

MANAGEMENT STRATEGIES IN FOOD PRODUCTION IN INTEGRATED CURRENT EUROPEAN CONTEXT

Professor Dumitru MNERIE, Ph.D.
Mechanical Engineering Faculty,
POLITEHNICA University, Timișoara,
România



Lecturer Gabriela-Victoria MNERIE, Ph.D., Faculty of Computer Sciences, „Ioan Slavici” University, Timișoara, România



REZUMAT. Pentru a realiza unitatea de acțiune mai eficientă în vederea asigurării garanției calității produselor alimentare de pe piața europeană, optimizarea strategiei de gestionare ar trebui să se facă atât la nivel macro, prin comisiile de specialitate ale Parlamentului European cât și la nivel național, regional și local. Acest articol prezintă unele aspecte ale agriculturii județului Timiș, în contextul schimbărilor din ultimii 20 de ani, cu unele observații referitoare la perspectivele de evoluție până în 2020. Se fac referiri speciale în legătură cu punerea în aplicare și / sau extinderea practicilor de management al sistemelor integrate pentru producția agroalimentară.

Cuvinte cheie: management, calitate, aliment, agricultura, sisteme integrate, producție agro-alimentară.

ABSTRACT. To achieve effective unit action for to ensure guarantees for food quality for the European market, the optimizing of the management strategy should be done for both at the macro level through specialized committees of the European Parliament and to the national, regional and local levels. This paper presents some aspects of agriculture Timis county, in the context of changes in the last 20 years, with some remarks on evolutionary perspectives to 2020. Special reference is made in connection with the implementation and / or expansion of management practices related to integrated systems for agro-food production.

Keywords: management, quality, food, agriculture, integrated systems, agri-food production.

1. INTRODUCTION

After European Parliament regulation The Committee on Agriculture and Rural Development (AGRI) is primarily responsible for examining and, where necessary, amending the European Commission's legislative proposals by preparing reports on agricultural policy for subsequent adoption by the European Parliament in plenary. [2]

That powers and responsibilities of AGRI committee are more important than ever now that, since the entry into force of the Treaty of Lisbon, the European Parliament has the power of codecision, with the Council of Agriculture Ministers, on the Common Agricultural Policy (CAP). [3]

For a firm the business management is the optimum allocation of resources, both human and physical to achieve various organizational goals. In more specific terms, business management deals with crucial decisions and steps that a business has to undertake to accomplish its desired output and stability. That It is the summary of the issues addressed by the entrepreneur or the business authorities to realize the long-term as well as the short-term objectives of the business and the required profit margins.

The sustainable development of agriculture has been given an important place on the international and European agenda in the past few years, as recent trends in food prices and the food crisis show. The

CAP has up to now been one of the fundamental elements of European cooperation and economic development and that will need to remain so in the future. But for that to be the case, radical changes in European agricultural policy will be necessary so as to link up with the reform measures that have been instituted in recent years.

Food manufacture is one of the world's largest industries. The agro-food production means the transformation of basic agricultural foods through many techniques (preservation, concentration (condensing) and extraction, substitution, etc...). The evolution of agro-food production was marked by several important moments: in 1804, Nicolas Appert (1749-1841) invented a new way of preserving food by sterilization; the first preserve factory was built in France in 1860. Pasteur gave a scientific basis to sterilization, and a new process called « pasteurization » was applied to various fields. At the end of the 19th century, Nestlé invented condensed milk, and Liebig developed beef extracts and dry concentrated soups; in 1869, Mege-Mouriès mastered the process of producing margarine. These moments and many others have led to more intense diversification and industrialization.

2. MATERIALS AND METHODS

To determine some management strategies for improving agro-food production units it have

undertaken several studies on the economic environment in Timis county.

Timis county agricultural potential plays an important role in national economy, with crucial implications on the living standards of population and food security. The agricultural potential of Timis county is remarkable because of the large agricultural plains areas and high quality soil. Although it is currently under-capitalized, in the future can become one of the most important branches of Timis County economy as it was not long time ago. Currently, the agriculture in Timis county is characterized by a very strong dual structure of exploitation agricultural area, on the one hand a large number of small individual farms (87.768), but operating 48,8% of the county area, on the other hand, a relatively small number of farms but large (706), using over half the agricultural area of the county (51.2%). All these elements allow us to perform an analysis of Timis County agriculture, which must acquire a special importance in developing county economy, but also the national economy.

The food industry from Timis County provides several investment opportunities due to the county's large farmland and its high farming potential. In the inter-war period, the agriculture stock exchange in Timisoara would set grain prices for the whole of Europe. Timisoara has a long-standing tradition of cereal exports, and that points to the high production rates in the Banat region, largely due to the good quality of the soil. Over 60% of the farmland in the region has extraordinary characteristics. There are first-rate chernozems that can generate not just bumper crops of cereals but also of fruit, vegetables and industrial plants. So, the soil here is good to be under any crop, while the food industry offers a in terms of processing farm products. Agriculture also shows a great deal of potential, since a large area of the county's territory is unexploited at present. In fact, any sort of business can be carried out in any sector whatsoever here, from trading and manufacturing to agriculture and constructions, provided you are competitive in the respective domain.

According to the Romanian Ministry of Agriculture and Rural Development, Romanian exports of foodstuffs went up by nearly 55% in the first five months of the year as compared to the same period of last year, now standing at over 1.19 billion euros. In turn, imports registered a 22.2% rise up to 1.79 billion euros.

As a result, Romania's deficit in the farm and food trade has dropped by nearly 100 million euros, down to 606 million euros. Romania primarily exported raw materials, namely corn, tobacco or sunflower seeds. It is fair to say Romanian exports, cereal exports in particular have been favoured by soaring prices at global level throughout 2011. As regards Romanian imports, at the top of the list are sugar,

sunflower seeds, fresh pork, corn, wheat and food preparations.

Agriculture is considered one of the areas that could change the face of Romania, if it was put to best account. One impediment, however, is the very small average surface of farms, which does not allow for modern agriculture to be practiced. In other words, many farms are still engaged in subsistence agriculture.

As for the 2010-2011 farming year, it is expected to be better, mainly due to better weather, and the fact that, after many years, the government finally supplied the proper funds to farmers. Production this year stands at about 7 million tons, 80% of which can be used for bread making, while last year it was a mere 5.6 million tones. Corn is also expected to fare better as well.

European funds are granted through the 2007-2013 National Rural Development Program, whereby 7 billion Euros for agriculture and rural development programs are made available to individual and company agents.

The program also provides 2.72 billion Euros for direct payments to farmers. Total European funds for rural development grants will reach 10 billion Euros until 2013. Of this amount, Romania has so far accessed about 30%.

Business management strategy can be illustrated as a process of specifying a company's objectives, developing policies and plans to achieve these objectives and the allocation of resources in the direction of implementing the policies and attaining these objectives. Most importantly, business management strategy is a dynamic process which encompasses all the industries and businesses in which the company is involved in a framework akin to that of game theory.

3. RESULTS AND DISSCUSION

Amongst the agricultural holdings from Timis County in 2007:

- • 54 % made use of less than one AWU, while another 9 % made use of two or more AWUs;
- • 19 % used less than 2 ha, while 1.6 % used 50 ha or more;
- • 64 % produced mainly for own consumption, whereas 35 % produced mainly for direct sales;
- • 22 % of Romanian farms specialized in mixed livestock, mainly grazing livestock;
- • 21 % specialized in mixed cropping;
- • 12 % of the holdings specialized in field crops – grazing livestock combined;
- • 11 % of the holdings specialized in general field cropping;
- • 7 % of the holdings farmed various crops and livestock combined.

- 64% of Romanian farms produced mainly for own consumption.

In the European and regional context are necessary reconsiderations of management applied vertically.

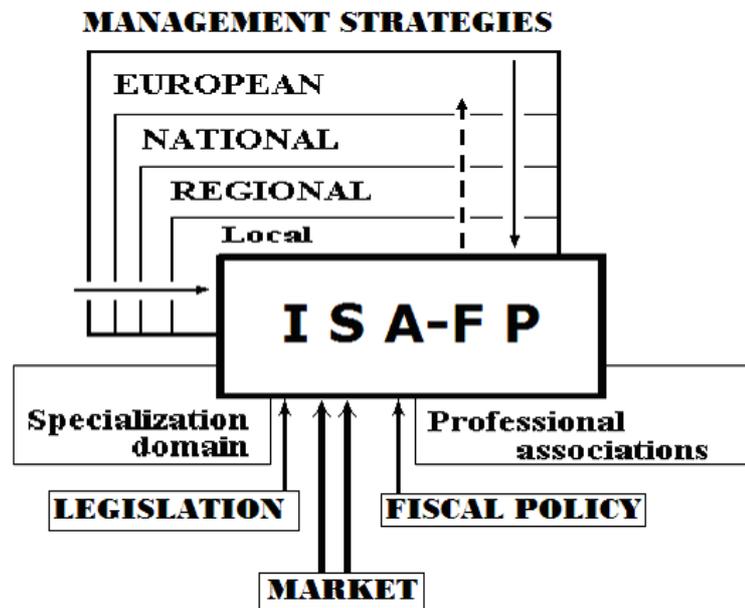


Figure 1. - The principle of action optimized management strategies

The principle of action proposed for optimized management strategies on the ISA-FP adds a greater influence from base to top, from the realities of the agri-food business by centralized structures of material.

In this way it can ensure the conditions of use all natural resources for ever-increasing food quality consistent with consumer needs.

The ISAFP can develop more harmonious, can adapt more easily to slow down of the economy without the rational exploitation of natural environment. [1]

Management strategies for ISA-FP can be viewed from various approaches such as the industrial organization approach and the sociological approach based on human interactions and strong human relations between the lowest and highest level of managerial authority. There is also a strategy hierarchy that can be divided into functional strategy and operational strategy where functional strategies include marketing strategies, product development strategies, human resource strategies, financial strategies and information technology strategies as opposed to operational strategies which include the day-to-day functioning of the business or the corporate organization. In this context, we can mention the concept of the of Business Process Management (BPM) which is defined as the juncture between Business Management and Information Technology and deals with tools and techniques to design, control and analyze the operational business

processes of a business. The main asset or quality of the business process management is the improvement in the business processes through new software tools called the BPM systems which have made such activities faster and cheaper.

These changes quite logically prove also under the development conditions of the current agriculture and the agricultural sector as a whole in its horizontal as well as vertical context. They overcome the formerly typical relative closeness of basic-industry segments. They affect the whole segment of economics connected with production, processing, distribution and realization of agricultural products and services related thereto. It can to change the size, rules as well as criteria of forming the offer and demand on agrarian markets, namely in whole verticals that these days frequently take the form of global networks. In their context, they may even interfere in the production and out-of-production relations of agriculture and complicate fulfilment of the segments multi-functional role within development of whole world regions. In this context, issues reappear concerning not just the amount of income redistribution for the benefit of agriculture in all dimensions of its mission, but these are also issues concerning effectiveness of the regulation forms and expedience of economic support for development of individual segments and increasing their competitiveness.

4. CONCLUSIONS

After this brief analysis performed on agro-food market it can be concluded that agricultural markets are unstable:

- Sensitivity of supply to climatic hazards (despite the technical progress)
- Supply is rigid in a short term (production cycle)
- Demand is inelastic (little variation depending on price).

In this case, for perspective, after the European Parliament the strategies for the EU are:

- Innovation and competitiveness of agribusiness
- Exchange rates in the long term (Euro / USD)
- Some hopes: growth of international trade ; difficulties in some exporters (Australia)
- Export refunds were helpful especially in times of crisis (milk, sugar, pork,...)
- This justifies to maintain intervention prices at low level.

Even in the absence of a strong policy steer to incentivise the production of bioenergy crops, European energy policy, market forces and the anticipated end of arable set-aside are likely to drive an expansion in the area and intensity of cereal production for bioenergy feedstocks over the next decade. Early trends bear witness to this 'cerealisation' of the European countryside, with concomitant adverse environmental affects.

A new set of policy drivers is emerging in rural Europe. Energy and climate goals are infiltrating a domain that has previously been dominated by food production and latterly sustainability concerns. These are likely to have implications for the future direction of the CAP, which has the capacity to influence land use decisions on a European scale, and raises questions about the relevance of current CAP objectives, the policy machinery required and the budget available for the sector in the longer term.

It's preferable to use the integrated systems for agri-food production, where can use minimum an available element (raw material source, the personal land, equipment for processing, personal network marketing, other).

Given the current European agricultural policies and the experience of the Romanian people thousands of years it can be said with confidence the principles of ISAFP as successful.

REFERENCES

- [1] **Mnerie, D; Tucu, D; Anghel, GV**, (2008), *Study about integration capacity of systems for agro-food production*, Conference Information: 36th International Symposium on Agricultural Engineering, Date: FEB 11-15, 2008 Opatija CROATIA, ACTUAL TASKS ON AGRICULTURAL ENGINEERING, Volume: 36, Pg. 617-622.
- [2] * * * - EUROPEAN PARLIAMENT, Directorate-general for internal policies, Agriculture and Rural Development, ISBN 978-92-823-3500-0, (<http://www.europarl.europa.eu/studies>)
- [3] **Chatellier Vincent, Inra Saez Nantes** (France), *European Parliament, Directorate-general for internal policies*, Workshop COMAGR, 17th February 2011 – Brussels,
- [4] **Jambor, Attila**, *EUROPEAN PARLIAMENT, Directorate-general for internal policies*, Rural Development in the CAP post 2013,
- [5] **Mnerie, D., Dumitru Tucu, Mihai Nicolescu**, 2005, *Oportunități și riscuri în managementul sistemelor integrate de producție agroalimentară*, Mecanizarea Agriculturii, nr.4/2005, Ed.AGRIS, anul LV (anul XVI-serie nouă), ISSN 1011-7296, p.17
- [6] **Dumitru Mnerie, Bohuslav Cermak, Gabriela Victoria Mnerie**, (2009), *Integration capacity of systems for agro-food production components*, The 6th International Conference Integrated Systems for Agri-Food Production, SIPA 09, Proceedings SIPA09, Nyíregyháza, Hungary, pg. 385, ISBN 978-963-9909-40-3

NOTATIONS

ISA-FP – Integrated System for Ago-Food Production;
HR – human resurses;
M – maintenance;
A – agricultural sector;
C – control,
P – processing;
Mk – marketing;
F – finance;
AGRI - Committee on Agriculture and Rural Development;
CAP - Common Agricultural Policy;
AWU - annual work unit;
UAA - utilised *agricultural* area;
BPM - Business Process Management