

**EUROPEAN UNION TWINNING PROJECT RO 2000/IB/AG/01-02**

**AGRICULTURAL AND RURAL POLICY AT NATIONAL AND REGIONAL LEVEL**

**Activity 2.3.1 Market Information Development**

**WORKING PLAN FOR THE IMPLEMENTATION OF  
A PRICE INFORMATION SYSTEM**

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## 1 AGRICULTURAL MARKET INFORMATION REQUIREMENTS FOR ACCESSION TO THE EUROPEAN UNION

In order to prepare for accession to the European Union, Romania needs to develop and implement a market information collecting and reporting system so that it will be in the position to supply to the Directorate General for Agriculture (DG-Agri) of the European Commission, the market information that DG-Agri requires to conduct market management as part of the Common Market Organisations (CMOs) of the Common Agricultural Policy.

The precise data needs of DG-Agri vary by commodity depending upon the precise nature of the market management operations undertaken under each CMO. Moreover, as the Common Agricultural Policy evolves over time so do these data needs.

In addition to the data supplied to DG-Agri by Member States for market management DG-Agri also relies heavily on statistical data initially supplied by the Member States to EUROSTAT under specific legislation on agricultural statistics or on the basis of "gentlemen's agreements".

The data required by DG-Agri for market management purposes is usually supplied to DG-Agri directly from the Ministries of Agriculture in the Member States or in some countries by organisations contracted by the Ministries of Agriculture in the Member States to fulfil these requirements. The agricultural market data reporting requirements of Member States are mainly laid down in Council or Commission Regulations although in some instances data are supplied to DG-Agri on the basis of gentlemen's agreements.

The information required for market management includes:

- a. Market prices
- b. Balance sheets
- c. Intervention stocks
- d. Trade

### *a. Market Prices*

DG-Agri needs a constant flow of price information to monitor the evolution of prices in the most representative markets in the EU and to react to changes in the market if required through intervention or opening sales from intervention stocks.

DG-Agri receives the price data (mostly) directly from the Ministries of Agriculture of the member states. The member states are rather free in the way they collect the required data, although the selection of (representative) markets and the methodology have to be agreed on with DG-Agri. Prices are collected at representative points in the market, mostly at wholesale and processing level, and the reporting frequency is daily, weekly or monthly depending on the product.

### *b. Balance sheets*

For cereals, rice, sugar and wine the Member States need to provide DG-Agri with supply and demand balance sheets for the current marketing year, indicating estimates and prospects on production and consumption by the end of the year. On the basis of these balance sheets the DG-Agri can take provisions with respect to intervention, private storage contracts, export refunds and import duties.

### *c. Intervention*

Information on intervention includes data on the available intervention stocks, the quantities bought and sold, relevant prices and tender procedures.

### *d. Trade*

Member states have to provide various information on imports and exports to DG-Agri. The reporting frequency depends on the type of information:

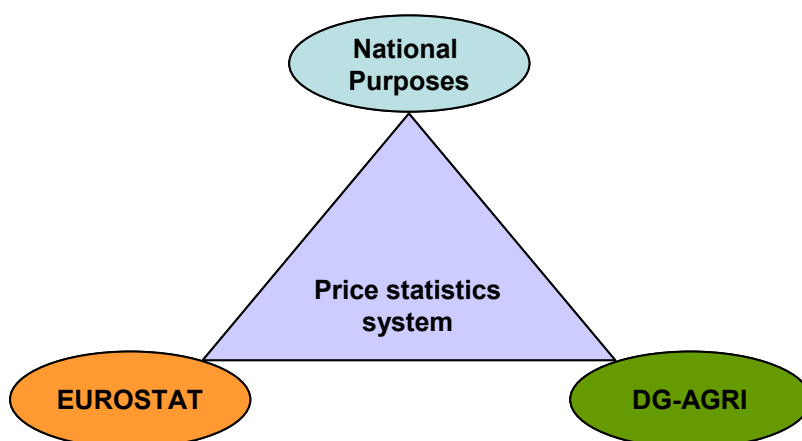
Export/import prices:      daily/weekly  
Export/import licences:   weekly, monthly, quarterly, annual  
Import quotas:            weekly, monthly

Usually this information is collected by the licensing authority or the customs authorities of the Member States which deliver the data to the Ministries of Agriculture for further processing and forwarding to DG-Agri.

The working plan in this report details the way in which Romania is planning to collect the market price data that will be required to be supplied to DG-Agri in compliance with the obligations laid down in the *acquis communautaire*. Romania has not only the obligation to provide price data to DG-Agri, through the Ministry of Agriculture, Food and Forests (MAAP), but also to EUROSTAT, through the National Institute of Statistics and Economic Studies (INS). In addition market price data are needed for national policy and statistical purposes. Also the entrepreneurs in the sector, farmers, traders and processors need that information for management decisions. The lack of sufficient reliable market price information currently inhibits efficient marketing of domestic agricultural production. In consequence, as far as possible the plan presented has been designed to serve these different purposes.

The plan has been developed in consultation between Romanian experts of MAAP and INS and EU experts under the MAAP Twinning Project "Agricultural and Rural Policy at National and Regional Levels" and the INS Twinning Project "Compliance of Romanian Agricultural Statistics with the Norms and Standards of the EU Statistical System".

The working plan has been prepared taking into account the previous and current experience of Romanian authorities and organisations with the implementation of market price information reporting systems (see Appendix 1 for an overview of these).



## **2 DESIGN OF AN INTEGRATED AGRICULTURAL PRICE INFORMATION SYSTEM**

### **2.1 Introduction**

In order to implement the obligations of the European Union MAAP needs to supply DG-Agri with price information on selected agricultural products and INS will have to supply similar agricultural price information to EUROSTAT. There are many similarities between the requirements of DG-Agri and Eurostat but also clear differences. The most important differences are:

- DG-Agri does not request price figures for all agricultural products, while Eurostat wants to have a complete picture;
- DG-Agri needs in most cases price figures every week, while Eurostat requires monthly price information.
- The product specifications in both systems are not always the same;
- Eurostat generally requires farmgate prices and DG-Agri prices at wholesale/processing stage.

Despite these differences, there are advantages (mainly through reduced costs and the avoidance of overlaps) in developing a common system for the collection of the agricultural price data.

The possibilities for establishing such an integrated system has been studied by experts of MAAP and INS supported by EU experts under the MAAP Twinning Project "Agricultural and Rural Policy at National and Regional Levels" and the INS Twinning Project "Compliance of Romanian Agricultural Statistics with the Norms and Standards of the EU Statistical System".

The consultations between INS and MAAP have resulted in agreements on collaboration in the field of data collection and processing. These agreements at department level need to be discussed and authorised at management level at both institutions. The following sections describe the details of the agreements made so far.

### **2.2 Specifications of products**

It has been agreed on that the products to be included in the future price surveys will include all the products on which DG-Agri and Eurostat requires price information. Also the requirements of other INS services and MAAP needs will be taken into consideration while drafting this product list. EUROSTAT requires a representative product list, i.e. including all the products that have an important share in sales or purchases of the country. This means that it is necessary to identify the most important (for market share) varieties and qualities for each product. The starting point for the product list is the one that INS is using for its surveys so far. The major differences with the requirements of DG-Agri (and Eurostat as well) are in the quality specifications. In most cases Romania does not apply the common European product classifications if any quality specification at all. Initiatives have been taken to introduce these EU quality classification system, but it will take time to implement them all over the country. For that reason it has been agreed on that MAAP staff will determine product specifications on the basis of official Romanian quality standards, in case they exist for certain products, or on commonly used indicators for quality differences, like variety/species, size, weight and colour. These specifications will be changed into European quality standards, as soon as these are introduced in Romania. The DG-Agri and Eurostat product specifications for cereals, livestock and meat are included in Appendix 3 (separated report).

For the pilot project that is intended to be implemented next year the joint working group agreed on a shorter list of products that comprises the major crops, livestock and animal products. MAAP will provide the product specification end of November 2002.

### **2.3 Specification of prices**

There are differences between the price specifications of Eurostat and DG-Agri. In some cases Eurostat requires farm gate price, excluding transport, storage and first processing costs, while DG-Agri requires markets prices received by farmers for products delivered at the respective market place, i.e. at slaughterhouse, warehouse, milling company, livestock market or food market. In most cases the prices are recorded at the level of trade or processing, which means that the prices recorded are in

general including transport costs. In order to calculate the farmgate price, estimations of the transportation costs need to be made, once or twice in a year, by means of

- an ad-hoc survey among the regular information providers, or
- experts' estimations.

Based on that price adjustment coefficients can be calculated.

## 2.4 Specification of markets

Both Eurostat and DG-Agri require a representative market price at different stages in the production chain depending of the share in the total sales.

The relevant places in Romania for price recording are:

- Consumer markets (agri-food markets/street markets),
- Livestock and cereals markets (obuari),
- Traders (small and large ones, including whole salers),
- Agricultural exploitations (large agricultural enterprises/farms),
- Processors (milling companies, bakeries, slaughterhouses, dairies),

It might be possible to include all the relevant markets and companies in the price recording system, but for obtaining a representative price a sample is sufficient. DG-Agri allows for some products to record the prices on representative markets in specified production areas or from the major producers, traders or processors. The regulations are sometimes very specific in other cases the memberstates are rather free in the price collection methodology, but in all cases the methodology need to be agreed on by the DG-Agri. For bovine animals, for instance, the memberstates can designate specified production areas. The slaughterings in these areas together should cover at least 75% of the national slaughterings. Representative markets in this regulation include all slaughterhouses that annually slaughter more that 20,000 animals, all producers/traders that deliver more than 10,000 animals to a slaughterhouse, plus a selection of the smaller slaughterhouses / producers. Together they should cover at least 30 % of all national slaughterings.

The INS and MAAP working groups agreed on the following general approach for selecting the price recording places.

For each product of group of product a complete list of "market places" is made. Based on the available information and additional information of experts these market places are sorted in accordance to their share in the total sales of these products. If there are only a few market places all of them could be included in the surveys, but in Romania the trade in agricultural products is fragmented so that in most cases a selection is required. For that purpose it is agreed to use "Cut-off sampling methodology", which means that a unit will be included in the sample if its value for the variable choosen is above a certain threshold. Variants of this method are also possible. In consultation with the EU-experts the most suitable methodology will be choosen.

Geographical representativeness is required only when the market places are uniformly distributed around the country (e.g. street markets) and considerable geographical differences in price can be found.

For sampling the processing companies and wholesalers the following methodology will be used:

1. INS will update the list of relevant companies and provide that list to MAAP (at date the list comprises 413 companies and 190 registered traders/wholesalers) .
2. MAAP sector experts, with the help of the (inter) professional organisations, will update the figures on the importance of the companies, if possible on the basis of the turnover or the production capacity in the respective field, e.g. the total amount of purchased cereals/animals.
3. The companies will be sorted according to their importance for the respective products.
4. All companies above a certain threshold will be included in the surveys. It is also possible to select from the top of the list downwards all the companies that sum a certain percentage of the general total (e.g. 50%).
5. A sample will be taken of the others so as to reach a certain percentage of the total market (e.g. 60-75%). Following this approach probably less than half of the companies/traders need to be included in the price surveys.

For selecting the livestock and cereal markets the following approach will be followed:

1. INS will update the available list of markets (at date the list comprises 82 markets).

2. MAAP will estimate the importance of these markets on the basis of best expert estimate, for instance on the estimated trade in animals or products, together with the Directorates at county level.
3. The larger ones will be included in the price survey, also taking into account the geographical distribution (estimated number of about 40-50).

It has been decided to include 100 agro-food markets in the coming pilot survey, the same markets that are included in the current INS price statistics surveys. INS intends to get more recent data on the importance of these markets with the help of the market operators/managers on the basis of an estimate of the trade in fruit and vegetables or the surface area of the market stands/tables/cars with food and vegetables.

It is also decided to include large agricultural exploitations in the survey. At date 484 of these enterprises are included in the INS surveys. A decision on the sampling methodology has not been taken yet, but it will be similar to the sampling methods for the companies.

## 2.5 Methodology for data collection

The following methodology for data collection is proposed:

a. Consumer/Agro-food markets

Price data at consumer markets can be collected by enumerators on the basis of the price tags on the offered products. Data collection is rather simple, and can be done by almost everyone after a short training.

b. Livestock markets (Oboare)

For getting information on market prices on livestock markets the enumerators need to communicate intensively with the traders and farmers. The enumerators will visit the selected markets on the specified market days and collect the required information, by watching and interviewing buyers and sellers. It is expected that they can identify some key information providers in the course of time. Communication with local people is a prerequisite and for that reason it is preferred to have enumerators with the same background or coming from the same region;

c. Traders/wholesalers, processing industry, millers, slaughterhouses, dairies, etc.

In general processors and traders need to be addressed individually in particular at the start of the price information system, because they need to be convinced that it is useful to provide the requested information and that the data are not used for other purposes. The communication with this group proves to be better in case the data collectors are well posted on the respective sector and can communicate with the companies on the developments in the sector.

## 2.6 Division of responsibility of tasks between MAAP and INS

The current price collecting system of INS serves first of all statistical purposes and follows the statistical requirements of EUROSTAT. For that purpose INS collects prices 3 times a month, between 1st-7th, 11th-17th, 21st-27th of each month, in 100 agro-food markets and 82 livestock markets (Oboare). In addition INS collects quarterly prices of agricultural products purchased by processors or intermediate operators directly from producers (PPA-survey). Prices are also collected from agricultural companies directly selling, exporting or processing own production. About 1.100 operators are interviewed.

The proposed agreement on the division of tasks between MAAP and INS with respect to price recording means that:

a) INS stops the quarterly price survey from processors and devotes additional resources to weekly collecting data from consumer markets. The frequency of data collection and the number of product varieties need to be greater. Additional effort will be required to collect data on the prices that farmers receive rather than the retail prices which are collected currently.

b) MAAP initiates weekly collection of price information from livestock markets, traders, large suppliers and processors and allocates staff and resources (infrastructure e.g. computer equipment and operational costs e.g. telephone, possibly transport, etc.) to this task.

According to the current Protocol on collaboration between MAAP and INS on agricultural statistics (see par. 2.11) INS will support MAAP in preparing a proper data collection (sampling, questionnaires etc).

MAAP and INS representatives in the working group propose staff of the Agricultural Chamber to collect price data at the livestock markets and staff at the MAAP county offices from the companies and traders. This implies that at least 84 people need to be included in the price survey system, which is a rather large number for maximum 350 quotation points (see par. 2.4) to be visited once a week. This decentralised approach required also disproportionate capacity at central MAAP level for training and monitoring the performance of data collection at regional and local level.

The EU expert suggests, therefore, to explore more efficient and cost effective solutions, for example by combining data collection in several counties in one centrally situated county office, for instance six regions with about seven counties each. Another option is that the sector experts at MAAP headquarters collect the required data directly from the processing companies, but it is questionable whether they will succeed in getting reliable figures. Depending on the type of products and the degree of organisation these data might easier be collected by the umbrella organisations, in particular the inter-professional product organisations being established in the coming years. In some Member States, e.g. in France and Holland, the Product Councils or special Product Organisations are charged with both data collection and data reporting to DG-Agri for their specific product group. In Romania, however, most of these umbrella organisations are still in a developing stage and not yet ready for these tasks. It might be possible to enact legislation to require companies to supply the required data, although such legislation may not necessarily be complied with. A more promising approach could be to encourage the supply of data by the companies by providing valuable information in return to them and their representative organisations. It is recommended to explore the different options in a pilot project.

## 2.7 Organisation of market prices collection at MAAP

Under assumption of above mentioned division of responsibilities MAAP needs to allocate human, technical and financial resources to implement the system. As a minimum, it is estimated that at the central level five to six people are required to undertake this task, of which four should be commodity experts (Crop Products, Livestock and Meat Products, Milk and Dairy Products, Wine and other products) with one co-ordinator and (possibly) one ICT-expert. The commodity experts must have a perfect knowledge of products and markets functioning, because they need to communicate with the companies and their representatives in Romania and DG-Agri experts as well. To acquire inside market knowledge direct and regular contacts with the sector is indispensable. For that reason it is recommended that the commodity experts maintain personal contact with the information providers. This is also a reason not to delegate the data collection completely to the county level. In addition to the staff at central level of MAAP, enumerators at communa level are needed for price data collection at livestock markets and staff at the Directorates-General for Agriculture and Food industry at county level for co-ordination and data entering. The number of staff required at that level depends on the methodology of data collection (see par. 2.6).

It should be noted that additional staff would be required if price information is also to be disseminated to farmers, traders and processors in Romania, as would be highly desirable as the lack of information is currently a significant hindrance to the development of a competitive agri-food system in Romania. In that case branch and market specific information needs to be added to the general available information, specific reports need to be made and consequently additional staff will be needed.

There are different options for the institutional setting of the market information group. The group could be set up as a new service/department within MAAP or being sub-ordinated to one of the current departments/services. Another possibility is embedding the centre under the National Authority for the Markets for Agricultural and Food Products, recently established. According to Law No 73/2002 "on the organisation and way of working of the markets for agricultural and food products in Romania" a market agency will be set up, that will also be responsible for collecting and providing the required market information. These options have the disadvantage that companies and their organisations might be reluctant to provide the required information because it might be used for other purposes. To avoid such a situation the system could be set up as a public institution in which MAAP, the aforementioned National Authority and representatives of the agricultural industry share the responsibilities. The options under discussion are:

- a) a sub-unit of the Service for Statistics and Analyses;
- b) a sub-unit of the Service For Regulation of Technical Instruments and Economics of The Markets;
- c) a sub-unit of the Centre of Calculation;
- d) a "new" service within the MAAP;

- e) a "new" agency under the responsibility of MAAP;
- f) by delegating staff in the Commodity Offices under the Directorate-General for the Implementation, Regulation and Management of Biotechnical Resources.

The management of MAAP will take a decision on the internal organisation of the price information system soon. An early decision is important with view on the ongoing and planned activities in the INS Twinning project on Statistics that require full commitment of MAAP staff.

## 2.8 The market information flow

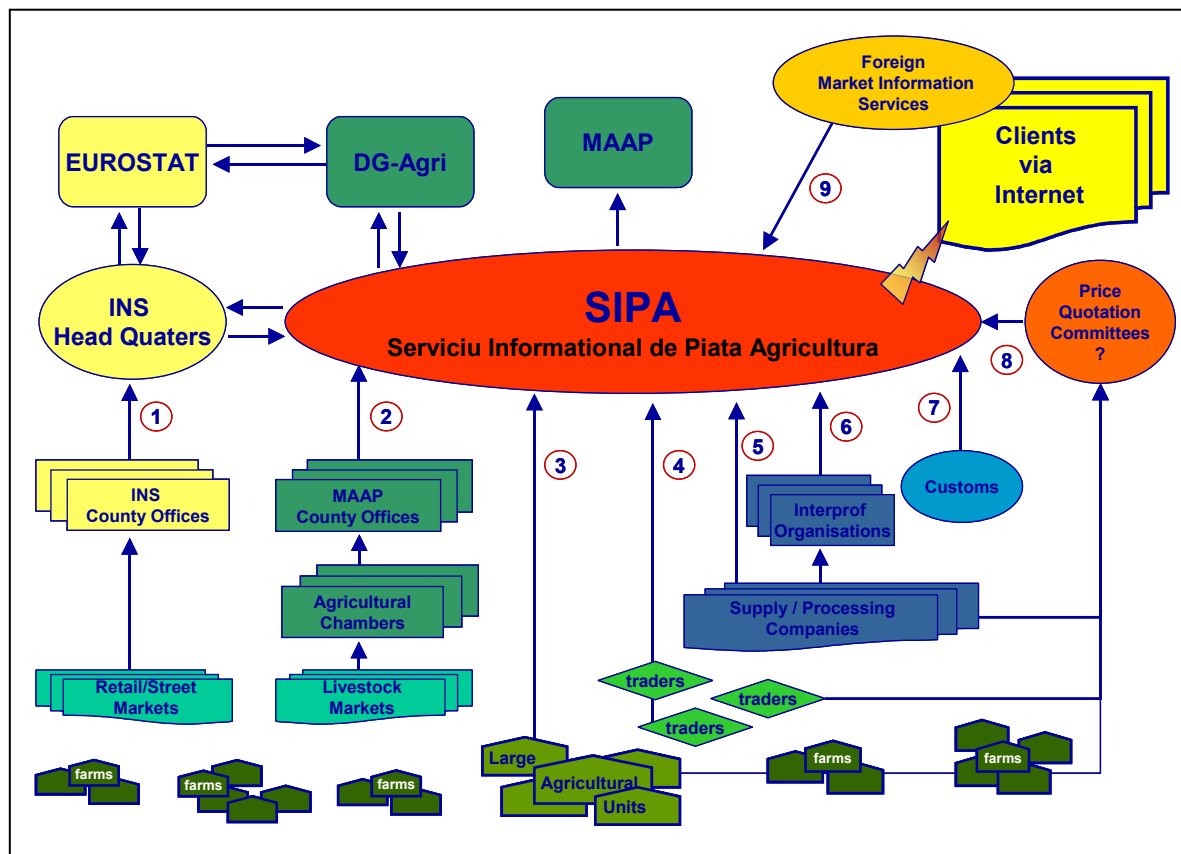
It has been decided to designate within MAAP a group of experts that will be responsible for the preparation of the price information system and probably also for the implementation of it. In the following this organisation is referred to as SIPA (Serviciu Informational de Piata Agricultura). This new information centre needs to acquire data from different sources, primary and secondary data as well, as it has been described above and depicted in figure 4.1. The arrows in this figure illustrate information flows between information suppliers and the information centre.

The data collection at Agro food markets (1) will be carried out by INS via its county offices.

The data at the livestock markets (2) will be collected by local enumerators. There are different options for data transfer:

- a. The enumerators send the data directly to the central office by fax and the central staff enters the data, carries out quality checks and communicates with the local staff on question marks and errors. In this approach the central staff is responsible for the day by day management of the data provision, which may be difficult with view on the physical and organisational distance between the central and the local staff.
- b. It is therefore preferable that the local enumerators deliver the data to the MAAP offices at county level (or the central office in a region, see par. 2.6) and that the necessary quality checks are carried out at that level. After that the data are forwarded to the central office. It can still be done by fax but it is preferred to enter the data at county level and then to forward it to the central office by e-mail.

Figure 2.1 Agricultural Market Information Flow



The data provision from the processing industry (5/6), traders (4) and large agricultural units could work in the same way, i.e. via the county offices. There are, however, alternatives. It may be possible that the companies are ready to provide the required price information directly to the central MAAP office, by fax, phone or e-mail or indirectly via the umbrella organisations (inter professional organisations). The different options (described in par 2.6) are recommended to be tested in a pilot project.

DG-Agri expects timely information on import and export of certain products, both prices and volumes. These data are collected by the Customs (7), but often provided with a delay of a few months. Provisions need to be made to guarantee a timely data provision. For weekly information other options are possible such as using information from import/export companies.

Some countries like the Netherlands use for some purposes, official or semi-official price committees (8). A general feature of a price committee is that the members represent different levels in the market chain (farmers, traders and processing industry) and that the president has a neutral position in order to avoid biased price figures. At date data collection via price committees are not foreseen in Romania.

Foreign market information (9) is important for all stakeholders in the agricultural sector, farmers, traders, processors and policy makers as well. For that reason the information service to be established should start exchanging data as soon as possible in order to be able to provide the agricultural sector in Romania with relevant information on the export markets. One of the institutions to exchange data with is ZMP in Berlin, which has established a regular information exchange with market information services in most candidate countries.

## 2.9 Informational products

It is required to develop a strong relation with data suppliers, in order to secure continuity of the information flow. A voluntary basis for data supply is preferred, because it has a positive impact on the reliability of the data. A prerequisite for such a system is that the market information group prepares market reports that are of real interest for the sector in general and the information providers in particular and adds extra market intelligence to the general available information. These reports should be provided free of charge to the data providers in compensation of their expenses for data provision.

The requirements of DG-Agri with respect to the reports differ for the respective products. The reports will be sent to DG-Agri directly or indirectly through the responsible department in MAAP. Direct communication between the officials at DG-Agri and the market experts is preferable above indirect lines.

The reports for the Romanian clients should be elaborated in consultation with them, because the success of the system completely depends on the approval of the reports. Agreements should be made with the information suppliers and the main other clients on the contents of the reports, the timing, the media to use, etc. The most efficient way of communication is via the Internet. In that case the market information centre should provide standard information pages on its Website available for everyone and special reports for specific clients following certain access protocols.

## 2.10 Technical Plan

It is proposed to set up the market information system at MAAP at first instance, during pilot projects, on the basis of an MS-Access database, with data transfer by fax and e-mail. The staff responsible for setting up the price information system should have to its disposal a PC linked in a local network and with full access to the Internet (minimum 6 PC's). The hardware that will be provided to MAAP and DGAIA in the frame of the Twinning project might ensure a larger part of the technical requirements. If not, additional equipment needs to be acquired.

The Twinning project will provide the following components:

A. at MAAP level:

- two servers,
- an information storing system (NAS),
- 35 PC, with Windows XP Professional and Office XP Professional,
- upgrading and extension of the existing network (switches, cables, new plugs etc.)

B. at DGAIA level, for each county:

- two PC's
- elements for setting up a local network (switches, cables, plugs etc.)
- Windows XP Professional and Office XP Professional

All DGAIA's (should) have contracts with local Internet suppliers, so that they all are able to interchange data through e-mail.

The Twinning project does not provide software for the required database development. In the first (pilot) stage a MS-Access data base with e-mail connection is sufficient but on longer term a more advanced system is recommended. Two alternative approaches for the technical concept of the system in the future may be considered:

- A web-based system, which is characterised by a central database and Internet technology. Such a system is accessible from any location where an Internet connection is available. The software operates on a single location.
- A distributed database system, which is characterised by a central database that interchange data with local databases. The software is distributed and installed on local computers.

In the distributed database approach, data are entered in the local databases and then forwarded to a central site for further processing. In a web-based system, the data are entered in a database that is located on a single central database server. The data entry centres may be anywhere, so that the technical structure does not have to be modified if organisational structure changes.

*Advantages and disadvantages of both approaches are summarised in the following table.*

Aspect	Considerations
System management	In the <i>web-based</i> approach, system administration, database administration and software management are centralised. This results in economy of scale compared to the <i>distributed database</i> approach.
Adaptability	Software modifications resulting from changes in regulations can rapidly be adapted in the <i>web-based</i> system and the system will behave identically for anyone at any time. In the <i>distributed database</i> approach, frequent software distribution is troublesome, time-consuming and unreliable.
Organisational flexibility	The cost and required time of restructuring the network may disrupt system continuity of a <i>distributed database</i> system in case of organisational changes. The <i>web-based</i> approach does not set limits to changes in organisational distribution.
Data security	In a centralised <i>web-based</i> system, data security risks relating to loss of data or unauthorised access or modification can be well managed. In a <i>distributed database</i> data security can practically not be guaranteed.
Cost-effectiveness	The <i>web-based</i> approach will require a higher level of investments, but will be more cost-effective than the <i>distributed database</i> approach if operational costs are taken into account

On longer term a web based system is recommended, in particular because it can easily adapted to the expected changes in data requirements and organisational structures as well. It gives also the possibility to serve a wide range of clients with standard and specific reports.

In that case additional software needs to be purchased, for:

- Price information data base (SQL Server, Oracle, DB2 or another solution)
- Software for web applications development.

The required software can be built by another organisation, but it is recommended to involve IT staff of MAAP in the development, in order to establish in-house capacity to adapt the system to the changes in data provision and data dissemination that undoubtedly will take place in the near future.

## 2.11 Legal and administrative requirements

The relations between MAAP and INS are regulated in the a Protocol (dated October 16, 2000) "Concerning the co-operation context between the Ministry of Agriculture, Food and Forestry and the National Institute of Statistics and Economic Studies, regarding compliance of Romanian fishery and agricultural statistics with European Union standards".

The division of responsibilities is described under the following paragraphs of the protocol:

3.2. *According to the law, INS is responsible to elaborate a system of indicators for agricultural and fishery statistics domain, lists, classifications, methodologies, recording and processing techniques, publishing and dissemination of data. MAAP will be consulted and will participate at all designing phases of the above-mentioned statistical tools.*

3.3. *MAAP is in charge to prepare, organise, manage and collect data operation through statistical survey included in the National Agricultural Statistical Programme. These activities are carried out on the basis of a working plan established by both institutions.*

The national agricultural statistical programme includes price statistics according the Eurostat requirements. The price statistics required by DG-AGRI are not yet included in the said programme.

In the Government Ordinance no. 9/1992 regarding the organisation of public statistics, in Art. 5 the statistical research programs on the main sections and domains are described, in paragraph e) the "Agriculture and Forestry" domain. A new Government Ordinance is in preparation, expanding the area of interest.

Art. 9 of Government Ordinance 9/1992 describes the obligations of physical and legal persons to supply the required statistical data. In the new draft ordinance the requirements are specified in more detail.

The establishment a market information system is included in Law 73/2002 "On the organisation and way of working of the markets for agricultural and food products in Romania". Additional legislation may be required although through voluntary collaboration with commodity associations, inter-professional organisations, commodity councils etc. this may not prove necessary.

## 2.12 Investments and operational costs

The required technical infrastructure for the market information system consist of:

- 5/6 Personal Computers
- Local network
- Software licenses
- Office equipment, including furniture, telephone/fax/copier, etc.

The total investments are estimated 20,000 Euros. Additional investments are needed in case database designing and developing will be outsourced.

The operational costs includes:

- Salaries of staff at central and decentral level.
- Transport costs of central staff for training of staff and performance checks
- Transport costs of central IT staff for installation and revision of applications at decentral level.
- Transport costs of enumerators and staff of County offices for data collection.
- Communication/telephone costs.
- Cost of printing questionnaires, price reports, etc.
- Maintenance cost of ICT infrastructure (computers etc).

The operational costs have not been estimated, but the major part of it are the salary costs. It is highly recommended to assess the different options for data collection at local and regional level. In the most decentralised variant the total number of staff involved at regional level is at minimum 84 (two persons per judet) plus about 6 staff at MAAP headquarters, while in a more centralised variant, with for instance 6 regional centres, the number of staff needed would be about 20 till 30. Further centralisation by involving the professional organisations in data collection would further decrease the required staff.

A decentralised system requires also a greater input of central staff for training, quality checks, software installation and services. It is therefore highly recommended to assess the different options during and after the pilot implementation.

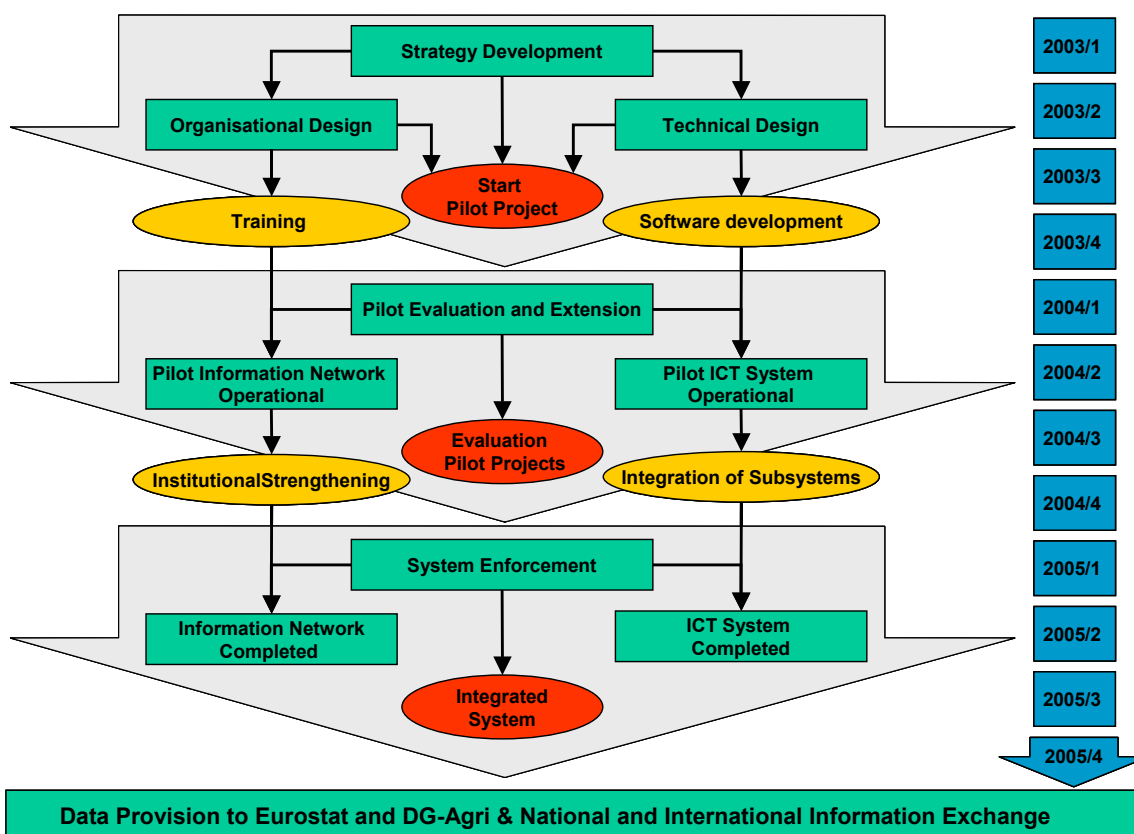
### 3 PROPOSED WORKING PLAN

#### 3.1 Phasing

In the context of the MAAP and INS Twinning projects both institutions are working on the preparation of a price information system that will serve the requirements of Eurostat and DG-Agri. The rather specific requirements for the different commodities and the divers circumstances in the respective sectors in Romania leads to different approaches for different commodities. For that reason the working plan follows a step-by-step approach by implementing pilot-projects in different sectors.

The first pilot project will be carried out in the frame of a Phare Technical Assistance Project at INS that is due to start in January 2003. The preparation of that pilot is one of the major goals of the price statistics component of the current INS Twinning project while the focus of the MAAP Twinning project is on the integration of the DG-Agri requirements in that pilot project. The working group of MAAP and INS agreed on the following steps in the working plan that should lead to a fully operational price information system in Romania within a few years time.

Figure 3.1 Schematic overview of the proposed project plan



The working plan comprises of four phases (see figure 3.1)

I. Strategy Development Phase

Further detailing the strategy for the establishment of the information system in the INS Twinning project and the upcoming Phare TA project.

II. Pilot Implementation Phase

Because of the preparatory work done already the implementation pilot project under the Phare TA project can start soon after the contract has been signed. In figure 3.1 the strategy and pilot phase are put together.

III. Pilot Evaluation and Extension Phase

The first pilot(s) will be evaluated and the necessary adjustments will be made in an iterative process. In course of time sub-systems for all sectors will be developed.

#### IV. System Enforcement Phase

Following the iterative process during the preceding phases the different subsystems should be integrated into a full fledged operational Agricultural Market Information System that meets the requirements of the different EU institutions and Romania.

### 3.2 I. Strategy Development/Inception phase

During this phase the following activities should be carried out:

#### *Activity I. 1. Stakeholders analysis*

This activity overlaps the current activities in both Twinning projects. It is expected that at the start of the upcoming TA-project the consultant will review the available information and to discuss the proposed project strategy and planning with the project counterparts, INS and MAAP.

#### *Activity I. 2. General outline (architecture) of the information system*

Also the general outline of the planned system as it has been described in this report will be assessed and if required adjusted to the changed circumstances and views on the system architecture in consultation with the counterparts.

#### *Activity I.3. Strategy seminar*

The results of this review will be presented during a seminar with the major stakeholders in the project and laid down in the project inception/strategy report.

### 3.3 II. Pilot Implementation Phase

Based on the accepted strategy and decisions taken in the inception report, the development of pilot system(s) will start. The major decisions on the pilots have already been taken in the MAAP and INS Twinning projects, so that the major activity in the upcoming pilot project will be to prepare the implementation of the pilots. The following approach is proposed:

#### *Activity II.1 Pilot Design*

The major objective of this activity is to elaborate the design of the pilot system in detail, including:

- definition of products to be included in the surveys
- identification of data collecting points
- identification of data collectors (enumerators/price reporters)
- design of questionnaires / price lists
- design of information flow, including procedures
- description of data control system (logical/plausibility checks)
- software design including database structure and data entering, control, processing and reporting system
- hardware and communication requirements

According to the current planning (November 2002) most of the definitions and specifications should be ready at the end of the year 2002. It may be expected that at the start of the pilot the proposals will be discussed by the involved Romanian and EU-experts for further finetuning. This activity should result in a detailed design of the systems and a detailed action plan for implementation of the pilot system.

#### *Activity II. 2 Staff Training and Study tour*

In the context of the INS twinning project on Statistics a study tour to Italy will be organised in November/December 2002. A study tour to another EU-member state or one of the candidate countries is useful to give the involved staff the opportunity to get a broader view on the price information systems in Europe.

#### *Activity II.3. Pilot Preparation*

##### *II.3.1 Software development*

It is possible to outsource the development of the required applications but it is recommended to develop the software in close co-operation with the staff of MAAP that will run the system, so they

will be able to adapt the system to future requirements. In addition to training on the job special IT application training may be necessary for the (new) staff.

#### *II.3.2 Launching of equipment tender if necessary*

It is possible that the first pilot can be carried out with the available equipment, but in due course extra hardware is probably needed.

#### *II. 3.3 Contracting information providers*

Contracts or clear arrangements need to be concluded with the information providers, including what information is needed, when it should be delivered and how.

#### *II. 3.4. Training of staff*

The staff involved in the pilot at the different stages in the information flow needs to be trained, on the job or in a special training courses. It is expected that the commodity experts at central MAAP level will get the training during the preparation of the pilot and the studytours and that they will organise instruction meetings at county level.

#### *Activity II.4 Pilot systems testing and implementation*

The aforementioned preparatory activities will be carried in parallel and concluded with a kick off meeting in which all involved persons participate. After that the system will be tested during some weeks and become operational.

### **3.4 III. Pilot Evaluation and Extension Phase**

The pilot systems will be monitored continuously in order to improve the systems and to design following pilots. That is an iterative process of the following activities.

#### *Activity III.1 Evaluation of pilot project(s)*

The major performance criteria are:

- reliability of the information;
- timeliness of the reporting system;
- efficiency of the organisation;
- credibility/support by the stakeholders;
- compliance with EU requirements
- financial sustainability;

The results of the evaluation should be discussed with the major stakeholders during workshops that are aimed at solving the identified problems.

#### *Activity III.2 Improvement of running pilot projects.*

The improvements are aimed at adjusting the design and procedures of the different pilot projects in such a way that they can be integrated into coherent system in due time. An important aspect is also the adjustment of the product and price definitions following the introduction of EU quality standards for the different products (e.g. the SEUROP classification)

#### *Activity III.3 Preparation and implementation of new pilot projects*

The proposed pilot project will include the major crops and animals. After a succesfull operation of the pilot the project should be extended to the remaining products. It might be possible to cover all product in the following stage, but a stepwise approach is also possible. The activities follow the approach under Phase II including for instance training of (new) staff.

### **3.5 IV. System Enforcement Phase**

#### *Activity IV. Development of an Integration Plan*

Parallel to the pilot systems development a long-term strategy will be prepared that is aimed at integrating the various pilots into a coherent system. Provisions and agreements have to be made to integrate the different subsystems, with respect to:

- ICT (hardware, software and communication)
- Human resources and internal organisation

- Institutional setting, including legislation
- Data collecting and reporting
- Financing

Actually, this activity is the result of the iterative evaluation and improvement process in the preceding project phase. It is the last step to make the system complete, although, of course, the process will not stop at the end of the project but continue, because of the ongoing changes in the economic, political, technical and financial circumstances.

One of the issues will be whether the integrated system will be web-based system or not.

#### Activity IV.2 Integration of the Subsystems

Based on the planning the systems will be integrated and the adjustments for EU-harmonisation will be implemented.

### 3.6 Time schedule

The preparation of the price information system started in June 2002 with the first mission of a EU-expert in the frame of the Twinning project "Agricultural and Rural Policy at National and Regional Level" at MAAP. In July 2002 the Twinning project "Compliance of Romanian Agricultural Statistics" commenced which includes a price statistics component. In the frame of that project Romanian and EU-experts will continue with the preparation of a pilot project that is scheduled to be implemented in April 2003. The technical assistance to the pilot preparation will be taken over by an upcoming Phare TA project on Agricultural Price Statistics, which will also be responsible for the implementation of the pilot.

Figure 3.2 Time table of activities

Project activity	'02	2003			2004			2005		
<b>I. Strategy Development/Inception phase</b>	1)									
Activity I.1. Stakeholders analysis										
Activity I.2. General outline system										
Activity I.3. Strategy seminar										
<b>II. Pilot implementation phase</b>										
Activity II.1 Pilot Design										
Activity II.2 Staff Training/Study tour										
Activity II.3 Pilot Preparation										
Activity II.4 Pilot system implementation										
<b>III. Pilot Evaluation and Extension Phase</b>										
Activity III.1 Evaluation of pilot project										
Activity III.2 Improvement of running pilot project										
Activity III.3 Implementation of new pilot projects										
<b>IV. System Enforcement Phase</b>										
Activity IV.1 Development of an Integration Plan										
Activity IV.2 Integration of the Subsystems										

1) The activities in the year 2002 will be carried out by the Romanian experts of MAAP and INS assisted by the EU-experts if the Twinning project on Statistics. In 2003 the technical assistance to pilot preparation will be taken over by EU-experts in the planned Phare TA project.

## APPENDIX 1: CURRENT AND PREVIOUS ROMANIAN AGRICULTURAL PRICE DATA COLLECTION SYSTEMS

### A1.1 Ministry of Agriculture, Food and Forestry (MAAP)

Between 1996 and 1998 MAAP operated a Market Information System which had been developed with support of the Phare programme. In part, this system fell into redundancy due to its high operational costs, which, in particular, resulted from the information and communication technology selected and the need for direct communication lines between the central and local units (X25/28 computer network).

#### A. MAAP Price information system 1996-1998

##### a. Data collection

- markets: 3/4 representative consumer and livestock markets in each of the 42 counties
- products: depending on season, in total 300-400 products, most of them vegetables.
- frequency: daily/all main market days
- enumerators: staff of the Agricultural Chamber of the commune
- methodology: the average prices on the market day were recorded on the basis of observations and interviews/discussions with traders/market management. The data were filled in on standard forms.

##### b. Data processing:

- data entry: the Agricultural Chamber staff took/sent the data to the office of the Directorate for Agriculture and Food in the respective county and there the data were entered into the local database
- data transfer: the data were transferred overnight to the MAAP (computer centre) via an X25 computer.
- quality check: all data received from the county offices were immediately processed, including some automated quality checks, e.g. plausibility range of prices

##### c. Data reporting/dissemination

- reports: the processed price information was aggregated in tables and these tables were returned to the county offices, for further use and dissemination.
- Apart from this administrative part there was a commercial part. A company "New Systems" received the data for further commercial use. That appeared not feasible in the Romanian circumstances at that time.

#### B. Current MAAP information system

The Service of Analysis and Statistics is still collecting price information, but less information and in a more simple way.

##### a. Data collection

- markets: representative consumer and livestock markets in each of the 42 counties. 800 of the more than 3000 communes are not covered by the agricultural chambers, mostly in mountainous areas
- products: depending on season and needs of MAAP departments, in total only 25/30 (main) products.
- frequency: weekly?
- enumerators: staff of the Agricultural Chamber of the commune
- methodology: the minimum and maximum prices on the market day, recorded on the basis of observations and additional interviews/discussions. The data are filled in on standard forms.

##### b. Data processing:

- data entry: the Agricultural Chamber staff took/sent the data to the office of the Directorate for Agriculture and Food in the respective county and there the data are entered into a local database??
- data transfer: the data are transferred to the Service of Analyses and Statistics of MAAP by e-mail. There is a time lag of a few days between data collection and data transfer.

- quality check: data are visual checked at regional and central level

*c. Data reporting/dissemination*

- reports: monthly report and ad hoc reports. The processed information is only used in MAAP for policy preparation/evaluation purposes. No feedback to the county offices.
- in addition some data is forwarded to (inter) professional organisations.

## **A1.2 National Institute of Statistics and Economical Studies (INS)**

The INS Price data collection system follows different approaches for the consumer and livestock markets and the processing industry.

### **A. Price information system at consumers and livestock markets**

*a. Data collection*

- markets (see list in Appendix ...): markets are selected in the major cities in each county, according to the number of inhabitants. 100 consumer markets and 80 livestock markets, of which 72 weekly and 8 monthly
- products: depending on season, in total 122 commodities (see list in Appendix .....
- frequency: 3 times a month, in week 1-7, 11-17, 21-27
- enumerators: staff of INS directorates in the counties
- methodology: the average prices on the market day are recorded on the basis of observations and interviews/discussions with traders/market management. The data are filled in on standard forms.

*b. Data processing:*

- data entry: data are entered in local database at INS county office
- data transfer: the data are transferred to the central office of INS by direct connections and loaded into the central database by the staff of the Prices section of INS.
- quality check: the data are checked by the Prices section by comparing the new figures with those of the preceding weeks and those the same period in last year.

*c. Data reporting/dissemination*

- reports: the collected price information data are aggregated in a monthly newsletter and an annual report.
- part of the data is sent to Eurostat.

*Remarks:*

Till 1997 also data on quantities sold were collected, which made it possible to weight the price data. Since then the average 1995/1997 data are used for weighting the recorded price data. It is obvious that the system needs to be updated. A possibility is to contact the institution/department at communa level that is responsible for the organisation of the markets in the communa and ask them for providing quantitative data.

### **B. Price information system at the level of the processing industry**

*a. Data collection*

- sources of information: 1000-1100 data providers, major processing companies, storage companies and integrated agricultural enterprises (agri-combinats)
- representativeness: rather good for wheat, maize, sugar, sunflower and milk. Most of the larger slaughterhouses are also included
- products: depending on season, in total 180 products.
- frequency: quarterly
- methodology: the companies are requested to record the quantities and the value of the products they purchase from farmers. Subsidies, transport etc should be excluded in order to get the farm gate price.

Once a year the companies receive a complete product list from the INS. On these forms they fill in the quarterly data on the relevant products and send them to INS.

*b. Data processing:*

- data transfer: the data are transferred by mail to the central office of INS
- data entry: the Price section enters the data into the central database.
- quality check: the data are checked on internal consistency and comparison with data delivered before.

*c. Data reporting/dissemination*

- reports: The collected price information data are aggregated in monthly newsletter and an annual report.
- part of the data is sent to Eurostat.

*Remarks:*

- The companies are obliged to provide the requested data on the basis of the Law of Statistics, but not all of them are willing to do so, in particular the newly established private companies.
- INS does not make use of professional organisations (associations etc.). It is just the other way around: INS provides them with statistics. INS is exploring the possibilities to change the price collecting system and find better sources, like the professional organisations because these are becoming increasingly important.
- A Twinning project between Romania and Italy on agricultural statistics has recently started. The project will include establishing a system to supply agricultural price statistics in line with EUROSTAT requirements.
- Romania has a standard grading system for most agricultural products. It is unclear into what extent it is in line with EU grading standards.

### **A1.3 National Agency for Agricultural Consulting (ANCA)**

The Romanian extension service consists of:

- The National Agency for Agricultural Consulting/Agentia Nationala de Consultanta Agricola (ANCA) is an agency of MAAP, with 30 central staff, and
- 42 Judet based extension organisations (OJCAs) which have some 900 staff in 42 and are responsible to the Ministry of Public Administration via . These organisations have

ANCA operates a market price information system, which has been established with technical support of the Romanian Centre for Foreign Trade (CFT) and financial support from the World Bank.

*a. Data collection*

- markets: the main markets in the major cities in each county. Criterion? Total number of markets: ? consumer markets and ? livestock markets.
- products: depending market and season, in total about 120 commodities (see list in Appendix .....)
- frequency: monthly, between 15/15
- enumerators: ANCA staff at communa level
- methodology: the average prices on the market day are recorded on the basis of observations and interviews/discussions with traders/market management. The data are filled in on standard forms. Most prices are in Lei per kg, for livestock Lei per animal.

*b. Data processing:*

- data entry: it is the intention to develop an integrated system in which the data are entered at county level and then transferred to the central level. That system does not work yet. At the moment the data are aggregated at the ANCA office in the county, on paper; average, minimum and maximum calculations per county (unweighted).
- Data transfer: the forms with the calculated averages per county are sent to the central office by fax and entered into the database.
- quality check: the data are visually checked at county level on basis of expertise/common sense.

*c. Data reporting/dissemination*

- reports: the tables with aggregated data per county are sent to CFT and some farmers' associations.

*Remarks:*

The system is still under development. The contents of the system are more or less comparable with INS data, but also has a lot of extra data about processed food and consumer goods.

Data collecting and processing is not professional yet. Further development is required. It might be better to combine efforts in setting up an integrated MIS.

According to ANCA it might be possible to set up a panel of farmers and or advisors for regularly monitoring the market.

## **A1.4 Research Institutions**

### ***Institute of Agricultural Economics/Institut de Economie Agrara under the Romanian Academy of Sciences (IAE-RAS)***

- *organisation/representation*

Non-profit organisation established in 1990. Belongs to the National Institute of Economic Research under the umbrella of the Romanian Academy of Sciences. Working relations with other institutions and universities. Staff of about 40 of which 30 "productive" researchers, some of them associate professors at university. In addition associated researchers on a project basis, in particular in international funded projects (FAO, EU, WB). Many agricultural economists are member of the Romanian Association of Rural and Agrifood Economy "Virgil MAdgearu".

Sections: Agrifood Economics, Macro Economics, Rural Economics and Sociology, International Research. Funding about 50% via Romanian academy, the rest via projects, amongst others of Ministry of Research and international donors. MAAP does not have a research budget.

- *functions*

Research with respect to agriculture and food industry and rural development. Research program is determined by the Ministry of Research. MAAP has a (little) say in it, via board.

- *market intelligence activities*

The institute relies very much on data of the INS. IAE does not collect market data.

- *conclusions*

The IAE is a likely user of market information provided by the new market information centre to be established.

### ***Institute of Agricultural Economics/Institut de Economie Agrara under the Academy of Agricultural and Forestry Sciences (IAE-ASAS)***

- *organisation/representation*

Non-profit organisation established in 1990 under the umbrella of Academy of Agricultural and Forestry Sciences. Recently intensified working relations with University of Agricultural Sciences. The dean of the Faculty of Management is also director of IAE. Staff of about 20 of which 17 researchers, some of them associate professors at the university. Funding mainly through Romanian academy from Ministry of Research and Education. In addition some research projects.

- *functions*

The research is mainly focussed on primary production in Romania.

- *market intelligence activities*

The institute does not collect data. Important data source is INS and MAAP.

- *conclusions*

IAE is one of the future clients of the market information centre to be established

### ***Romanian Foreign Trade Centre/Centrul Roman de Commert Exterior (CRCE/RFTC)***

- *organisation/representation*

Non-profit organisation established in 1996. Half of budget from National Budget the other half via projects.

- *functions*

Strengthening position of Romanian companies in international trade, amongst other things with the organisation of fairs, research and training.

- *market intelligence activities*

Data base on international trade, based on data from Customs (8 digits level). The customs provides the data on a monthly basis with a delay of 1 month. List of in/exporting companies including trading countries available. The database needs to be improved.

On own initiative some sector studies on agriculture have been prepared (2002).

Domestic market information is lacking. Therefore co-operation with ANCA, but that was only temporary (project basis).

- *conclusions*

Looks a professionally managed organisation. Interesting as a future client but might also help in obtaining trade and foreign market information.

## APPENDIX 2: PROFESSIONAL ORGANISATIONS IN ROMANIA

There are many professional organisations in Romania, from small organisations, only representing a specific group of producers or processors, to large ones representing (almost) all stakeholders in a supply chain. MAAP is stimulating the development of inter professional organisations, which it intends will play an important role in market management (See section ???). The first certified interprofessional organisations are those for sugar, wine and beer. Others are under preparation

### A2.1 Cereals

#### **Romanian Employers League of the Milling, Baking and Flour Products Industry/Patronatul Roman din Industria de Morarit si Panificatie (ROMPAN)**

- *organisation/representation*

Non-profit organisation established in 1991. Members: about 170 commercial companies, milling companies, bakeries and related companies. ROMPAN represents about 50% of the total milling capacity in Romania, > 50% of the bread and pastry production, > 60 % of biscuit production and circa 75 % of pasta production.

- *functions*

Representing the companies in policy consultations at MAAP, e.g. in Commission for Social Dialogue.  
Representing sector in contract negotiations with trade unions  
Representing sector in international meetings  
Product promotion

- *market intelligence activities*

ROMPAN does not yet collect market information. The companies don't provide individual data

- *conclusions*

ROMPAN would be willing to co-operate as part of a market price reporting system but would need support to establish an adequate information service.

#### **Romanian National Association of flour Milling and Baking Industries/Asociatia Nationala a Industriilor de Morarit si Panificatie (ANAMOB)**

- *organisation/representation*

Non-profit organisation established in 1993. ANAMOB represents 210 milling companies, including the 4 largest ones. Together with ROMPAN they represent almost 100% of the total milling capacity in Romania. ANAMOB represents about 75 % of the total storage capacity (=10 million tonnes)  
The four biggest companies have each a storage capacity of about 1 million tonnes. Some of the (integrated) companies have large areas of land under cultivation (3,000-20,000 ha) in total about 200,000 ha. ANAMOB and ROMPAN are also active in oilseeds.

- *functions*

The functions of ANAMOB are the same as those of ROMPAN, i.e. representation in policy consultations at MAAP, contract negotiations with trade unions and in international meetings. They are also strongly involved in the introduction of quality standards and certification (warehouse certification).

- *market intelligence activities*

They are not yet collecting market information but are ready to start with it, e.g. as a pilot in the project.

- *conclusions*

ANAMOB would be willing to co-operate in a market price information system but would need support in establishing up an adequate information service.

## A2.2 Sugar

### **Association of Sugar industry /Patronatul Zaharului din Romania (SC. Zahârul)**

- *organisation/representation*

Non-profit organisation established in 199?. All 18 sugar companies are members of the association.

- *functions*

Major goal is to rehabilitate/restore the beet-sugar production in Romania

Representing the companies in policy consultations at MAAP, e.g. via close contact with relevant departments in MAAP and in the monthly meetings of the MAAP Commission for Social Dialogue.

Product promotion

There is also an association of sugar beet producers. They are in the stage of establishing an inter-professional Sugar organisation.

- *market intelligence activities*

MAAP is currently collecting all necessary information, in particular during the sugar beet campaign. They disseminate a newsletter, most of the time weekly but weekly during the campaigns, to provide data on production, yields, sugar contents, etc.

- *conclusions*

Zahârul is a strong association and ready for co-operation. The organisation is supported by and co-operates with MAAP.

## A2.3 Milk and milk products

### **Association of Dairies/Asociatia Patronala Romana Din Industria Laptelui (APRIL)**

- *organisation/representation*

Non-profit organisation established in 2000, when two organisations merged. In total 56 dairies are member of APRIL, covering about 70% of the industrial processed milk.

- *functions*

Major goal is to enhance the modernisation of the dairy sector in Romania and to harmonise with EU requirements. Representing the companies in policy consultations at MAAP, e.g. via close contact with relevant departments in MAAP and in the monthly meetings of the MAAP Commission for Social Dialogue.

- *market intelligence activities*

MAAP currently collects data on the sector which is sent to members of the Association. The members do not provide data to the association, probably as a result of its commercial value. In consequence the association cannot follow the market. That is probably interesting because of the large difference in summer and winter milk production and therefore in prices and the differences between regions.

- *conclusions*

April is not yet a very strong association. The organisation supported the development of a market information system, but sees the data provision jeopardised in case the MIS centre is based at MAAP.

## A2.4 Livestock and Meat

### **Pig breeders Association/Asociatia Nationala a Crescatorilor de Porcine**

They are covering a larger part (?) of the small pig breeders in Romania. Their goal is to improve the pig breeding performance, amongst others by advisory services and the introduction of new breeds via artificial insemination. They have close contacts with the National Research Institute for pig breeding. Another important issue is the introduction of the EU SEUROP classification. It is expected that this classification will be introduced in the coming two years.

### **Romanian Association of Poultry Producers/Uniunea Crescatorilor de Pasari din Romania (UCPR)**

- *organisation/representation*

The Romanian poultry sector consists mainly of very large companies that integrate production, processing and sometimes selling. (50-25,000 tonnes meat production per year). Next to that there are many small-scale production units, individual farmers. UCPR has about 100 member that represent circa 80 % of the poultry meat production and 70% of the egg production. UCPR is supporting the development of associations of small-scale producers at county level.

- *functions*

UCPR represents the sector at national policy level and in international relations, e.g. COPA.

- *market intelligence activities*

All members of UCPR deliver technical and financial data to UCPR, including costs at different levels in the integrated companies and purchase prices, on a monthly basis. It might be expected that the companies will become more reluctant to deliver this type of "commercial" data, but until now it was possible to convince them of the advantages of it, in particular with a view to policy negotiations.

In return the companies receive back a monthly newsletter with market news, a quarterly magazine, sector and market studies, specialist reports, etc.

- *conclusions*

The UCPR is a professionally managed organisation that succeeded in getting the confidence of the industry. Further professionalisation is needed according the president and for that purpose they would like to develop the organisation in the direction of the Hungarian "product boards" which are financed via on the basis of the production volume of the members (like the Dutch system).

One of the strong points of the organisation is the strong involvement of the members in the organisation. UCPR has a board of 15 people (30% seats changing year) with a (less or more) independent president and a monthly board meeting.

### **Romanian Meat Association/Asociatia Romana a Carnii (ARC)**

- *organisation/representation*

Non-profit organisation representing about 80 meat processors, covering about 65 % of the meat production in Romania. Some of the meat processors are integrate with slaughterhouses. They are in process of establishing an inter-professional organisation with the Patronatu Carnii de Porc din Romania and the Asociatia Romani a Carnii.

- *functions*

Major goal is to enhance the modernisation of the meat sector in Romania and to harmonise with EU requirements in particular the introduction of the (S) EUROP classification. Close co-operation with MAAP on that issue.

- *market intelligence activities*

The members do not provide data to the association, likely because of the commercial value of it. The association informs the sector on relevant economic and policy (legislative) developments in Romania and abroad.

- *conclusions*

ARC sees a role for the interprofessional organisation being established in the collection of market information, but the focus is on harmonisation with EU requirements in order to increase the export to EU.

## **A2.5 Market Organisations**

Whole sale market Bucharest (PGB) for fruit and vegetables? Others?

## **A2.6 Farmers' associations**

### ***National Association of Romanian Farmers***

- *organisation/representation*

Non-profit organisation established in 1996. In total about 3000 members, both small and large farmers (5-5000 ha), representing about 20% of the cultivated area.

The organisation has a small staff, supported by retired officials of MAAP

- *functions*

Major goal is to enhance the modernisation of farming in Romania and the association is one of the partners in the social dialogue.

- *market intelligence activities*

The association does not collect data, but disseminates technical and economic data via a monthly bulletin, including market information (prices and comments). For that purpose they have 3 staff and engage 7/8 journalists who collect relevant information in the regions.

- *conclusions*

The organisation looks rather modest but its magazine is professional and a perfect medium for dissemination of market information. The circulation is ???

There are more associations, like the Liga of Agricultural Producers, which is an Association of Farmers' Associations.

## **APPENDIX 3: PRICE DATA REQUIREMENTS OF THE COMMON MARKET ORGANISATIONS OF DG-AGRI**

Separated report.