ROMANIAN AGRICULTURAL EXPLOATATION ANALYSIS

ANALIZA EXPLOATAŢIILOR AGRICOLE DIN ROMÂNIA

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***Abstract**: Excessive fragmentation of ownership in agriculture accompanied by their poor combination have led to a duality, represented on one hand the large number of subsistence farms and semi-subsistence, and on the other hand, the small number of commercial farms, integrated in market.*
The inadequate structure of the farm is the main factor limiting the competitiveness of agriculture. Restoring private ownership of land had the merit of securing the majority of acute poverty of the rural population, but failed to modernize agriculture and to develop new farming systems capable of producing for trade and be competitive internationally.

***Keywords**: agriculture, farmland, agricultural exploatation*

INTRODUCTION

Ensuring food security for every nation, increasing the contribution of agriculture to overall growth and social development and environmental protection make this human activity have an important place in economic and political systems of the world.

Developments in agricultural structures, and general economic development, the protagonists are developed countries whose experience is verified by history and should be used for market-orientation of agricultural policies and, where possible, without repeating their mistakes.

Agriculture occupies an important place in our country's politics and economy. It represents an important strategic sector in the national economy is a key component of economic strategy, political and social

development of any country, because of its contribution to welfare and social stability.

For our country, agriculture is one of the most important resources for development. The most important objectives and priorities include increasing agricultural production and productivity to form open and competitive markets.

RESULTS AND DISCUSSIONS

Promulgation of Land Law (no.18/1991) and the reconstruction and establishment of private ownership of land has fundamentally changed the organizational structure of Romanian agriculture is taking place a comprehensive process of development of agricultural structures (ownership, farm structure agricultural production structure, technological structure, marketing, etc.).

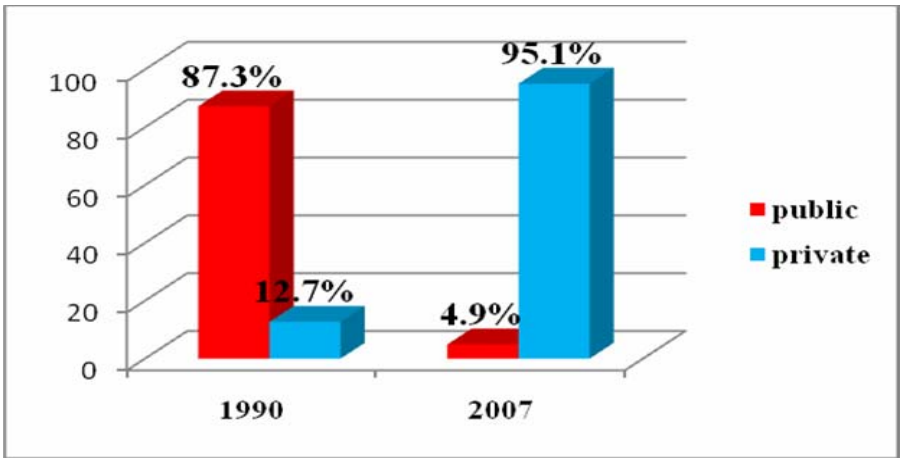


Fig. 1. Evolution of property structure in Romania

The new agricultural property (private), which is predominantly (95%), made to be eradicated almost all previous structures. Thus, the former agricultural units have either been removed, such as agricultural cooperatives or companies have been converted to agriculture (agricultural state enterprises, some economic associations, etc.), which were later privatized.

The abolition of agricultural cooperatives and restoration of private property to former owners of the land or their descendants created an overly large number of farms, mostly subsistence or subsistence. Romania ranks first among European Union countries in terms of number of farms (fig. 2).

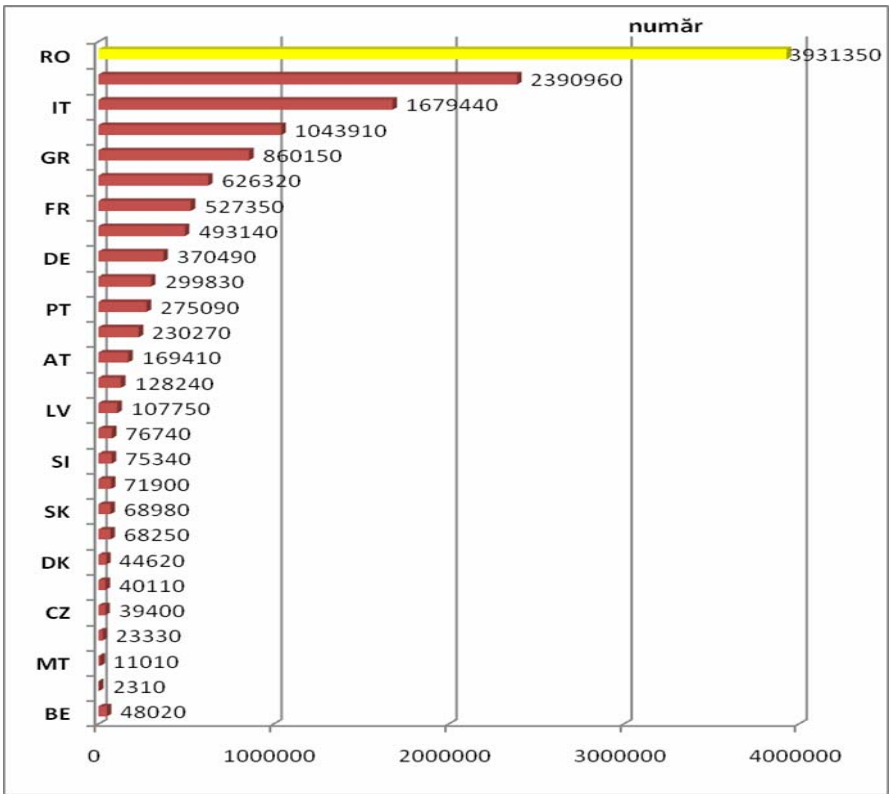


Fig. 2. Number of agricultural exploatations in the European Union

Work in agriculture is characterized by the **duality of farms**:

- **large number of small individual farms (3,913,651)** representing 99.5% and **hold 65% of utilized agricultural area** (8,966,309 acres),

- **large farms that although the number is only 17,699, meaning 0.5%** of total holdings, **but that area were operating the remaining 35% of agricultural land** (4,786,738 hectares).

Table 1

Exploatațiile agricole din România

Nr.crt.	Legal status	Total	SAU	SAU medium/ exploatation
1	**Measurement Unit**	**nr.**	**ha**	**ha**
2	Individual agricultural exploatations	3.913.651	8.966.309	2,34
3	Units with legal personality	17.699	4.786.738	275,37

Source: Structural Investigation in Agriculture 2007, INS, 2008

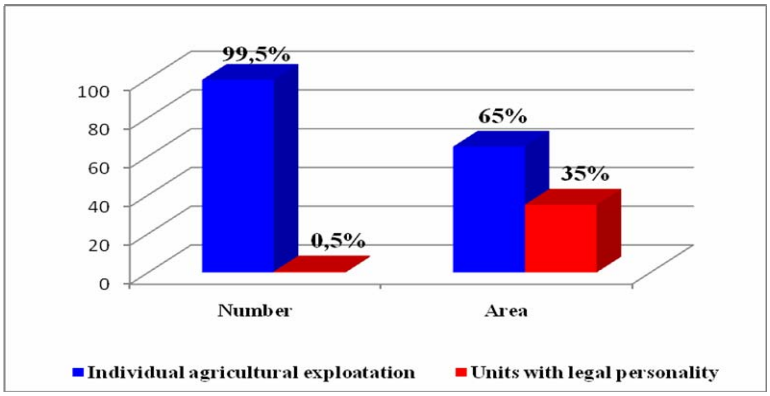


Fig. 3 Agricultural exploatations in Romania

Table 2

Evolution of agricultural holdings by legal status in Romania

Specification	Agricultural exploatations – total			Used Agricultural Surface			Medium surface per agricultural exploatation		
	number			hectare			ha/expl.		
Year	2002	2005	2007	2002	2005	2007	2002	2005	2007
Individual agricultural exploatation	4462221	4237889	3834407	7708757	9102018	8966308	1,73	2,15	2,34
Units with legal personality	22672	18263	17383	6221952	4804683	4786737	274,43	263,08	275,37
- Societies / Agricultural associations	2261	1630	1461	975564	742065	615896	431,47	455,25	421,56
-Commercial Societies	6138	4824	4947	2168792	1780787	1951114	353,34	369,15	394,40
-Public Administration Units	5698	4818	4135	2867368	2124736	1872193	503,22	441,00	452,77
-Cooperative Units	87	108	-	2365	3246	15088	27,19	30,06	0
-Other types	8488	6883	6840	207862	153846	332444	24,49	22,35	50,80
Total	**4484893**	**4256152**	**3851790**	**13930710**	**13906701**	**13753046**	**3,11**	**3,27**	**3,57**

Source: Annual Statistics of Romania, 2008

Of the 3,913,651 farms in the levels of 2007, there were **3,834,407 individual farms** with an average size of 2.34 ha per farm, and were **17,383 units with legal personality**, **with an average size of 257.37 hectares** per farm whose legal status can be classified into several categories:

- **societies/asgricultural associations**, organized on the structure of agricultural cooperatives from the communist period, whose main activity is crop production and accounts for 1461 units with a size of 421.56 hectares;

- **commercial societies**, mostly private vegetable farms or operating land leased from the state or purchased or leased from the owners given land after 1991, with a total of 4947 units with an average size of 394.40 hectares;

- **units of government**, includes communal pastures managed by central or local government units totaling 4135 units with an average size of 452.77 hectares;

- **other types of exploatations** (ONGs, religious institutions, several cooperative units), a total of 6840 units with an average size of 50,80 hectare [4, p. 28].

There are big differences between the average size of individual farm holdings in Romania and the EU.

The average size of agricultural holdings in Romania is 3.5 ha per farm, which places Romania second smallest among the 27 EU Member States, just ahead of Malta. The largest average farm size, expressed in hectares per farm, are recorded in: **Denmark with 59,7**, **followed by Luxemburg 56,7**, **Great Britain 53,8, France 52,1**, and the smallest ones in Greece 4,7, Italy 7,6 and Portugal 12,6.

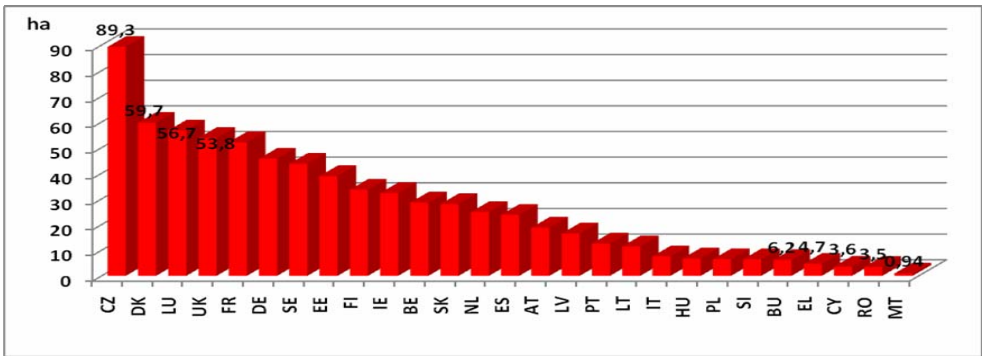


Fig. 4. Medium dimension of agricultural exploatations from UE-27

Economic size unit (ESU) is used to express the economic size of a farm, (corresponds to 'standard gross margin "and 1UDE = 1200 Euros. EDU), with size of land is an important indicator characterizing the economic size of farms.

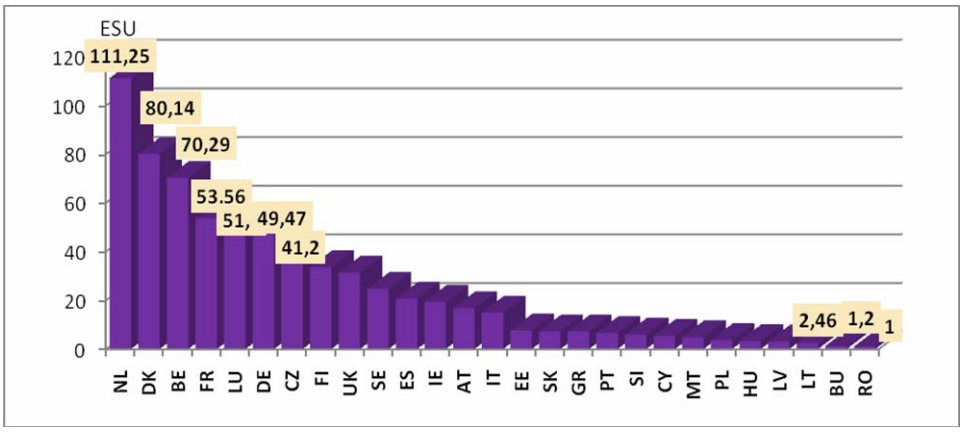


Fig. 5. Economical medium dimension of agricultural exploatations from UE-27

The average economical size in 2007 for Romania was an ESU per farm which ranks Romania last among EU countries. The first places are occupied by Austria with 111.25 ESU / holding, Denmark with 80.14 ESU / holding, and other countries such as Belgium, Spain, Holland, Germany etc..

Of the 3,931,350 farms in Romania, 93.97% are measuring more than 2 ESU, most of them (those less than 1 ESU represents 78% of total holdings) and are treated by Eurostat subsistence farms. ESU is 2-4 holdings between 4.31% and the size range is 1.10% 4-8 ESU, the ESU with the 800-100 is 0.55% and the 100 have only ESU 0 , 04% of the total.

Tabelul 3

Structure of agricultural exploatațions after UDE on size classes, 2007

Nr. crt.	UDE Size Class	Agricultural exploatation		Surface		Medium ec. dimension
		Number	%	Hectare	%	Hectare
1	**Romania**					
2	Total	3931350	100	13753280	100	1,00
3	**0-2**	3694470	93,97	6735150	48,97	0,55
4	**2-4**	169560	4,31	1204530	8,75	2,66
5	**4-8**	43320	1,10	624620	4,54	5,3

6	**8-16**	12950	0,32	551430	4,00	10,68
7	**16-40**	6390	0,16	981710	7,13	24,60
8	**40-100**	2910	0,07	1329420	9,66	62,28
9	**over 100**	1750	0,04	2326420	16,91	330,92
10	**UE-27**					
11	Total	13700580	100	172485150	100	48,74
12	**0-2**	8336450	60,84	19120450	11,08	0,63
13	**2-4**	1539190	11,23	8588600	4,97	2,85
14	**4-8**	1228590	8,96	11140050	6,45	6,08
15	**8-16**	906900	6,61	1474811	0,85	11,39
16	**16-40**	837190	6,11	27895161	16,17	25,40
17	**40-100**	544400	3,97	37743720	21,88	63,05
18	**over 100**	338780	2,47	53245230	30,86	194,76

Source: Processed from Eurostat, 1 UDE=1200 Euro

Analyzing the number of farms in the European Union, the units of economic size groups and across countries, we see that in the group 0-2 ESU Romania is the first place (93.97%), followed by Bulgaria (89 , 08%), Slovakia (88.70%), Hungary (85.97%), Lithuania (82.78%) etc. At the opposite pole, the group with over 100 ESU, we have Netherlands (35.20%), Belgium (25.76%), Denmark (22.85%), France (15.76%)

We note that in Romania holdings fall in the group of subsistence and subsistence at a rate of 99.38%.

CONCLUSIONS

- Work in agriculture is characterized by the duality of farms: on the one hand, a large number of individual small holdings (less than two hectares) representing 99.5% and hold 65% of agricultural area used, and on the other farms that although large numbers represent only 0.5% of total holdings in the area were operating the remaining 35%.
- The average agricultural area of farms in Romania is 3.5 ha. Individual farms have on average 2.34 hectares, divided into 3-4 parcels, while farms with legal personality operating on average 275.37 hectares, divided into about 9 parcels.
- Agriculture in Romania has not yet approached the European agricultural model and the market is not directed towards achieving the expected efficiency after joining the European Union. They do not provide necessary food products for domestic consumption even of the population, because each year they use large quantities of imported commodities.

➢ It is important that farm system, family and nonfamily, to approach the market and provide a competitive offer.Small subsistence farms (1-3 ha) must be attracted to activities that require much manual labor, an incentive to diversify their activity or to associate to perform mechanical work. Rural households that own under 1 ha of land are excluded from the sustaining financial system because they do not produce for the market and no not assure a family's subsistence (with the exception of protected vegetable cultures).These households can assure the complete food necessities of families with members that are occupied in other sectors, retired ones, urban residents, and should not be held from developing these activities. On the contrary, they must benefit from agricultural consultance and diverse services.

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