STUDY ON THE STRUCTURE OF THE ROMANIAN AGRICULTURAL HOLDINGS

STUDIU PRIVIND STRUCTURA EXPLOATAŢIILOR AGRICOLE DIN ROMÂNIA

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Abstract: *The current situation of Romanian agriculture is characterized by multiple social and economic problems through excessive fragmentation of land (more than 40 million plots) and by the existence of many households in economically unviable.*
Structural changes that have taken place in Romanian agriculture after 1990, resulted in passage of over 96% private ownership of agricultural land and the formation of small and medium-sized farms, lack of economic viability of many of these shows that the reform process is far from complete. Following the land reform have appeared new types of farms: family farms (subsistence, which predominates), and commercial farms, plant breeding, the training and consolidation.

Key words*: agricultural holdings, individual farm, land fund, agricultural area.*

INTRODUCTION

Farm is the economic basis for survival of the village, generally rural, low capacity of the scale of investment is low, hard to keep up with progress and thus revenues are reduced. [1]

Reduced share of agriculture increased, especially in terms of employment and as a source of income for rural population, agricultural production policy is increasingly inadequate, given the singular, as a strategy for improving the situation of rural areas. Therefore, finding alternatives to the use of farm resources can be a mode of action.

In holding a market economy is the main form of existence, organization and operation of agricultural production. This does not mean that land ownership remains with all rights there under. [2] The farm is the unit for the technical and economic value of land and may consist of land owned, leased or custody of the land (location), hire. The aim is to develop a production system that preserves private ownership and the achievement of production under conditions of economy. Farmer or farm can be owned by other owners.

MATERIALS AND METHODS

Documenting the work consisted in using data from publications, statistics, legislation and some authors, in association with research that formed the basis of their analysis, ideas raised in the paper.

RESULTS AND DISCUTIONS

The main types of farms that were established and operated as soon as they received legal conditions were:

- Individual farms;
- Family associations;
- Agricultural companies;
- Commercial agricultural companies. [3]

Individual farm households (farm households) is the main result of the reconstitution and establishment of ownership of land, based on Law no. 18/1991 and is the dominant organization of the farm in Romania. [5] These structures are holding agricultural production and consumption, using its own financial resources and manpower, priority produce goods for consumption (subsistence households), but they can sell products to obtain varying amounts of additional income for the family. Individual households, numbering 3.9 million, with an average size of 2.34 ha, representing 655 of the country's agricultural land, are characterized by small areas of land (0.5 - 5 hectares) and a reduced number of animals (1-5 pigs from 0.1 to 2 cows, sheep 5-10, less than 100 birds).

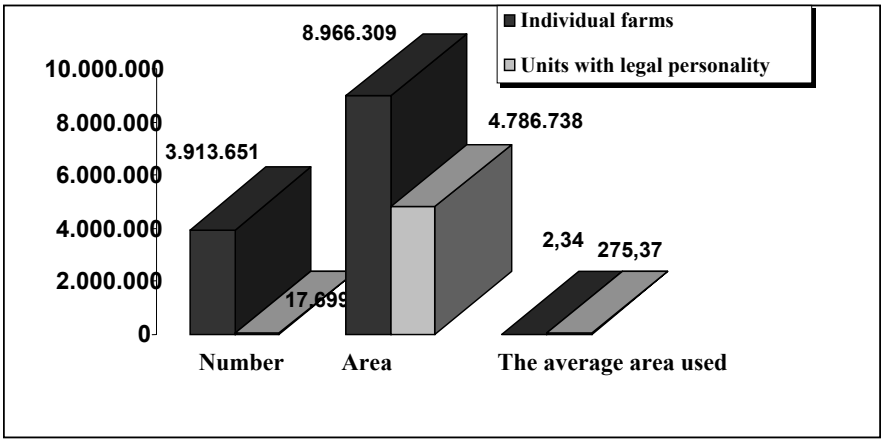


Figure1. Farms in Romania
Source: ***Structural Survey in Agriculture in 2007***

Production activities undertaken by individual households is mainly characterized by relatively wide range of products, which mostly cover their consumption needs, lack of capital, lack of training of farmers and the limited application of modern technologies to study production and market capitalization.

Table 1

Private farm-family structure

Class size (ha)	Agricultural holdings		Utilized agricultural area	
	number	%	hectares	%
< 1	1.684.078	43,92	648.938	7,24
1-2	799.143	20,84	1.156.768	12,90
2-5	963.453	25,13	3.014.849	33,62
5-10	297.638	7,76	2.002.600	22,34
Total 0-10 ha	***3.744.312***	***97,65***	***6.823.155***	***76,10***
10-20	68.897	1,80	908.632	10,13
20-30	9.156	0,24	220.629	2,46
30-50	5.988	0,16	228.861	2,55
50-100	3.587	0,09	243.877	2,72
>100	2.467	0,06	541.154	6,04
Total >10 ha	***90.095***	***2,35***	***2.143.153***	***23,90***
Total	**3.834.407**	**100,00**	**8.966.308**	**100,00**

Source: ***Calculated after the Agriculture Structural Survey 2007, vol. 1, NIS, 2008;***

Of the 3.83 million private-family farms, according to Table 1, only 90,000 corresponds to a minimum acceptable level in terms of area size, holding the remaining 3.74 million are below 10 ha.

Table 2

Farm structure with legal personality

Class size (ha)	Agricultural holdings		Utilized agricultural area	
	number	%	hectares	%
< 1	1.422	8,18	591	0,01
1-2	923	5,31	1.207	0,03
2-5	2.141	12,32	7.050	0,15
5-10	2.358	13,56	14.939	0,31
Total 0-10 ha	***6.844***	***39,37***	***23.787***	***0,50***
10-20	1.231	7,08	15.596	0,33
20-30	392	2,26	9.469	0,20
30-50	571	3,28	22.295	0,46
50-100	1.204	6,93	89.177	1,86
>100	7.141	41,08	4.626.414	96,65
Total >10 ha	***10.539***	***60,63***	***4.762.951***	***99,50***
Total	**17.383**	**100,00**	**4.786.738**	**100,00**

Source: ***Calculated after the Agriculture Structural Survey 2007, vol. 1, NIS, 2008;***

The Romanian agriculture is a dual organizational structure characterized by small holdings (predominantly peasant) to a pole and large and very large farms at the other pole (holdings of less than 100 ha in 9608 number of farms, have 5,167,568 ha, id est 37.57% of utilized agricultural area).

Regarding the idea of excessive fragmentation of Romanian agriculture is only part right because according to previous tables, more than half of the county's arable land organization meets the requirements for proper operation.

Surface-family private farms (over 10 ha) may be compared with the European Union, but, given their structure, there are large discrepancies in the number of plots and their surface components.

Farms that are made up of 8-10-12 and the average size of the plot plots of 1.5 ha to 6.5 ha present significant deficiencies related to the efficiency of use of agricultural machinery and additional costs related to

travel into space. Also, the sizes of the surfaces appear as issues related to the location in crop rotation crop rotation and respect.

Structure of private farm-Romanian family, according to the 2002 agricultural census, farm structure is similar to Western European countries since 1950. Following the farm but the evolution of structures in Western Europe for 40 years in EU countries (Belgium, Germany, France) and Switzerland can conclude that parceling (attrition) is a real farm excessive adverse efficient operation of rural farmland, but can be corrected.

Family associations, as envisaged by Law no. 36/1991 on agricultural associations, are simple forms of association, which is based on verbal or written agreement between two or more families or under contract by the company that the associative structure that form and content of agricultural civil society. Both forms of association to the same economic function, just a different degree of regulation. It is estimated that there are approximately 6,500 family associations in Romania, with an average of 120 ha and cultivating a total of 5% of agricultural land. [4]

Family Association has no legal personality, which greatly simplifies the creation, but restricts its scope of action because the legal form may not appear as a matter of law in economic and social life. Also, these associations are required to organize and manage their own accounts. Just as the name, simple associations are characterized by simplicity. They can be organized by a group of related families or who want to start with an agricultural activity. Among other features of the family farm association, it highlights the fact that their purpose is agricultural land, livestock, the provision of services and the types of activities include the production, processing, retailing and services. With no legal personality, family associations can be no legally-binding property or capital, but this does not prevent, if members decide to form a specific capital.

Agricultural companies - like structure with legal personality - were established under the Law number 36 of 1991, such as private companies with variable capital and unlimited, variety of partners. According to Law number 36 of 1991, companies have a commercial farm itself, and the exploitation of land can be both commercial and noncommercial in nature, depending on their legal form - trading company - in interpreting the Law number 31 of 1990, or agricultural society, the concept of agricultural company law (Law 36 of 1991).

The agricultural companies with legal personality, governed by the

law number 36 of 991, when the formula represented in the Romanian agriculture, which is designed for a transition period in order to find a solution acceptable to owners of land that had not necessarily farm inventory order to do farm work.

Place farm structure is mainly held by individual farm households (99.5%) in the use of agricultural land and reduced the average area (2.34 ha).

Of the 3.83 million individual farms, 90% are very small holdings of up to 5 hectares, producing primarily for self-consumption and not enough investment opportunities. These holdings are likely to remain at subsistence level and gradually disappear, creating land reserves for increasing family size commercial farms and agricultural companies or trade associations, provided that a significant proportion of the population who are currently working on these holdings to quit the agricultural occupation and to earn a living from other economic activities. This natural process is maintained by withdrawing from farming to owners of older.

Category of farms between 5-10 ha in size is 8% of the total individual holdings. These holdings may be a trend towards the commercial side, by expansion or for subsistence.

A total of 90,095 holdings (2.35%) were larger than 10 ha. These are family farms with commercial character that could represent the backbone of the Romanian commercial farming sector, consistent with the model family farm in the European Union.

The gap is even larger if we consider only agricultural companies with legal personality, comparable units of cooperatives countries. This is mainly due to the policy adopted by the agricultural cooperatives in transition - Romania liquidation and conversion for the other countries.

Distribution of forms of farm organization is not uniform across the country. Individual farms are dominant in all regions and counties, but are more prevalent in the hilly and mountain districts. The agricultural companies were created and exist mainly in the lowland districts that existed in agricultural cooperatives and have a relatively large agricultural area county.

Table 3

Structure-family private farms by size class

Class size (ha)	Agricultural holdings		Utilized agricultural area	
	number	%	hectares	%
1-2	799.143	37,16	1.156.768	13,91
2-5	963.453	44,81	3.014.849	36,25
5-10	297.638	13,84	2.002.600	24,07
Total 1-10 ha	***2.060.234***	***95,81***	***6.174.217***	***74,23***
10-20	68.897	3,20	908.632	10,92
20-30	9.156	0,43	220.629	2,65
30-50	5.988	0,28	228.861	2,75
50-100	3.587	0,17	243.877	2,93
>100	2.467	0,11	541.154	6,52
Total >10 ha	***90.095***	***4,19***	***2.143.153***	***25,77***
Total	**2.150.329**	**100,00**	**8.317.370**	**100,00**

Source: ***Calculated after the Agriculture Structural Survey 2007, vol. 1, NIS, 2008***

Share of small units, with up to 5 ha, 90% if the units are taken into account up to 1 ha (Table 3), and 82% if the units are excluded, and their share in agricultural land is 54% in the first case and 47% in the second. This distinction is necessary given the fact that farms of less than 1 ha are not recorded at the Agency for Payments and Intervention in Agriculture to receive direct payments under the payment scheme adopted by Romania since 2007.

Share of small to medium sized units, ranging between 5 and 10 ha, is 14% operate 24% of the agricultural area. Mid-size units, which have between 10 and 50 ha, are almost non-existent, their share is less than 4% of the units and less than 16% of the agricultural area. Large and very large units, with an area of 50 ha and over, representing only 0.3% of the number, but operates nearly 10% of the agricultural area.

In 2002, according to data from the General Agricultural Census, 4,484,893 in number of farms were organized as follows: [8]

- 4,462,221 individual households with an average farm area of 1.73 ha;

- 2,261 of companies / agricultural associations, with an average of 431 ha agricultural area;

- 6,138 of companies with an average of 353 ha of farmland;

- 5,698 units of public administration, with an average agricultural area of 503 ha;
- 87 cooperative units, with an average area of 27 ha farm;
- 8,488 of other farms, with an average area of 25 hectares.

Thus, in 2002, the total number of holdings was 4,484,893, of which 4,299,361 farms (individual and legal person units) used an agricultural area of 13,930,710 hectares, returning an average of 3 24 ha per farm which used agricultural land. Agricultural area, used as arable land is on average about 94% of that at the national level. Unutilized agricultural lands represent 330,000 ha in 2002.

CONCLUSIONS

The current situation of Romanian agriculture is characterized by multiple social and economic problems through excessive fragmentation of land and the existence of many households in economically unviable.

During this period we witness two opposing trends: on the one hand, the revival of the property system and to retain any form of joint ownership, and on the other hand, lack of financial capital and capital goods. From these trends have resulted private family farms and businesses organized associations.

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