

THE STAGE OF THE IMPLEMENTATION OF THE ACQUIS COMMUNAUTAIRE WITHIN THE ROMANIAN WINE SECTOR

Raluca Andreea Ion¹, Mihaela Begea², P. Begea²

¹Academy of Economic Studies Bucharest, 6, Romana Square, Sector 1, 010374,
Bucharest, Romania, e-mail: ralucaa_ion@yahoo.com

²Company for Applied Researches and Investments S.A. Bucharest – Department of
Food Research, 39, Ion Minulescu Str., Sector 3, 031215 Bucharest, Romania
e-mail: ela_begea@yahoo.com

Abstract

The moment when Romania will join European Union is coming quickly, so market structures must change in order to be able to integrate successfully into European Union market, and to adopt the Common Agricultural Policy. Viticulture is some of the main sector of agriculture, Romania being a traditional producer of wines. The area cultivated with vineyards in 2005 was appreciatively 200.000 hectares (1.72% of agricultural area), and wine production was 5.500.000 hl. Exports represent 10% of the production level. Romania, as a candidate country, must accomplish the acquis in wine sector by implementing the European Union measures regarding the removal of hybrid vineyards in a period of 8 years beginning with 2007, and organizing the vineyards inventory and a register until 2007. In this paper we will achieve a monitory of the acquis implementation into Romanian laws in wine sector.

Keywords: *Wine, vineyards, aquis communautaire, implementation.*

Introduction

Agriculture has a tremendous importance in Romanian economy. Specialists consider that during transition period, agriculture was like a buffer against socio-economic impact of the industrial privatization (Dumitru, 2004). The main part of the unemployed persons which used to work in the industrial areas, come to work in agricultural activities. This social roll contributed to the stagnation of agriculture, lower profitability and poverty in the rural area.

The stage of the implementation of the aquis communautaire within the Romanian wine sector

Viticulture is some of the main sector of agriculture, Romania being a traditional producer of wines. The area cultivated with vineyards in 2004 was 200.000 hectares (1.7% of agricultural area). There are 7 viticulture areas with 160 centres which provide a wide range of wine, from all types of assortments.

As seen in the table 1, the area cultivated with hybrid vineyards increased from 1990 to 2003, with serious implication on aquis implementation, which requires the reduction of this area within 8 years. On the other hand, the area cultivated with grafted and native vineyards decreased from 161 thousand hectares in 1990 to 116 thousands hectares in 2003. The Romanian potential for wine production is high, so the possibility of increasing this area must be reconsidered.

Table 1. Area cultivated with vineyards in Romania, 1990 – 2003

Year	Bearing vineyards (thou ha)		
	Total	Of which:	
		Grafted and native vineyards	Hybrid vineyards
1990	224	161	63
1991	225	159	66
1992	235	161	74
1993	245	159	86
1994	247	150	97
1995	249	146	103
1996	252	142	110
1997	255	141	114
1998	253	138	115
1999	251	134	117
2000	247	128	119
2001	244	122	122
2002	242	120	122
2003	233	116	117

The wine production of 533,091 tones assures the internal consumption and provides exports reserves (Table 2).

The export's destinations are mostly Republic of Moldova and European Union countries: Germany, Czech Republic and United Kingdom. In 2003, Romania exported 410,660 hl of wines.

Table 2. The wine balance, 2003 (tonnes)

Total offer	533,798
- Production	533,091
- Import	707
Total demand	533,798
- Consumption	492,800
- Export	40,998

Results of Romania negotiations with European Union in wine sector

Romania, as a candidate country, must accomplish the *acquis* in wine sector by implementing the European Union measures regarding removal of hybrid vineyards in a period of 8 years beginning with 2007, and organizing the vineyards inventory and Vine Register until 2007.

Romania requested a transition period of 4 years until December 31, 2010, for organizing the vineyards inventory and a register (Reg. 2392/86 and Reg. 649/87). The commissioners considered this period too long, the Register could have been solved until 2007 (Mayhew, 2000). The second request was a transition period of 8 years until December 31, 2014, for the removal of hybrid vineyards (Reg. 1493/99) (Romanian Position Document, 2001). The results of the negotiations between European Union and Romania, in May 2004, show that the Commission accepted an area of 30,000 hectares of hybrid vineyards to be replanted with grafted and native vineyards, in a transition period of 8 years.

To harmonize the Romanian law with the European one, there were adopted several acts, among the Law no.244/2002 of Vineyard and Wine in the system of common market organization is the most important. This law contains rules regarding the production potential, the market mechanisms, the producers' organizations and the chain organisms, the oenological practices, the presentation and protection of the viticulture products and wines, the exchanges with third countries (Law 244/2002).

Briefly, the mechanisms of wine market organization refer to the products quality and to the removal of the hybrid vineyards. The

quality level makes the difference between products on the common market, being regulated by measures such as authorized laboratories for analyzes execution, quality certification and transactions with viticulture material, controlled origin denomination and geographical protected indication and so on.

For the removal of hybrid vineyards, the farmers receive primes and licenses for vineyards plantation and re-plantation. In the Law no.244 there is stipulated that the hybrids areas from vineyards regions and out-side the villages should be removed until 2014, through programs initiated by the Ministry of Agriculture and Rural Development (Law 244/2002). The hybrids vineyards removal is achieved differentially, depending on their placement:

- The vineyards out-side villages, but included in viticulture areas, enter in the program of qualitative reconversion (structure changes between varieties);
- The vineyards out-side villages, but which are not included in viticulture areas, are removed. There are exceptions in the areas cultivated with grapes designated to self-consumption. The production achieved is forbidden to be sold on the market;
- The vineyards in-side villages, in yards, are not regulated, because the production obtained is not a market subject.

The farmers will receive yearly replantation rights, consisting in financial intern support, maximum 30% in 2007, and 35% in 2008, the financial support increasing with 10% yearly, to 75% in 2014. The replantation rights are received for those 30,000 hectares negotiated with European Union.

Also, as it is mentioned in the law, Romanian farmers will benefit of supplementary plantation rights for recommended varieties on an area of 2830 hectares (1.5% of the total area of 188,000 cultivated with vine). These supplementary rights consist in financial support from European Union, until 2014, which means 353.75 hectares yearly.

Future consideration

Implementing the European regulation, the structure of Romanian vineyards will be significantly improved. There were made scenarios

regarding the evolution of vineyards in the context of *acquis* implementation (Ion, 2005). Starting from the present structure of vineyards and adding the regulation stipulation by the Law no.244 and the negotiations of Romania with European Union (replantation rights for 30,000 hectares and supplementary plantation rights for 2,839 hectares), the structures of vineyards in 2014 is shown in the table below.

Table 3. Vineyards structural evolution in Romania, by implementing the *acquis*

Year	Total area, of which:	Grafted and native vineyards			Hybrid vineyards	
		Replantation rights (internal financial support)	Supplementary plantation rights (EU financial support)	Total	Yearly removals	Total
2004	228000			114000	0	114000
2005	228000			114000	0	114000
2006	228000			114000	0	114000
2007	228353.8	3750	353.75	118103.8	3750	110250
2008	228707.5	3750	353.75	122207.5	3750	106500
2009	229061.3	3750	353.75	126311.3	3750	102750
2010	229415	3750	353.75	130415	3750	99000
2011	229768.8	3750	353.75	134518.8	3750	95250
2012	230122.5	3750	353.75	138622.5	3750	91500
2013	230476.3	3750	353.75	142726.3	3750	87750
2014	230830	3750	353.75	146830	3750	84000
2015	230830			146830		84000
Total	-	30000	2830	-	30000	-

In 2015, the area cultivated with native and grafted vineyards will be 146,830 hectares, representing 63.6% of the total area, and the area cultivated with hybrids will be 84,000 hectares, representing 36.4% of the total area.

The forecasts achieved offer an image on wine sector in 2015 perspective. We consider that particular issues of wine sector will be

solved in the period 2005-2015, by implementing Common Market Organization for wine in Romania, that implies financial support for hybrids removal and replantation with grafted and native vine, increasing in wine quantities put on the market, export sustainability, Romanian wine promotion on external market and their penetration with good quality wines, offered to competitive prices.

Conclusion

The Common Market Organization for Wine in Romania could be implemented by a marketing strategy focused on quality. This objective could be achieved by removing the hybrid vineyards until 2014, by providing financial support for the farmers who will replace the hybrid vineyards with grafted and native ones, by setting up cooperatives that will provide appropriated services for producers, especially those services regarding logistic system and promotional activities. A public organization that will facilitate access to export market is needed. Competitive structures, high quality and a good image of national wines will lead Romanian wines to success.

References

- Dumitru, M., Diminescu, D., Lazea, V. (2004). *Rural development and Romanian agriculture reform*, Romanian Center for Economic Policies, Bucharest
- Ion, R.A. (2005). *Economic performance on the chain of product in agriculture*, Ph.D. thesis, Academy of Economic Studies Bucharest, Romania
- Mayhew, A. (2000). *Enlargement of the European Union: an analysis of the negotiations with the CEE candidate countries*, Sussex European Institute
- *** (2004). *Law 244/2002 of vineyard and wine in the system of common market organization*. National Institute of Statistics, Romania.
- *** (2001). *Romanian Position Document*, Chapter VII – Agriculture, Romanian Government, December, 6, 2001, p.49;