing specialized technical expertise and advice regarding the classification procedure and various situations that can arise in practice is useful to avoid potential conflicts in the system.

An on-line forum to facilitate discussions between participants in the classification system and an on-line list of Frequent Asked Questions are other examples of transparent tools considered by carcasses classifiers as being very helpful in their daily work.

Other external factors that can not be controlled by carcasses classification agencies and independent authorized carcasses classifiers are considered obstacles in their development

-The activity of the carcasses classification agencies might be disrupted by the impossibility of hiring staff when needed.

The classification activity must be performed by certified carcasses classifiers. In order to get the certification, a person must attend a specialization course. At demand, CCC is organizing such courses, but usually, it waits until a group of 8-10 applicants is formed (sometimes the process lasts a few months). After finishing the course, the participant must pass an exam. Then MADR must approve the list of people that graduated the course and are proposed by CCC to become carcasses classifiers. Finally, in order to get the certification, these persons must have their name published in the Official Journal. The whole process takes quite long and in the meantime, the carcasses classification agency is not able to hire anybody to perform the classification activity.

-Two high costs components determine cash problems for classification providers while the face difficulties in recovering receivables from their clients (abattoirs)

Classification service providers (carcasses classification agencies and independent

carcasses classifiers) have to pay a tax (8% out of their turnover) to CCC, to cover its operating expenses. On the other hand, they are not members of CCC. General perception is that this fee is much too high taking into account difficulties encountered by these carcasses classification service providers in recovery their receivables from abattoirs, while neither CCC nor MADR could be involved in solving this problem.

In this context, it is recommended that a dialogue between all parties should take place, in order to clarify the implications of the level of this tax on both CCC's needs and classification providers' activity.

Another high cost is related to the maintenance of the classification equipment in the context that only two classification optical probes are homologated for the Romanian market.

CONCLUSIONS

The mentioned findings show that despite some problems, the pig carcass classification was well implemented in Romania and the number of classified carcasses grew from one year to another. However, the pig breeders, slaughterhouses, processors and traders have to realize that in the following years, globalization of pig meat market will progress at a faster rate. On this basis, they have to produce pigs which will meet the meat requirements of the final consumers. In this context, the carcass classification activity plays an important role.

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