

## THE CURRENT STRUCTURE OF AGRICULTURAL HOLDINGS IN ROMANIA

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**Abstract:** *The agrarian structure of Romania, to a large extent, is not comparable and compatible with the European agrarian structure, because the strong polarization of the current Romanian agrarian structures is not found in any EU country. In Romania, medium-sized farms (10-100 ha) have the lowest share, while subsistence farms, in terms of number, and large farms, in terms of arable area, dominate the Romanian agricultural landscape, while in the EU the agrarian structure is exactly the opposite: most of the land area belongs to medium-sized private-family farms. In this paper, the authors propose to study the current state of agricultural holdings in Romania. In this sense, the approach is necessary to develop a clear concept and, on this basis, a long-term economic and social strategy regarding the type of agricultural holding to be supported, the size of the holdings, their structure, as well as the financing of expenses for studies and design. Also, the Romanian state has the obligation to support the phenomenon of rural development and planning, as a sure way to recover the rural economy of Romania.*

**Key words:** *farm typology, strategy, land consolidation, rural development policy, family farming systems*

### INTRODUCTION

In understanding the agricultural development policy, we start from the observation that the most efficient farms in the EU are medium-sized private-family farms, operated on their own or on lease. In Western Europe, the agricultural policies of the governments that succeeded each other in power after the establishment of the European Common Market in 1957 (the European Economic Community, the current European Union), had as a basis for the formation of agricultural farms, private ownership of land and its exploitation on their own or on lease (family farm) [2]. Western European agricultural policies have favored the formation, in parallel and in most cases, of private-family agricultural holdings, as the basis of agricultural production and support for maintaining social life in rural areas [7]. Concurrently with the formation and consolidation of private-family agricultural holdings (farms), the common agricultural policy has stimulated the creation and development of a cooperative-type agri-food infrastructure (cooperatives) or of commercial companies for supply, marketing and processing downstream and upstream of the agricultural holding [1].

In developing agricultural policy on agricultural holdings, the EU started from the unanimously accepted European concept, according to which agriculture is both an economic branch producing agricultural products and profit and a way of social life, and the rural area is both a production space, an economic space and a living environment, a social and cultural environment, with complex implications for the overall life of a country [10].

Households, farms, agricultural holdings constitute, at the same time, spaces (areas) of agri-food production, family living environments and, in many cases, high quality rural tourist spaces, which contribute to maintaining the ecological balance, to protecting and beautifying the rural landscape and to preserving the ethno-cultural authenticity of each country, region and rural locality, to maintaining and perpetuating rural social life in European villages, in a word, to keeping European villages alive. The European rural area

is considered, rightly, in the countries of the European Union, as the visiting card of each country [9].

Although the family farm has the most important economic function, that of agricultural production, there are fundamental differences between the farm as a production enterprise and an industrial or service enterprise. In the family farm, the productive-commercial activity is combined with the social, family life, as a rule, the majority of the production activity being ensured by the family members. Only in a small proportion, during peak periods, and only in certain farms, is seasonal labor used [11]. In most farms, seasonal agricultural workers live together with the farmer's family, being integrated, in many ways, both in the production activity and in the life of the farm. In this way, the founders of the Common Agricultural Market of the European Union had in mind a much broader, more complex aspect of the rural space [6]. They conceived, first of all, the rural space as a living environment, therefore both a socio-cultural environment and an economic space, based on both the agri-food economy and the non-agricultural economy, on which all the components of permanent activities, generating and giving continuity, sustainability and the natural sustainable development of the village can be grafted [3]. Therefore, the socio-cultural and economic functions of the rural space can be achieved simultaneously only and only on a foundation of family life, as a support for the continuity of rural social life.

The current state of Romanian agriculture and the rural space in our country is largely determined by the agrarian structure of Romania, an economic and social problem of utmost importance and topicality for Romania [5].

The effects of the application of the Land Fund Law no. 18/1991, (characterized by most specialists as the most defective agrarian reform law from all post-communist countries), of the other subsequent land laws, amending and supplementing it, of the Law on the organization and functioning of the State Domains Agency and, in particular, of the Law on the privatization of agricultural commercial companies (former IAS) led to the current (agrarian) structure of agricultural holdings[8].

## **MATERIALS AND METHODS**

The paper deals with the current state of agricultural holdings in Romania. In the first part of the paper, we presented aspects related to Romania's rural development policy as well as some aspects related to the effects of the application of the Land Fund Law no. 18/1991. The second part of the paper deals with the state of agricultural holdings in Romania and what Romania's policy should be for their development. The study is based on statistical data processing.

The methods used were analysis, synthesis, comparison, deduction and induction. The primary data used in the elaboration of this work were taken from the National Institute of Statistics, the General Agricultural Census 2020 and from various national and international publications in the field, based on which we made our own calculations and interpretations.

## **RESEARCH RESULTS**

From the distribution of agricultural holdings by size classes, it emerges that Romania holds an absolute "record" in the EU, meaning it has the largest "dispersion" of surface area size, from a few ares, in the case of subsistence farms, to tens of thousands of hectares (55.5 thousand hectares, the largest agricultural holding), in the case of the 15,900 capitalist holdings of over 100 hectares, which together hold 6.10 million hectares of arable land (47.8% of Romania's arable area).

The current agricultural structure of Romania, as shown in Table 1, is made up of four major categories of agricultural holdings (farms, companies):

Table 1

**General picture of Romanian agricultural holdings  
by categories and size classes 2020**

Farm size class (ha)	No. of farms (thousands)	% of total number of farms	Area (thousands ha)	% of total area
<b>1. Unfinanced households</b>				
< 1 <b>Total 1</b>	<b>1531</b>	<b>53.8</b>	<b>587</b>	<b>4.6</b>
<b>2. Subsistence and semi-subsistence households</b>				
1-2	512	43.0	729	21.3
2-5	519	43.5	1600	46.8
5-10	161	13.5	1088	31.8
<b>Total 2</b>	<b>1192</b>	<b>42.0</b>	<b>3417</b>	<b>26.8</b>
<b>3. Family farms</b>				
10-20	56	54.9	763	28.8
20-30	18	17.6	442	16.7
30-50	17	16.7	664	25.0
50-100	11	10.8	784	29.6
<b>Total 3</b>	<b>102</b>	<b>3.6</b>	<b>2653</b>	<b>20,8</b>
<b>4. Commercial farms</b>				
100-500	13	81.8	2773	45.4
500-1000	1,9	11.9	1331	21.8
> 1000	1	<b>6.3</b>	2001	<b>32.8</b>
<b>Total 4</b>	<b>15.9</b>	<b>0.6</b>	<b>6105</b>	<b>47.8</b>
<b>Grand total</b>	<b>2841</b>	<b>100.0</b>	<b>12762</b>	<b>100.0</b>

*Source: Data processed according to the General Agricultural Census 2020 [15]*

**1. Unfunded agricultural households**, with an area of less than 1 ha, highly fragmented (ineligible for financing from the EU agricultural budget), numbering 1.53 million, own 587 thousand ha of agricultural land consisting, for the most part, of gardens, pastures and natural hayfields. The area of households in this category represents 4.60% of the country's agricultural area, they are located on poorly productive soils, geographically being found mostly in the hill and mountain areas, i.e. in disadvantaged areas. The important social role of these over 1.53 million unfunded households consists in the fact that they ensure, together with the financed subsistence and semi-subsistence farms, about 30% of Romania's food consumption, being, from this point of view, an important "valve" of food security for a significant part of the country's population.

**2. Subsistence and semi-subsistence farms financed by the European Union**, with an average area of 1-10 ha, numbering 1.19 million (42.0%), own an area of 3.41 million ha of agricultural land (26.8%), produce, in their vast majority, primary agricultural products for their self-consumption of food and household consumption (together with unfinanced farms, they ensure 30% of national food consumption, about €4-4.5 billion/year) [13]. Viewed from the point of view of the contribution to the general balance of food consumption, the importance of subsistence and semi-subsistence farms is undeniable. Moreover, the new European agricultural policy, provided for by the European financial mechanism 2023-2027, continues to support the financing of these farms.

The national agricultural policy, towards this type of exploitation, in our opinion, should include **three directions of technical, legal and financial support action:**

- **acceleration of the consolidation** of areas through measures of stimulating economic support and through adequate legal regulations;
- **increase of the areas** of exploitations and of the economic dimension and their gradual transition into the category of commercial family exploitations (farms);
- **technical and economic consolidation** and their orientation towards vegetable growing, viticulture, as well as animal husbandry in hilly and mountainous areas.

Subsistence and semi-subsistence farms, together with unfinanced farms (under 1 ha), viewed in the general agricultural landscape of Romania, give the image of a fragmented Romanian agriculture. Indeed, the two categories of farms, small and very small, numbering 2.72 million (95.8%), own a third of Romania's agricultural area, 4.0 million ha (31.4%), but consisting, for the most part, of lands with weak or medium agricultural potential and a high share in the natural grassland use category. In the case of unfinanced subsistence and semi-subsistence households, we must make an important clarification: those who continue to support the idea that the non-performance of Romanian agriculture, after the implementation of the post-December agrarian reform, through Law 18/1991, would have as its main cause the excessive fragmentation of agricultural areas, pursue a clear target through which they try to justify the major agrarian policy errors of Romanian governments or to demonstrate the "superiority" of collectivist agriculture characteristic of Eastern socialism, trying in this way to mask the nostalgia of many Romanian politicians and managers today for communist agriculture.

**3. Commercial family farms (holdings)**, which typologically are characteristic of family holdings formed, supported and consolidated in EU countries, as a result of the application of the CAP (Common Agricultural Policy) for over 50 years. In most EU 15 countries, this type of farms, with sizes between 10 and 50 ha or between 10 and 100 ha in France, hold an important share in the agricultural area of the EU 15. With very few exceptions, farms over 1000 ha can be found in Germany, on the territory of the former GDR, and a few large estates in Portugal and Spain [8,10].

As previously stated, as a result of the implementation of the agrarian reform after 1991, commercial family farms (10-100 ha), the majority in the EU, have the lowest share in Romania, both in terms of area (2.65 million ha, 20.8%) and numerically (about 102,000 farms, with a share of 3.6%, according to the 2020 agricultural census and APIA data) [12,15]. In short, precisely what was promoted, supported and developed in the EU, **the commercial family farm**, has the weakest representation in Romania.

**4. Commercial farms (capitalist companies)**, with agricultural areas between 100 ha and 55,000 ha, numbering about 15,900 commercial companies, agricultural societies and associations, own an agricultural area of 6.10 million ha, the vast majority of which is made up of arable land (about 90%, over half of the country's arable land), and are located in the most favorable agricultural areas of Romania.

Commercial capitalist farms (exploitations) can be grouped into three size levels: medium (100-500 ha), large (500-1000 ha), very large - latifundia (over 1000 ha). From this point of view, there is no difference between the agrarian structure of Romania before the agrarian reform of 1921 and the current one (table 2). On the contrary, the large-scale farming of Romania increased after 1991.

Table 2

**Comparative situation of the share of agricultural holdings in Romania,  
1921, 2010, 2020**

Holdings	Size (ha)	Nr. of holdings, %			Area, %		
		1921 <sup>(1)</sup>	2010 <sup>(2)</sup>	2020 <sup>(3)</sup>	1921 <sup>(1)</sup>	2010 <sup>(2)</sup>	2020 <sup>(3)</sup>
small	under 10	92.1	97.8	95.8	43.8	38.8	31.4
medium	10 - 100	7.6	1.9	3.6	15.9	12.4	20.8
large	over 100	0.4	0.3	0.6	40.3	48.8	47.8
		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Sursa (1) V. Bulgaru - *Reforma agrară din anul 1921*, Editura de Vest, Timișoara, 2003 [4]; (2) *General Agricultural Census 2010* [14]; (3) *General Agricultural Census 2020* [15]

In Romania, there are, **depending on the legal form**, two types of agricultural holdings: **without legal personality**, numbering 2.81 million, with an agricultural area of 7.81 million ha (61.2%) and **with legal personality**, agricultural joint-stock companies, numbering 25.1 thousand with an agricultural area of 4.94 million ha (38.8%).

The structure of the agricultural area and the number of these two types of agricultural holdings by size classes is presented in tables 3 and 4.

Table 3

**Agricultural area of agricultural holdings by area size classes (ha) 2020**

Holdings	0-10		10-100		Over 100		Total	
	ha	%	ha	%	ha	%	ha	%
Agricultural enterprises without legal personality	3970083	99.1	2318713	87.4	1527864	25.0	7816660	61.2
Agricultural enterprises with legal personality	34214	0.9	334965	12.6	4576989	75.0	4946168	38.8
<b>Total</b>	<b>4004297</b>	<b>100</b>	<b>2653678</b>	<b>100</b>	<b>6104853</b>	<b>100</b>	<b>12762828</b>	<b>100</b>
%	31.4	x	20.8	x	47.8	x	100	x

Source: Data processed according to the *General Agricultural Census 2020* [15]

Table 4

**Number of agricultural holdings by area size classes (ha) 2020**

Holdings	0-10		10-100		Over 100		Total	
	number	ha	number	ha	number	ha	number	ha
Agricultural enterprises without legal personality	2715311	1.5	94170	24.6	6887	221.8	2816368	2.8
Agricultural enterprises with legal personality	7776	4.4	8229	40.7	9123	501.7	25128	196.8
<b>Total</b>	<b>2723087</b>	<b>1.5</b>	<b>102399</b>	<b>25.9</b>	<b>16010</b>	<b>381.3</b>	<b>2841496</b>	<b>4.5</b>
%	95.8	x	3.6	x	0.6	x	x	x

Source: Data processed according to the *General Agricultural Census 2020* [15]

Depending on the type of agricultural production, vegetable or animal, the most numerous agricultural holdings and those with the largest agricultural area fall into the field of vegetable agricultural holdings, demonstrating the extensive and primary character of Romanian agricultural production.

As can be seen from the data in Table 5, the share of livestock or mixed farms (with animals), especially in the category of large farms with legal personality, is extremely low (8.6% owning cattle, 4.1% sheep, 2.5% pigs and 5.5% poultry). In the structure of livestock by farm category, agricultural farms with legal personality have higher shares in pigs and poultry, respectively 55% in swine and 51.4% in poultry.

**Table 5**  
**Share of agricultural holdings that own livestock out of total agricultural holdings in Romania (%) 2020**

Holdings	Cattle	Sheep+goats	Swine	Poultry
Agricultural enterprises without legal personality	11.7	8.5	27.5	84.7
Agricultural enterprises with legal personality	8.6	4.1	2.5	5.5
<b>Total</b>	<b>11.6</b>	<b>8.4</b>	<b>27.2</b>	<b>84.0</b>

Source: Data processed according to the General Agricultural Census 2020 [15]

The extremely low level of livestock farming is found in agricultural holdings with legal personality, which, although they use (own) 38.8% of the best agricultural area of the country, own only 16.7% of the total cattle herd, 5.1% of the total sheep herd, 55% of the total swine herd, 51.4% of poultry and, on average, 26.5% of the total UVM (table 6). The current holdings with legal personality, in fact the majority, are also large estates and have a much more unbalanced agricultural production structure.

**Table 6**  
**Share of agricultural land area and livestock by type of agricultural holdings (2020)**

Holdings	Area		Cattle		Sheep+goats		Swine		Poultry		UVM	
	thous. ha	%	thous. heads	%	thous. heads	%	thous. heads	%	thous. heads	%	thous. heads	%
Agricultural enterprises without legal personality	7816	61.2	1496	83.3	10465	94.9	1610	45.0	37587	48.6	3223	73.5
Agricultural enterprises with legal personality	4946	38.8	299	16.7	559	5.1	1966	55.0	39766	51.4	1162	26.5
<b>Total</b>	<b>12762</b>	<b>100.0</b>	<b>1795</b>	<b>100.0</b>	<b>11024</b>	<b>100.0</b>	<b>3576</b>	<b>100.0</b>	<b>77353</b>	<b>100.0</b>	<b>4385</b>	<b>100.0</b>

Source: Data processed according to the General Agricultural Census 2020 [15]

By carefully analyzing the structure of field crops in Romania in each type of farm, compared to the EU average or large cereal-growing countries (France, Spain, Italy, Poland, etc.), table 7, we note how deficient Romanian agriculture is in terms of intensity.

**Table 7**  
**Structure of main arable crops by types of agricultural holdings, %, 2020**

Holdings	Cereals				Oleaginous plants				Potatoes, Sugar beets	Forage plants	Vegetables	Others
	Total	Wheat	Maize	Barley	Total	Sunflower	Rapeseed	Soybeans				
Agricultural enterprises without legal personality	59.1	38.5	54.9	6.6	13.8	78.6	15.6	5.9	1.5	17.8	1.1	6.7
Agricultural enterprises with legal personality	61.5	50.9	38.7	10.5	26.8	61.1	27.5	11.4	0.6	6.1	0.2	4.7
<b>Total</b>	<b>60.2</b>	<b>44.3</b>	<b>47.2</b>	<b>8.4</b>	<b>19.8</b>	<b>67.6</b>	<b>23.1</b>	<b>9.3</b>	<b>1.1</b>	<b>12.4</b>	<b>0.7</b>	<b>5.8</b>

Source: Data processed according to the General Agricultural Census 2020 [15]

In Romania, large field crops (cereals - oilseeds) have an excessively high share (almost 72.9%), and in the case of agricultural enterprises with legal personality the share is even higher (over 88%). The share of these crops in Romania is 15-20% higher than in countries with similar ecological conditions to our country.

All four types of holdings presented have an essential role in ensuring Romania's food security. Unfinanced agricultural households, together with financed subsistence and semi-subsistence farms, provide about 30% of the country's food consumption, being, from this point of view, an important "valve" of food security for a significant part of the country's population. Also, the role of commercial agricultural explanations in ensuring food safety and security must increase in the coming period. Thus, national agricultural policies must support all four categories of agricultural farms.

## CONCLUSIONS

We believe that the experience of EU states in the field of forming and consolidating agricultural holdings represents a good path for Romania to adopt. In this regard, there is a need to develop a clear concept and, on this basis, a long-term economic and social strategy regarding the type of agricultural holding to be supported, the size of the holdings, their structure, the financing of expenses for studies and design. The Romanian state also has the obligation to support the phenomenon of rural development and planning, as a sure way to recover Romania's rural economy.

After the application of the Land Fund Law (18/1991) and at the present time, there is much discussion about the pronounced fragmentation of agricultural land. The Romanian agrarian reality is marked by the fact that almost 60% of the country's agricultural surface is combined. The agrarian structure is incomparable with the European agrarian reality. The excessive polarization of the current Romanian agrarian structures is not found in the EU. In our country, medium-sized farms (10-100 ha) have the lowest share, while subsistence farms and large estates dominate the Romanian agricultural landscape.

From the analysis of the presented data, I highlight the profound imbalance of the current agricultural production. Large holdings with legal personality practice primary, cereal agriculture which is, at first impression, the most profitable for the holdings themselves, but extremely disastrous for the agricultural economy of the country. This explains the particularly low share of animal husbandry in Romanian agriculture (about 25-30% in the last ten years) and the impermissibly low processing of agricultural production. Large agricultural holdings export cereals, sunflowers, rapeseed and live animals, and Romania imports this 3-4 times more expensive production by bringing processed products. These profound imbalances of the current agricultural structure are the result of the current (after 1989) particularly deficient agricultural policy, because the branches that add value (animal husbandry and processing) are not supported.

From a structural point of view, Romanian agriculture in the years 1990-2020 does not differ at all from the large-scale agriculture before the agrarian reform of 1921, nor from the interwar agriculture, on the contrary, it is more unbalanced. And in those periods the agricultural export product was cereals - primary agricultural material with a share of 75-80% in Romanian agricultural export.

Private family farms, due to their limited economic power, do not generate strong political support and electoral sponsorships, and numerically (in terms of voting power, therefore electoral) it is insignificant and, as a consequence, it did not enter into the views of political parties or governments to be supported.

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