

MUTATIONS IN THE STRUCTURE OF AGRICULTURAL HOLDINGS IN ROMANIA

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Abstract: After December 1989, there have been changes in Romanian agriculture in the structure and volume of production as well as major changes in the structure of ownership, of the population employed in agriculture, of the export-import relationships, as well as in the structure of agricultural holdings. The authors of this paper present the evolution and current state of agricultural holdings in Romania as an outcome of the agrarian reform after December 1989. Data analysis points out that there is a dual organisational structure in Romania's agriculture characterised by small holdings (mainly peasant ones) on one side and large and very large holdings on the other side. This explains most of the social issues of the inhabitants of the Romanian rural area among which increasing exodus. ipsum dolor sit amet, consectetur adipiscing elit.

Key words: mutations, agricultural holdings, evolution

INTRODUCTION

In Romania, until 1990, the entire agricultural area was owned in common (Agricultural Production Cooperatives and Agricultural State Holdings); in 1991, they started regulating the **reconstitution of the ownership right on agricultural lands** for the ex-landowners, members of the former agricultural production cooperatives or their inheritors, within the limit of 10 ha/family. According to **Law no. 18/1991 (the Law of the Land Fund)**, a large number of ex-landowners got their lands back (a total of 9,340,000 ha of arable land). This led to the establishment of 3,900,000 small agricultural holdings [2].

The promulgation of the Law of Land Fund (Law no. 18/1991) and the reconstitution and establishment of private ownership of land changed the foundations of Romanian agriculture triggering a vast process of establishment of agrarian structures (ownership structure, agricultural holding structure, production structure, technological structure, marketing structure, etc.).

After 1990, they needed to solve ownership issues to develop the necessary conditions for its organisation, for the opening of a land market and, generally, for the functioning of agricultural mechanisms in accordance with market economy requirements.

The new type of ownership in agriculture, private ownership, almost eradicated all previous structures. Thus, the former agricultural units were either disbanded (the agricultural production cooperatives) or they were tuned into agricultural commercial holdings (agricultural state holdings, some economic associations, etc.).

Disbanding agricultural production cooperatives and reconstituting private ownership for the former landowners or their successors led to a large number of family holdings.

Family farms, numerous, dispersed, with small areas, continued their activity following, in many cases, the tradition of close or partially close systems. However, we need to practice commercial agriculture that produces for the market and less for self-consumption.

The Law of Land Fund generated numerous negative aspects, but some of them were determined by the changes in structure of agricultural holdings in Romania after December 1989.

The redistribution of lands between counties, between former state holdings and cooperatives, extending oil fields, building communication routes, etc., all this caused reconstitution of land ownership in other locations than initial ones, thus creating discontent.

Land retrocession had more negative than positive effects despite the fact that the latter had been a good start of the land reform. Because land properties were much crumbled, **Law no. 1/2000** increased the area of retrocession lands **from 10 to 50 ha**.

MATERIALS AND METHODS

The research methodology is mainly a normative one; it consists mainly in theoretical principles (the theoretical conception of the studied field), in data collecting methods and techniques (the necessary informational support of a scientific paper), data processing method and techniques (the quantitative dimension of data processing), and logical procedures of analysis and systematisation (theory building up and systematisation).

RESEARCH RESULTS

The current state of Romanian agriculture is characterised by multiple socio-economic issues, by excessive land lots (over 40,000,000 plots), as well as by the existence of numerous holdings that are not viable economically.

In the last decades and a half, the number of agricultural holdings with legal personality increased from 23,000 in 2002 to 28,000 in 2013: this shows that the will of enterprisers to access this field is an economic one (legal personality holdings allow them to access European funds), which stimulates and encourages them. On the other hand, fiscal reasons also make them choose this form of organisation.

Table 1.

Evolution of agricultural holdings in Romania

Indices	M.U.	Agricultural holdings (N)			Agricultural holdings with no legal personality (N)			Agricultural holdings with legal personality (N)		
		2002	2010	2013	2002	2010	2013	2002	2010	2013
Agricultural holdings	thousands	4485	3859	3630	4462	3828	3602	23	31	28
Used agricultural area	thousands ha	13931	13056	13306	7709	7450	7271	6222	5856	5785
Used agricultural area/holding	ha	3.11	3.45	3.60	1.73	1.95	2.02	274.43	190.78	207.49

Source: After www.madr.ro

At the other end, agricultural holdings without legal personality decreased in number from 4,462,000 in 2002 to 3,602,000 in 2013. The latter practically “agonise” in a state of subsistence state and have no prospects of growing because of the lack of funding. However, we need to note their ability of going on, of perseverating with the material and technical means they have. Because of their low economic strength, they cannot apply for funding from the bank market (Table 1).

Mean size of agricultural holdings in the EU is 14.2 ha, i.e. about four times larger than Romanian one (3.0 ha in 2013). Within the European Union, the ranking of agricultural holdings depending on size is: the Czech Republic with 152.4 ha (there was no disbanding of agricultural production cooperatives as in Romania), Great Britain with 90.4 ha, Italy with 79 ha, Germany with 55.8 ha, France with 54 ha, and Spain with 24 ha[9].

As shown in Table 1 above, **agricultural holdings with no legal personality (small size below 2 ha) shared, in 2013, 99.2% of the total number of agricultural holdings and 55.7% of the total agricultural area used**, compared to **agricultural holdings with legal personality that, despite sharing only 0.8% of the total number of agricultural holdings, share 44.3% of the used agricultural area**. Economically-oriented agricultural holdings such as Authorised Persons, Individual Holdings and Family Holdings also contribute to economy.

Used agricultural area of agricultural holdings with no legal personality is 2.02 ha on the average, while agricultural holdings with legal personality use areas 100 times larger, i.e. 207.49 ha.

Analysing agricultural holdings in Romania in 2013 per size classes we see that holdings below 1 ha share 54.2% (i.e. 652,800 holdings) of the total agricultural holdings and only 5.3% of the used agricultural area (i.e. 1,943,400 ha).

National agrarian policy for this type of agricultural holdings should benefit from three technical and legal action directions and from financial support:

- **Speeding up consolidation** of agricultural areas through measures meant to support economy and through proper legal regulations;
- **Increasing areas** of agricultural holdings and economic size and gradual shifting to private-family commercial holdings;
- **Consolidating technical and economic aspects** and steering holdings towards vegetable growing, viticulture, and animal breeding in hill and mountain areas to turn into medium-size agricultural holdings [1].

On the other hand, agricultural holdings above 50 ha share only 0.6% (i.e. 21,400) of the total agricultural holdings and over half (52.8%) of the total used agricultural areas (i.e. 6,802,100 ha) (Figure 1).[5]

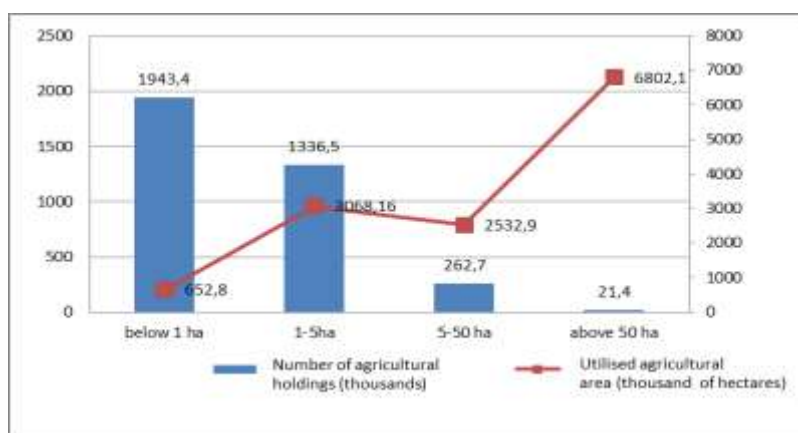


Figure 1. Structure of agricultural holdings per size class (used agricultural areas 2013)

The same goes for the agricultural holdings eligible for the Unique Payment Scheme per Area (Figure2); the mean of the areas per agricultural holding in the payment system of Agency for Payments and Intervention in Agriculture in 2013 was 9.56 ha/holding. [5]

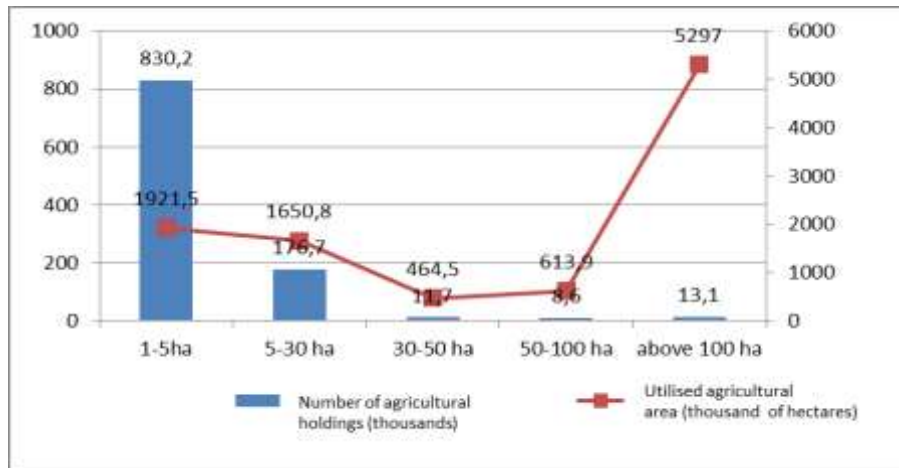


Figure 2. Structure of agricultural holdings per size class (eligible SAPS 2013)

CONCLUSIONS

Romanian agriculture is characterised by a large number of small size agricultural holdings and by a relatively small number of very large size agricultural holdings.

Small agricultural holdings are not profitable economically, but we need to keep in mind that almost half of the country's population lives in the rural area (46%): socially, their existence is vital for this population segment. This is why agricultural and rural development strategies need to focus on small, subsistence farms and shift to family commercial farms.

Small farmers' know-how is an incommensurable richness which, in our opinion, should be perpetuated, maintained, supported and not decay.

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