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U.S. Food and Ag Exports to Romania Reach New Heights

Report Categories:

SP1 - Expand International Marketing Opportunities

Livestock and Products

Fishery Products

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Report Highlights:

The following report updates a [2017 report](#) regarding the overall picture of U.S. food and agricultural exports to Romania. According to U.S. Census Bureau's (BICO) data, in 2018 U.S. food and agricultural exports to Romania reached \$108.9 million. However, according to Romanian Customs data, which reflect both direct and indirect shipments, Romania sourced upwards of \$181 million of food and agriculture from the United States. FAS Bucharest encourages USDA Cooperator partners and other U.S. food and agricultural exporters and stakeholders to review different data sources when considering resource allocation and market development strategies for Romania.

General Information:

Trade data sourced from frequently used databases reveal significant inconsistencies vis-à-vis U.S. food and agricultural trade with Romania. According to the Global Trade Atlas (GTA), Romanian importers sourced \$113 million of U.S. food and agricultural products in 2018, higher than the figures released by BICO, which shows 2018 U.S. food and agricultural exports to Romania at \$108.9 million (Table 1). The difference between BICO and GTA in 2018 were relatively marginal compared to 2017, when BICO and GTA reflected a 25-percent gap. Because BICO and other data only reflect exports shipped to ports of disembarkation, they do not capture internal-EU markets of final destination. Local data tend to capture imports based on country of origin, include indirect imports, and are often significantly higher.

Table 1: Varying Data Sets for U.S.-Romanian Food and Ag Trade

All chapters 1-24 / Year	Romanian imports from United States	U.S. Exports to Romania
	<i>Source: GTA</i>	<i>Source: BICO</i>
2014	\$60.1 million	\$51,1 million
2015	\$93,4 million	\$81,5 million
2016	\$64,1 million	\$60,6 million
2017	\$82,6 million	\$65,9 million
2018	\$113,2 million	\$108,9 million

When Romanian National Institute of Statistics (EU Intrastat data) data are added, they show that Romanian importers sourced upwards of \$181 million of U.S. food and agriculture in 2018 (Table 2). These variations occur because numerous U.S. food and agricultural consignments are routed through major Western European ports of entry and are transshipped throughout the EU's common market (indirect exports). FAS Bucharest regularly cites GTA data in reports, as well as appropriate EU Intrastat data, as Post analysis suggests that these sources better reflect the nature of U.S. trade flows to Romania.

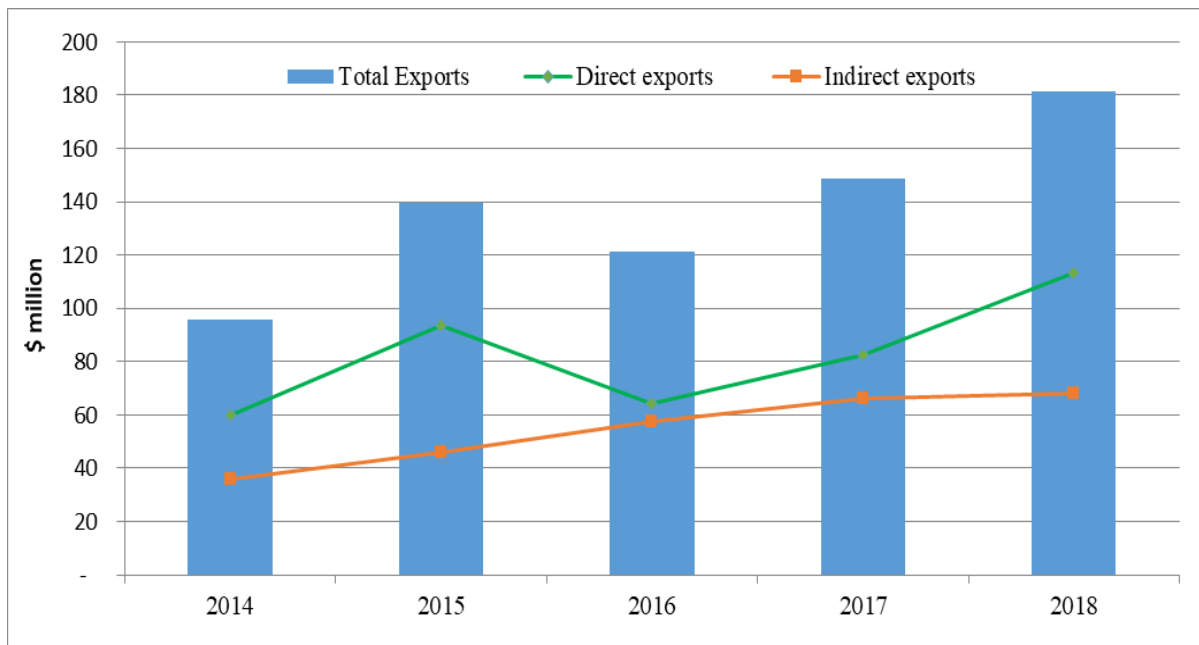
Table 2: Total Romanian Food and Ag Imports from the United States (2014-18)

<i>Million</i>	2014	2015	2016	2017	2018
Direct Exports	\$60.1	\$93.4	\$64.1	\$82.61	\$113.21
Indirect Exports	\$35.7	\$46	\$57.4	\$65.95	\$68.33
TOTAL	\$95.8	\$139.4	\$121.5	\$148.6	\$181.5
<i>% of Indirect Exports</i>	<i>37</i>	<i>33</i>	<i>47</i>	<i>44</i>	<i>38</i>

Sources: Global Trade Atlas- Romanian imports from the United States; National Institute of Statistics – Intrastat data

Chart 1 below shows that U.S. direct exports to Romania account for a large share (62 percent) in the total U.S. food and ag market basket. Indirect imports grew steadily since 2014, reflecting a robust demand for high-value foods.

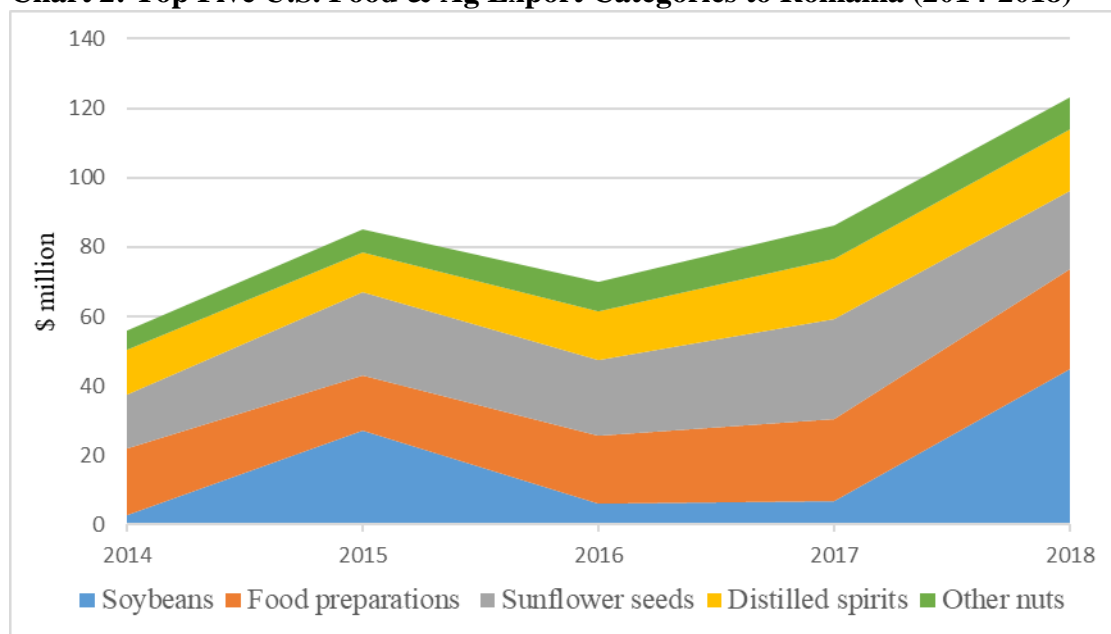
Chart 1: Romanian Ag Imports from the United States (2014-2018)



Sources: Global Trade Atlas- Romanian imports from the United States; National Institute of Statistics – Intra-stat data

In 2018 soybeans, food preparations, sunflower seeds, distilled spirits and nuts were the top five U.S. food and agricultural export categories to Romania (Chart 2). These five categories account for 68 percent of the total U.S. exports to Romania.

Chart 2: Top Five U.S. Food & Ag Export Categories to Romania (2014-2018)



Sources: Global Trade Atlas- Romanian imports from the United States; National Institute of Statistics – Intra-stat data

Romanian Direct Imports versus Indirect Imports

Although most U.S. bulk commodities (*e.g.* soybeans, soybean meal, and corn) are shipped directly to Romania from United States, increasing volumes of U.S. products are transshipped to other EU Member States and onward to Romania and will not be captured in BICO data. This is particularly true for products that involve less flexible negotiable terms between U.S. exporters and the EU stakeholders. European stakeholders frequently offer U.S. shippers volume and/or payment terms that are difficult for Romanian importers. In other cases, U.S. exporters simply ship large volumes of product to well-established European channels and then rely on them to re-exports to smaller Member States.

Conversely, some Romanian importers may prefer to work through European distributors. Intra-EU shipping requires less work in terms of customs clearing since the U.S. goods had already been cleared in another EU member state. Also for new-to-market products, some Romanian importers may prefer to purchase smaller volumes from third-country European distributors to test consumer demand and to build distribution channels. Finally, European distributors may incentivize Romanian importers with favorable terms of payments or advertising, particularly if there is a longstanding commercial relationship.

There are several product categories which are imported exclusively or nearly exclusively through other EU Member States. Among these, U.S. beef arrives in Romania exclusively through distributors in Italy, the Netherlands, and Germany because of volume flexibility and licensing requirements. Demand for high-quality U.S. beef has led to two-digit year-on-year increase in imports. In 2018 beef exports rose by 54 percent as compared to 2017. U.S. sweet potatoes exports grew several folds from 2014 (\$106,000) to 2018 (\$741,000). Dates, figs, cranberries, rice, and biscuits tend to enter Romania via other EU Member States, usually the Netherlands or Germany.

In 2018, U.S. fish and seafood exports to Romania grew by seven percent from 2017. About two-thirds of U.S. seafood is shipped directly to Romania, particularly frozen fish and crustaceans, which are shipped directly to Constanta Port. Nevertheless, some Romanian seafood importers prefer other European distributors located in the Netherlands, Germany, or the United Kingdom, especially in case of fish fillets and mollusks. Transshipping is also the approach taken by the local importers when it comes to peanuts, hazelnuts, and pistachios as well.

The tables below capture the dynamics of U.S. select food products imported in Romania based on their route to Romania. Without being an exclusive list, the goods are divided into exclusively or almost exclusively imported through other EU Member States (Table 3), goods imported predominantly through other EU Member States (Table 4) and goods imported predominantly directly from the United States (Table 5).

Table 3. Goods Exclusively or Almost Exclusively Imported through EU Member States

HS	Name of the	TOTAL direct and indirect (\$)
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code	product	2014	2015	2016	2017	2018
0201 0202	Meat of bovine animals	456,097	610,689	815,162	978,953	1,510,140
0304	Fish fillets	252,886	36,593	214,774	205,596	236,997
0307	Mollusks	29,841	90,734	223,414	223,973	168,468
0714 20	Sweet potatoes	106,347	136,008	609,557	821,657	741,217
1806	Chocolate	430,258	246,320	260,002	262,813	363,536
2008 11	Groundnuts	772,916	716,927	819,955	1,462,039	1,065,944
2101	Extract and essences	279,459	221,512	303,320	324,656	409,405
2008	Fruit, nuts and other edible parts	5,040,208	6,473,819	10,428,396	6,412,550	3,760,966

Sources: Global Trade Atlas, National Institute of Statistics

Table 4. Goods Imported Predominantly through other EU Member States*

HS code	Name of the product	TOTAL direct and indirect (\$)				
		2014	2015	2016	2017	2018
0802	Other nuts, fresh or dried	5,245,543	6,727,907	8,346,217	9,681,293	9,182,279
1206	Sunflower seeds	15,686,175	24,037,359	21,985,929	28,882,676	22,611,346
1209	Seeds, fruit and spores for sowing	2,698,637	2,563,912	1,950,414	2,790,373	3,028,227
2103	Sauces and preparations	410,732	660,596	725,460	1,051,396	962,970
2204	Wine	104,463	58,106	101,509	239,341	285,062
2309	Preparations for animal feeding	2,214,156	3,327,513	4,555,405	4,298,236	5,306,522

Sources: Global Trade Atlas, National Institute of Statistics; * at least 50 percent imported other EU member states

Table 5. Goods Imported Predominantly Directly from the United States

HS code	Name of the product	TOTAL direct and indirect (\$)				
		2014	2015	2016	2017	2018
0303	Frozen Fish	1,490,786	1,532,478	1,842,227	1,340,196	1,475,541
0306	Crustaceans	241,197	220,437	218,429	209,057	247,097
1201	Soybeans	2,525,228	27,279,325	6,074,135	6,869,813	44,742,629
2106	Food preparations	19,246,802	15,617,539	19,487,209	23,413,809	28,757,847

2208	Distilled spirits	13,077,699	11,364,503	14,044,378	17,375,914	17,735,458
1005	Corn	951,371	710,263	640,954	414,065	447,555

*Sources: Global Trade Atlas, National Institute of Statistics; * at least 50 percent imported directly*