

THE HONEY MARKET IN ROMANIA - A REVIEW 1962-2011

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Abstract

This paper aims to provide basic information on the honey market in Romania during the 1962 to 2011. This objective involves determining demand, supply and prices at which the honey is sold on internal market and to export. The research method consists of in the statistical analysis of information obtained from the main international and national databases. The total number of bee families registered in Romania during 1962 to 2011 was about 961 000 with about 726 000 in 1962 and 1,275 mil. in 2011. The offer of honey of Romanian market in 1962 was about 4600 tons with an increase of 7070 tons between the 1962 and 2011, higher during 1962 to 1990 when were recorded 5140 tons, against an increase of 1930 tons between 1991 to 2011. Demand for honey between the 1962 to 2011 was 8,188 tons, with 0.19 kg / person and an evolution from 0,28 kg / pers between the 1962 to 1966 to 0.56 kg / person between the 2007 to 2011. The average price for honey within the studied period was 3,13 \$ / kg obtained according to a fixed price of 2,50 \$ / kg in 1962 and a market price of \$ 6.21 / kg in 2011.

Key words: honey, demand, supply, price

Beekeeping is an important component of the agricultural sector due to the direct results it delivers through the obtained apiculture products but especially through the pollination of the entomophil crops.

Alternatively, the beekeepers' ability to earn satisfactory incomes, which lead to an acceptable profitability level, guarantees the reinforcing of this sector. Beekeepers' incomes in Romania derive mainly from the production of honey (Bodescu D. et al, 2010) and, consequently, the analysis of its market can provide useful information for investments in apiculture or for other related products.

MATERIAL AND METHOD

The main objective of this paper is to provide some basic information on the honey market in Romania in the period from 1962 to 2011. This objective involves determining the demand, the supply, and the prices at which honey is sold on the intern market and for export.

The used research method is statistical analysis, in which we determined key indicators such as the average values of phenomena, the dynamics, the growth indices, and the share of the partial indicators from the analyzed general indicators.

Due to the large volume of information, for the presentation of the performed research, we provided information on five-year periods and we determined specific indicators for the communist era until 1990,

and for the current period, until 2011. The currency used in the research was the US dollar, because it has a low level of variability and because the used databases mainly provide information with this unit, and the European currency does not cover the whole researched period.

The production value, the value of imports and exports was calculated at the current value of the dollar (August, 2015)

The price of honey up to 1990 was obtained in the local currency (RON) and, as for the determination of the price in the common taken into consideration for this paper, we had to convert the national currency into USD. Data regarding the RON-USD exchange rate were taken from the documents of the National Bank of Romania.

In general, the used information sources came from profile institutions in the country such as the National Institute of Statistics and the National Bank of Romania, and external data were obtained from the Food and Agriculture Organization of the United Nations.

RESULTS AND DISCUSSIONS

The results of the research on the honey market in Romania during 1962-2011 were grouped into honey supply specific indicators, honey demand specific indicators and into honey price on domestic market and in foreign trade relations.

In Romania, the honey offer is characterized by a high level of variability, especially given the

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variability of the production capacity - the number of bee families.

The average number registered in Romania during 1962-2011 was about 961 000 bee families (figure 1), with a level of approximately 726 000 in 1962 and 1,275 mil. in 2011. From 1962 to 1966, in Romania there were about 1,041 million bee families, after which, during 2007-2011 an average increase of 26% was registered.

The variability of the number of bee families is given by the extremes recorded by this indicator,

a magnitude of 650 000 bee families thus being registered.

The analysis of the production capacity on five-year intervals highlights a peak from 1987 to 1991, as in the previous period, the number of bee families increased by 50.2% and then, from 1992 to 1996 dropped to 838,000; practically, during 1992-1993, the number of bee families declined by 64.6% in terms of apiaries abolition within forest districts and of disbanding production agricultural cooperatives.

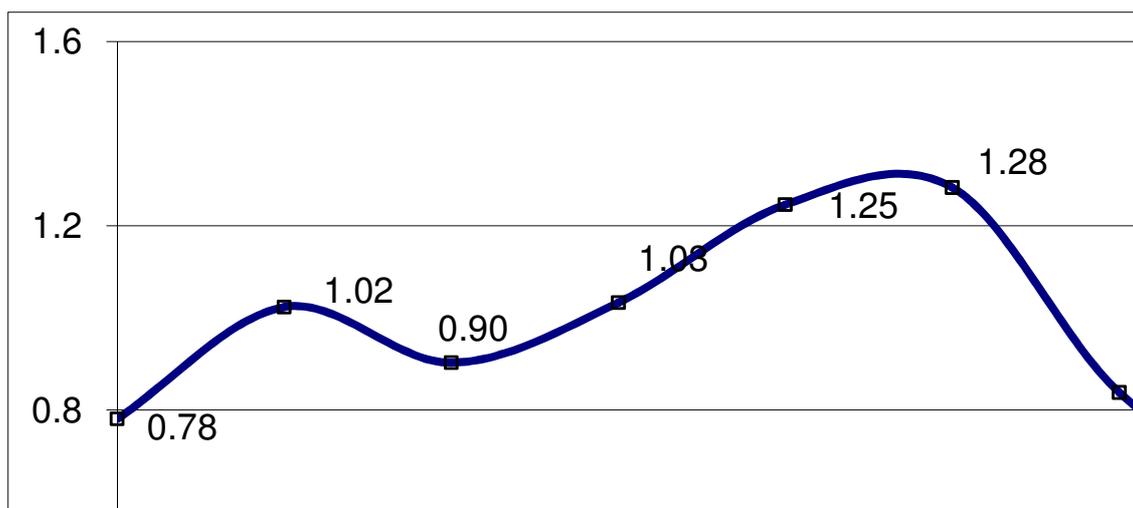


Figure 1 Evolution of bee families (mil. families)

This significant decline was compensated from 1991 to 2011, when an average of 1.041 million of bee families was registered, with the above-mentioned peak, of 1.275 million.

The favorable evolution registered in recent years was especially determined by the investments in apiary exploitations, from European funds.

Regarding the level of honey production (figure 2), a significant progress is highlighted before 1990, with an average of approx. 183.8%, from a production of approx. 7250 tones during 1962-1966, to approx. 14.51 in 1987-1991. The minimum was recorded in 1962, with 6.1 thousand tons and the maximum in 2011, with approx. 24 100 tons.

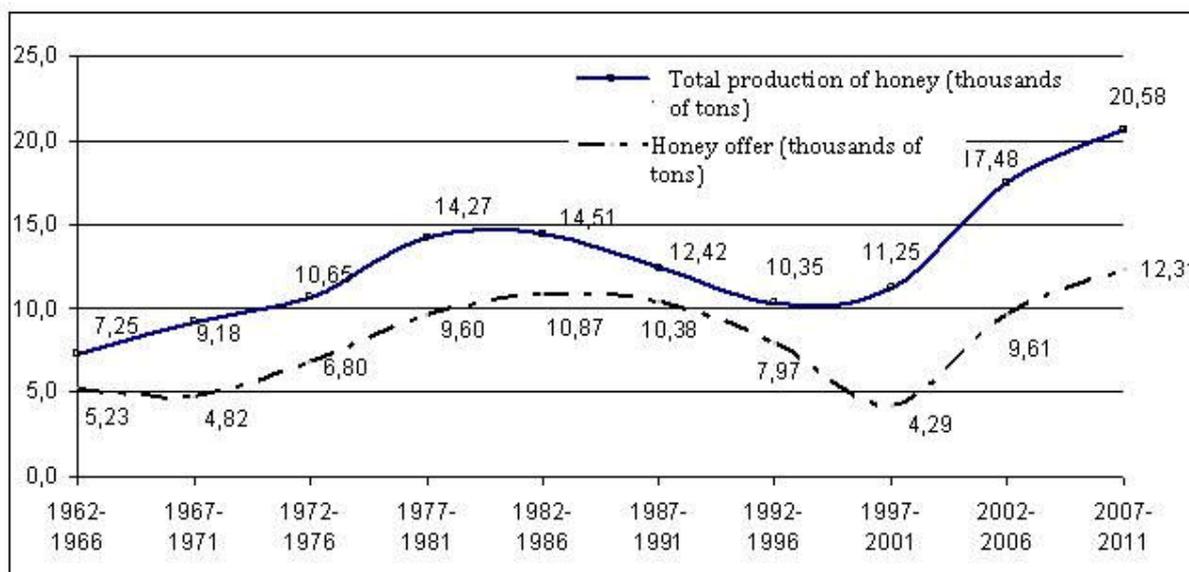


Figure 2 Dynamics of honey production in relation to the domestic offer (thousands of tons)

In 1962, the honey offer on the Romanian market was approx. 4600 tons, with an increase from 1962 to 2011 of 7070 tons, higher during the 1962-1990 period, when it recorded 5140 tons against the period from 1991 to 2011, when it increased by 1930 tons. This evolution is related to the increase in the number of bee families and their productivity.

Basically, between 1962 – 2011, honey offer increased by 135.1%, 98.3% from 1990 to 1962 and by 18.6% during 1991-2011. The maximum offer was registered during 2007-2011, amounting to 12 310 tons, and the minimum during 1997-2001, amounting to 4290 tons. The average of the analyzed period was 8190 tons, with a variability of 8010 tons.

The average honey production (figure 3), registered a significant increase from 1962 to 2011, from a minimum of 8.97 kg/bee family between 1967-1971, to a maximum of 21.1 kg/bee family from 2002 to 2006. The increase is of 10.5 kg/bee family, namely 112.8%. This may be mainly attributed to the beekeepers' increased technical performances and to the improving conjuncture determined by a market economy.

The average sold honey production for the entire studied period is 5.14 kg/fam., lower than the average production produced with a 8.48 kg/fam. The marketed production represents 62.2% of the average obtained in the bee family. The difference may be attributed to the domestic consumption of the bee families, to the consumptions of the household keeping hives and to the direct marketing to the end consumer.

The share of the marketed production varies significantly from one period to another, the highest level being recorded from 1992 to 1996

by 77.0% and the lowest during 1997-2001, by 38.2%.

With some exceptions, the average marketed production increased from a minimum of 4.71 kg/fam. during 1967-1971 to 11.82 kg/fam., between 2007-2011. The relative growth of the researched period is of 176.3% and of 146.2 % after 1990, against the 120.6 % of the previous period.

Regarding the dynamics of honey imports and exports (figure 4) a growing trend was also highlighted, especially for honey export, where the growth was from 20 tons/year from 1962 to 1966, to 8980 tons/year between 2007-2011, higher with 345.4%.

Honey imports were insignificant before 1990, at which time it grew to about 100 tons/year, reaching approx. 710 tons year during 2007-2011. Thus, the average trade balance for the studied period was 4610 tons/year favoring the export, with an exports average of 4730 tons/year and an imports average of 0,124 tons/year. The same indicator for the period after 1990 is 6680 tons/year, during which Romania imported approx. 310 tons of honey per year and exported approx. 6680 tons/year.

The evolution of honey imports within the centralized economy specific to Romania before 1990 was determined by the economic policy of the communist regime that was oriented towards meeting the food products demand from the domestic production. Moreover, the Communist leadership insisted on increasing the exports level, to improve the trade balance of the country. In these circumstances, the domestic demand was covered by the beekeepers' direct sales to the final consumer.

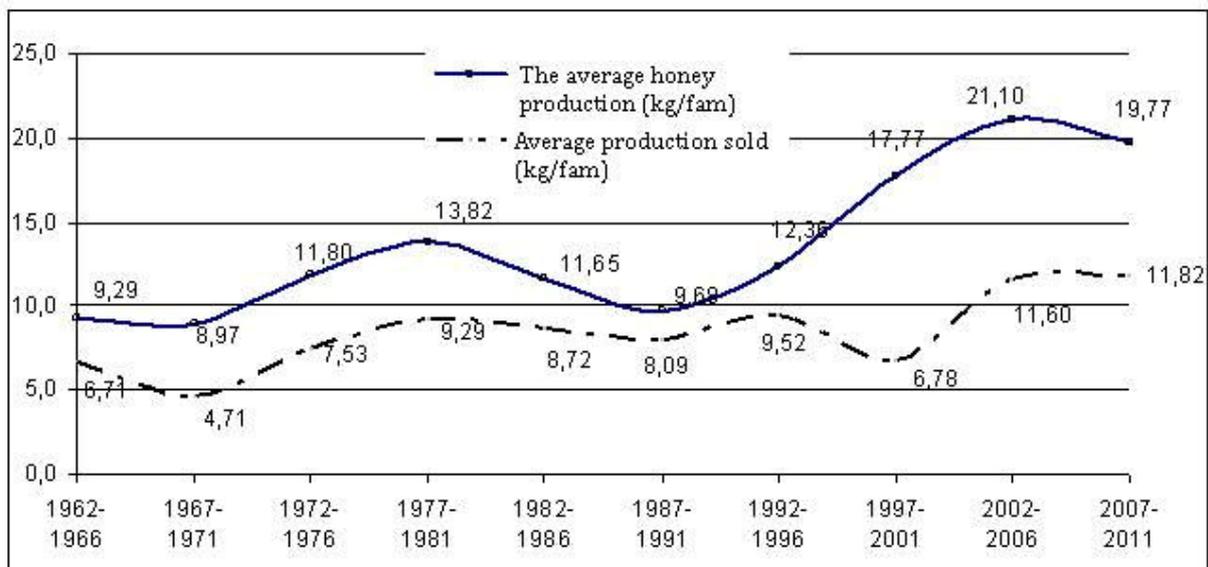


Figure 3 The average production of the obtained and sold honey (kg/family)

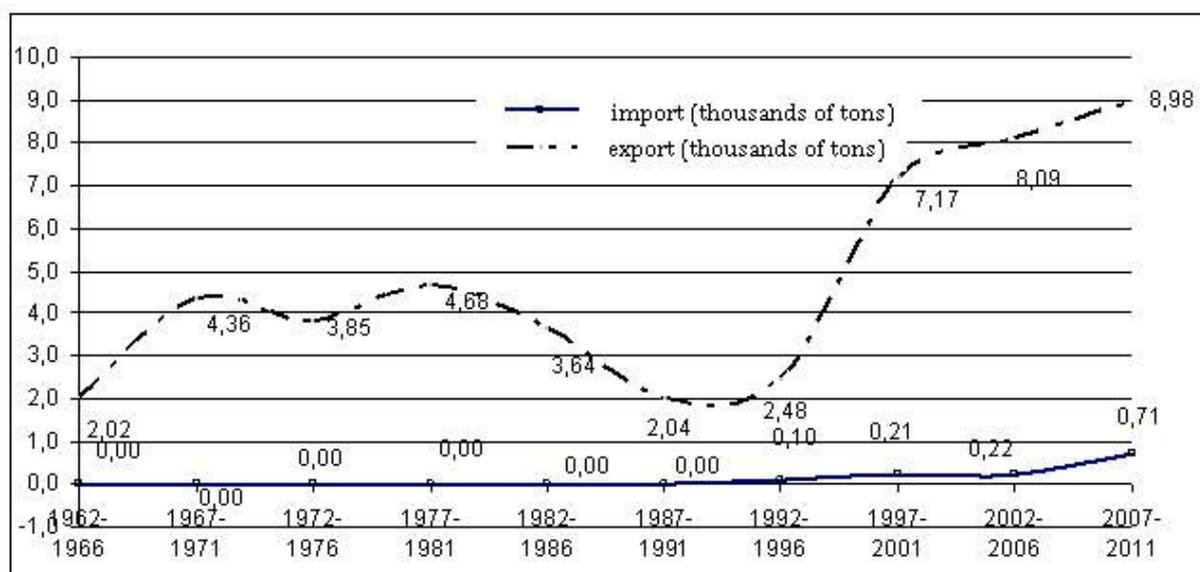


Figure 4 Honey imports and exports dynamics (thousands of tons)

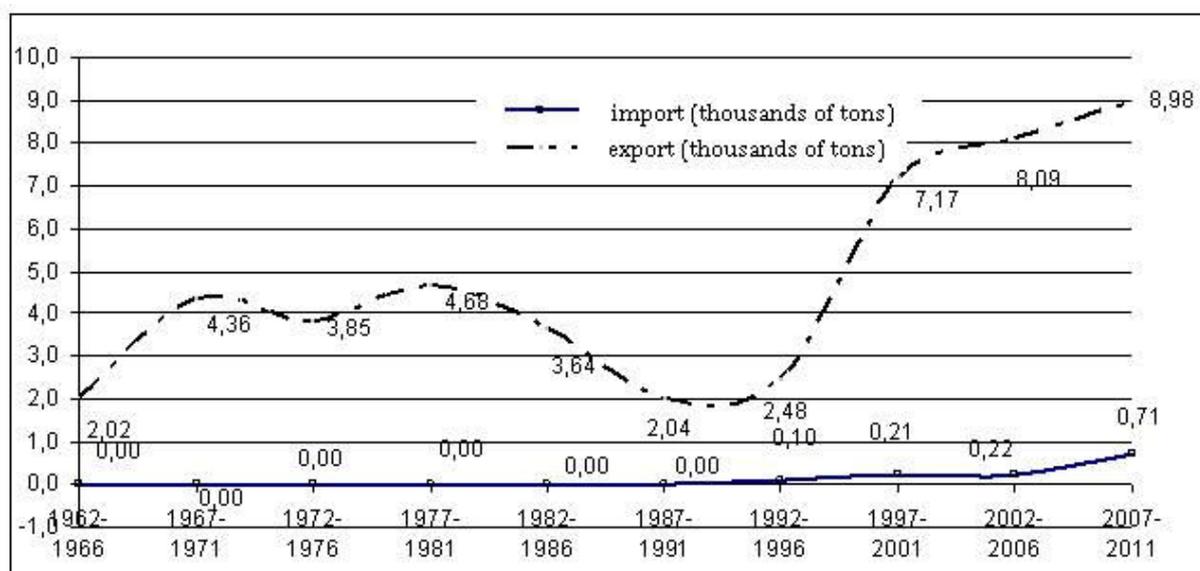


Figure 5 Honey imports and exports dynamics (\$ mil.)

Consequently, the value of imports was negligible before 1990, while the value of exports increased substantially (figure 5). For the entire studied period, the average value of imports was about \$ 291,000/year, while the average value of exports was 8.29 mil. \$/year. In the last researched period (2007-2011), the value of honey imports was 2.08 mil. \$/year, and the export value of 33.21 million \$/ year. The contribution of beekeeping through the honey production to the trade balance of Romania after 1990 was approx. 15.31 mil. \$/year, reaching 31.13 mil. \$/year during 2007-2011. This evolution is due especially to the increase of the exports value following 1990, by 14.7 times, from 3.29 mil. \$/year between 1992-1996, to 33.21 mil. \$/year between 2007-2011.

The large interest in honey export sales had consequences on the domestic demand for honey

(figure 6) which, associated with the low level of incomes, caused an average of the investigated period of approx. 8188 tons/year and 372g/pers. Thus, during 1962-1966, a person consumed approx. 280 g of honey per year, and in 2007-2011 approx. 560 g of honey per year. Between 1962-1990, the individual request of honey increased by 161.1% and then increased by approx. 126.0%.

Whilst the demand and supply of honey had significant fluctuations, the price of honey also recorded significant variations, caused by both political and economic factors (figure 7).

Thus, during 1962-1990, the domestic price of honey was been imposed by the governing bodies, rather reflecting the costs level, correlated to a profit margin that beekeepers should have obtained. On average, in this period, the price was determined at approx. \$ 3.13/kg, with slight

variations from \$ 2.50/ kg during 1962-1966 to \$ 4.24/kg from 1977 to 1981. In the period following 1990, the domestic price began to follow the market price profile and to express, to some extent, the relationship between demand, supply, and competition. During this period, the domestic price of honey registered an average of \$ 3.31 / kg, with a continuous increase from \$ 2.0 /kg during 1992 to 1996, to \$ 5.27 / kg between 2007 and 2011. During 1991-2011, the price of honey on the

domestic market increased by 261.1%.

After 1990, when the first imports were registered, the average price of imported honey was 1.39\$/kg, against the price of exported honey, 1.22 \$/kg. During 1991-2011, the average import price was \$ 2.07/kg and the price of exported honey, \$ 2.09/kg. Before 1990, the price of exported honey registered an average of \$ 0.89/kg, price that might represent the perceived value of the foreign market on Romanian honey.

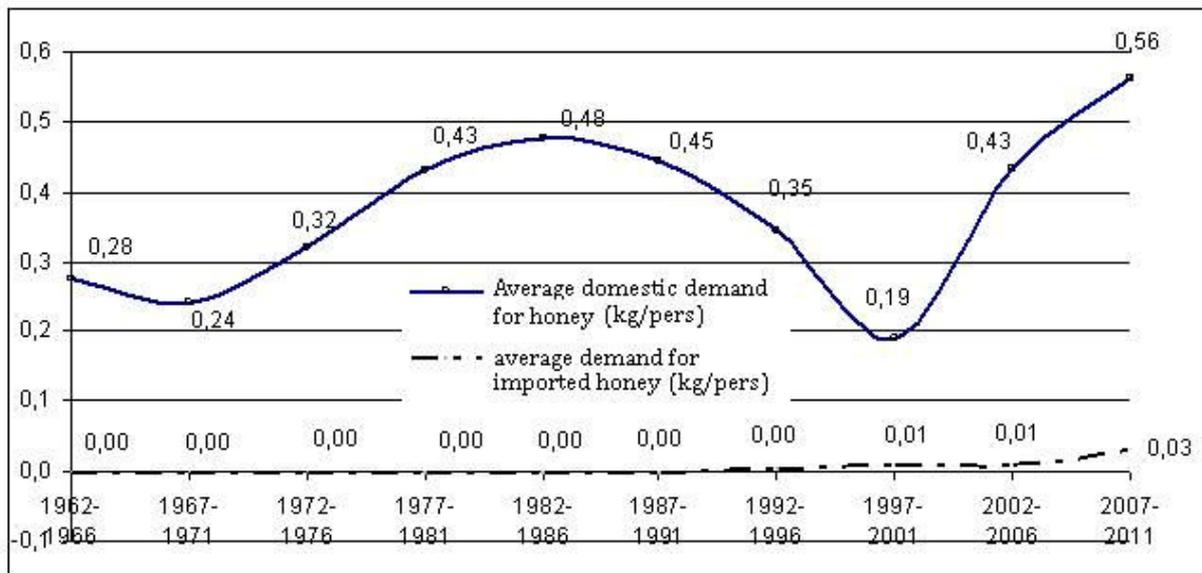


Figure 6 The average domestic demand for import and Romanian honey (kg/pers)

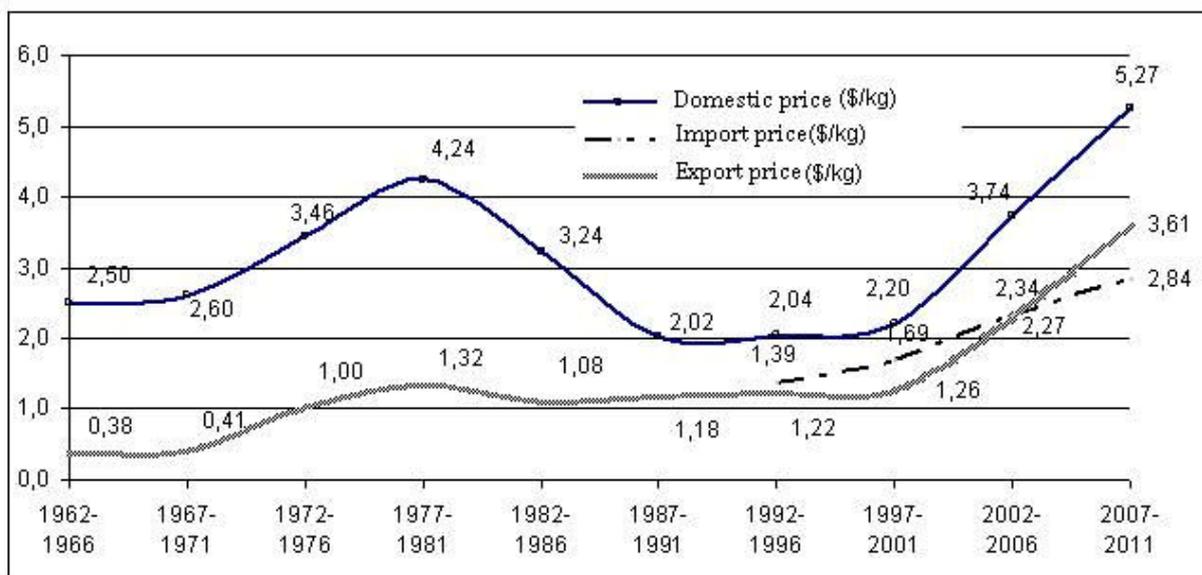


Figure 7 Honey price dynamics in Romania (\$/kg)

CONCLUSIONS

During 1962-2011, honey production recorded a positive dynamics, in all aspects its characterizing aspects.

The average number registered in Romania

during 1962-2011 was about 961 000 bee families, with a level of approx. 726 000 in 1962 and 1,275 mil. in 2011. The total honey production was about 7250 tons during 1962-1966, increasing to approx. 24 100 tons in 2011.

In 1962, the honey offer on the Romanian

market was approx. 4600 tons and reached, from 1991 to 2011, 12 310 tons/year. The average honey production also registered a significant increase from 1962 to 2011, from 8.97 kg/bee family between 1967-1971 to 21.1 kg/bee family in 2002-2006. The marketed production represents 62.2% of the average obtained in the bee family.

The average value of imports was about. \$ 291,000/year and the average value of exports was 8.29 mil. \$/year. In the last studied period (2007-2011), the value of honey imports was 2.08 mil. \$/year, and the export value of 33.21 million \$/year.

During 1962-1966, a person consumed approx. 280 g of honey per year and during 2007-2011, approx. 560 g of honey per year.

The price of honey during 1962-1967 was 2.50 \$/kg and it reached \$ 5.27/kg during 2007-2011. After 1990, when the first imports were registered, the average price of imported honey was 1.39\$/kg, against the price of exported honey, 1.22 \$/kg

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