

Shifts of the Demographic Order with Impact on the Physiognomy of the Community Agro-Food Market

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Abstract

The demographic environment at the community market level can be largely described through an emphasized dynamic of the population, result of the extending process, together with the birth of the ageing phenomenon on the population and the decrease in the number of members of a household. These shifts, registered on the community area reflects in the changes in the physiognomy of the markets in general, of the agro-food market in particular, in the context in which - given the physiologic nature of the needs to which these products address – the entire population is formed of actual consumers of the agro-food consumers.

Keywords

demographic environment, population, natural movement, migration movement, structure of the population on environment, sexes, ages, ageing degree of the population.

The demographic environment is no doubt a component of the external environment of first class importance for the evolution of markets in general, of the agro-food markets in particular. Being represented by the population situated at the level of a certain market, of a certain area of reference, the influence of the demographic environment results firstly from the fact that it is formed from the formative of the demand and at the same time represents a source for labour power for performing economic activities. The agro-food products are destined to satisfy the primary needs, physiological, to the formulation of demand contribute the entire population in the reference area no matter the socio-economical and demographic characteristics of such. These characteristics of the population from a certain territorial area are though not to be neglected in the analysis of the demographic environment and the its influence on the acts in the market for the reason that they leave mark on the way they manifest and the structure of the demand, as well as on the buying and consumption behaviour of the agro-food products consumers.

The components of the demographic environment influence at the same time the demand for agricultural, as well as for food products. The food products are destined exclusively to the consumption of the population, instead the agricultural production is destined equally to the industrial processing and the consumption by the population. Thus, part of the agricultural products end up in an not processed shape to the final consumers, by means of country markets or of units that distribute agro-food products, but the most important in the agricultural production is the transactions on the bussiness market, where the holders of the demand are represented by the companies in the food sector. Apparently, in the case of agricultural unprocessed products, that are considered commodities for the food industry, the demographic environment could have a small influence. But baring in mind that the food products that resulted from the processing of agricultural products are destined to the consumption of the population, the demand for agricultural products of the processing companies will be strictly determined by the demand made on the consumption

market. As a conclusion, the demographic market acts directly on the demand for food products and indirectly on the agricultural markets demand.

The analysis of the demographic environment implies to know both the number and the evolution tendencies of the population, as well as its structure based on a series of some relevant demographic and social criteria.

Up to 1st of January 2007 the community area which constitutes of 25 member states, comprised a population of over 450 million inhabitants. Thus, after the historic moment – 1st of May 2004, when the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia and Slovakia have officially become full members of the European Union, the new Community area has registered an increase of the population with cca 19%. The new expansion from the beginning of 2007 led to an European Union with a population of over 495 million inhabitants, which means a growth of 26.4% in comparison to the number registered at the moment of May 2004 (Figure no. 1.).

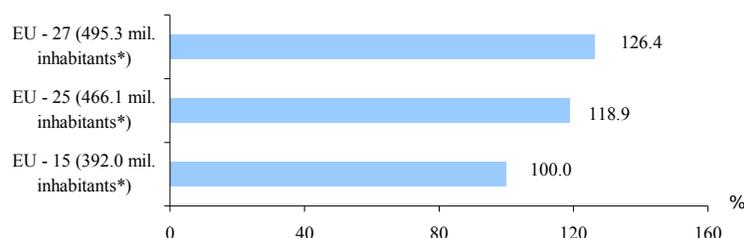


Figure no. 1. The number and dynamic of the EU population, result of the expansion from 1st of May 2004 and 1st January 2007

* data from 1st of January 2007;

Source: Adaption by Eurostat, 2010 (<http://epp.eurostat.ec.europa.eu/portal>)

Result of the consecutive processes of expansion, the present community area is situated in the first place among the three big markets in the world (EU, USA, Japan), from the point of view of dimensions, expressed by the number of population (respectively by the number of potential consumers). In fact EU is the third demographic ensemble in the world, after China and India.

Table no. 1. The population, area and density of the main demographic ensemble and the main economic powers in the world, in 2006*

Specification	Population (million inhabitants)	Area (km. ²)	Population density (inhabitants / km. ²)
China	1311.40	9596961	136.6
India	1121.80	3287263	341.3
EU – 27	493.23	4403357	112.0
USA	299.10	9629091	31.1
Japan	127.80	377873	338.2

* latest official data available;

Source: Eurostat, 2010 (<http://epp.eurostat.ec.europa.eu/portal>)

The evolution analysis of the population count must be achieved in close connection to the tendencies analysis registered in natural and migration movement of the population. The countries EU – 27 have registered a growth of population, result of both a migration increase, as well as of a natural, positive increase. On the 1st of January 2010 the population of EU-27 has reached the level of 501.3 million

inhabitants¹, in other words the community agricultural market is constituted of over 500 million actual consumers.

Table no. 2. The evolution of the total increase of population, natural increase and migration increase at EU-27 level, during 1990-2009 (rates per 1000 inhabitants)

Indicator	Year				
	1990	1995	2000	2005	2009*
Crude rate of increase	3.352	1.772	2.112	4.146	3.070
Crude rate of net migration	1.391	1.395	1.499	3.373	1.879
Crude rate of natural increase	1.961	0.378	0.613	0.593	1.190

* forecast data;

Source: Eurostat, 2010 (<http://epp.eurostat.ec.europa.eu/portal>)

On age groups there is a noticeable overweight of the population with ages between 25-64. Much more relevant for highlighting the shifts occurred in the structure of the population on age groups are the indicators that certify the modification that the number owned by each age group registers for a certain period of time. In table no. 3 were presented the changes that occurred in the age structure of the population in year 2008, in comparison to year 1990. What is considered a general phenomenon and at the same time alarming because of its intensity is the drop in number of the young population, due to the increase in number of the segment for over 65 years old. We witness thus to a general phenomenon of aging of the population at the entire community area level.

Table no. 3. Structure on age of the population in the EU, in 1990, 2000, 2008 and the change of the structure on ages in 2008 as opposite to 1990 (%)

Specification	Age Group (years)					
	0 - 14	15 - 24	25 - 44	45 - 64	65 - 79	80 and over
% in 2008	15.7	12.5	29.0	25.8	12.7	4.3
% in 2000	17.3	13.2	29.8	24.1	12.3	3.3
% in 1990	19.5	15	29.1	22.6	10.6	3.1
+/- %, in 2008 as opposite to 1990	-19.5	-16.7	-0.3	14.2	19.8	38.7

Source: Adaption by Eurostat, 2010 (<http://epp.eurostat.ec.europa.eu/portal>)

In the analysis of the demographic environment of a certain country (groups of countries) especially relevant are a series of indicators who certify the changes occurred at the family level or respectively of the household. In table 4 are presented in comparison, the evolution of marriages, divorces, as well as the newly-borns in the period 1990-2007. It is thus noticed the manifestation of a demographic phenomenon as such: the drop in the number of marriages and the increase in number of divorces; in correlation to the drop in number of newly borns (after year 2005 it is though noticed the step into a growing trend of the count of newly borns).

Table no. 4. The evolution of marriages, divorces as well as of the birth in the EU-27 countries, during 1990-2007 (rates per 1000 inhabitants)

Years	Marriages (per 1000 inhabitants)	Divorces (per 1000 inhabitants)	Birth rate (live-births per 1000 inhabitants)
1990	6.30	1.6	12.390
1995	5.25	1.8	10.746

¹ forecast data. Source: Eurostat, 2010 (<http://epp.eurostat.ec.europa.eu/portal>)

2000	5.18	1.8	10.598
2005	4.88	2.0	10.436
2007	4.87*	n.d.	10.833*

n.d. – no data; * forecast data;

Source: Eurostat, 2010 (<http://epp.eurostat.ec.europa.eu/portal>)

An indicator of demographic nature, but in the same time a measurement means of the standard of living of the population in a certain area, is the life expectancy at birth. Being the result of the economic development of a state and implicit of the increase of the living standard, the increase of life expectancy at birth draws shifts of age structure of the population, shifts that occur as any other demographic related phenomenon slowly in time. Thus, in the most developed economically countries, that is the countries of EU-15, there is noticed the biggest values of life expectancy at birth, both in the case of feminine population, as well as in that of the masculine population, which leads in time to (and because of the drop or, if the case, the slow increase of birth) to the ageing of the population. Instead in the new member countries, the value of this indicator is a lot below the one registered in the countries of the EU-15, as well as under the level reached in some countries that become members starting with 2004 (Malta, Cyprus, Slovenia). A positive thing, which certifies the improvement in the living standards of the population, both in the old and in the new countries in the Union is the increase of life expectancy at birth.

The increase of life expectancy at birth, influencing the weight of the olders' segment at the total of the population has important influences on the structure of the agro-food markets (due to the particularities of the buying and consumption behaviour of this sector).

Table no. 5. The life expectancy at birth of the population in the countries of EU, during 1990 and 2008 (years)

Country	Years					
	males			females		
	1990	2000	2008	1990	2000	2008
Austria	72.2	75.1	77.6	78.9	81.1	83.0
Belgium	n.d.	75.1	77.5	n.d.	81.4	83.5
Bulgaria	n.d.	68.2	69.5	n.d.	75.3	76.6
Cyprus	n.d.	76.1	n.d.	n.d.	81.0	n.d.
Czech Republic	67.6	71.7	74.0	75.4	78.4	80.1
Denmark	72.0	74.3	76.3	77.7	79.0	80.7
Estonia	64.5	65.1	68.6	74.7	76.0	79.2
Finland	n.d.	74.1	76.3	n.d.	81.0	83.0
France	n.d.	75.3	77.5	n.d.	82.8	84.3
Germany	n.d.	n.d.	77.2	n.d.	n.d.	82.4
Greece	n.d.	75.4	77.5	n.d.	80.5	82.5
Hungary	65.1	67.1	69.8	73.7	75.6	77.8
Ireland	72.3	n.d.	76.8	77.9	n.d.	81.6
Italy	73.6	76.5	78.8	80.1	82.5	84.1
Latvia	n.d.	64.9	67.2	n.d.	76.0	77.9
Lithuania	66.4	66.8	66.3	76.3	77.5	77.6
Luxembourg	n.d.	n.d.	77.6	n.d.	n.d.	82.7
Malta	n.d.	n.d.	76.7	n.d.	n.d.	82.3
Netherlands	73.8	75.5	78.3	80.1	80.6	82.3
Poland	66.5	69.7	71.3	75.5	78.0	80.0
Portugal	70.6	72.9	75.5	77.5	79.9	81.7
Romania	66.6	67.7	69.2	73.1	74.8	76.1
Slovakia	66.6	69.1	70.9	75.4	77.2	78.7

Slovenia	69.4	71.9	75.4	77.2	79.1	82.3
Spain	73.4	75.6	78.9	80.5	82.5	85.0
Sweden	74.8	77.4	79.1	80.4	82.0	83.2
United Kingdom	72.9	75.4	n.d.	78.4	80.2	n.d.

n.d. – no data;

Source: Eurostat, 2010 (<http://epp.eurostat.ec.europa.eu/portal>)

So, the EU-27 is a potential market of over 500 million inhabitants, being the third biggest market in the world from this point of view (after China and India) and the biggest among the three big economic powers in the world. As result of the migration phenomenon of the population, but also of a natural positive increase the potential market of the countries in EU registers a slow growth. A severe phenomenon which will also affect the evolution of the market in general is the general ageing of the population. In general the ageing phenomenon is closely connected to the level of economic development of each country, a high living standard determines the increase of the life expectancy of the population and it frequently comes with the drop in the number of births, as a result of large number of divorces, of the number of households consisting of one person, of the more and more implication of women in the economic life and the decrease of time spent for household activities.

Starting from the tendencies registered at the European demographic environment level one can draw the conclusion that the market of the agro-food products has known an important increase at the community area level (with over 100 million consumers), result of the increase of the number of population as a follow-up of two expanding stages in the years 2004 and 2007; increase sustained also by the positive trend registered in the last few years at the population's number level on all present countries in the EU. This expansion is also reflected at the level of demand and offer of food products. The changes of the demand and thus of the offer of agro-food products are generated by shifts of the population structure on age groups, respectively the increase of the overweight of old population on the total of the population are forming real opportunities for the companies that aim at this segment of consumers. For example, the olders segment besides the orientation towards what is traditional, put a great weight on the products with a low content of substances whose excessive use can have negative effects on health (sugar, fats, salt, alcohol). So, the shifts registered in the demographic structure of the population is reflected on the way the demand of the population manifests in the case of certain types of products, leaving thus a mark on the physiognomy specific to the agro-food market of the EU.

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