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SMALL VS. LARGE FARMS IN ROMANIA: ECONOMIC PERFORMANCE AND POLICY
IMPLICATIONS FOR SUSTAINABLE RURAL DEVELOPMENT

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Abstract: This study examines the relationship between farm size, economic performance and sustainable rural development in Romania. It analyses how the coexistence of many small family farms and a few large commercial holdings influences agricultural efficiency and competitiveness. Using official statistics and comparative analysis, the research identifies disparities in productivity, income distribution and access to development opportunities. Policy support under the new Common Agricultural Policy (CAP) still favours large beneficiaries, while small farms play a key social role but face modernization and market integration challenges. Balanced rural development requires targeted policies, cooperation between farms and improved managerial and digital capacities.

• Introduction

Romanian agriculture is undergoing major structural and technological transformations within the European framework of sustainable rural development. The sector remains highly polarized, with numerous small family farms coexisting alongside a limited number of large, capital-intensive enterprises. This dual structure shapes productivity, resource efficiency and adaptation to the sustainability goals promoted by the European Green Deal and the Common Agricultural Policy (CAP). Small farms sustain employment and rural heritage, while large farms drive output and exports. Despite progress since EU accession, disparities in access to capital, technology and policy support remain significant. This study analyses structural and economic differences between small and large farms and their contributions to rural sustainability.

• Material and method

The study employs a descriptive and comparative research design to assess the structural and economic performance of Romanian farms by size category in relation to sustainable rural development. Statistical data from the National Institute of Statistics (INS), Eurostat and the Ministry of Agriculture and Rural Development (MADR) were analysed for the period 2010–2023. Key indicators included farm number and size, agricultural area, productivity and access to Common Agricultural Policy (CAP) support. Quantitative methods and time-series analysis were used to identify trends and disparities between small and large farms.

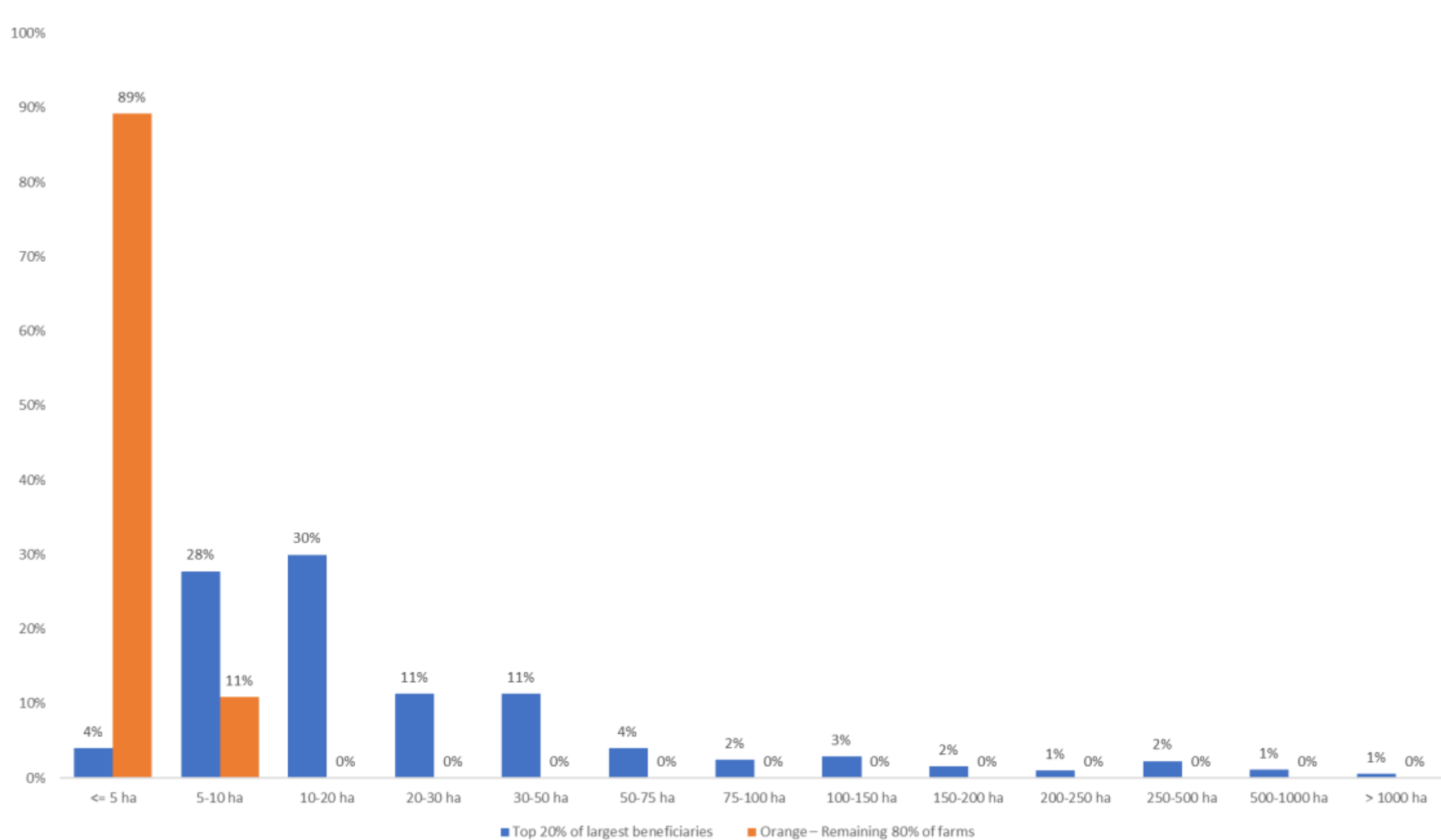


Figure 2. Distribution of direct payments by farm size in Romania, 2022

• Conclusions

The study highlights the persistent duality of Romanian agriculture, marked by the coexistence of millions of small, semi-subsistence farms and a small number of large commercial holdings. This polarization constrains productivity, competitiveness and rural cohesion, despite gradual modernization. Farm size remains a key factor of efficiency: small farms rely on self-consumption and limited resources, while large farms achieve high output through economies of scale and better access to finance and technology. Medium-sized farms represent a potential basis for balanced growth if adequately supported. Current CAP policies have stabilized the sector but still favour larger beneficiaries. A more inclusive transition requires better access to funding, eco-schemes and cooperation for small and medium farms, alongside advisory and innovation support to strengthen sustainability and resilience.

• Results and discussions

Statistical analysis reveals a highly polarized structure in Romanian agriculture, shaped by the coexistence of millions of small family farms and a small number of large commercial holdings. The number of agricultural holdings fell from 4.5 million in 2002 to 2.9 million in 2023 (–36%), while the utilized agricultural area remained stable at about 12.5 million ha, confirming land concentration. Around 90% of farms operate on less than 5 ha, whereas less than 1% control over half of the total land area.

Economic disparities are equally pronounced: about 95% of farms record a standard output below €8,000, while large farms achieve over €160,000 per unit, supported by better access to capital, technology and markets. Small farms rely mainly on family labor and produce for self-consumption, limiting productivity and competitiveness.

Under the Common Agricultural Policy (CAP), financial support remains uneven. Large and medium farms absorb most direct payments and investment funds, while small holdings capture only a minor share. Despite new CAP mechanisms such as redistributive payments and eco-schemes, structural imbalances persist. Achieving a more inclusive and sustainable model requires targeted policies that strengthen small and medium farms, promote modernization, and encourage cooperation and innovation.

These findings confirm that structural polarization remains the main constraint to improving the overall efficiency and sustainability of Romanian agriculture.

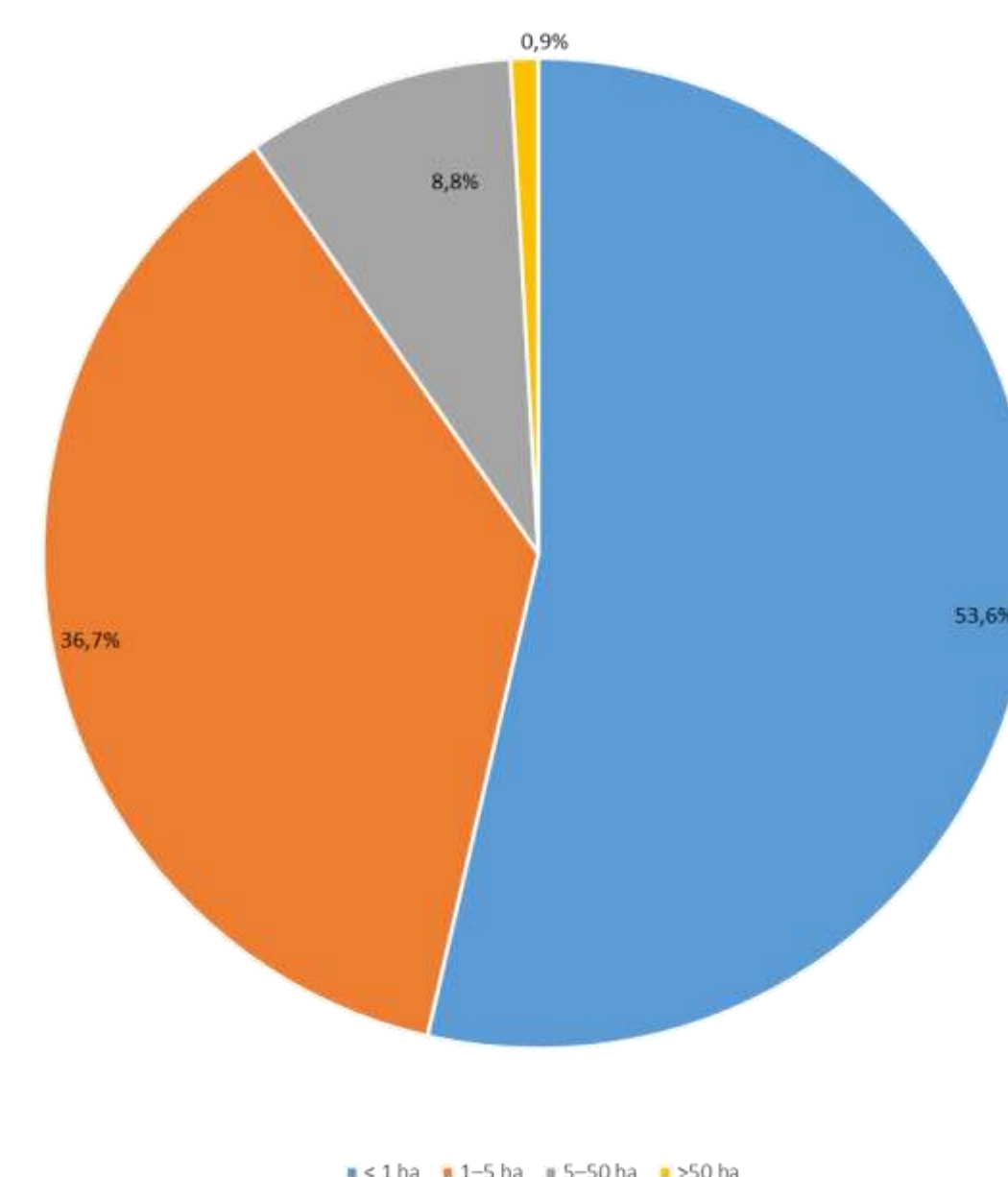


Figure 1. Distribution of agricultural holdings in Romania by farm size (2023)