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The Food Situation in Romania

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Mr. Peter Martin  
Institute of Current World Affairs  
Wheelock House  
4 West Wheelock Street  
Hanover, New Hampshire 03755

Dear Peter:

Among the countries in eastern Europe, the food situation in Romania is thought to be particularly poor. On a recent ten-day trip through Romania, I had a chance to observe the situation first hand. I had been warned by my Hungarian colleagues here in Budapest to be prepared for severe food and fuel shortages, especially in Transylvania, where Romania's Hungarian minorities live. Hungarians are particularly aware of the economic and political conditions in Transylvania because this region was part of Hungary until 1918 and many Hungarians still have relatives there.

I didn't find the general economic conditions to be as severe as some people had suggested, but it was obvious that food is in short supply and that the food distribution system works poorly. Food supplies in Transylvania do appear to be particularly limited, more so than in the area around the Black Sea coast or in Wallachia, but it's impossible to get reliable data for Romania on the extent to which food availabilities vary across regions.

In Bucharest, a visit to the main market tells its own story. The market covers a huge area, but that only highlights the skimpy assortment of food available. Fresh produce (at least at this time of the year) is limited to a few greens, some root-type vegetables like turnips, and piles of very deteriorated apples. Eggs are available, but otherwise the produce stands are practically empty. Raw wool seems to have replaced fresh produce as the major item of trade in the market.

In the enclosed part of the market, canned fruits and vegetables are relatively plentiful, although the variety of products is extremely limited. Salamis and yogurt have replaced fresh meat and milk at the meat and dairy counters. From time to time,

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Lana Hall is an agricultural economist at Cornell University and a Fellow of the Institute of Current World Affairs. She is studying agricultural performance in eastern Europe.

long lines will form in front of closed meat shops in Bucharest and in other cities, indicating that meat is expected, but I never saw a meat shop actually open. Fresh milk seemed to be unavailable anywhere in the country. Bread is available regularly, but only if you're willing to stand in line for fifteen minutes or so.

The food situation in Romania contrasts sharply with that in Hungary, where lines only form for bananas and where fresh meat and milk are plentiful. Although the quality of processed food products is substantially lower than in western countries, food stores are nevertheless well-stocked with canned fruits and vegetables. Hungary and Romania are obviously using different mechanisms to allocate the food supply to consumers, Hungary relying mainly on prices. Hungarians are very aware of recent increases in food prices and food is now considered to be relatively expensive. But in Hungary, individuals can ration their own food consumption, with decisions based on prices. In contrast, the long lines and shortages of food in Romania indicate that, at current price levels, there is an excess demand for food. There, queueing is being used as a rationing device.

But does the average Hungarian eat better than the average Romanian? Workers in both countries spend about the same percentage of income on food--42.7% in Hungary versus 45% in Romania. Nevertheless, there are marked differences in per capita food consumption levels. A comparison with consumption in the United States may help place the differences in perspective.

In general, consumption levels of major foods in Romania, Hungary and the U.S. are consistent with relative income levels. For example, Romanians, who have the lowest per capita income (about U.S. \$2,000 in 1979, according to World Bank figures), consume, on a per capita basis, 62 kilograms (kg.) of meat per year. (Figures are for 1980, the latest year for which actual consumption figures are readily available.) This contrasts with annual meat consumption in Hungary at 71.1 kg. per capita, and in the U.S. at 100.1 kg. per capita.

Annual consumption of cereals is highest in Romania, i.e. at 172 kg. per capita versus 115.1 kg. in Hungary and 68.18 kg. in the U.S. This is what one would expect as, at lower income levels, people eat relatively more cereals and less meat.

Fruit consumption too is consistent with income levels. People in the U.S. and in Hungary eat about the same amount of fruit on a per capita basis, about 74 kg. Romanians eat only 60 kg. of fruit per capita. Egg consumption is about the same in all three countries, ranging from 15-17 kg. per capita.

Somewhat puzzling though are the milk and vegetable consumption figures for Romania. They are higher than one would expect, higher than in the U.S. or in Hungary, despite the known problems of production and marketing of milk and vegetables in Romania.

Given the evidence of current and past food shortages in Romania, all their food consumption statistics seem too high. They seem especially high in comparison with Hungary, where the average income level is about double that in Romania. Consumption levels for Romania may be "over-inflated" for several reasons. Consumption data of this type don't ever allow for quality differences. Meat statistics for Romania include a high proportion of animal fats and meat by-products, which are not much valued and perhaps discarded by consumers. The quality and nutritional value of fruits and vegetables too can differ markedly, but such differences wouldn't show up in consumption statistics. The badly deteriorated apples seen in the Bucharest market would be a case in point.

Secondly, these consumption data are based on "total disappearance", that is, total production minus net exports. So when food waste and losses in the marketing and distribution system are high, true consumption levels are overstated. Such food losses may be due to poor transport facilities, lack of refrigeration, and/or poor pest control during storage, and are undoubtedly high in Romania. The railroad system is overworked, the roads are inadequate, truck and car fleets are insufficient, and there are too few refrigeration units. Because of these conditions, significant amounts of crops rot on the vine, or perish on railroad sidings or in inadequate storage facilities. Nicolae Ceausescu, General Secretary of the Romanian Communist Party, has complained that some 10-15% of the maize harvest alone is lost each year because of poor transport facilities.

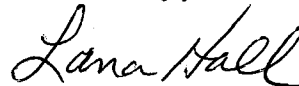
Finally, reported consumption figures may not correspond to the actual situation in the country because the statistics have been purposely exaggerated. For example, between 1979 and 1980, Romania reported a drop in production of most agricultural commodities, but an increase in per capita consumption. It's difficult to see how there could have been an increase in consumption since there doesn't seem to have been either an increase in food imports or a cut-back in exports during those years. An OECD (Organization for Economic Cooperation and Development) report suggests the food consumption statistics were inflated to hide from the population the level of food exports.

It's true that greater food exports are a major goal of the Romanian government. In 1980, Ceausescu called for a rapid increase in exports in order to fund imports of oil and other

raw materials for industry and to help reduce the amount of Romania's debt to western banks. Agricultural exports during 1981-1985 are supposed to exceed those of the 1976-1980 period by 53.9 %. Meat, grain and vegetable exports in particular are emphasized. It's unlikely though that Romanians have remained unaware of the drive to increase exports, since the export drive has been so well-publicized. (A group of young factory workers I spoke to in Sibiu, a small town in Transylvania, was very aware of the campaign to increase exports. They were even enthusiastic about it, judging by their frequent shouts of "export! export!".)

Even if the official food consumption figures for Romania are correct, food consumption is still low relative to the other countries in eastern Europe. And it's likely to remain low, unless agricultural production reverses its downward trend. According to CMEA (Council for Mutual Economic Assistance) data, total meat and milk production in 1982 fell from their 1976-1980 levels. Total grain production also appears to have declined. So if Romania is to increase its agricultural exports, consumption levels are going to have to fall even further.

Sincerely,



Lana Hall

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