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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: Drăcea, Lăcrămioara Alina (2021) : Study on the evolution of the rapeseed market in Romania, In: Agrarian Economy and Rural Development - Realities and Perspectives for Romania. International Symposium. 12th Edition, The Research Institute for Agricultural Economy and Rural Development (ICEADR), Bucharest, pp. 95-98

This Version is available at:

<https://hdl.handle.net/10419/263026>

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STUDY ON THE EVOLUTION OF THE RAPESEED MARKET IN ROMANIA

LĂCRĂMIOARA ALINA DRĂCEA¹

Abstract

Agriculture occupies an important place in the Romanian economy, helping to provide food to the population from internal sources and facilitating links with secondary sectors. In recent years, the grain sector has seen a trend of growth in areas cultivated with rapeseed among the farm, this being attributed to the good yield of production and investment, as well as the high-profit margin of this crop. Romania covers more than 5% of Europe's total rapeseed crop, demonstrating that it has high agricultural potential, joining the world's major producers, such as Germany, France, or the United Kingdom. In the context of increasing the competitiveness of domestic producers, it is necessary to study the evolution of the rapeseed market and to create an overview of the current situation in Romania, concrete through an analysis based on the performance indicators of the sector. Therefore, the aim of the paper is to analyze agricultural development trends in the Regions of Romania, to observe the current market situation, and to determine its weaknesses. The research method is based on the quantitative analysis of the data provided by the National Statistical Institute and aims to determine the mechanism of the rapeseed market, to identify ways of its development at the regional level, but also to discover new directions for improving the sector.

Keywords: rapeseed, market, agriculture, trade balance

JEL Classification: C8, Q1, Q11, Q12

INTRODUCTION

In recent years, due to the development of the biodiesel industry, as well as the increase in the share of non-food use of vegetable oils, interest in all oilseeds in the world is growing sharply. Today, one of the main places in the world ranking of oilseed crops is been occupied by rapeseed.

Rapeseed is been scientifically called *Brassica napus* and is a plant with flowers of bright yellow colour; it is part of the cabbage family that is botanically named as *Brassicaceae*. (Aglaia et la, 2004)

In particular, rapeseed culture has a high level of proteins that are beneficial and necessary both in human diets and for animal feed. In addition, we can say that from the harvested seed crop is produced about 40% oil. (Rusu, 2005). The rapeseed crop has a positive impact on diminishing the erosion effect of the soil especially during winters, so the amount of biomass produced allows the reduction of weeds on the land where they been planted, helping farmers to reduce the cost of weeding. Another benefit of this crop is been represented by the development of soil inclination by helping the root system. (Varban, 2008)

The largest growers of rapeseed globally are Canada and China, which cultivate over 45% of the world's area of this crop. The top 10 countries in the world's largest rapeseed growers also include India, France, Ukraine, Germany, Poland, Australia, Russia and the United Kingdom.

Rapeseed is a very important raw material in the export strategies of traders and farmers. In the top of rapeseed producers in Europe, Romania occupies the eighth position alongside countries such as Germany, France and Poland.

MATERIAL AND METHOD

The main objective of this paper is to x-ray the Romanian rapeseed market and analyses in detail the indicators such as the cultivated area, the total production, the average yield per hectare, the price and the external trade. This study uses quantitative research methods of analysing statistical

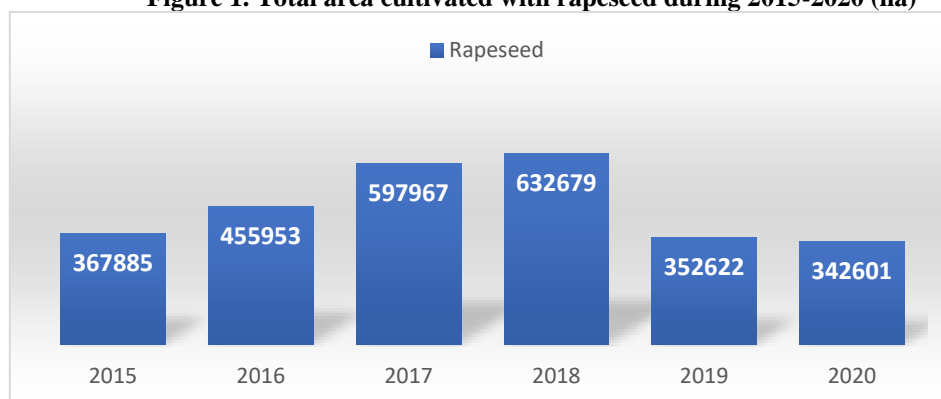
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and economic data for the period 2015-2020 collected from the database of the National Institute of Statistics to provide an overview of the current market situation.

RESULTS AND DISCUSSIONS

According to the data collected from the database of the National Institute of Statistics in the period 2015-2020, the area cultivated with rapeseed in Romania is undergoing significant changes. More precisely, in 2020 we have a crop that stretches over 342.2 thousand hectares, less by 45% compared to 2018 when an area of 632.6 thousand hectares was registered.

Figure 1. Total area cultivated with rapeseed during 2015-2020 (ha)



Source: Own processing based on data available on <http://statistici.insse.ro>

Rapeseed is a crop with multiple utilities and proved that it occupies an important place in Romanian agriculture. The trade with this culture is a successful one because it contributes to a healthy human diet, it is an alternative to soy in animal feed, it is a climate smart choice and it is been used as raw material biodiesel industry.

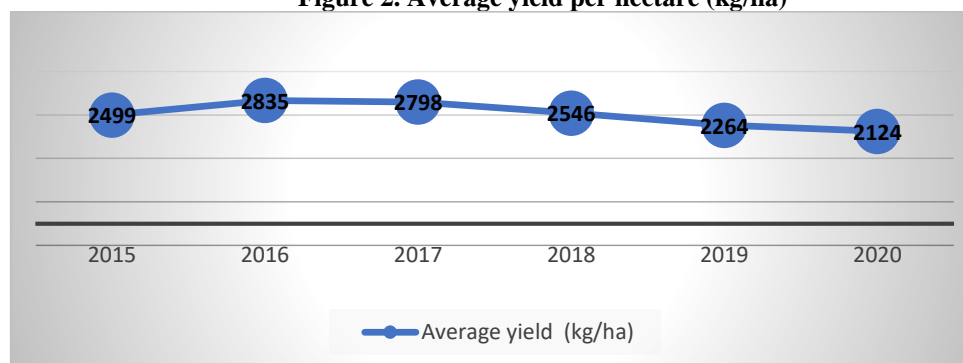
In terms of production at national level, 2017 is the year with the highest rapeseed production, the quantity in this period exceeding by just 1,673,000 tons, subsequently drastically decreasing to the value of 727,731 tons (about 56%) in 2020.

Table 1. Annual production of rapeseed (tonnes)

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------|--------|---------|---------|---------|--------|--------|
| Production (tonnes) | 919473 | 1292779 | 1673327 | 1610907 | 798215 | 727731 |
| Average production(kg/ha) | 2499 | 2835 | 2798 | 2546 | 2264 | 2124 |

Source: Own processing based on data available on <http://statistici.insse.ro>

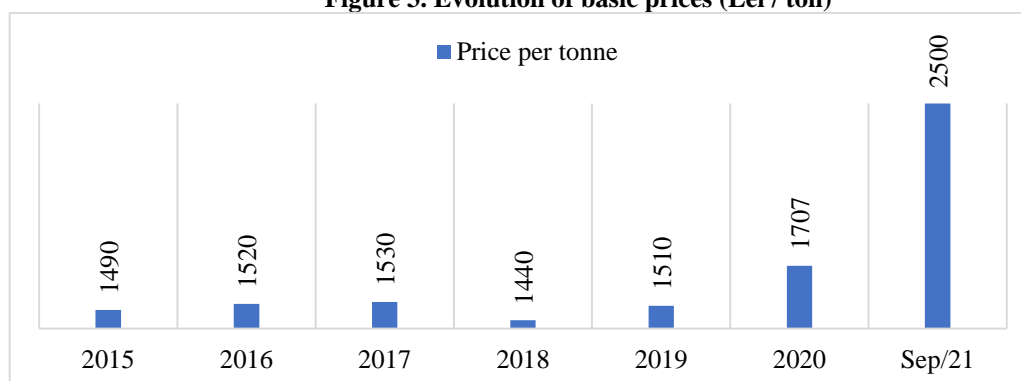
Figure 2. Average yield per hectare (kg/ha)



Source: Own processing based on data available on <http://statistici.insse.ro>

The evolution of the average production per hectare of rapeseed in Romania during the analysed period shows slight fluctuations from one year to another, but has a predominantly decreasing trend. Thus, it increases by 11% in 2016 compared to 2015, and then steadily decreasing to the value of 2124 kg per hectare in 2020.

Figure 3. Evolution of basic prices (Lei / ton)



Source: Own processing based on data available on <http://statistici.insse.ro>

Analysing Figure no.3 we can see that the price per ton in the case of rapeseed culture is fluctuating and has large differences from another. The minimum value was record in 2018 when a ton of rapeseed cost 1440 lei, and the maximum value of 2500 lei/ton was been reached in September 2021. This significant increase is due to several factors such as the COVID-19 pandemic, the rise in oil prices, the weather effects in the US on the soybean crop, as well as the severe drought in Canada.

Table 2. Foreign trade

| (Thousands euros) | Product | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------|---------------|---------|---------|---------|---------|---------|---------|
| Export | Rapeseed | 311,501 | 557,396 | 592,275 | 476,716 | 184,245 | 229,643 |
| Export | Rapeseed oils | 26,029 | 29,962 | 23,750 | 19,015 | 16,571 | 16,520 |
| Import | Rapeseed | 27,548 | 32,787 | 53,430 | 50,280 | 63,385 | 57,765 |
| Import | Rapeseed oils | 9,700 | 8,403 | 9,533 | 6,744 | 5,069 | 4,965 |
| Balance | Rapeseed | 283,953 | 524,609 | 538,845 | 426,436 | 120,860 | 171,878 |
| Balance | Rapeseed oils | 16,329 | 21,559 | 14,217 | 12,271 | 11,502 | 11,555 |

Source: Own processing based on data available on <http://statistici.insse.ro>

According to the analysed data, we can see that the value of the import of rapeseed in the form of oil decreased from 9700 thousand euros in 2015 to 4965 thousand euros in 2020, and the import in the form of seeds recorded a huge increase, reaching from 27548 thousand euros in 2015 to 57765 thousand euros in 2020.

Analysing the table above, we deduce that the export value for rapeseed are constantly decreasing from 2017 to 2020, reaching from 26029 thousand euros to 16520 thousand euros in the case of oil, and in the case of seeds decreasing from 311501 thousand euros to 229643 thousand euros.

Upon a closer analysis, we can see that despite the decrease in exports, the value of Romania's trade balance is favourable throughout the analysed period, even if it also decreases from year to year.

CONCLUSIONS

The oilseeds market has become in recent years in Romania one of the most interesting sectors of agriculture, it represents a profitable field for farmers.

From the analysed data it appears that the area cultivated with rapeseed during 2015 -2020 has a fluctuating evolution, this increasing at the beginning of the period from 367885 hectares in 2015 to 632679 hectares in 2018, then decreasing to the minimum value 342601 hectares in 2020.

Both the total production and the average yield per hectare of rapeseed show oscillating values over the analysed period. Thus, the total production reaches the maximum value in 2017 with a national harvest of 919473 tons of rapeseed, and the minimum being record in 2020 with a value of 727731 tons. The average yield per hectare increases by 336 tons in 2016 compared to 2015, and then it decreases steadily to the minimum threshold of 2124 tons per hectare reached in 2020.

Due to the unfaithful climatic phenomena in the USA and Canada, the rapeseed crops were compromise, and the oilseeds market experienced an inevitable expansion that led to increased demand and automatically the price for these plants.

The basic price for one ton of rapeseed in the reference period is variable, it has slight increases from 2015 (1490 lei / ton) to 2017 (1530 lei / ton), then decreases in 2018 (1440 lei / ton), and will increase significantly by September of the current year (2500 lei / ton).

In some years, a large part of Romania's foreign trade has been capitalize by selling rapeseed in the form of seeds. In 2019, the import reached the maximum value of 63385 thousand euros; three times lower than the maximum value (184245 thousand euros) of export in the same year.

The trade balance for the rapeseed trade is a favourable one, but with values decreasing from one year to the next.

The Romanian market for rapeseed and oil products has undergone drastic changes in recent years and it is been expected that in the next period it will flourish due to the growing demand. The event that influences the market the most is the covid-19 pandemic, as well as the adverse weather phenomena in the major producing countries.

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