Chapter 7

Approaches on Trends, Constraints, and Transformations of Romanian Organic Agrifood Market

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ABSTRACT

In current economies, the organic agrifood markets have started to gain more proactive dimensions by volume, revenue, and demand. Analysing the trends, constraints, and transformations of Romanian organic agrifood market represents an actual research subject, which should be understood as a growing part of agricultural economics and marketing research. Starting from the general assumption that organic agrifood market represents a share of one percent and growing, the main aim of this chapter is to reveal the primary transformation and constraints from a multiperspective approach.

INTRODUCTION

In recent years, the organic market has followed an upward trend although many national markets worldwide have registered negative growth rates. Therefore, both supply and demand of organic products continued to grow (Burcă-Voicu, 2012). On most markets, the organic sector is part of the total trade, as the organic goods are sold to the consumers via the main market and store networks and specialised stores, like organic or natural stores, weekly markets or farm shops (Orboi, 2013).

DOI: 10.4018/978-1-5225-2965-1.ch007
But despite this global growth in consumer demand and sales, the organic food market is still relatively small (Hughner et al., 2007).

A pertinent and complex analysis of the organic agrifood market trends requires a third-factor analysis: the supply, the demand and the prices.

Regarding the supply, in recent times organic food supply chains have shifted from local and fragmented chains to geographically much longer ones, which has often involved multinationalization (The International Fund for Agricultural Development, Rural Development Report 2016). However, organic food supply is limited as compared to demand, which is why the prices of organic agri food products are sensitively higher than conventional ones. (FAO)

Regarding the demand, several studies confirmed that the consumer behavior regarding the purchase of food products is increasingly channeled and more focused on acquiring “healthy” products and having an “eco-friendly” way of life, while investing more in information and in maintaining their health through food and a “healthy” lifestyle (Burcă-Voicu, M, 2012). Regarding the socio-demographic profile of the organic product buyers, most studies agree that it is mainly women, who buy larger quantities and more frequently than men. Slight differences between gender groups are observed as regards their willingness to pay. The age factor does not seem to play an important role either, with the younger seeming slightly more willing to buy (more and expensive) due to their greater environmental consciousness (Arvanitoyannis & Krystallis, 2004).

Knowing the market factors of the agrifood organic products its a good start, but a solid evolution of the organic products market can only be achieved through the creation of trade policies that are tailored to the specifics of each region, taking into account several factors, including the degree of urbanization, the existing professional categories, the degree of influence of the environment and the sensitivity of inhabitants of an area facing this problem. Other studies show that organic food’s share of total food consumption depends heavily on political regulation, including legal definitions and standards, financial support to farmers, and a national labeling system. Other important structural factors are soil conditions, an effective and efficient distribution system, and the size of the premium price demanded for organic food products. Macro factors such as the food culture and the culture’s level of postmaterialism and environmental concern play an additional role (Thøgersen, 2010).

Following the premise shown above, the present study aims at carrying out an analysis of the organic agro-food products market in Romania, taking into account the increasing tendencies of the producers and consumers orientation towards organic agro-food products. Thus, the study is structured in four parts: the first part presents the analysis of the supply of organic agrifood products, the second part presents...
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