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## Romania

### Livestock and Products

#### Annual

#### 2005

**Approved by:**

Brian Goggin  
U.S. Embassy Bucharest

**Prepared by:**

Cristina Cionga

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**Report Highlights:** With animal herds still struggling to recover after the very severe drought in the summer of 2003, the livestock sector in Romania is expected to grow in 2005 and further. In 2004, swine meat became Romania's top agricultural import (over \$220 million worth), a trend that is likely to continue in the short run, as domestic supplies are short and of a variable quality. Live cattle continue to represent a major agricultural export item of the country. US exporters have competitively started using opportunities in pork cuts for processing, although this situation may be in jeopardy, given the newly ratified Additional Trade Protocol with EU.

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Annual Report  
Sofia [BU1]  
[RO]

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**PRODUCTION**

Romania's cattle herds remained quasi-constant throughout 2004 and a similar trend is anticipated further into 2005. Recovery in this sector is very slow, due to both the long production cycle and the structural deficiencies that are characteristic to the Romanian agriculture, even though GOR launched various subsidy schemes (see section on Domestic Support Policy) for bovine growers. Albeit we constantly noted in our sector analysis that the trait of the bovine sector in Romania is that there are no differences in feed ration formulation for dairy cows versus beef cows, some official data to make the distinction between the two categories of animals were recently issued, as the national agricultural statistical system is being harmonized with the EUROSTAT. Cattle and calves on feed stood at roughly 2.9 million heads in the beginning of 2005, but some marginal drop in inventories was registered the first semester compared to the corresponding period of the previous year, especially because of the reduction in the reproduction stock.

**Production, Supply and Demand Table**

<b>Romania</b>							
<b>Animal Numbers, Cattle</b>							
	<b>2004</b>	<b>Revised</b>	<b>2005</b>	<b>Estimate</b>	<b>2006</b>	<b>Forecast</b>	<b>UOM</b>
	<b>USDA Official [Old]</b>	<b>Post Estimate [New]</b>	<b>USDA Official [Old]</b>	<b>Post Estimate [New]</b>	<b>USDA Official [Old]</b>	<b>Post Estimate [New]</b>	
<b>Market Year Begin</b>		01/2004		01/2005		01/2006	MM/YYYY
<b>Total Cattle Beg. Stks</b>	2897	2897	2890	2907	2900	2915	(1000 HEAD)
<b>Dairy Cows Beg. Stks</b>	1757	1509	1760	1540	0	1535	(1000 HEAD)
<b>Beef Cows Beg. Stocks</b>	0	248	0	201	0	215	(1000 HEAD)
<b>Production (Calf Crop)</b>	1408	1464	1420	1451	0	1455	(1000 HEAD)
<b>Intra EC Imports</b>	0	0	0	0	0	0	(1000 HEAD)
<b>Total Imports</b>	1	2	2	2	0	2	(1000 HEAD)
<b>TOTAL Imports</b>	1	2	2	2	0	2	(1000 HEAD)
<b>TOTAL SUPPLY</b>	4306	4363	4312	4360	2900	4372	(1000 HEAD)
<b>Intra EC Exports</b>	0	0	0	0	0	0	(1000 HEAD)
<b>Total Exports</b>	120	172	115	160	0	150	(1000 HEAD)
<b>TOTAL Exports</b>	120	172	115	160	0	150	(1000 HEAD)
<b>Cow Slaughter</b>	1000	1190	1005	1200	0	1212	(1000 HEAD)
<b>Calf Slaughter</b>	41	0	40	0	0	0	(1000 HEAD)
<b>Other Slaughter</b>	200	0	195	0	0	0	(1000 HEAD)
<b>Total Slaughter</b>	1241	1190	1240	1200	0	1212	(1000 HEAD)
<b>Loss</b>	55	94	57	85	0	85	(1000 HEAD)
<b>Ending Inventories</b>	2890	2907	2900	2915	0	2925	(1000 HEAD)
<b>TOTAL DISTRIBUTION</b>	4306	4363	4312	4360	0	4372	(1000 HEAD)
<b>Calendar Yr. Imp. from U.S.</b>	0	0	0	0	0	0	(1000 HEAD)
<b>Calendar Yr. Exp. to U.S.</b>	0	0	0	0	0	0	(1000 HEAD)

Beef production continues to mainly come from small farms and was pretty stable in 2004 compared to 2003, i.e., 190,000 MT, on a carcass weight basis. Of this, 45 percent went to meat processing units, while 38 percent were self-consumed in rural households and the remaining 17 percent supplied to the retail market. For 2005, we foresee opportunities for

some additional slaughtering, which, together with an increase in the average carcass weight (due to existing Governmental programs meant to extend the period until calves are butchered), is likely to result in 5-6 percent surge in the domestic beef production.

The important growth potential in beef domestic consumption is expected to be soon responded by the industry, which recently acknowledged that there are a number of priorities to be addressed: the introduction of specialized beef production breeds, improvements in feed and forage practices at farm level, advanced techniques for animal husbandry, the introduction of carcass grades and standards.

### Production, Supply and Demand Table

Romania							
Meat, Beef and Veal							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Slaughter (Reference)	1241	1190	1240	1200	0	1212	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	205	193	210	205	0	210	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Total Imports	4	6	3	15	0	12	(1000 MT CWE)
TOTAL Imports	4	6	3	15	0	12	(1000 MT CWE)
TOTAL SUPPLY	209	199	213	220	0	222	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Total Exports	1	1	2	2	0	3	(1000 MT CWE)
TOTAL Exports	1	1	2	2	0	3	(1000 MT CWE)
Human Dom. Consumption	160	198	161	218	0	219	(1000 MT CWE)
Other Use, Losses	48	0	50	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	208	198	211	218	0	219	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
TOTAL DISTRIBUTION	209	199	213	220	0	222	(1000 MT CWE)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

In the beginning of the 2005, Romania's swine stocks reached a low at 4.89 million heads (almost 5 percent down from the previous year), a downward scenario mainly attributed to the severe decrease in sow numbers and in particular in the reproduction stock in 2003. The pig crop in 2005 is expected to start rising again, as the pig cycle reached its bottom in 2004, taking the end-year herds to an estimated 4.93 million. The recovery will likely accelerate in 2006, facilitated by a wide range of governmental programs meant to support livestock population and production. The majority of this swine population (a steady 75 percent) is held in individual households. Nonetheless, some new commercial operations, developed by private investors, domestic or foreign, are emerging. As an example, the largest Romanian (and one of the largest by worldwide standards) integrated operation, located the western part of the country, has been recently acquired by a major multinational and recently revealed its intention to invest up to \$800 million over the next five years to

secure a strategic position on the domestic and the European markets. The company is foreseen to become a major consumer of fodder and feed grains, as well as of services delivered by local farmers and suppliers.

### Production, Supply and Demand Table

Romania							
Animal Numbers, Swine							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
TOTAL Beginning Stocks	5145	5145	5070	4899	5100	4930	(1000 HEAD)
Sow Beginning Stocks	335	335	340	335	0	340	(1000 HEAD)
Production (Pig Crop)	5200	5599	5440	5650	0	5750	(1000 HEAD)
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)
Total Imports	95	124	100	145	0	150	(1000 HEAD)
TOTAL Imports	95	124	100	145	0	150	(1000 HEAD)
TOTAL SUPPLY	10440	10868	10610	10694	5100	10830	(1000 HEAD)
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)
Total Exports	0	0	0	0	0	0	(1000 HEAD)
TOTAL Exports	0	0	0	0	0	0	(1000 HEAD)
Sow Slaughter	310	0	310	0	0	0	(1000 HEAD)
OTHER SLAUGHTER	4640	5964	5770	5760	0	5805	(1000 HEAD)
Total Slaughter	4950	5964	6080	5760	0	5805	(1000 HEAD)
Loss	420	5	430	4	0	5	(1000 HEAD)
Ending Inventories	5070	4899	5100	4930	0	5020	(1000 HEAD)
TOTAL DISTRIBUTION	10440	10868	11610	10694	0	10830	(1000 HEAD)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 HEAD)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 HEAD)

Domestic swine meat production in 2005 will shrink by an estimated 3 percent, because of a drop in the number of animals slaughtered. Nonetheless, expectations are that domestic pig production will increase in the middle run, as a result of foreign investments. The average liveweight at slaughtering in the first semester of 2005 was 105 KG for hogs respectively, 355 KG for bovine cattle, comparable to the values registered in the corresponding period of the previous year.

Data released by the Ministry of Agriculture show that, in 2005, only about 21 percent of domestic pork supply was delivered to processors, while the share of self-consumption increased to 63 percent (from 60 percent in 2004), with the balance directly sold on the retail market. An additional problem related to the domestically supplied hog meat is the wide variability in quality, often unacceptable for the processing industry. Consequently, the growing meat demand by local processing has more and more to rely on imports, which in 2004 were 37 percent up, from 123,000 MT carcassweight in 2003.

It is generally assessed that after Romania will become an EU member only the few farms currently equipped with competitive technologies will remain operational. Currently, the accession preparations related to food safety along the production chain (primary production,

the production of animal feed and consumer safety) are being given a special emphasis, as the EU food industry is subject to strict sanitary regulations. Romania was granted a transition period until December 31, 2009 for modernizing and re-vamping its slaughtering and meat processing units, in compliance with the Community requirements, while products from establishments subject to transitional arrangements will not be sold to other Member States and will be clearly identified. Currently, approved to export to EU, there are 8 plants for fresh meat (of which 2 are also approved for game meat), 5 for meat preparations and another 2 for meat products. In absolute numbers, this is how the Romanian industry is foreseen to look in 2010: out of the existing meat processing capacity (totaling 728,000 MT/year for slaughtering and, respectively, 777,000 MT/year strictly for processing), about 30 percent will be shut down. The veterinary authorities are strictly monitoring the efforts for revamping of the about 500 plants listed in the D category, "likely to be shut down" if they fail to begin restructuring and modernization by mid-2006. Currently, the official view is that such units have very slight chances to survive, given that by now only 5-6 percent of them were able to fulfil the requirements for acceding to a superior category.

<b>Romania</b>							
<b>Meat, Swine</b>							
	<b>2004</b>	<b>Revised</b>	<b>2005</b>	<b>Estimate</b>	<b>2006</b>	<b>Forecast</b>	<b>UOM</b>
	<b>USDA Official [Old]</b>	<b>Post Estimate [New]</b>	<b>USDA Official [Old]</b>	<b>Post Estimate [New]</b>	<b>USDA Official [Old]</b>	<b>Post Estimate [New]</b>	
<b>Market Year Begin</b>		01/2004		01/2005		01/2006	MM/YYYY
<b>Slaughter (Reference)</b>	4950	5964	6080	5760	0	5805	(1000 HEAD)
<b>Beginning Stocks</b>	0	0	0	0	0	0	(1000 MT CWE)
<b>Production</b>	412	470	420	455	0	460	(1000 MT CWE)
<b>Intra EC Imports</b>	0	0	0	0	0	0	(1000 MT CWE)
<b>Total Imports</b>	90	169	95	185	0	180	(1000 MT CWE)
<b>TOTAL Imports</b>	90	169	95	185	0	180	(1000 MT CWE)
<b>TOTAL SUPPLY</b>	502	639	515	640	0	640	(1000 MT CWE)
<b>Intra EC Exports</b>	0	0	0	0	0	0	(1000 MT CWE)
<b>Total Exports</b>	0	5	0	2	0	3	(1000 MT CWE)
<b>TOTAL Exports</b>	0	5	0	2	0	3	(1000 MT CWE)
<b>Human Dom. Consumption</b>	442	634	455	638	0	0	(1000 MT CWE)
<b>Other Use, Losses</b>	60	0	60	0	0	0	(1000 MT CWE)
<b>TOTAL Dom. Consumption</b>	502	634	515	638	0	637	(1000 MT CWE)
<b>Ending Stocks</b>	0	0	0	0	0	0	(1000 MT CWE)
<b>TOTAL DISTRIBUTION</b>	502	639	515	640	0	640	(1000 MT CWE)
<b>Calendar Yr. Imp. from U.S.</b>	10	9	0	20	0	35	(1000 MT CWE)
<b>Calendar Yr. Exp. to U.S.</b>	0	0	0	0	0	0	(1000 MT CWE)

## CONSUMPTION

Per capita meat consumption in Romania is about 45 KG, representing half of the EU average. Romanians show a strong preference for pork (about 50 percent of the total), though chicken meat's share in the average diet is increasing.

Animal protein intake is slightly increasing, but continues to be relatively low in the consumption pattern (about 20 percent).

Production of processed meat products was estimated at roughly EUR 330 million in 2004 (10 percent up from the previous year), with a similar trend into 2005. Domestic consumption is still modest (8-9 KG/year/capita) and reveals some seasonality, with peak periods in May-June and September-October.

According to a recent market survey published by "Ziarul Financiar"<sup>1</sup>, consumers base their decision to buy on the following criteria: "tasty" fresh products (53 percent), affordable price, reduced additive and preservative content (24 percent), reduced fat content (20 percent), reliable producer/brand (18 percent), no use of mechanically de-boned meat (17 percent), attractive aspect/color (15 percent). Also, domestic products are preferred to the imported ones.

Overall, there is a trend towards buying more expensive, higher quality, branded products, though more than half of the meat-processed products are still sold in bulk. A good distribution through supermarkets and smaller points of sale plus an acceptable price/quality ratio are factors that influence consumption of a certain brand. Packaging has also been a very dynamic aspect in the Romanian food industry, reason for which companies continuously diversify the presentation of their products on the shelves. Large domestic companies are struggling to strengthen their brand names in an attempt to differentiate themselves. There are thus several such brand names which already became "national" and product diversification and expansion in niche markets are a natural trend.

Although the meat and meat product market continues to expand, the pace of growth has decelerated lately. The top five meat-processing companies account for roughly 40 percent of the market, but the enthusiasm of the foreign players (potential new entrants) is diminishing, because of the rapid appreciation of pork prices in Europe and US, the limited domestic supplies, as well as the unfair competition of the producers operating on the local black market.

## TRADE

One of the top Romanian agricultural exports has continued, in 2004 and 2005, to be live animals, especially sheep and cattle. Over 172,000 heads of bovine animals (20,000 heads more than in 2003), mainly fattening calves to be finished in the country of destination, were shipped in 2004 to Croatia, Greece, Syria, Italy and Middle East countries. In the first semester of 2005, live cattle exports totaled 67,000 heads, shipped primarily to the same destinations plus other EU member states.

### Export Trade Matrix

<b>Country</b>	Romania	
<b>Commodity</b>	Animal Numbers, Cattle	
Time Period	CY	Units: heads
Exports for:	2004	Jan-June 2005
U.S.	0	0
Others		

<sup>1</sup> May 19, 2005.

Croatia	65904	Croatia	26131
Greece	36689	Greece	16146
Syria	32827	Germany	6263
Italy	20490	Italy	4055
Germany	3904	Egypt	3443
Albania	2683	Slovenia	3912
Libya	2559	Bosnia&Hetzegovina	3149
Spain	2084	Syria	1386
Lebanon	1308	France	835
Jordan	1256	Spain	635
Total for Others	169704		65955
Others not Listed	2717		1333
Grand Total	172421		67288

Live bovine animals imports in 2004 stood at 2,200 heads, entirely pure breed animals for reproduction sourced in EU (Austria, The Netherlands, France, Germany).

**Import Trade Matrix**

<b>Country</b>	Romania		
<b>Commodity</b>	Animal Numbers, Cattle		
Time Period	CY	Units:	heads
Imports for:	2004		<b>Jan-June 2005</b>
U.S.	0	U.S.	
Others		Others	
Austria	910	Austria	948
The Netherlands	490	The Netherlands	589
France	426	France	35
Germany	291	Germany	190
Hungary	100	Italy	36
Switzerland	24	Switzerland	7
Bulgaria	5		
Total for Others	2246		1805
Others not Listed			196
Grand Total	2246		2001

Romania and the EU reciprocally granted customs duty exemptions for beef, under the "Double zero" agreement, as follows:

Product	Romania's export duty free quota (MT) to EU	EU's export duty free quota (MT) to Romania
Bovine meat	4,000	4,000
Beef offall, fresh or preserved	100	100
Bovine meat preparations	500	500

In 2004, Romania imported almost 4,200 MT of beef (PWE), mostly from EU member states, while this amount more than doubled only in the first half of 2005, with Brazil becoming the top supplier. Beef and veal exports from Romania remained insignificant even within the TRQ granted by EU, especially because of the very reduced number of plants approved to ship to EU destinations.

Because of BSE concerns, very few countries are admitted to export live cattle/beef to Romania: Australia, Canada, Paraguay, Denmark, Austria, Hungary, France, the Netherlands.

Imports of US beef and products (including tripe, for which US was the number one supplier for the past couple of years) are temporarily banned in Romania, because of the first indigenous BSE case registered in US. Nonetheless, the veterinary authorities from the two countries are continue to work on a mutually acceptable language in the health certificate for beef products to be shipped to Romania.

### Import Trade Matrix

Country	Romania	
Commodity	Meat, Beef and Veal	
Time Period	CY	Units: MT, PWE
Imports for:	2004	Jan-June 2005
U.S.	0	U.S. 9
Others	Others	
Austria	1776	Brazil 6507
Germany	1128	Germany 1120
Hungary	710	Austria 755
Italy	377	Italy 374
France	136	Poland 365
Denmark	100	Hungary 230
Australia	4	Denmark 79
		France 9
		Australia 2
Total for Others	4231	9441
Others not Listed		50
Grand Total	4231	9500

In 2004, swine meat became the top agricultural import into Romania, reaching almost 140,000 MT and, respectively, \$222 million. For live swine animals Romania is also a net importer, with 124,000 heads in 2004 and 77,000 heads in January-June 2005, all of them originated from EU member states.

### Import Trade Matrix

<b>Country</b>	Romania		
<b>Commodity</b>	Animal Numbers, Swine		
Time Period	CY	Units:	heads
Imports for:	2004		Jan-June 2005
U.S.	0	U.S.	
Others		Others	
Hungary	82795	Hungary	34685
The Netherlands	21959	The Netherlands	31205
The Czech Rep.	8121	UK	4551
Germany	3687	Poland	2740
Spain	2187	France	2011
Poland	2150	Germany	1041
UK	1474	Belgium	578
Austria	836	Cyprus	255
France	695	Austria	70
Denmark	227	Denmark	25
Total for Others	124131		77161
Others not Listed			16
Grand Total	124131		77177

Demand for pork is increasing in Romania and US exporters have started filling the gap, using the duty suspension for pork cuts (Table 1), especially shoulder cuts, trimmings and offal used in processing industry. In 2004, almost 7,500 MT of pork cuts were originated from US, while another 8,700 MT came in January-June 2005.

### Import Trade Matrix

<b>Country</b>	Romania		
<b>Commodity</b>	Meat, Swine		
Time Period	CY	Units:	MT, PWE
Imports for:	2004		Jan-June 2005
U.S.	7448	U.S.	8749
Others		Others	
Germany	29787	Germany	16673
France	17131	Canada	11522
Canada	14229	France	8658
Spain	12910	Spain	7091
Italy	12574	Poland	5384

Hungary	12467	Hungary	5271
Austria	9263	Austria	4130
The Netherlands	8936	The Netherlands	3829
Poland	5782	Italy	3665
The Czech Rep.	2839	Denmark	1553
Total for Others	125918		67776
Others not Listed	6463		2156
Grand Total	139829		78681

Applied import duties for products of interest are given in Table 1 below.

**Table 1. Romanian Bindings vs. Applied Tariffs in 2004 (percent)**

HS Code		WTO bound tariff	2004 applied duty	Special EU preference
0102	Live bovine animals			
0102.1030	Heifers for reproduction, pure breeds	270	0	
0102.9051	Heifers for slaughtering, over 300 kg	270	25	18.8
0103	Live swine animals			
0103.1000	For breeding	3	0	
0103.91, 92	For slaughtering	270	15-20	0 for 0103.9190, 0103.9290
0201	Bovine meat, fresh or chilled	288	20	0 for TRQ (1)
0202	Bovine meat, frozen	315	20	0 for TRQ (1)
0203	Meat of swine, fresh, chilled or frozen	333	20	
	-Fresh or chilled	333		
	--Carcasses and half carcasses:	333	20	
0203.22.11	---Hams and parts thereof	333	0	
0203.22.19	---Shoulders and parts thereof	333	0	
0203.29.15	---Bacon and parts thereof		0	
0203.29.55	---Boneless (trimmings, loins)	333	0	
	-Frozen (2)			
	--Carcasses and half carcasses:	333	20	
0504.00	Animal casings and tripe, whether or not cut, fresh, chilled or frozen, salted, in salte water, dried or smoked (casings)	100	10	0

- (1) TRQ for bovine meat (fresh and frozen) is 4000 MT.
- (2) Duty exemptions for pork cuts were introduced in October 2003 and will continue through December, 2005. This is because domestic supply, though slightly increasing, is not able to balance consumption in the short run.
- (3) Casings are tax exempted.

In May 2005, Romania and European Union reached consent on further trade liberalization, which, for US exporters, translates into more limited opportunities for poultry, pork and beef in favor of EU-origin exports.

Among the products originated from EU that will be applied zero customs duties when imported into Romania there are:

- live dairy cows both for reproduction and dairy purposes,
- swine animals both for breeding and production,
- live chickens, meat of wild boar, meat of sheep or goats,
- beef liver and offal (HSCs 0206 1091, 0206 1099, 0206 2100, 0206 2200, 0206 2999)<sup>2</sup>.
- 

In addition, increased in-tariff quotas are applicable from August 1, 2005. Ministerial Order 428 of the Ministry of Economy and Trade lays down the following TRQs for products originated from EU that will apply from August 1- December 31, 2005, including:

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<sup>2</sup> Exempted from customs duties only if does not benefit from export subsidies at origin.

	HSC	Product	TRQ (MT), if not otherwise specified	Date of opening (m/d/y)	Import duty (%)	Unitary allocation (%/MT if not otherwise specified)
1	0102 9051 0102 9059 0102 9061 0102 9071	Cows and heifers weighing more than 300 kg	6,250 heads	8/01/2005	15	2.4/150 heads
2	0103 9219	Live swine animals weighing more than 50 kg (except for breeding sows weighing more than 180 kg and for purebred breeding animals)	5,833 heads	8/01/2005	15	0.343/20
3	0201 0202	Meat of bovine animals, fresh, chilled or frozen	4,000, o/w: 3,600 for traditional importers 400 for new importers	1/01/2005	Ex.	0.56/20 5/20
4	0203 22 0203 29 0210 11 0210 12 0210 19	Swine meat, fresh, chilled or frozen	9,583	8/01/2005	Ex.	0.417/40
5	0206 1095  0206 2991  0210 20  0210 9951	Fresh or chilled edible offal of bovine animals, other Frozen edible offal of bovine animals, other Meat of bovine animals salted, dried or smoked Edible offal of bovine animals, other	100, o/w: 80 for traditional importers 20 for new importers	1/01/2005	Ex.	25/20 100/20
6	0207	Meat and edible offal, of the poultry of heading 0105, fresh, chilled or frozen	2,350, o/w: 2,110 for traditional importers 240 for new importers	1/01/02	Ex.	0.95/20 8.3/20
			2000, o/w: 1,800 for traditional importers 200 for new importers	7/01/2005	Ex.	1.11/20 10/20
			1,937, o/w: 1,237 for traditional importers 700 for new importers	8/01/2005	Ex.	1.61/20 2.86/20
7	0209 0011	Pig fat, chilled or frozen, in brine	354	8/01/2005	20	5.65/20

**DOMESTIC SUPPORT**

A wide number a programs (either "Green Box"-type and exempted from the reduction commitment (Table 2), or counting in the Aggregate Measurement of Support, but are below the "de minimis level" (Table 3) are funded by the Romanian Ministry of Agriculture to stimulate livestock population and production.

**Table 2. "Green Box"-type measures of support, budgetary allocations in 2005**

Measure type	Description of measure	Monetary value (million RON)
Direct payments to producers	Budgetary allocations in order to stimulate increase in livestock numbers:	17.265
	-for 45,500 calves kept for more than 6 months	3.515
	-for 24,500 pregnant heifers	8.3
	-for 24,300 pregnant sows	5.45

*Source: Ministry of Agriculture, Forests and Rural Development*

Note: Additional amounts were budgeted for artificial insemination for bovine and swine animals and for epizootic control.

Official exchange rate in July 2005: RON 2.96/US\$

**Table 3. Product-Specific Aggregate Measurement of Support: Market Price Support**

Product	Eligible production	Total market price support (million RON)
Live swine delivered for slaughtering	65000 MT	78
Live bovine delivered for slaughtering	7290 MT	5.8
Live sheep delivered for slaughtering	520 MT	0.4

*Source: Ministry of Agriculture, Forests and Rural Development*

Official exchange rate in July 2005: RON 2.96/US\$

**PRICES**

Both beef and veal and swine meat prices constantly appreciated in 2004 and further into 2005. We expect that this tendency will cool down by the end of the year, due to the still low buying power of the population and the bumper grain and protein crops, that have cheapened feed significantly.

Unlike in the recent years, the price gap between beef and pork gas reduced significantly.

**Prices Table**

<b>Country</b>	Romania
<b>Commodity</b>	Meat, Beef and Veal

Prices in  per uom

Year	2004	2005	% Change
Jan	1474	2064	40%
Feb	1497	2832	89%
Mar	1440	1814	26%
Apr	1475	2140	45%
May	1540	2280	48%
Jun	1638	2189	34%
Jul	1707	2364	39%
Aug	1636		-100%
Sep	1636		-100%
Oct	1369		-100%
Nov	2119		-100%
Dec	2248		-100%

Exchange Rate  Local Currency/US \$

Date of Quote  MM/DD/YYYY

Ex-factory prices, no VAT added.

### Prices Table

**Country** Romania

**Commodity** Meat, Swine

Prices in  per uom

Year	2004	2005	% Change
Jan	1627	2751	69%
Feb	1715	2655	55%
Mar	1624	2539	56%
Apr	1770	2496	41%
May	2014	2456	22%
Jun	2234	2189	-2%
Jul	2396	2195	-8%
Aug	2380		-100%
Sep	2528		-100%
Oct	2433		-100%
Nov	2608		-100%
Dec	2767		-100%

Exchange Rate  Local Currency/US \$

Date of Quote  MM/DD/YYYY

Ex-factory prices, no VAT added.