

## HIGHLIGHTS THE CHARACTERISTICS AND DIFFERENCES BETWEEN ROMANIAN AND EUROPEAN AGRICULTURE

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**Abstract:** *Today's agriculture glades from a special attention, in all world countries, regardless of their economic development level. In today's world the most developed countries from economically point of view are the largest producer and exporter of agricultural products. Today status of the village is intimately linked to the state of agriculture and farmers; agriculture is the backbone of the rural area. Can not conceive quality and attractiveness for rural areas without a modern healthy, competitive, giving life meaning and hope to farmers agriculture.*

**Key words:** *agriculture, characteristics, differences*

### INTRODUCTION

In the context of the actual Romanian rural economy the rural area and its specific activity take a central place, reason for which the theme of this work is one of actuality. Agriculture is a sector with great potential, occupying, traditionally, an important place in the structure of the Romanian economy. It is an important factor of social stability and maintaining the ecological balance; is the branch that provide populations food and large quantities of raw materials for the food industry and other industries.

For Romania, the rural area, both in size and structure as well as functionality, has a special importance. First, the size of the Romanian rural area measured by its share in the country size and through the share of rural population, constitutes a reference element in defining the role of this area in the national territory. Romanian rural area comprises 93.7% of total surface of Romania, and in this area living almost half of the country population (45%).

### MATERIALS AND METHODS

The authors of the paper were used as methods of work: data collection, processing, analysis, observation and their interpretation.

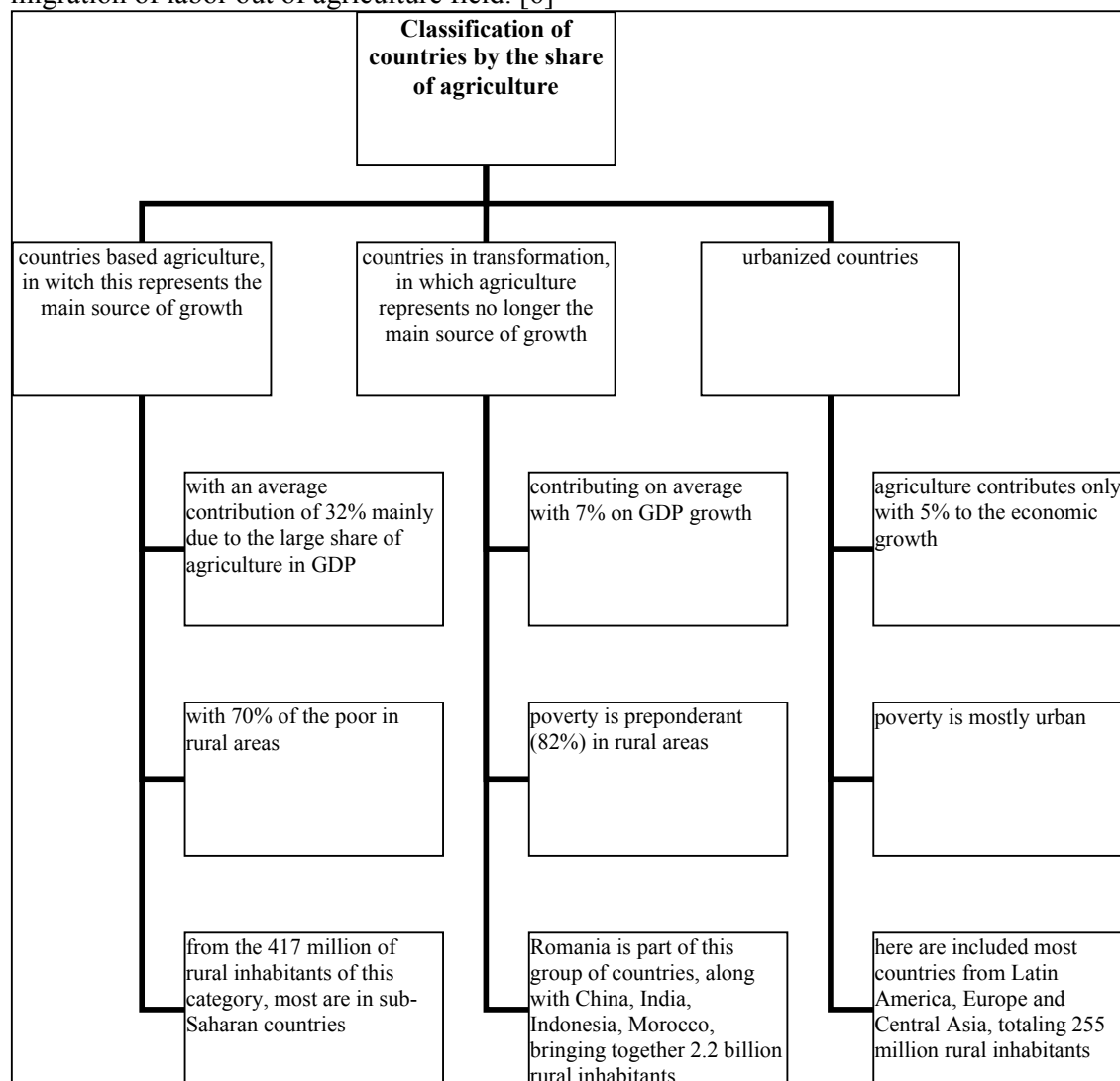
### RESEARCH RESULTS

#### *1. Highlights the share of agriculture in PIB dynamics*

A classification of countries by the share of agriculture in the aggregate increasing, on the one hand, and the share of poverty from the rural areas in total poverty, on the other hand, leads to three categories of countries shown in the chart below.

If the agriculture can not be present as the main source of growth than in the countries based on agriculture, it can help to reducing the poverty and improving the environment in all three types of countries. For this it is necessary to increase the access of households to specific assets of agriculture and to increase the competitiveness of small farmers by using some tools such as: reform pricing policies to stimulate the agricultural activity, improving the functioning of agricultural products markets and inputs, access to financial services, increasing the performance of the organizations of producers, promoting

technological innovation. All these must be accompanied also by facilitating successful migration of labor out of agriculture field. [6]



**Figure 1. Classification of countries by the share of agriculture in aggregate growth and the share of poverty from rural areas**

Current situation of Romania shows that agriculture has not contributed significantly to economic growth in the last decade, agricultural production fluctuations due to weather conditions and still lose from importance along with the change in the profile of the Romanian economy, in witch the contribution of agriculture to GDP has halved over the first part of decade. After the beginning of the economic crisis, agriculture has had some stabilizing effect on the economy, especially through the decisive contribution brought in 2010 and 2011, due to good crops productions.

Table 1

Contribution of agriculture quarterly growth of PIB								
	First trimester		Second trimester		Third trimester		Fourth trimester	
	Agriculture (p.p.)	GDP (%)	Agriculture (p.p.)	GDP (%)	Agriculture (p.p.)	GDP (%)	Agriculture (p.p.)	GDP (%)
2008	-0,01	8,24	0,15	9,34	3,21	9,24	1,01	2,91
2009	-0,6	-6,1	-1,0	-8,7	-1,2	-7,1	-1,0	-6,5
2010	0,0	-2,2	0,0	-0,5	-0,8	-2,2	0,5	-0,6
2011	0,0	1,7	0,1	1,4	2,1	4,4	0,7	1,9

Source: BNR calculations

## 2. Differences between Romanian and European agriculture

According to Agointel there are 7 differences between Romanian and European agriculture: [9]

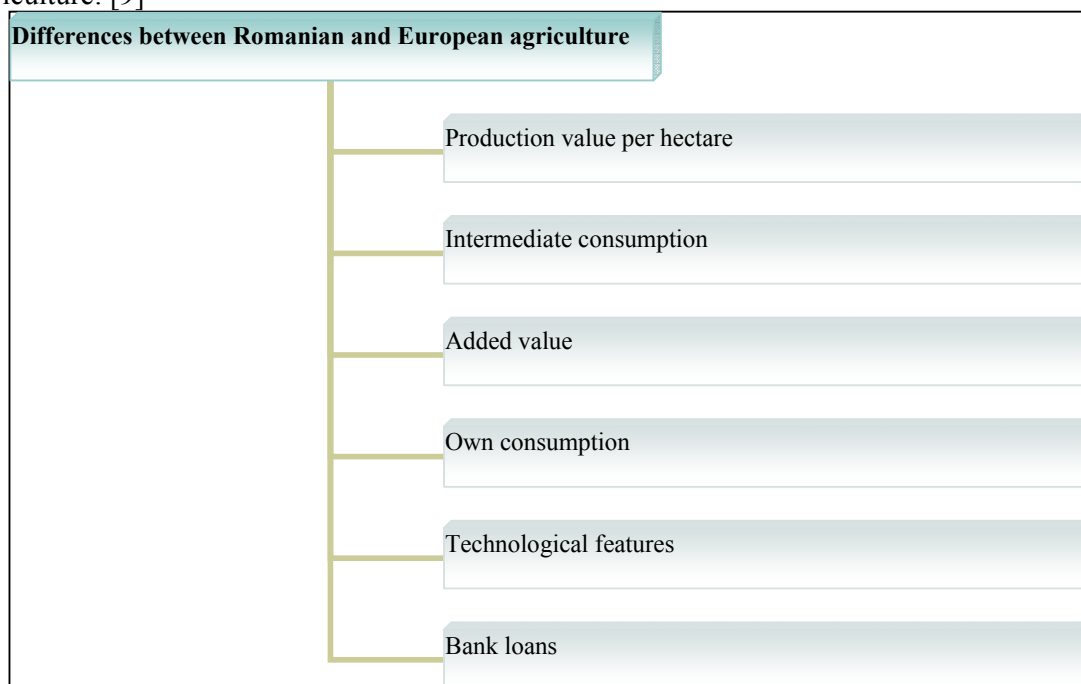


Figure 2. Differences between Romanian and European agriculture

1. Production value per hectare obtained by Romanian farmers, by 800-900 euro/ha is about 2 - 2.5 times lower than the one obtained on average by European farmers, about 1800-2000 euro/ha.

2. Intermediate consumption of using technology in agriculture, with direct impact over the efficiencies, record large differences from one country to another. Thus, Romania has an intermediate consumption of 715 euro/ha, compared with the Netherlands-8369 euro/ha, Belgium-3987 euro/ha or Denmark 2,843 euro/ha.

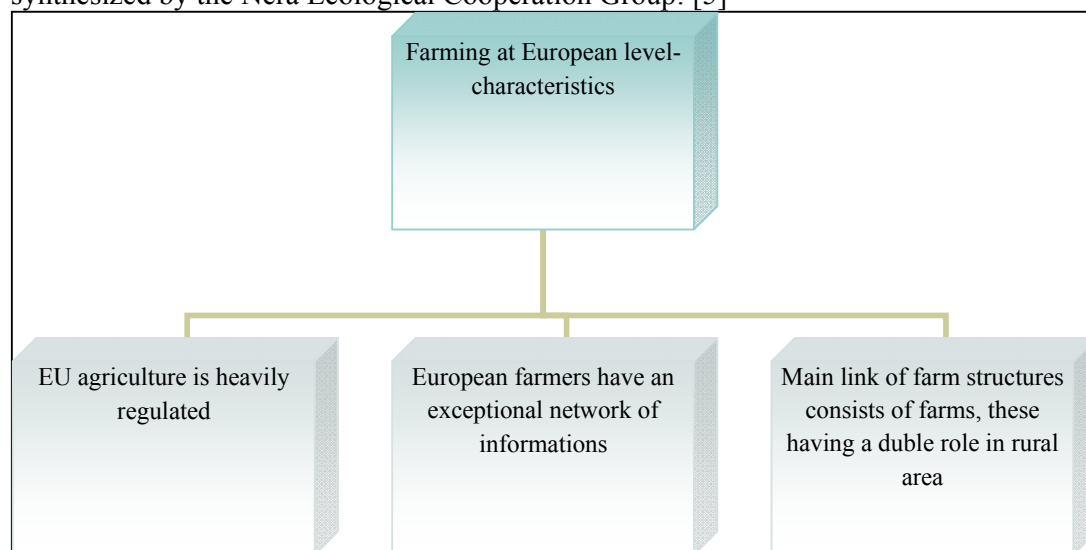
3. Added value in Romanian agricultural has on half that of the EU one, which leads to obtaining a total agricultural production of about 1400-1500 euro/ha in Romania, compared to 2400-2600 euro/ha in the EU-15.

4. Food own-consumption in subsistence farming of Romania represents 90-92% of production, and in subsistence farms case is about 50-52%, compared to only 10-12% in the EU15. This thing has as consequence a value of commercial agricultural production as 400-420 €/ha in Romania, four times lower than the EU.

5. Technological features of a Romanian farmer compared to that of a farmer from the EU are 25-26 times lower. The value of a European farmer machinery amounts to 9000-9200 euros, while in Romania it is 350 euro.

6. Bank loans granted to European farms are 15-16 times higher than the Romanian farms, namely 1700-2000 euro/ha in the EU, compared to 110 euro/ha in Romania.

At European level farming is characterized by a number of considerations synthesized by the Nera Ecological Cooperation Group: [5]



**Figure 3. Farming at European level-characteristics**

1. Regarding EU agriculture that is heavily regulated both in terms of actual production, technology, product quality and production quotas, the product market, the system of financial support, cultivated areas, livestock processing conditions processing, storage and disposal of food and so on, as well as rural development, etc.

2. European farmers have an exceptional network of technical information, economic, financial and monetary and market, systems of agricultural advice and scientific extension, which supports and advises them regarding on all that is new in technology and marketing. This explains the exceptional agricultural performance (6000 kg/ha European average on cereals, 7000 kg/ha on maize, 2500-3000 kg/ha in sunflower 30-35000 kg/ha for potatoes, 55-60000 kg/ha for sugar beet, 6,000 l/head of a cow etc.). From here we can retain also the huge gap recorded to this date between Romania modest efficiency and the high performances of EU countries, caused by a number of technical factors, economic, financial, skill of farmers, agricultural management and marketing.

3. Main link of farm structures consists of farms, these having a double role in rural area, the one of agricultural production centers and residential areas (habitat) for the farmer family.

European agriculture, in the current concept, is both a branch producing agricultural products and profit and also a way of life. Also, rural area is both a production

space but also a living environment, a social and cultural space with complex implications on life of a nation.

Households, farms, agricultural exploitations are, in the same time, spaces (areas) of agri-food production, living space for the family and, in many cases, rural tourist areas of the best quality, which help maintaining the ecological balance, in beautifying the landscape and conservation of areas and ethno-cultural authenticity of each country and region. Rural areas can be considered the visit card of each country.

In private and family farm are combined the productive work and family life. Typically, the entire production and trade is provided by family members. Only in a small proportion (about 10%) in peak periods, it is used the seasonal workers. In most farms seasonal farm workers living with the farmer, being integrated from all point of view in the life of the farm.

Certain is the fact is that, permanent subject to assessments and analyzes, the performance of Romanian agricultural sector remain relatively modest, in contrast to its natural potential and the expectations of population that the farming to rapidly adjust his structures under the influence of the Common Agricultural Policy by facilitating the financing system, including providing necessary investment for growth, but also to introduce continuity and consistency in the measures taken by the decision makers.

## **CONCLUSIONS**

1. Romanian rural area dominates the economy both geographical, and the as the share of the population that comprises, therefore Romania enjoys a significant growth potential but unexploited. Rural economy shows significant differences by regions, specific demographic traits, socials and economics. This distinction is visible especially regarding Romanian rural poverty, reflected in a low standard of living and lack of alternative income sources.

2. In our days agriculture gets a special attention in all countries, regardless of their economic development level. Agriculture is today an essential component of rural area and the Romanian one is characterized through:

- Excessive fragmentation of land ownership and the existence of a number of about 4,5 million subsistence households, which does not provide conditions for this sector modernization;

- Priority orientation of budget funds through large companies in some stages of the transition, and through small subsistence farms which produce for own consumption in other stages;

- Maintaining an excessively large rural population and low level of employment and the use of incomplete working time during the year have conducted to an very low agricultural productivity;

- Low level of technical modernization and inefficient allocation of material resources maintain low efficiency and do not ensure food security of the population;

Certain is the fact that, during the next decade, agriculture will have to adapt to the changes that characterize market developments, market policy and trade rules. These changes affect not only agricultural markets but also local economies of rural areas in general. Many of them are already facing acute problems of economic development. Requirements regarding environmental functions and recreation in rural areas are becoming increasingly important, their satisfaction assuming additional changes for

agriculture, the main land user. However, this increase will also provides new opportunities for development, of which could benefit farmers and their families.

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