

**PRELIMINARY STUDY REGARDING DR 30 YOUNG FARMERS
INSTALLATION. STRATEGIC PLAN CAP 2023-2027 ROMANIA**

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Abstract: *The Strategic Plan CAP 2023-2027, Pillar II - Rural Development, supports the installation of young farmers in the current programming period (the third period after Romania's joining the EU). This support is imposed by the need to continue the renew of the generations of farmers. It represents a strategic element, especially in the context of the labor shortage and the aging of the population involved in the agricultural sector. The paper carries out a preliminary analysis of the interest of potential beneficiaries at the national level of the support of young farmers in order to set up for the first time as farmers, as a result of the first project submission session for the DR 30 Intervention, an interest that materialized in 3,761 funding applications registered online (national component). These funding requests cover 150% of the funds allocated for the first project submission session.*

Keywords: *SP CAP 2023-2027, rural development, young farmers, support*

INTRODUCTION

The Strategic Plan CAP 2023-2027 (SP CAP 2023-2027) financed by Pillar II of the Common Agricultural Policy 2023-2027 (CAP 2023-2027), continues to support the installation of young farmers as managers of agricultural holdings for the first time within the DR Intervention - 30 "Support for the installation of young farmers" with a total allocated value of 250.7 million Euros. This financial support is important in order to replace generations of farmers in rural areas as a necessary condition in order to strengthen the structure of the population in rural areas.

The EU considers young farmers a key element in the development of the agricultural sector and supports generational renewal through tools the common agricultural policy [1, 3. Romania has a large number of farmers, but their average age is high compared to the farmers in the Union. Therefore, the stimulation of young farmers in Romania is essential [4]. It as a sub-measure that also have had a positive side effect: it encouraged young people not to leave the rural areas and moreover attracted other people to those areas by encouraging them to come in and establish a business [2]. The socio-economic characteristics of the human factor in agriculture highlight the fact that the typical family farm consists of an elderly farmer, self-employed, with a below average level of education, and members of his family [9]. Although Romania's agricultural potential is extremely high, the population values in this sector are fluctuating from year to year [12]. The modernization of agricultural farms has always been an important objective of the CAP, as modernization helps farmers to be economically competitive and use environmentally sustainable technologies [6]. Agriculture can help to sustain rural vitality through the role that the farming population and associated rural activities and traditions play in rural areas [8].

During the two financial years 2007-2013, 2014-2020, within the National Rural Development Program (PNDR), Romania benefited from support for the installation of young farmers, through Measure 112 (PNDR 2007-2013), respectively Sub measure 6.1 (PNDR 2014-2020) [7]. Romania has had a direct interest in the absorption of the funds

that can be used for rural areas both from European and national financing sources, like the National Rural Development Program (NRDP) [5].

The specific objective of DR 30 "Support for the establishment of young farmers" is to attract and support young farmers and other new farmers and facilitate the sustainable development of enterprises in rural areas. This support represented a real interest for the potential beneficiaries, so that available funds of 250,691,764.00 Euros, divided as follows: the national component 175,484,235 Euros and the mountain area component 75,207,529 Euros, were fully requested in the submission session with reference number DR 30 – 01/23 – 31.01.2024 [13].

MATERIALS AND METHODS

For the present paper we have used the desk review method of reviewing the specialty literature, taking into account that it is the third financial year through which Romania benefits from funds for the installation of young farmers and considering the demographic problems faced by the rural areas. This support has been carefully analyzed precisely to highlight the importance and its necessity, so there are works that analyze the request for this type of support as well as the implementation of this type of projects.

A topic of interest since Romania has benefited from non-refundable European funds within the national rural development programs, so there are specialized works, reports made by the Rural Investment Financing Agency (AFIR) that highlight the absorption of this type of support. We analyzed the information releases from the opening date of the session until the exhaustion of the funds allocated both for the mountain area and at the national level;

Also, we analyzed the Applicant's Guide to present the eligibility conditions and who can benefit from support within the intervention during the period 2023-2027;

We have taken into consideration the submitted project reports, respectively the selection reports available online up to the date of the completion of this work in order to respond to the purpose of the work to carry out a preliminary analysis related to Intervention DR 30 "Support for the installation of young farmers" and to highlight the increased interest of applicants for this type of support after Romania has absorbed the amounts allocated for previous funding periods.

RESEARCH RESULTS

Within the NRDP 2014-2020, the submeasure 6.1 Installation of the young farmer, was much requested, each submission session ended before its closing deadline, the allocated amount being requested for payment by the potential beneficiaries. The financial benefits obtained by young farmers through sub-measures 6.1. from the NRDP shows that this system contributes greatly to supporting the level of development of agricultural holdings they own, with positive long-term results on increasing their incomes, improving the quality of life [11]. Young farmers are a key element in the development of the agricultural sector, their lack being considered an impediment to the general renewal of farmers [1].

DR 30 "Support for the establishment of young farmers", intervention financed under pillar II of the PAC, that of rural development is still the most requested support measure, the funds allocated to the financing of these types of investments being exhausted before the closing of the project session both in the area mountain as well as at national level.

As part of the intervention, young people who have a level of professional training and adequate skills are encouraged to ensure the efficient management of the farm by developing and implementing sustainable projects in rural areas [14]. "Young farmer" is a

person up to and including 40 years old (up to the day before turning 41) at the time of submitting the financing application, who has adequate skills in the agricultural field and who is determined to for the first time in an agricultural holding as the head of that holding and has effective decision-making control regarding the management of the agricultural holding [15].

Within the DR 30 intervention, any applicant must meet certain conditions to be declared eligible, as presented in the Intervention Sheet:

1. The applicant falls within the definition of a young farmer;
2. The applicant will appear in the APIA/ANSVSA system (as the case may be), prior to the submission of the financing application, with the form of carrying out the economic activity with which he requests support through this intervention;
3. The applicant must fall into the category of micro-enterprises and small enterprises;
4. The applicant proposes through the Business Plan to own an agricultural holding with an economic size of at least 12,000 SO, respectively 8,000 SO in the mountain area and a maximum of 100,000 SO;

The value of the support within this intervention is 70,000 euros, 100% non-refundable support. The support will be paid to the beneficiaries in 2 installments: 75% upon signing the financing decision, respectively 25% upon completion of the implementation of all the actions provided for in the business plan. The same method of payment of the support as in the previous financial years (NRDP 2007-2013, PNDR 2014-2020) is thus kept, with the mention that the value related to DR 30 PS CAP 2023-2027 has increased compared to the value allocated per beneficiary.

One of the measures highly appreciated by farmers was represented by the young farmers, whose financing was a useful one in the context of their cash availability being reduced relative to the investments that can be made in agriculture so that the farm either cost-effective [10].

Considering the analysis carried out, Intervention DR 30 "Support for the installation of young farmers", was highly anticipated by the potential beneficiaries, so that, if in the first month (November 2023) of submission, a small number of applications were submitted due to the threshold quality of 85 points (each Funding Request accumulates a number of points depending on the criteria it fulfills that was necessary to be achieved), in December 2023 the quality threshold dropped to 60 points, following as in January 2024 it should decrease to 30 points, which contributed to the request for the entire amount allocated to this sub-measure before the deadline.

Between November 2 and January 19, 2024, AFIR received 3,761 funding applications submitted by young farmers through DR-30, the national component. The total value of funding requests submitted online is 263.27 million euros. Thus, the percentage of deposits reached 150.05% of the established allocation [16].

The amount allocated for young farmers in the mountain area was exhausted between November 2 and December 5, 2023, according to the data available on the AFIR website, during which a number of 1,877 funding applications were submitted online with a total value of 131.39 million euros.

It is noted that the first project submission session for the financial year 2023-2027 was allocated the entire indicative amount available of 250.7 million euros (rounded to 251 million euros in table 1) for the entire financial year as presented in the SP CAP 2023-2027. Taking into account the amount allocated and the number of applications submitted both in the mountain area and in the national area, it can be observed that a number of 5,638 funding applications were submitted, of which only 3,581 can be financed, which represents 63% of the total submitted. So, if no other amounts are reallocated for the DR

30 intervention for the period 2023-2027, another submission session will not be opened for the installation of young farmers, even if this type of intervention is very much in demand. We also mention that the number of financing applications that can be financed is the one found in the program as an indicator to be achieved for the period 2023-2027.

Table 1.

Intervention DR 30 "Support for the installation of young farmers", session 01/23 – 31.01.2024

Area type	Submission Session	Submission period	No of submitted requests	Allocated values million euros	Maximum submission ceiling million euros	Requested value Million euros	No of FC that may be financed with a 70 000 euros support
Mountainous	02.11.2023-31.01.2024	02.11.2023-05.12. 2023	1.877	75,20	112,81	131,39	1.074
National	02.11.2023-31.01.2024	02-11.2023-19.01.2024	3.761	175,50	263,20	263,27	2.507
Total			5.638	251	376	395	3.581

Source: Adaptation and own calculus from the information available on the website www.afir.ro.

In November 2023, the young farmers in the mountain area submitted 372 funding requests totaling 26.04 million Euros. After the completion of the monthly evaluation by AFIR, 338 young farmers were selected to receive financing with requests for financing in the amount of 23.66 million euros. For the mountain area, the quality threshold for the first stage of the session was 85 points [17]. This also applies to the national component.

At the same time, we also analyzed the selection reports that are available online at the time of the preparation of this study. So, for the national component, two selection reports were published, the first report with 4 selected funding applications (quality threshold 85 points) from the 6 submitted projects, and the second selection report [6] published in March by AFIR, through which 440 projects with a total value of 30.8 million Euros were selected from the 512 submitted projects. Following the centralization of projects by county, centralization that was carried out to highlight which were the first five counties that had the most projects selected at this stage, we found that Olt county had the largest number of selected funding applications, respectively 24.5% of the total selected projects. At the same time, it is observed that the five counties have 68.18% of the total funding requests that were selected for funding that had a score of at least 60 points.

Table 2.

Intervention DR 30 "Support for the installation of young farmers", report centralization Selection threshold quality 60 points, projects submitted in December 2023

Total Selected funding requests	No.	%
	440	100%
Olt county	108	24,55
Bihor county	59	13,41
Timiș county	50	11,36
Dâmbovița county	45	10,23
Arad county	38	8,64
Total	300	68,18

Source: Calculations according to the Selection Reports, AFIR [18]

CONCLUSIONS

The financial support is important in order to replace generations of farmers in rural areas as a necessary condition in order to strengthen the structure of the population in rural areas.

The young farmers installation plan proved to be a success in terms of number of candidatures and absorption of funds. Yet there are differences between various counties as regards the number of projects submitted that needs to be further investigated.

Financial support is important in order to replace generations of farmers in rural areas as a necessary condition in order to strengthen the structure of the population in rural areas.

We are dealing with a generational crisis and such financial measures are needed in order to reverse the trends of the demographic decline and aging of the rural labour force.

The young farmers' installation plan proved to be a success in terms of number of candidatures and absorption of funds.

Thus shows that the programme is now a mature one and one that is better calibrated for the real needs of the farmers. Yet there are differences between various counties as regards the number of projects submitted that needs to be further investigated.

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