

THE IMPACT OF THE RISK PERCEPTION ON RENTABILITY IN THE ROMANIAN AGRICULTURAL SECTOR

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Abstract

This study examines the effect of different levels of rentability on the perception of the risks in the agri-business sector in Romania. The risks analysed are related to production, market, institutional, personnel and financial and the rentability ratios used are return on assets and return on equity. The research methodology consists in a qualitative study, with the data collected using field questionnaires. The convenience sampling was used as sampling method for 201 companies with farming activity in the vegetal nutrition area, the population being very large, and the financial data for 2021 consisted of analyses basis. A one-way ANOVA test was performed using SPSS software, combined with a descriptive analysis and homogeneity and robust tests. The results of the study show that it is likely that both return on assets and return on equity have a significant effect on the market risk perception. The market risk is related to the price volatility for agriculture inputs and crops and the farmers with higher rentability are more aware of these risks. The contributions of this approach are aimed both at the microeconomic level, providing benchmarks in the substantiation of strategies on risk-return trade-off, and at the macroeconomic level, providing a benchmark in the substantiation of policies in this field.

Keywords

Return on assets, return on equity, production risk, market risk, institutional risk, risk of personnel and financial risk.

JEL Classification

M10, G30, Q12, Q18

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