

STUDIES CONCERNING THE COMPARATIVE SITUATION OF WINE PRODUCERS IN ROMANIA AND SWITZERLAND

Petrică ȘTEFAN¹, Stefan MANN²

¹University of Agronomic Sciences and Veterinary Medicine of Bucharest, 59 Mărăști Blvd, District 1, Bucharest, Romania, Email: stefanmarian2004@yahoo.com

²Agroscope Institut, Tänikon, CH-8356 Ettenhausen, Switzerland, Email: stefan.mann@agroscope.admin.ch

Corresponding author email: stefanmarian2004@yahoo.com

Abstract

A direct study was conducted between over 200 Romanian wine producers, among the counties in which the vineyard culture is meant to be an art, to find out the degree of diversification and also marketing strategies. For the same purpose, 1,000 letters containing our questionnaires were sent to Swiss wine producers, also in the main wine-growing areas of the country, to which 443 responded. The results (for both countries) show that farmers focus on the importance of profits but we also met producers who want a sustainable business that combines tradition with innovation in wine production. More than 50% of the respondents' income, for both countries, comes from wine sales some of them are also selling grapes, especially Swiss farmers, and others, especially Romanian farmers, have another main occupation to secure the income of the family or the company they manage. More frequent is direct marketing than using intermediaries for both states, especially for Switzerland. Winemaking and events are usual marketing tools; about 10% of Romanian respondents offer playgrounds, the Swiss farmers even less.

Key words: comparative situation, producers, Romania, Switzerland, wine.

INTRODUCTION

Romania is a truly suitable country for vineyard culture containing generous soil as well as favourable climatic conditions for this. The main 3 elements having a moderating climate are: Danube, Carpathian Mountains, Black Sea (Bibicioiu, 2013).

Even if Switzerland is not very well known at international level as a wine producer and does not export too much wine, this country produces quality wine and, we can say, has a tradition in this culture, the vine is being documented on these lands many centuries ago. Actually, in the southern part of Switzerland, the climate is more favourable (Vine, 1981).

Aside from their dominant effect as a climatic barrier between the north and south, the complex mountain range of the Alps additionally creates several different climatic regions (Teece et al., 1997).

Even though 40% of Switzerland's surface area is mountainous, there are six vineyards that group a variety of soils and microclimates: „Valais - with over 33% of total production,

Vaud, German cantons, Geneva, Ticino, and the three-lake region” (Neuchatel) (Ștefan, 2017).

The main purpose of this research was to notice if the current production conditions and financial situations satisfy the winemakers in both countries, if they practice farm tourism and if so, to what extent this activity influences the financial situation of the holding.

MATERIALS AND METHODS

The present paper evaluate the level of productivity and the financial satisfaction of vine growers, wine producers and traders in Romania and Switzerland on the basis of questionnaires and specific statistical data (Lădaru, 2015).

In Swiss were collected responses from 443 vineyard locations with around 1,650 ha. They cover around 11% from the total area of Swiss vineyard (15,000 ha) and their surface can be found on 20 cantons of Switzerland. From 26 cantons, only in six of them the vine is less present or missing.

For Romania, most of the questionnaires were completed directly at the farm. The survey was accomplished between February 2017 and May 2017. 209 wine producers have answered our questions (altogether over 23,582 ha of vine culture) coming from both small producers (under 600 square meters of vineyards) and the big farms in Romania (over 3,000 hectares - the largest) (Ștefan et al., 2017).

The questionnaire, by its simplicity, is one of the most important (mainly financially) and popular methods used in social and economic research (Dinu et al., 2014).

RESULTS AND DISCUSSIONS

1. The County or Counties. In Swiss the main counties are Ticino, Waadt and Wallis and in Romania the most wine producers operate in Buzau, Prahova, Vrancea (Crețu R.C. et al., 2014).

2. Birth year. The average age of Swiss producers is 54, for Romanians is about 48. Thus the Swiss farmers give the impression of a consistency and a tradition much deeper than the Romanians.

3. Gender - for Switzerland - 89% are men and 11% are women; in Romania - 83% are men and 17% are women. This is a pleasant surprise, a high percentage of women work in a considered area of men.

4. Last graduated school - the majority of both countries have graduated the high school or even more, resulting: education occupies an important place for those interviewed.

5. Full-time/part-time activity - 58% (SWI) and 54% (ROM) of the wine producers have a full-time activity, 42% (SWI) and 46% (ROM) having only a part-time farm. As mentioned above, many producers have another main occupation, often wine production being just a passion.

6. The grapes price

- Switzerland - 63% sell grapes. The average price/kg is about 3.52 CHF (3.20 EURO); getting a good price, most Swiss farmers prefer to sell the grapes directly without losing time and perhaps profit, investing in the production and sale of wine.

- Romania - 33% sell grapes. The price/kg having an average of 1.64 LEI (0.4 CHF or 0.36 EURO)

(1 CHF = 4.17 LEI, 1 CHF = 0.91 EURO in July 10, 2017)

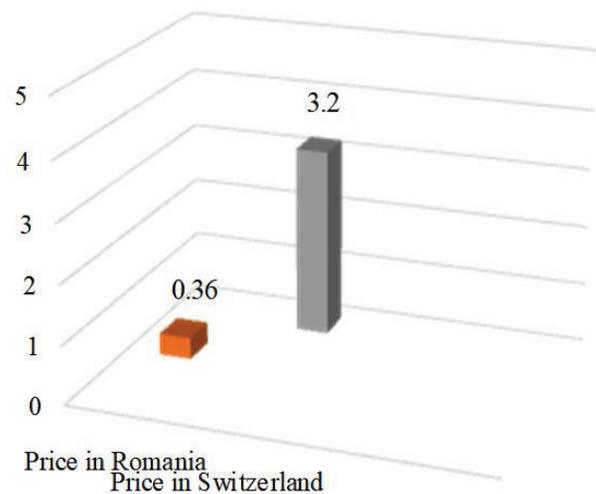


Figure 1. Average selling price of grapes (EURO/kg)
Source: Own calculations

The average of grapes price in Switzerland is about nine times higher than the Romanian one (proportional, of course, with the incomes and purchasing power of the inhabitants of each country).

7. The wine price

Sales prices also differ a lot in favour of Swiss wines which are much more expensive than those in Romania.

In the next two figures we can observe the prices and the percentage for some categories of wine in Switzerland and Romania:

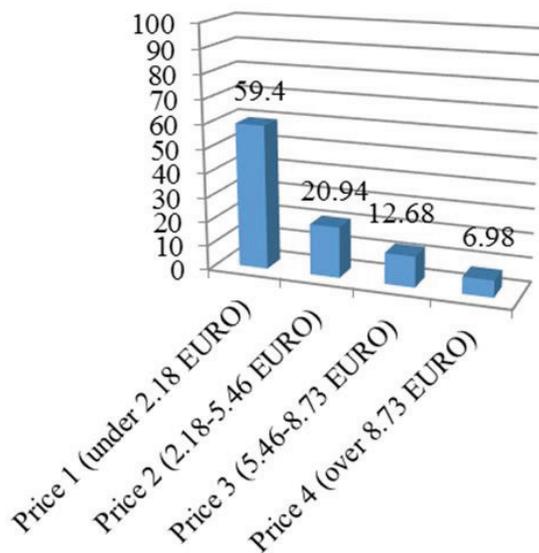


Figure 2. The Romanian wine price for 75 cl (%)
Source: Own calculations

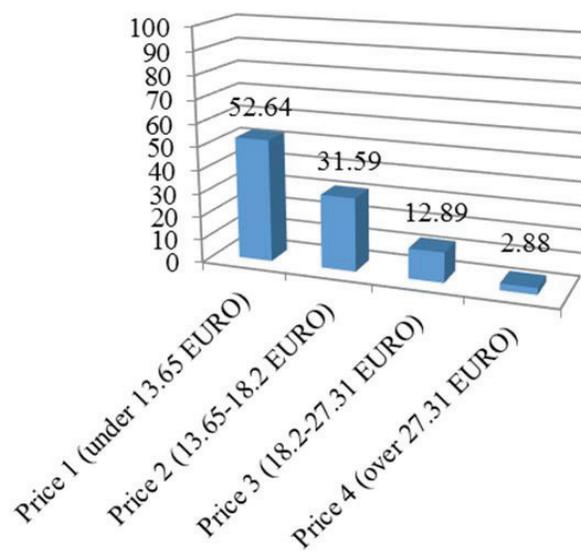


Figure 3. The Swiss wine price for 75 cl (%)
Source: Own calculations

8. The mode of exploitation

Only 6% of Swiss producers use organic methods to cultivate soils, 94% using conventional methods. In Romania: 11% - organic and

89% - conventional. Both countries possess soils in transition, from conventional to organic (Bojnec, 2006).

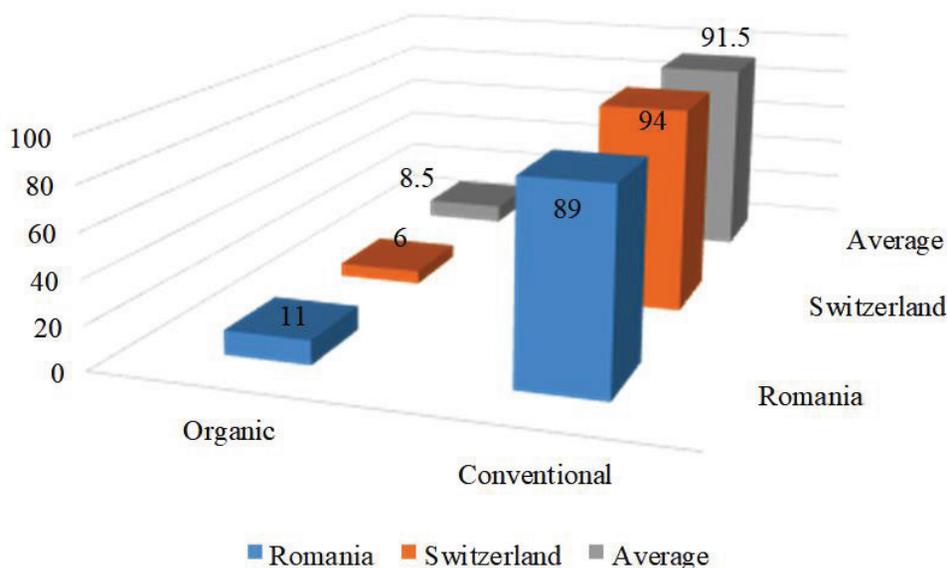


Figure 4. The mode of exploitation (%) Source: Own calculations

9. The agricultural area

- Romania:

- ✚ 12.13 ha - the average of the arable land;
- ✚ 3.4 ha - the lands occupied by meadows;
- ✚ Vineyard culture with an average of over 112.83 ha/producer (if we decrease the areas of the first 10 producers in the total analysed area: $23,582.39 - 15,900 = 7,682.39 / 199 = 38.6$ ha on

average per producer, this number being closer to the average of Romania);

- ✚ 4.87 ha - other perennial plants.

➤ Switzerland:

- ✚ 8.11 hectares- arable areas;
- ✚ 4.81 ha - meadows;
- ✚ 3.78 ha/producer - vineyard
- ✚ 0.91 ha/producer is the average for other perennial plants.

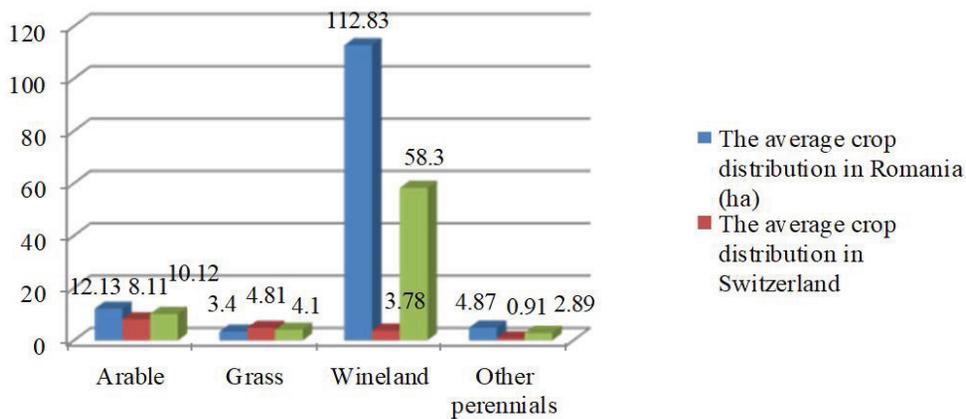


Figure 5. The crop area
Source: Own calculations

In terms of agricultural areas, the situation changes completely: if the arable land, the pastures and other perennial plants have a relatively balanced average, the areas planted with vines in Romania exceeded the average of those cultivated in Switzerland by more than 109 hectares (almost 30 times larger).

The explanation is simple: the surface of Switzerland is much smaller than Romania, Switzerland's agricultural area is much lower than that of Romania, the areas suitable for vineyard culture are much higher in Romania (Switzerland is a predominantly mountainous country while Romania has only about 33% of the country's mountainous area) and, moreover, the most of the Romanian that have been questioned are the largest vine growers.

10. Origins of the financial resources:

- Romania:

- 49.81 % - grapes and wine;

- 13.88% - agriculture without viticulture;
 - Almost 2% - rural tourism activities;
 - 34.32 % - other activities.
- Switzerland:
- 63.82% - the sale of wine or grapes;
 - 26.8% - agriculture;
 - 1.38% - tourism activities;
 - 8% - other activities.

As can be seen, Swiss farmers have a much higher degree of financial independence, while most of the Romanian producers are forced to practice other activities to increase their income.

From a touristic point of view, the results are not what we expected. Vineyard tourism does not bring too much financial benefits, for the moment, both countries, at least at the level of interviewees, having under 2% of the average of the farm incomes.

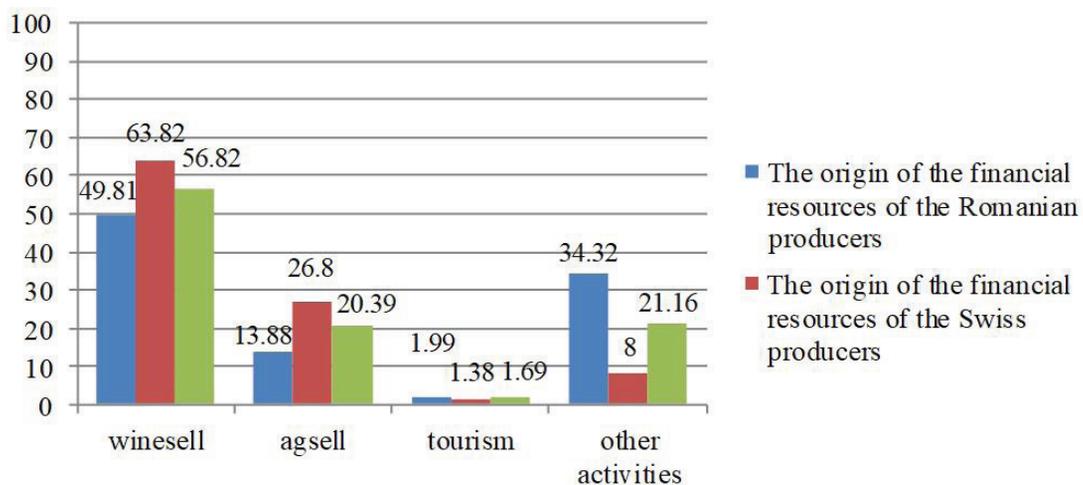


Figure 6. The financial resources origin
Source: Own calculations

11. The financial situation of the farm

The following ranking was performed: very good (1), good (2), fair (3), poor (4), very poor (5) (Ștefan et al., 2017).

The figure below shows that although Romania is a country far inferior to Switzerland from an economic and financial point of view, yet, the Romanians think positively and are happy with their financial situation, their degree of satisfaction being superior to the Swiss one.

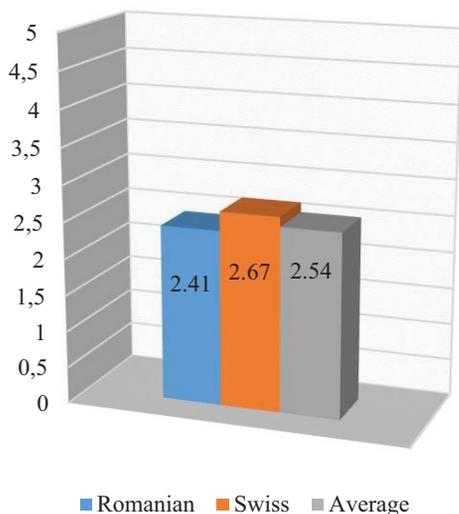


Figure 7. Financial situation
Source: personal calculations

12. Direct sale versus specialized distributors

In Switzerland direct sales predominate (98.62%), only 1.38% of winemakers sell their wines through specialized distributors. For Romania, the situation is more balanced between direct sales (78.1%) and specialized distributors (21.9%). This is a positive aspect because producers earn more money than if intermediaries were used.

13. Facilities offered by Swiss and Romanian wine producers

In percentage terms speaking the answers for tourist facilities are:

- *Switzerland:*

- 5% have pump room (only for Switzerland);
- 2.5% - food services;
- 6.3% - wineries;
- 3.2% - accommodation;
- 1.1% - playground;
- 28.4% - events (tastings, fairs, exhibitions);
- 8% - other services.

- *Romania:*

- 17% - food services;

- 72.7% - wineries / cellars;
- 10.1% - accommodation;
- 9.6% - playground;
- 39.2% - events (exhibitions, fairs);
- 6.7% - other services.

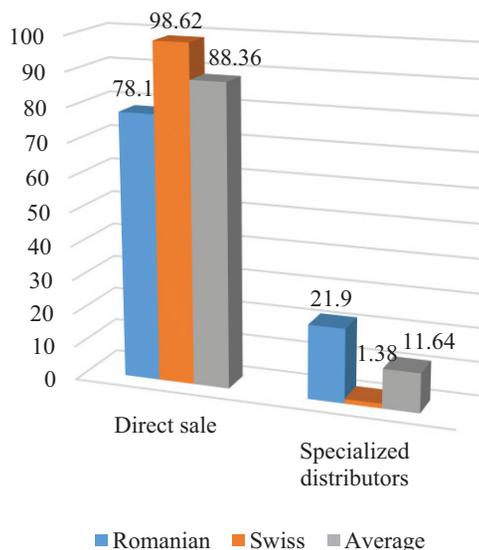


Figure 8. Wines type's sale
Source: personal calculations

From these answers, we can conclude that Swiss farmers are focusing on specialization, while Romanian producers tend to diversify.

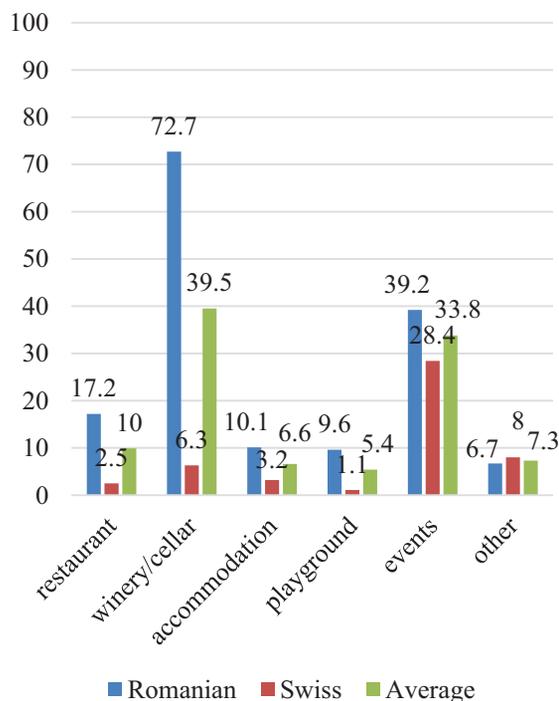


Figure 9. Tourist facilities (%)
Source: Own calculations

14. The wine producers attitude

Swiss producers:

- Productivity - 4.22 points out of seven (Dodd, 2001);
- In favour of tourism - 4.84 points;
- Portfolio - 4.58 points;
- Local authorities support - 3.9 points;
- Location - 5.17 points.

The Romanian farmer's attitude:

- Productivity - 6.08 points;
- In favour of tourism - 4.58 points;
- Portfolio - 5 points;
- Local authorities support - 4 points;
- The farm location - 5.6 points.

From the point of view of productivity, the Romanian farmers are much more satisfied with the production obtained compared to the Swiss ones, the winemakers in both countries agree with the claim that tourism generates higher incomes, but few of the respondents practice it. Most have also managed to loyalty their clients.

The state, through the local authorities, not only does not help but sometimes they confuse the situation, in both countries (Amit, 1988).

From the point of view of farm location the attitude is favourable; most of the farmers are pleased regarding the landscape of the area where their holding is (Coase, 1937).

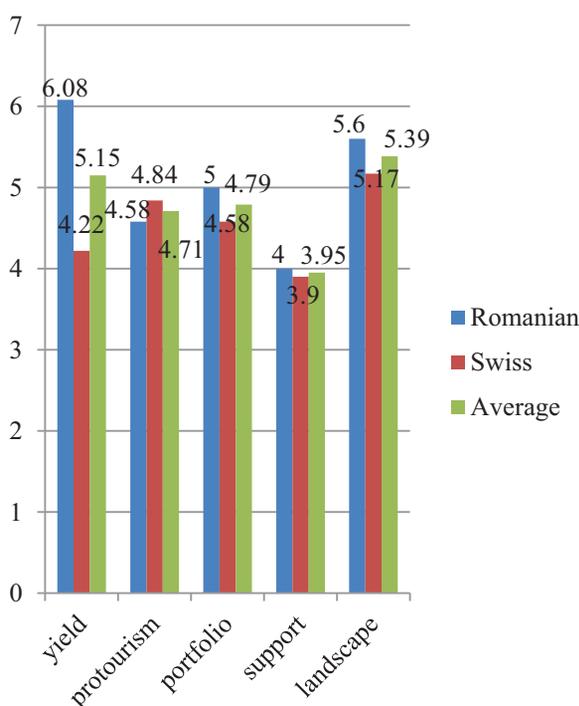


Figure 10. The producers attitude
Source: Own calculations

CONCLUSIONS

Switzerland has about 15,000 hectares of vineyards, especially in the south and the west of the Federation, „the average area per producer is less than 4 hectares” (Ştefan et al., 2017) but the farmers obtain around „1 million hectolitres of wine annually, of which about 479,000 hl of red wine and 522,000 hl of white wine”) (Ştefan et al., 2017) especially for domestic consumption.

Romania, through the millenary tradition of vineyards, with a multitude of historical facts related to wine, even if the present is not the desirable one, remains an important wine producer (Ştefan et al., 2017).

The annual average of wine production in Romania is about 5 million hectolitres, of which less than 2 million hectolitres are marketed, the rest being self-consumption. Maximum 2% is the export of wine (Tudor, 2013).

Concluding, it can be noted that both countries produce important quantities of wines of superior quality but, for different reasons (Swiss wine is not very well known, it is more expensive and Romanian wine is not well promoted abroad...), wine exports are limited (less than 2% of the annual quantity produced by each of the two countries). In contrast, the domestic wine market of each country is well developed.

Tourism activities in vineyards or wine-producing farms, both in Switzerland and Romania, do not make a significant financial contribution.

The attitude of the farmers: Romanians focus on productivity more than the Swiss ones. The opinions of the tourism activities on the farm are divided equally with a plus for the Swiss, as well as those related to the loyalty of the clientele, but this time with a small advantage for the Romanians. The producers of both states have negative opinions about the involvement and help given by local authorities. The farms are located in beautiful, picturesque areas.

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