

ECONOMIC AND FINANCIAL ASPECTS OF ACTIVITY AT ION DANIEL INDIVIDUAL ENTERPRISE, CRÂNGENI COMMON, TELEORMAN COUNTY

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Key words: income variable costs, fixed costs, gross margin, profit.

ABSTRACT

The commune Crângeni is located in Boian Plain, near the stream Cîmău in the basin formed by the flow meandering thereof, 20 km south-west of Roșiori de Vede and 40 km north of Turnu Magurele, its neighbors to the north-east village Cîmău de Sus Cîmău commune in the south, west municipalities Slobozia, Mandra, Plopii and Slavitești and at north of the county municipalities Radomirești, Sprânceana and Olt. In the commune between the villages Crângeni, Balta, Dorobanțu and Stejaru. Individual Enterprise Ion Daniel is a productive structure engaged in agriculture, contributing to community welfare

INTRODUCTION

Individual Enterprise Ion Daniel is located in the village of Balta and operate on land belonging to the village Crângeni. The unit conducts work on 360 hectares of land mostly worked are rented from the owners, to which it pays a lease (at the level of 600 kg wheat / ha). Mechanical work is carried out by their own means (2 Jhon Deere 6800 tractors and 8100, two plows, disc harrows two 4.5 m, 4.2 m 1 combiner 1 drill Amazone, one drill, one car Sulki - 1800 l 1 car Evrard - 24 m 1 combines Claas Dominator 1 Jhon Deere combines - 540 W), and the unit has some storage products and storage-storing technical and capital inputs. To highlight the aspects of economic efficiency indicators for main crops, will present separate statements recorded. The unit mainly grown winter wheat and sunflower crops presenting economic indicators that give performances per unit area.

METHOD AND MATERIAL

Writing paper started from the determination after the recommended methodology and interpretation of groups of indicators: indicators of income - average production (main product, secondary) selling price (produced mainly byproduct), crude production recovered, subsidies, total gross product; Annual expenses: variable expenses - expenses for materials and supplies (seeds, fertilizers, herbicides, pesticides, insecticides, irrigation water), mechanical work expenses, crop insurance, labor expenses seasonal supply costs; Fixed costs: labor costs permanent, general expenses, interest expense on loans, amortization expenses; total expenses; indicators of profitability: gross margin, gross profit, gross profit rate, income taxes, net profit, net profit rate.

It should be noted that data presented refers to an annual average (2012-2014), all values in relation to the productive unit (hectare). At the level of income does not mention anything about the product, whereas capitalization is not achieved. Supply costs not mentioned because inputs are supplied by distributors, no seasonal workforce, not executed irrigation works, general expenses 3.5% of total variable costs. The unit does not perform financial expenses (interest) and has not provided any amortization. Mechanical works presents, unitary value of repairs and spare parts.

RESULTS AND DISCUSSIONS

Table 1 presents the indicators of income, expenses and profitability for the wheat crop.

From the table, it can be noted that the unit has received an average production convenient - 3500 kg / ha, the average selling price of 700 lei / t and subsidies reached 685 lei / ha.

Table 1.

Budget of crop: WINTER WHEAT *

No.	Specification	Quantitate Kg	Price unitary Lei/kg	Value Lei
1.	CRUDE PRODUCT	-	-	-
1.1.	Main production (average production –kg/ha)	3500	0,7	2450
1.2.	Secondary production –kg/ha	-	-	-
1.3.	Gross product from salable production 1.1.+1.2.)	-	-	2450
1.4.	Subsidies	-	-	658
1.5.	Total brut product, including subsidies (1.3.+1.4.)	-	-	3108
2.	VARIABLE EXPANCS	-	-	-
2.1.	Seed Dose la ha =200 kg/ha	280	1	280,00
2.2	Fertilizer a)Urea Dose on ha= 200kg/ha b) Ammonium nitrate Dose: 100kg/h	180kg 70kg	2lei 1,6lei	360,00 112,00
2.3.	Herbicides a) Granstar Dose:15 gr/ ha	20 gr.	2100	42,00
2.4.	Insecticide a)Vantex Dose= 80g/ha	80g	242	19,36
2.5.	Fungicide a)Mystic Pro Dose= 1l/ha	1l	130	130,00
2.6.	Water for irrigation	-	-	-
2.7.	Mechanical works with its own Fuels Lubricants Spare parts Repairing	78l/ha 1 l	5,8 160	452,40 160,00 50,00 50,00
2.8.	Crop Insurance	-	-	40,00
2.9.	Expenditure on seasonal workers	-	-	-
2.10.	Expenses of supply	-	-	-
2.11.	TOTAL VARIABLE EXPENSES = 2.1.+2.2.+2.3.+2.4.+2.5. +2.6.+2.7.+2.8.+2.9.+2.10.	-	-	1695,76
3.	FIXED EXPENSES	-	-	-
3.1.	Expenditure on labor regularly employed Mechanical works = No. hours x Rate / hour manual work = No. hours x Price / hour	16 h 8 h	7	168,00
3.2.	General expenses (3.5% of variable costs)	-	-	59,35
3.3.	Interest expense on loans	-	-	-
3.4.	Depreciation expenses (equipment and buildings)	-	-	-
3.5.	Expenditure on Lease	-	-	360,00
3.6.	TOTAL FIXED EXPENSES = 3.1.+3.2.+3.3.+3.4.+3.5.	-	-	587,35
4.	TOTAL PRODUCTION COSTS = 2.11.+3.6.	-	-	2283,11

* Primary evidence data, I.I. "Ion Daniel" Crângeni village, district. Teleorman

The applied technology is based on a dose of seed at 280 kg / ha, consumption of fertilizer 180kg / ha of urea and 70 kg / ha of ammonium nitrate. The culture was treated with

the herbicide Granstar, 15 g / ha were applied Vantex and Mystic Pro 80 g and 1 l / ha. Mechanical works, executed by own resources, have reached a level of 712.4 lei / ha. In those circumstances variable expenses reached 1695.76 lei / ha and fixed costs 587.35 lei / ha (permanent workforce, overheads and rent). It can be seen that the total production costs were placed a value of 2283.11 lei / ha.

Income indicators, which highlights the main production predominance in constitution of the crude product, - 78.83% ie 2450 lei, out of 3,108 lei gross product. Under these circumstances subsidies represented 21.17% of the crude product - 685 lei / ha.

It can be seen that the total expenditure structure is based on variable expenses - 74.27% - 1695.76 lei and fixed costs, which hold 25.73% of the total (587.35 compared to 2283.11 lei). An important category, are also materials and supplies expenses - 943.36 lei (41.31% of total).

On elements calculation, can be distinguished the following percentage rates of participation: 0.85% insecticide - 19,36 lei; Insurance 1.75% - 40 lei; 1.84% herbicide - 42 lei; 2.60% General expenses - 59.35 lei; 5.69% fungicides - 130 lei; 7.36% permanent labor expenses - 168 lei; 12.26% seed - 280 lei; 15.77% Lease - 360 lei; 20.67% fertilizer - 472 lei; 31.21% mechanical works - 712.4 lei. The production cost was 0.6523 lei / kg, compared with a selling price of 0.70 lei / kg, will ensure certainly a share of profit for the activity in the analyzed company.

Profitability indicators are presented in Table 2.

Can be find a gross margin of 1412.24 lei, leading to a level of 824.29 lei gross profit and a gross profit rate of 36.13%.

Income tax was 131.98 lei, so net profit reach 692.91 lei and net profit ratio stands at a share of 30.34%.

Table 2.

WINTER WHEAT – Indicator of profitability*

No.	Specification	Value (Lei, %)
1.	Crude product	3108,00
2.	Variable expenses	1695,76
3.	Gross margin	1412,24
4.	Fixed expenses	587,35
5.	Gross profit	824,89
6.	Total expenses	2283,11
7.	The gross profit rate (%)	36,13
8.	Income tax	131,98
9.	Net profit	692,91
10.	Net profit rate (%)	30,34

* Primary evidence data, I.I. "Ion Daniel" Crângeni village, district. Teleorman

Table 3 presents the indicators of revenues, expenses and profitability for the sunflower crop.

For the sunflower crop, it can be seen a record average yields of 3000 kg / ha, which under a sale price of 1.02 lei / kg causes a production value of 3,060 lei vendible. Adding to this the amount of subsidy (658 lei / ha) reveals a total of 3,718 lei gross product.

The applied technology include making technological costs related to ensuring sowing densities of 60000 plants per hectare, the application of chemical fertilizers - complex and ammonium nitrate (each 150 kg / ha), the use of herbicides and pesticides - Dual Gold respectively Topsin, and recommended mechanical work (tillage, maintenance, harvesting works).

Table 3.

Culture budget: SUNFLOWER*

No	Specification	Quantitate Kg	Price unitary Lei/kg	Value Lei
1.	The crude product	-	-	-
1.1.	Primary production (average yield kg/ ha)	3000	1,02	3060
1.2.	Secondary production –kg/ha	-	-	-
1.3.	Product gross from sellable production (1.1.+1.2.)	-	-	3060
1.4.	v	-	-	658
1.5.	Product gross total, including subsidies (1.3. +1.4.)	-	-	3718
2.	Variable expenses	-	-	-
2.1.	Seeds Dose on ha = 60000 bg/ha	-	240	240,00
2.2	fertilizer a) complex fertilizer Dose no ha= 150kg/ha b) Ammonium nitrate Dose: 150 kg/ha	150kg 150kg	2,5 lei 1,6 lei	375,00 240,00
2.3.	Herbicide a) Dual Gold Dose: 1,5l/ ha	1,5 l	140	210,00
2.4.	Insecticide	-	-	-
2.5.	Pesticide a)Topsin Dose= 1,5 l/ha	1,5 l	65	97,50
2.6.	Water for irrigation	-	-	-
2.7.	Mechanical works with its own Fuels Lubricants Spare parts Repair	85l/ha 1 l	5,8 160	493,00 160,00 50,00 50,00
2.8.	Crop Insurance	-	-	40,00
2.9.	Expenditure on seasonal workers	-	-	-
2.10.	Expenditure on supply	-	-	-
2.11.	VARIABLE COSTS TOTAL = 2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.+2.8.+2.9.+2.10.	-	-	1955,50
3.	FIXED COSTS	-	-	-
3.1.	Expenditure on labor regularly employed Mechanical works = No. hours x Rate / hour Manual works = = No. hours x Rate / hour	16 h 16 h	7	224,00
3.2.	General expenses (3,5% from variable costs)	-	-	68,44
3.3.	Interest expense on loans	-	-	-
3.4.	Depreciation expenses (equipment and buildings)	-	-	-
3.5.	Expenses for Lease	-	-	360,00
3.6.	TOTAL FIXED COSTS = 3.1.+3.2.+3.3.+3.4.+3.5.	-	-	652,44
4.	TOTAL PRODUCTION COSTS = 2.11.+3.6.	-	-	2607,94

* Primary evidence data, I.I. "Ion Daniel" Crângeni village, district. Teleorman

As other elements of expenditure appear: crop insurance, labor expenses permanent, rent and overheads.

The data on the indicators of income is found that crude product structure consists of: 82.30% 17.70% production value and valorisable the amount of subsidy.

If we look at total costs situation there is a general level of 2607.94 lei, of which 74.98% are variable expenses (1955.50 lei) and 25.02% fixed expenses (652.44 million). We have materials and supplies costs - 1162.50 lei (44.58%). The level of production cost reaches 0.8693 lei / kg, convenient level compared to the sale price of 1.02 lei / kg. Structure of total expenditure includes: 1.53% Insurance - 40 lei; 2.62% general expenses and management - 68.44 lei; 3.73% pesticide - 97,50 lei; 8.06% herbicide - 210 lei; 8.59% permanent labor expenses - 224 lei; 9.21% seed - 240 lei; 13.81% Lease - 360 lei; 23.58% fertilizer - 615 lei; 28.87% mechanical work - 753 lei.

Table 4. Shows the profit-related indicators.

Table 4.

SUNFLOWER – Indicators of profitability*

No	Specification	Value (Lei, %)
1.	Crude product	3718,00
2.	Variable expenses	1955,50
3.	Gross margin	1762,50
4.	Fixed expenses	652,44
5.	Gross profit	1110,06
6.	Total expenses	2607,94
7	The gross profit rate (%)	42,56
8.	Income tax	177,61
9.	Profit net	932,45
10	Net profit rate (%)	35,75

* Primary evidence data, I.I. "Ion Daniel" Crângeni village, district. Teleorman

For sizes of revenue and expenditure indicators mentioned above, achieve a gross margin lei 1762.50, 1110.06 lei in gross profit and gross profit rate of 42.56%.

Following this situation is estimated a profit of 177.61 lei tax, which causes a net profit of 932.45 lei and a rate of 35.75% in net profit.

CONCLUSIONS

- Subsidies obtained are uniform, given the way for granting them (658 lei / ha - fig. 1) and crude product was 3108 lei / ha for wheat and 3,718 lei / ha for sunflower crop (fig. 1.);
- Total gross product structure, regardless of culture is dominated by primary production sold value, while subsidies have either under or over 20% - fig. 2.;
- Total expenses were 2283.11 lei and respectively 2607.94 lei for wheat and sunflower - fig. 3.;
- Expenditure structure prevailing in variable expenses (from 74.27% to 74.98% to wheat for sunflower), while fixed costs held weights around 25% (from 25.02% to sun flower to 25.73% for wheat) - fig. 4.;

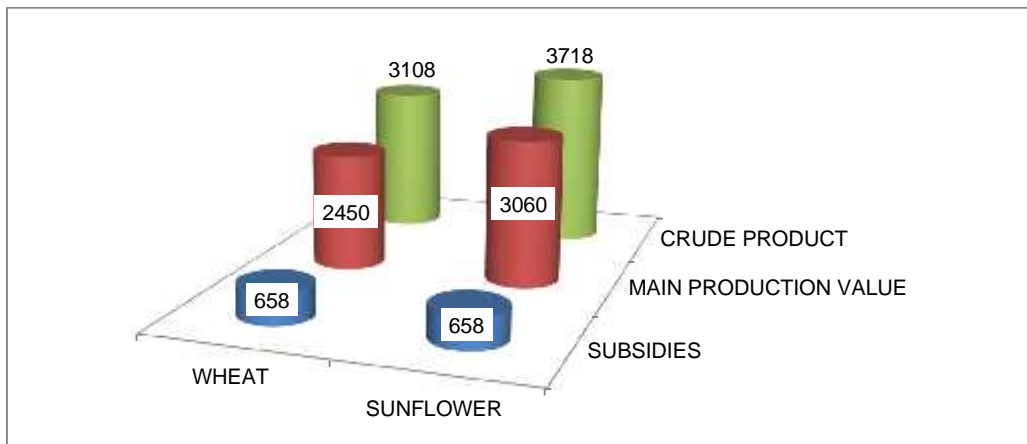


Fig.1. Indicator of income (lei)

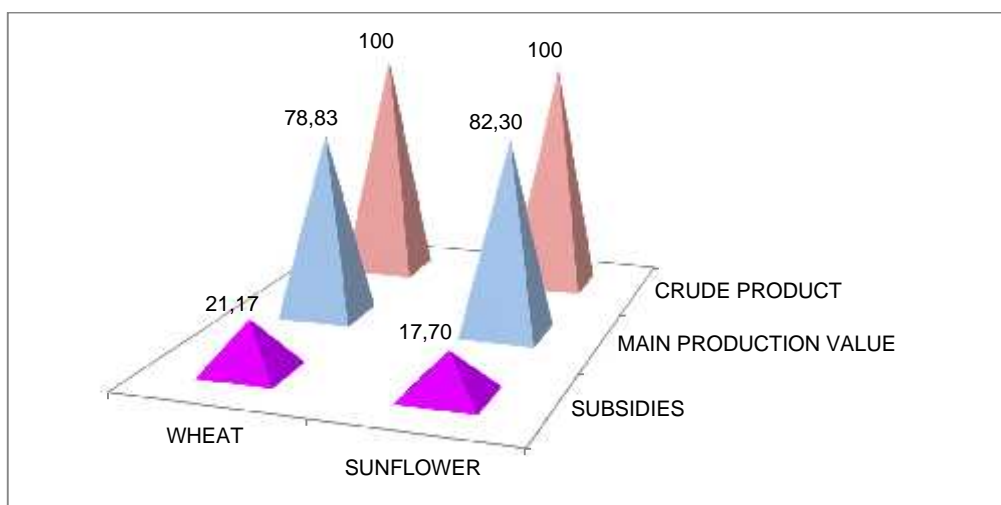


Fig. 2. Structure of crude product (%)

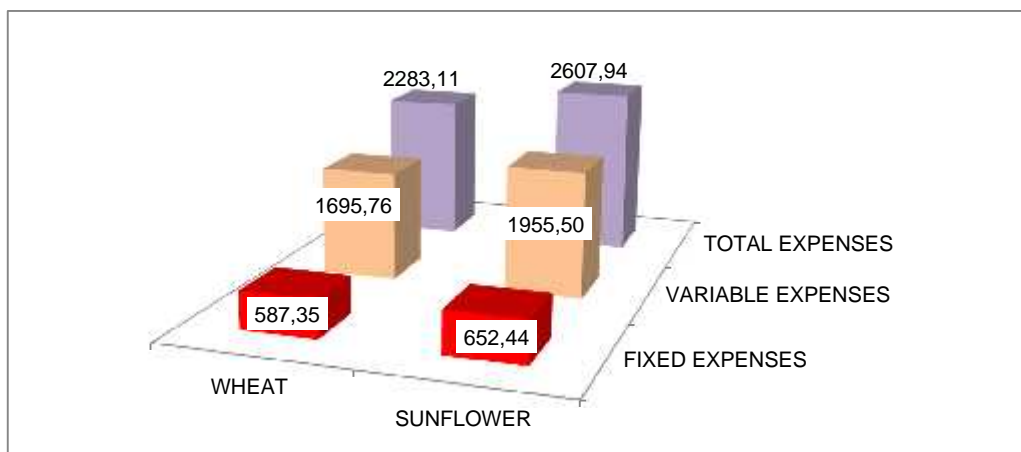


Fig. 3. Indicators of expenses (lei)

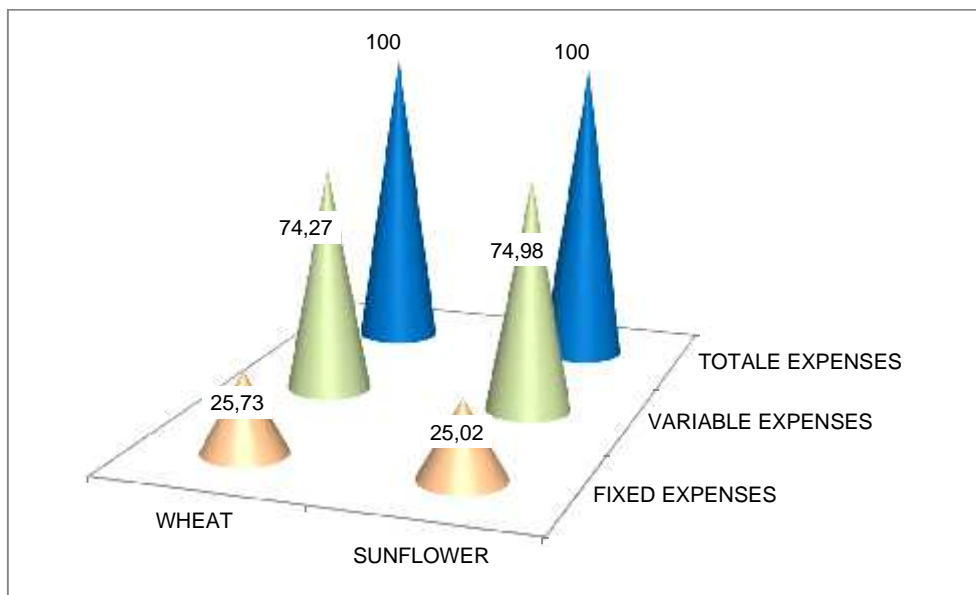


Fig. 4. Indicators of expenditure - structure (%)

- Material costs, ranged from 41.31% to wheat, up to 44.58% for sunflower, all the important elements are present: mechanical works (from 25.54% to 28.53% for corn to sunflower crop), manure (from 28.87% for the sunflower crop to 31.21% in the case of wheat), manure (from 20.67% in the culture of wheat to 23.58% by If the sunflower crop), rent (from 13.81% to 15.77% sunflower oil up to the level of the culture of wheat);
- Gross margin went from 1412.24 lei / ha for wheat to 1762.50 lei / ha to the sunflower crop, gross profit ranged from 824.89 lei / ha for wheat and 1110.06 lei / ha for sunflower and net profit ranged from 692.92 lei / ha crop of wheat to 932.45 lei / ha where sunflower crops - fig. 5.;
- Gross profit ratio was 36.13 and 42.56% between wheat and sunflower respectively, and net profit rate of 30.34% went to the wheat crop to 35.75% for sunflower;

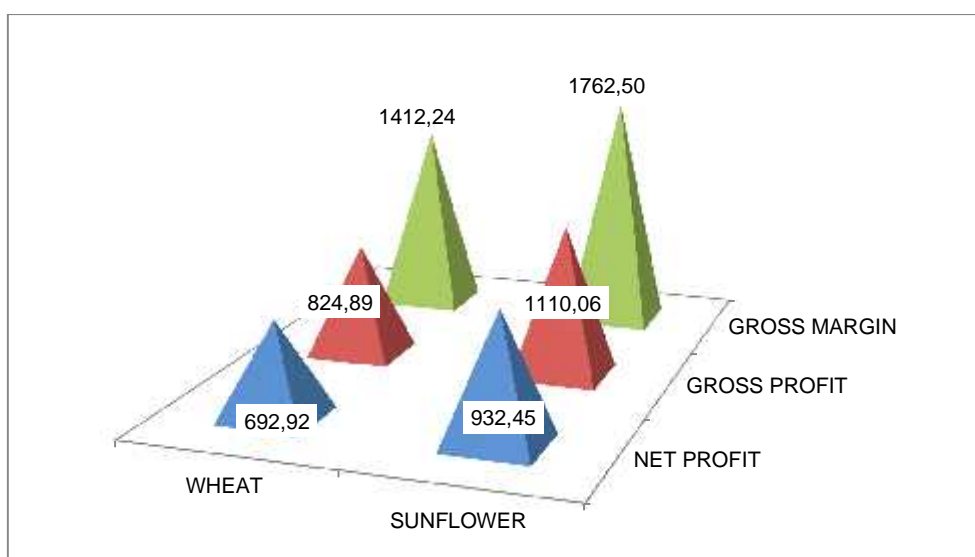


Fig. 5. Profitability indicators (lei)

- The company must rethink its strategy linked to the land owned, lease is considered because a significant item of expenditure (as noted above).

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