

FOOD INDUSTRY IN THE BUSINESS SYSTEM

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ABSTRACT

Food industry is changing from a qualitative, quantitative and structural point of view. This paper presents some aspects concerning food industry under the conditions of market economy and the possibilities to improve the economical activity through investments, as a factor to ensure the qualitative development and the promotion of technical progress.

KEYWORDS: *investments, efficiency, technical progress, update, competitiveness.*

1. Food industry within the national economy system

Within the national economy system, the food industry activity is organized within eight main subdivisions: milling and bakery industry, dairying, meat industry, fruit and vegetables can industry and soft drinks industry, oil and vegetable fat industry, sugar and sugary products industry, pisciculture industry and beverages industry.

In the departments of soft drinks, milling and bakery, milk and dairy products, oils, meat and meat products, many companies have introduced quality supervision systems, due to the market competitiveness. Due to the fact that food industry is mainly characterized through the promotion of food security, food safety and the provision of nutrition, it impacts on the human environment and it improves the life quality of human beings through food security and safety, through income obtained by the participants on the food chain.

Food security is assess through the provision of people access to food, through the presence of supervision - control . monitorization systems of the nutrition and health condition, with the adjustment of food offer, at their request, the emphasis and monitorization of the lifestyle and the nutrition style of vulnerable groups of population , provision of some systems of nutritional education of population.

Food safety is an important concern in food industry of every country and it is influenced by factors as: national and international market, food supply system (transportation, trade), demographic situation and people health, social conditions and lifestyle, environment and infrastructure conditions and health system.

Food safety systems are obligatory in all European Union member states. Food hygiene also involves measures and conditions needed to ensure food safety on the entire food chain.

Interdiction of manufacture and trade of food containing pathogen agents and toxic substances leading to human body diseases etc.

Food safety involves the provision of food hygiene, starting from raw material up to consumers, it identifies and prevents the consumers disease and it needs to obtain additional information about controversial technologies concerning the use of growth hormones for plants and animals and the genetically modified organisms, of products imported through the liberalisation of world market and the existence of an environmental disaster.

Nutrition is an assembly of physiological processes on each the exchange of substances and energy between human body and environment are based. Tobacco, alcohol, hyper alimentation, low consumption of vegetables and fruits and high consumption of fat are only one part of the risk factors that lead to uninoculable chronic diseases.

Lifestyle and food behaviour affect nutrition so that, by eating healthy, maintaining a proper weight and physical activity, cancers can be prevented and changing the lifestyle can lead to a decrease with over 90% of diabetes cases and over 80% of heart disease cases. Taking into account that death rate due to heart diseases places our country on the first place worldwide, we must pay much more attention to our lifestyle and our food behaviour.

Food industry progress is correlated with institutional policies. legislation, financial department, trade, producers organizations, research, education etc. Economical, political and social aspects, agricultural resources providing raw material, scientific research, education, counselling and mechanization are just a few of the factors the food industry progress depends on.

Scientific research has an important function in food industry, who's determination in order to remove all deficiencies within this economical department must start from the consumers' requirements, must be adapted to international trends and must represent the objectives on national research programs. It is important for the industry to take over the results of this research through technological transfer and for the consumers to take over through information.

Due to the fact that the majority of the results of this research are not applied, it is necessary to find solutions and stimulation methods of food producers so that they participate actively in the research process, along with the research institutes in order to harness as efficiently as possible the results of the research, through research obtaining up to present day achievements in the field of functional food intolerances, environmentally friendly food products, food on consumer groups etc.

We consider that the government must have an important role through the permanent adjustment of legislation to scientific results obtained within research activity, developing some national policies of food safety, through professional education and training in the field, special programs for various consumer categories with special requirements (metabolic diseases, food intolerances etc.), epidemiological supervision of food associated diseases.

However, the main responsible for food safety is food industry itself and that is why it is necessary for the ones in this field to adopt the food hygiene guides, to train permanently their operators, to show professional ethics, to implement the quality insurance systems for food.

Our opinion is that progresses were made within the Romanian food industry in subdivisions like: milling and bakery industry, oil and vegetable fat industry, milk and meat industry that have an European endowment and that use skilled labour. Thus, many types of food are appreciated by consumers and traditional food are promoted as milk products,

bakery, meat, wine products and ranges of products are diversified on consumer categories (dietary food, for food intolerances, environmentally friendly functionals etc)

Specialists consider that, in order to prevent undesired effects on people health, it is necessary for monitorization and control laboratories to exist, to give up the use of ingredients and synthesis additives, to develop and use biotechnologies that help obtain food with attractive appearance, but helped by natural additives and ingredients. Technologies development must be done so that, with their help, sub products and agro alimentary waste, avoiding environment pollution.

In many West-European countries, these technologies are subject of various research referring to the prevention and recycling of waste, as an European initiative for a future European policy in the field, whose objective is to improve the use of resources and the decrease of waste production, being necessary to use integrated techniques for pollution prevention and control – environment permit is issued to food companies only if they are according to the best technologies.

2. Investments, factor of technical progress promotion

Romanian society during its transition and entry to market economy involves new approaches within the report between economical theory and practice. Practical problems entail new and difficult tasks to economical theory. Investment potential is not only reflected by the volume of advanced resources (material, financial and human) but especially through the capacity of human factor to transpose them in expected effects. The process of development, economical growth, must be approached in close relationship with investments. We can say that development depends on the capacity of decision factor, that is: to improve strategy and development policies in order to enhance the investment effects, to formulate investment options consonant with set objectives and purposes, to select investment projects that allow the rational development of all material, financial and labour resources in order to achieve the objectives.

One must notice that investments delimit the parameters of production factors for a long period of time, leading to complex effects on long term.

Within an abstract analysis, investments is a modification and increase of the initial patrimony through: industrial and civil constructions, procurement, industrial equipment mounting and installation, machinery purchase, equipment, but if we do a more detailed analysis, we can say that investments help to assign economical capitals within profitable lucrative business that are intended to increase the value of initial capital.

We consider that, from an accounting point of view, investment is the assignment of available treasuries for the procurement of a fixed asset that shall generate income and charges cash flow. We can say that the investment, the decision to spend on the procurement of fixed and circulating assets that lead to a cash flow, respectively a growth of wealth of a natural or legal person.

Investment can also be defines as the totality of transformation acts of financial means in effective goods and the results of these actions. In conclusion, the investment notion is delimited through various elements, such: subject, natural or legal person that invests, object, machinery, construction and equipment for which the investment is initiated, respective cost, financial effort needed for the investment, concrete effects of results achieved as material, economical and financial values. In our opinion, investments are present expenses with future effects, under risk and uncertainty conditions.

Financial means expenses in view of purchase of concrete, durable goods, production equipment, raw material and materials are production expenses.

We can say that to invest means to embed human efforts and material means in an object or action, in order to obtain a certain result. Investments in food industry represent the totality of expenses that help to procure or to create new productive fixed means, to replace the worn ones, to modernize and improve the existing ones; in conclusion, money investments are done with a profitable purpose. Investments have an extension marked by purpose and means. Purpose shows us that investments involve the replacement and increase of patrimony elements that is fixed assets. Romanian market economy analyzes new aspects concerning the opportunity to extend this concept through: embedment of expenses assimilated to investments and that have the same financing source but do not lead to qualitative and volume increase of fixed assets (design, etc), embedment of intellectual investments (non-substantial) having a different financing source as material investments and fulfil three conditions: they generate behaviour modifications, contribute to patrimony accumulation, they lead to the increase of production capacity. Within food industry, one also takes into account research - development expenses for computerization, implementation of commercial logistics of company, professional qualification and diagnosis, prognosis and feasibility studies, acknowledgement of financial investments, they involve modification of intangible assets of companies and generate financial effects within their balance through dividends and interests.

We consider that all food industry investments are marked by their means of performance, so that the main method of performing an investment is the expense of various amounts and contribute to the execution of some works, financial investments with long term effects or investment expenses through financing sources or effects generated on the company patrimony.

3. Possibilities to promote technical progress through modernization within the organizations of food industry

The modernization of the existing production facilities can be done through three important methods. First, a fixed fund is modernized through the improvement of its technical and economical parameters, the work speed increase, the decrease of energy consumption, the increase of safety degree in functioning etc. Second, modernization of complex production facilities, consisting of a group of fixed funds, for example, an enterprise, consists of the replacement of those fixed funds that are physically or morally worn, that does not correspond to the stage of technical and scientific progress of society, so that the entire production capacity of the company must increase visibly. This type of modernization is known as re-equipment of the existing enterprises. third, modernization of an existing objective can be done through its development, by adding to other fixed funds so that the final capacity does not represent just an amount of the capacities related to old and new fixed funds, but higher, as a result of the fact that new fixed funds have complemented the old ones, enhancing them, through the elimination of production bottleneck, the increase of qualitative level of products.

The three important methods to perform modernization represent a very complex action from an economical point of view, sometimes difficult, but that lead to some favourable results for economical activities, to the increase of economical efficiency. When an investment is performed, there is a mixture of the three promotion paths of technical progress through modernization, involving a diagnosis of the activity in order to identify action directions.

The comparison between the two main directions where the investment funds can be oriented – new production capacities or modernization of the existing ones – is very

significant for the economy management, emphasizing some net advantages of modernization that must be taken into account when the economical increase of a country is scheduled.

The advantages of production capacities modernization, reported to the construction of such new facilities, results from the fact that the first action (modernization) starts from a technical and material basis, that it develops and renews, emphasizing it, and the second action (construction of new facilities) starts from nothing, each equipment, machinery and technological installation needed must be built from the start, involving high efforts and expenses.

Besides this primary advantage, modernization of existing facilities is done during a shorter period of time, compared to the situation when the entire objective must be built from the start, allowing to stimulate the practical application of the latest discoveries of contemporary science and technique. If modernization of an existing facility needs a few months, the construction of a new objective can last a few years, when technical solutions adopted, although they initially were performant, in accordance with the new ones, until they are applied they can become useful.

Another advantage of facilities modernization is related to the investments structure. The structural economical analysis emphasizes that any industrial objective consists of two categories of fixed funds: on one hand, building, that are intended to protect people and the production process, in order to create the appropriate micro-climate for the social activities, and, on the other hand, equipment, moving elements of technological process, performing material production. In consequence, investments intended for the first category of fixed funds represent passive investment and the other ones – active investments. The advantage of modernizations consists in the fact that they usually focus on equipment and they need almost every time active investments, influencing the elements that perform directly the material production and affecting the purpose for which the production facility is built.

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