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Conference Paper

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Provided in Cooperation with:

The Research Institute for Agriculture Economy and Rural Development (ICEADR), Bucharest

Suggested Citation: Dinică, Marius (2015) : Technical-economic analysis on a community agricultural cooperative in the village of, in the County Vidra, Ilfov: Case study, In: Agrarian Economy and Rural Development - Realities and Perspectives for Romania. 6th Edition of the International Symposium, November 2015, Bucharest, The Research Institute for Agricultural Economy and Rural Development (ICEADR), Bucharest, pp. 409-413

This Version is available at:

<https://hdl.handle.net/10419/163335>

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TECHNICAL-ECONOMIC ANALYSIS ON A COMMUNITY AGRICULTURAL COOPERATIVE IN THE VILLAGE OF, IN THE COUNTY VIDRA, ILFOV CASE STUDY

DINICĂ MARIUS¹

Summary: *In Romania, agricultural cooperatives are important pieces in the development of rural areas with permanent changes in the development of vegetable, vegetable harvesting, storage and marketing of products designed to consumption. Agricultural cooperatives contribute to improving the productivity of small farms and make possible access to product marketing, savings, credit, insurance and technology. Agricultural cooperative organization of production is determined on conditions such as: market demand, financial resources, natural environment, income, market risks. At the same time agriculture is the main source of income in rural areas.*

Keywords: *cooperative agricultural, productivity, farm, market.*

INTRODUCTION

The Vidra vegetable agricultural cooperative, established in January 2013 started out with 12 members, commune Vidra growers in Ilfov County. The action was carried out within "Association, a chance for farmers" project a "Rural development through entrepreneurship and association" program. The project was initiated and financed by the Romanian-American Foundation (RAF) and in partnership with several foundations, one of which had a decisive role for Civil Society Development Foundation (CSDF).

For the start, FDSC conducted a survey among vegetable growers in the village and as a result most of them agreed with the idea of an association. People are still afraid to work together. Very few are those who see things in perspective and realize what means to be stronger, to be "great." Although most of them agree that the association is a solution, mistrust hinders them. When entering a cooperative many of them expect to receive something, not give, and in this form of organization they must pay taxes, fees and entrance cooperative setting. For many, of them benefits that cooperative provides, seem insignificant.

The cooperative consist of 22 members who mostly represent the labor inside it and sometimes the staff temporarily used to cover the activities of the agricultural year. Focusing agricultural cooperative on vegetable cultivation is caused by the increasing demand for high quality vegetable products on the market and their dedication to the sales, being sold as tinned tomatoes but at a low percentage.

MATERIAL AND METHOD

The research methodology lies analysing the information within the cooperative on a based concrete through direct interview with questions on the economic aspects of the cooperative. Information has been obtained within the framework of the cooperative (annual financial statements, management accounting, sales levels).

RESULTS AND DISCUSSIONS

The agricultural Cooperative Vegetable production profile is medium, characterized by the cultivation of early vegetables and fresh vegetable seedlings. The high demand for quality fresh vegetable products and vegetables seedlings made this cooperative satisfy consumer's requirements. When the cooperative was set up there were five members with a total acreage of

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20,000 square meters and goes after in two years' time it reached 22 members with a total cultivated area of 100,000 square meters.

Table nr.1

Specification	Hectars	Protected space	Unprotected space
Agricultural surface	10	8	2

Vidra is close to the capital with temperate continental climate influences, surrounded by a belt of forests which creates protect an environment against bad wather and favours the process of production. The relief is plain with a reddish brown soil rich in mineral salts, very fertile for crops.

Table nr.2

Tehnickal means in use			
Equipment	2013	2014	2015
Atomiser	1	1	1
Tractor	1	1	1
Sowing machine for vegetables	2	2	2
Means of transport for vegetables	1	1	1
Transport trailers	1	1	1
Irrigation pumps	3	3	3
Motocultor	1	1	1

In Table. 2 There has been listed existing equipment at the disposal the cooperative, functioning at normal parameters is specially in basic activities carried out such as: soil tillage and sowing plants.

In order to know the phenomena, detecting causal links it is necessary to analyze - a research method based on breaking up the whole (either object, phenomenon, process) into its component elements, or sides or features, as well as determining the factors and causes which generated it in order to identify the nature, place, their significance and necessity of the whole question. With analysis it is possible to know the objective reality in all its complexity.

The process of knowledge of the objective reality covers the way between appearance and essence. Or to sense what is the main feature, which keeps the internal side of objects, phenomena and processes of key events taking place in their depth, with correlative analysis requires a combination of them - synthesis. The knowledge synthesis method of analysis inextricably linked, is understood as a logic operation to reunite in one all elements, factors and causes the sides and features, previously isolated by the analysis, in order to acquire full object phenomenon or process.

So using analysis and synthesis man investigates things, phenomena and processes in reality, he or she discover the structure, checks them, establishes causal relationships, factors that generates them, discovers the laws of training and their deployment, and on this basis, makes decisions on work future. Complete knowledge of activities of objects, phenomena, requires a combination of analysis and synthesis in a unit as a means of knowledge.

Economic and financial analysis examines the business or economic phenomena, ie the consumption of resources and results. The essential economic analysis taking into the consideration the relations hips and the functional structures of cause and effect.

Methods, procedures and techniques of financial analysis are an increasingly important role in evaluating the full potential of the company. They become a real management tool to ensure effective functioning of the enterprise.

In general it can make a correlation between income and expenditure, meaning that realization of an income requires an expenditure of income, and vice versa. But there are exceptions. So for example, financial expenses as well as the exceptional do not generate revenue and achieve them at no cost. The analysis of the expenses belowgwing to incomes aims their

evolution and the factors determining it in order to identify the possibilities of diminishing so as to increase profitability

Table nr. 3

Nr. Crt.	Indicator	2013	2014	2014/2013	
				Value - lei	%
1.	Total incomes, of which:	337.210	352.095	+ 14.885	+4%
1.1	Exploitations incomes	311.020	339.980	+28.960	+9%
1.2	Other incomes	26.190	12.115	-14.075	-16%
2	Total expenses, of which	271.579	282.796	+11.217	+4%
2.1	Exploitation expenses	271.002	282.003	+11.001	+4%
2.2	Financial expenses	577	793	+216	+27%
3	Financial results, of which	65.631	69.299	+3.668	+5%
3.1	Gross profit	65.631	69.299	+3.668	+5%
3.2	Net profit	55.130	58.211	+3.081	+5%
3.3	Profit rate %	0,84	0,79		

Cooperative economic results show that it had developed a profitable activity, as demonstrated by the indicators presented in Table 3. Both results from 2013 and 2014 have determined the accession of other farmers in to our cooperative, which led to increased production and hence profits. Product selling price was higher and because due to contracts with MEGA IMAGE and through the "miss the taste". The production process represented the largest share of operating expenses referring to the effort made by holding for growing.

The total cultivated area is distributed by the cooperative's president on three types of crops: vegetables seedlings, early vegetables fresh vegetables, with low added value and high added value.

a) early vegetables for fresh consumption with high added value: tomatoes, peppers, spinach, cauliflower, eggplant, sweet corn with a great weight due to high volume production that can be recorded on a not very extensive area to get high yields.

b) early vegetables for fresh consumption, low added value: lettuce, cabbage, greens, celery with leaves, radishes, turnips.

Tabel nr. 4

Specification	2013		2014	
	Quantity	Percentage %	Quantity	Percentage %
Tomates	120.000 kg	68,15%	144.000 kg	64,2%
Mild paper	30.000 kg	17%	42.000 kg	18,73%
Spinach	300 kg	0,17%	520 kg	0,23%
Cauliflower	5.000 kg	2,83%	7.000 kg	3,12%
Egg plant	700Kg	0,39%	1.100 kg	0,49%
Sweet corn	3.000 kg	1,7%	3.000 kg	1,33%
Lettuce	9.000 kg	5,11%	15.000 kg	6,68%
Cabbage	1.500 kg	0,85%	2.300 kg	1,02%
Greens	200 Kg	0,11%	310 kg	0,13%
Celery with leaves	6.000 kg	3,4%	9.000 kg	4,01%
Radishes	170 kg	0,09%	-	-
Turnips	190 kg	0,10%	-	-
TOTAL	176.060 Kg	100 %	224.230 Kg	100 %

In all kinds of vegetables there were recorded average yields but certain tomato varieties were large oscillations due to unprotected environment where grown and resulted in decreased quantity. It is necessary to make investments in solar and greenhouses for the purposes of the production process.

The staff of the cooperative is formed of its members and a reduced number of partially unskilled people. Calling is also made day laborers carrying out various activities such as sowing vegetables, plant maintenance and harvesting vegetables.

The Vidra vegetable cooperative accesses European funds by the RDP 2007-2013, Measure 141 "Support for semi-subsistence farms" worth 1,500 euros. The funds were used to purchase equipment, this has led to increased economic performance of the cooperative in 2 years' time.

The cooperative bought seeds, fertilizers, pesticides, prices of "wholesale" economy is sometimes 50%. To this is added the possibility to sell together, more and better prices, the beneficiaries sure, on contract. Thus money on your taxes (such as VAT) are recovered. Not to mention the time that no longer is lost by selling your own products, the stress caused by the lack of a real market, selling vegetables, and more.

Table nr. 5

SWOT ANALYSIS OF THE VIDRA VEGETABLE COOPERATIVE ACTIVITY IN THE PERIOD 2013-2014	
Strong point	Weak point
<ul style="list-style-type: none"> - The existence of a wide range of vegetable products; - Financial stability regarding the profit level; - The cooperative owns a large area of fields which represents a high agricultural potential; - Contracts with the big hypermarket chains. 	<ul style="list-style-type: none"> - Lack of a sorting line for vegetable and of a deposit for stocking products; - Unskilled labour; - Lack of a modern irrigation system.
Opportunities	Risks
<ul style="list-style-type: none"> - Providing with technical equipment in order to reduce expenses; - Extension of the market on a large scale; - Staff training; - European funds accessing through the programme PNDR 2014-2020. 	<ul style="list-style-type: none"> - Increase of cost with inputs in agriculture; - Increase of the number of local competitors.

In conclusion, we proposed the following:

- capitalize the production of vegetables of the members by firm contracts and by opening stores in major shopping areas in Bucharest;
- to ensure the requirements of the cooperative members with the means of agricultural production and facilitate their professional development;
- to develop science-based farming, according to the principles of agri-environment that protects agricultural land (the main means of production of the local community), and for consumers;
- develop community we belong to The Vidra vegetables agricultural cooperative is just beginning. We are not small, we are very small, but optimistic. Neither the West were the big start, though communism had not existed in their past. In the first year, 2013, we started shyly to sell vegetables online. We had the support of RAF which put up 100,000 dollars for a period of three years. Out of the money in the first six months we paid an Executive Director, who was also a member of the cooperative and directly responsible online sales using their own car.

Online sales were a real test for us. However quality, timeliness and reliability were decisive. I can say that we did not become matter of laughter and the year 2014 was an even worse year from certain points of view. We managed to achieve contracts with a network of supermarkets in Bucharest, which obliged us greatly. In the end, however, the contracts were performed well, both sides were satisfied. Basically, by the end of November we had sold vegetables which were 480 000 lei worth which meant 12 700 euro per person. The basic vegetables we sold through supermarket chain were the following: tomatoes, lettuce, celery, cauliflower, kale, cabbage, red cabbage, eggplant and herbs.

At present, we are negotiating a contract extension phase, but we are already talking of from other positions. At the end of 2014, the number of producer members reached 19. Of these, 16 will sell products through supermarkets. We have already made a first investment: a second-hand 25 000 lei worth refrigerating van to transport 1 000 kg vegetables. Depending on the structure of

crops and the delivery schedule after an economic calculation, it will be decided whether to purchase a second van.

Also, with the financial help of RAF, we will support, in turn, the development of the cooperative members by providing them with various materials needed to upgrade existing greenhouses or we will build new ones. Finally, we are eager to initiate discussions with the National Network for Rural Development specialists in projects in which we can access European funds, Measure 16 - "Cooperation". In the near future we hope to have a deposit of vegetables, especially a greenhouse for seedlings. The fact that we are associated in a cooperative increases our chances of winning the projects we will submit.

CONCLUSIONS AND RECOMMENDATIONS

The high potential of our country is a path to develop our agricultural cooperatives, and the support of the cooperatives by structural funds (RDP) is particularly important. The commercial success or profitability of each cooperative is largely determined by the downstream segments of chain food products: the secondary sector (processor), the third sector, and not in the least trade and end consumer.

The increase of the cooperative profitability can be positively influenced by culture or niche products, used as food adjuvants, canned foods. There is already a tendency to use industrial-type work techniques, economies of scale, high degree of mechanization.

In this regard, the developed economies are becoming a formidable competitor in the market of agricultural products benefiting from a vertically more advanced integration. The necessity of forming of farmers groups with a technologically advanced system, agriculture is primarily a booming business that can benefit from criteria for the benefit of the farmers and turning to account some opportunities.

Supporting association is important because it is in its early stages of development and, at the same time, it is necessary to guide the mass agricultural production to processing at the level of the farm in order to increase the agricultural product value while exporting because the Romanian market of agricultural products is insignificant.

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