
AN ANALYSIS OF THE MAIN ECONOMIC INDICATORS SPECIFIC TO ROMANIAN AGRICULTURE

SIDOR VANESA-LUISA*¹, DANIELA HARANGUȘ¹

¹“Aurel Vlaicu” University of Arad, Faculty of Economic Sciences, Romania

*Corresponding author's e-mail: vanesa.sidor@gmail.com

Abstract: *Measuring and subsequently analyzing the situation in a sector is one of the best methods to obtain a real and effective analysis of it, even more so when it comes to an extremely important area, such as agriculture. Therefore, this research aims to analyze the structure and the dynamics of the main economic indicators that are specific to Romanian agriculture in order to be able to determine the current image of this field of activity, indicating its strengths and weaknesses.*

Key words: *agriculture, economics, indicators, statistics*

INTRODUCTION

Agriculture represents one of the most important and indispensable branches of a national economy. Moreover, whether at the national or local level, agriculture has a strong impact on the well-being of the population. At the same time, taken in international or even global contexts, it can represent a strong point for the nations with a well-developed agricultural segment, which equally helps the well-being of the entire planet. Precisely for that reason, the analysis of this branch requires diligence and at the same time a high necessity; more so because researching the economic situation through the lens of agriculture is an important and efficient process. Knowing the actual situation in a branch of the economy allows the creation of an overall image of it, with the final goal of highlighting certain deficiencies and at the same time being able to combat them, more precisely to be able to prevent or correct them.

Thus, the current research seeks to create an overview image of the Romanian agriculture, through an economic perspective and through the lens of the most important economic indicators that this segment holds. The accumulation and analysis of official statistical data, opens new perspectives and offers the possibility of creating new opinions in the matter, that is why the present research brings a new perspective to the analyzed area.

MATERIALS AND METHODS

In this sense, the materials used in this paper come from official European and national sources; the main data used for this research are statistical ones and those that indicate the real values of the Romanian agricultural economy. Therefore, in terms of the methodology used for researching in this paper, it can be noted that the approach is focused on case study and analytical research, a form of research best known for: reasoning focused on solving problems; approach to critical thinking, interpretation and synthesis; objectivity; predictive analysis; with focus on accuracy and on the details, and finally on conclusions based on data. Hence, in terms of critical thinking point of views, this paper focuses on data analysis relevant to the topic that is being researched and that in order to be able to form the best judgments over the real situation of the economic field of the Romanian agriculture.

RESEARCH RESULTS

In Romania, agriculture plays a determined role in the national economy. Moreover, for the year 2021, agriculture together with forestry and fishing had a „4.4% contribution to the formation of the Gross Domestic Product and a 0.5% contribution to its

growth” [12]. Thus, if this sector plays an important role in the country's economy, the component of agricultural income must also be analyzed. Therefore, in a statistical sheet produced by the European Commission, a series of values were determined which in the end provided a perspective on agricultural incomes from 2018-2020 (Table 1).

Table 1.**Real prices-agriculture income**

Real prices	2018	2019	2020 (estimate)	2019/2018	2020 (estimate)/2019
	EURO (MILLION)			CHANGE (%)	
Production of the agricultural "industry" (OUTPUT)	15,383	15,013	13,223	-2.4	-11.9
Subtract the intermediate consumption (-)	8,478	8,057	7,006	-5.0	-13.1
Equals=Gross value added to the basic prices	6,905	6,956	6,218	0.7	-10.6
Subtract the factor income (-)	6,539	6,291	5,148	-3.8	-18.2
Equals=Agriculture income	138,4	140	120,7	1.2	-13.8

Source: Own processing with data provided by the European Commission [5]

Hence, in accordance with these data, a decrease in this sector's income can be found over time, which can imply various deficiencies or problems. At the same time, according to the 2015=100 index, for the year 2023, in Romania the economic accounts situation for agriculture was (estimated) around „125.21” [7]. Therefore, regarding this information, through a study carried out in the Romanian statistics magazine, it was noted that in 2016 there were a „total of 3422 agricultural holdings in Romania with a unit measure of thousands” [2]. In a later study for 2020, a decrease in these data was highlighted, the results showed „approximately 2.87 million of agricultural holdings, of which 99.1% did not have legal personality” [15]. However, in a comparative manner, compared to other member states of the European Union, for the year 2020, Romania is positioned categorically in an advantage, having the highest figure for agricultural holdings, compared to „Poland which had approximately 1.30 million or Italy which had 1.33” [13]. A fact which implies that although there has been a downward trend since 2016, Romania's position remains among the top European states. In this sense and equally, one of the most important economic indicators of agriculture is given by its labor force. So that, by referring to the measurement unit of 1,000 annual work units, Romania ranks 2nd in Europe for the year 2023, with an „estimated number of 1,047” [6].

Furthermore, in regards to the most important agricultural indicators for Romanian farmers, 3 major indices can be listed, respectively: the price per hectare (Figure 1); the subsidy per hectare, and the lease that farmers offer to the people who entrust them with the land to be worked.

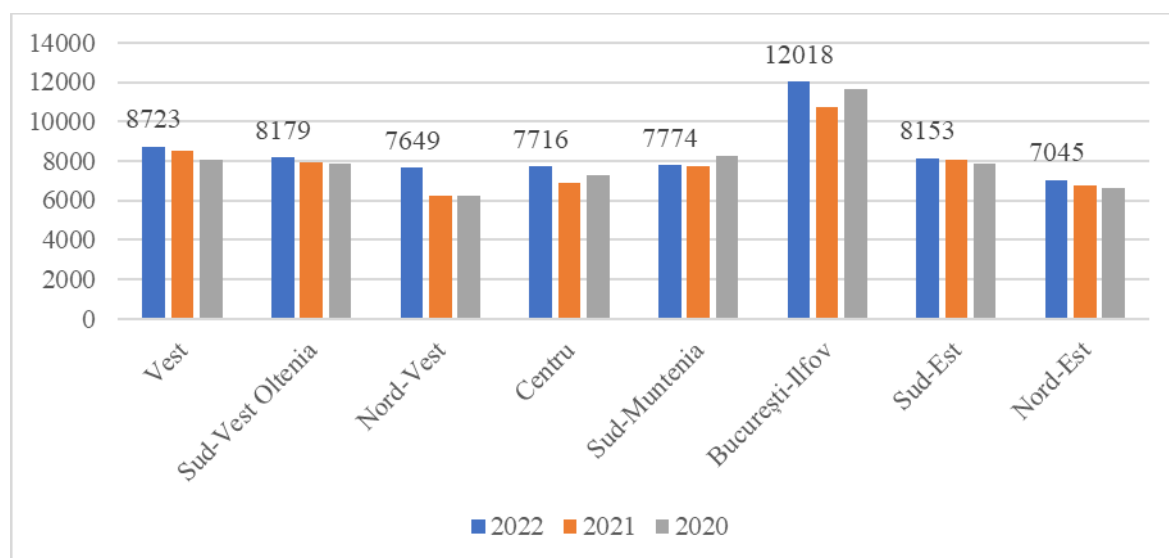


Figure 1. Land prices per hectare in Romania (euro per hectare)

Source: Eurostat [7-10]

In this sense, for the year 2022, the prices per hectare in Romania were not very high, reaching more significant levels only in the region where the country's capital is located, more precisely where the most important urban center is located. Consequently, in the case of support provided to farmers through subsidies from the Agency for Payments and Interventions for Agriculture, for 2024 it is expected a total amount of „97,85 euro/ha for basic support and a total of 51,42 euro/ha for complementary redistributive support” [4]. This type of support helps farmers a lot, playing a decisive role in the overall economic situation of Romanian agriculture, even filling certain deficiencies left by various factors such as climate, environment, market. Along with subsidies, the main economic factor with which farmers interact is also the rent they offer annually for one hectare of land, thus, according to „data for 2021, in Romania this amount was around 200 euros / hectare” [14].

CONCLUSIONS

Agriculture in Romania is extremely important, precisely because in this country it represents what could be called, economic normality, as for example „in 2010, out of the 23.8 million hectares that make up the territory of Romania, the agricultural area used in agricultural holdings was about 13,3 million ha (55.9%), of which about 8.3 million ha is arable land” [11]. Hence, even if according to statistical data, the situation is not favorable for development in accordance with the current pace, it can develop positively through the prism of the technology available to the current generation. More so because accelerating the development of this sector „will be possible through the contribution that technology could bring to this industry, digitalization and new modern ways of selling products” [3]. In conclusion, in order to achieve the objectives of a sustainable agricultural economy, the agriculture „must be accepted and supported by the civil society in the rural environment and confer confidence at the rural level, through diversifying the measures taken” [1].

REFERENCES

- [1]. **ANA I.M., STOICA A.F.**, 2017, Approaches, Trends and Perspectives regarding the role of agriculture in achievement of social economy objectives in Romania and EU-28, ECOSTUDENT - Scientific research magazine of economics students, No. 9, Publishing house "ACADEMICA BRANCUȘI" Târgu Jiu, 40, https://www.utgjiu.ro/ecostudent/ecostudent/pdf/201709/6_Ana%20IrinaMaria,%20Stoica%20Andreea%20Florentina.pdf, accessed on 11.05.2024
- [2]. **ANGHELACHE C.**, 2018, Structural Analysis of Romanian Agriculture, Romanian Journal of Statistics, Supplement no. 2, 13, https://www.revistadestatistica.ro/supliment/wp-content/uploads/2018/02/RRSS_02_2018_A1_EN.pdf, accessed on 12.05.2024
- [3]. **ASSOCIATION OF CROSS-BORDER COOPERATION "LOWER DANUBE EUROREGION"**, 2021, Agriculture in Romania, Association of Cross Border Cooperation "Lower Danube Euroregion", 25, https://blackseacbc.net/wpcontent/uploads/2022/01/BSB861_BRIDGES_-_Study-of-international-trade-of-agriculturalandconnected-products-in-the-Romania_EN.pdf, accessed on 12.05.2024
- [4]. **DOBRE R.**, 2024, APIA 2024 grants. Mandatory minimum conditions, Agointeligența, <https://agrointel.ro/227197/subventii-apia-2024-conditiiminimeobligatorii>, accessed on 13.05.2024
- [5]. **EUROPEAN COMMISSION**, 2021, Statistical Factsheet Romania, https://agriculture.ec.europa.eu/capmycountry/performanceagriculturalpolicy/agriculture-country/eu-country-factsheets_en, accessed on 11.05.2024
- [6]. **EUROSTAT**, 2023, Agricultural labor input statistics: absolute figures (1 000 annual work units), https://ec.europa.eu/eurostat/databrowser/view/aact_ali01/default/table?lang=en&category=agr.aact.aact_ali, accessed on 13.05.2024
- [7]. **EUROSTAT**, 2023, Economic accounts for agriculture - agricultural income indicators, https://ec.europa.eu/eurostat/databrowser/view/aact_eaa06/default/map?lang=en&category=agr.aact.aact_eaa, accessed on 13.05.2024
- [8]. **EUROSTAT**, 2020, Agricultural land prices by region, https://ec.europa.eu/eurostat/databrowser/view/apri_lprc/default/map?lang=en&category=agr.apri.apri_lpr, accessed on 13.05.2024
- [9]. **EUROSTAT**, 2021, Agricultural land prices by region, https://ec.europa.eu/eurostat/databrowser/view/apri_lprc/default/map?lang=en&category=agr.apri.apri_lpr, accessed on 13.05.2024
- [10]. **EUROSTAT**, 2022, Agricultural land prices by region, https://ec.europa.eu/eurostat/databrowser/view/apri_lprc/default/map?lang=en&category=agr.apri.apri_lpr, accessed on 12.05.2024
- [11]. **MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT**, 2015, General data on Romania's agriculture, The Government of Romania, 1, <https://www.madr.ro/docs/agricultura/agricultura-romaniei-2015.pdf>, accessed on 12.05.2024
- [12]. **NATIONAL INSTITUTE OF STATISTICS**, 2022, Press Release, The communication department of the National Institute of Statistics, 4, https://insse.ro/cms/sites/default/files/com_presa/com_pdf/pib_tr4r2021_2.pdf, accessed on 13.05.2024
- [13]. **POPESCU A.**, 2023, Farm Structure and farmland concentration in Romania and in other selected EU'S countries with large utilized agricultural area, Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development, Vol. (23), Issue 1, p. 610, https://managementjournal.usamv.ro/pdf/vol.23_1/Art64.pdf, accessed on 10.05.2024

- [14]. **STANCIU A.**, 2023, How much does it cost to rent a hectare of land in Romania? We are the seventh cheapest country in the EU, Economica.net, https://www.economica.net/catcosta_655799.html#:~:text=Astfel%2C%20conform%20datelor%20din%202021,Rom%C3%A2nia%2C%20aproximativ%20200%20de%20euro, accessed on 11.05.2024
- [15]. **STOICA G.D.**, 2023, Overview of agricultural holdings in Romania and the European Union, Scientific Papers Series Management, Economic Engineering Agriculture and Rural Development, Vol. (23), Issue 4, 813