

SOLUTIONS FOR FINANCING BUSINESSES IN ROMANIAN AGRICULTURE

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Abstract. Through this article, the authors wanted to present an X-ray of agricultural credits and loans for agriculture designed by the banking system to support growth and investment plans. Access to credit for farmers helps them to capitalize on the potential of their land and to be able to invest in the future of their business. Also, agricultural businesses contribute to the modernization of agriculture and the sustainable development of the economy. Agricultural credits provide businesses with the flexibility to move forward and develop by sizing their value in accordance with the business level. They can be used for current activities, targeted projects and investments.

Keywords: banks, agricultural credits, agricultural businesses, investments

INTRODUCTION

Agriculture in Romania has taken important steps towards modernization, especially through the absorption of European funds in agribusiness projects that have become the main engine of evolution in recent years [2,4].

Today, farmers in our country are faced with some challenges raised by both the regional and international context, along with climate change on the one hand and new regulations introduced at European level in the field on the other.

Over the last 30 years, the contribution of agriculture to the Gross Domestic Product has followed a considerable downward trend, from 21.4% in 1995, to only 3.2% in 2024 [17,25].

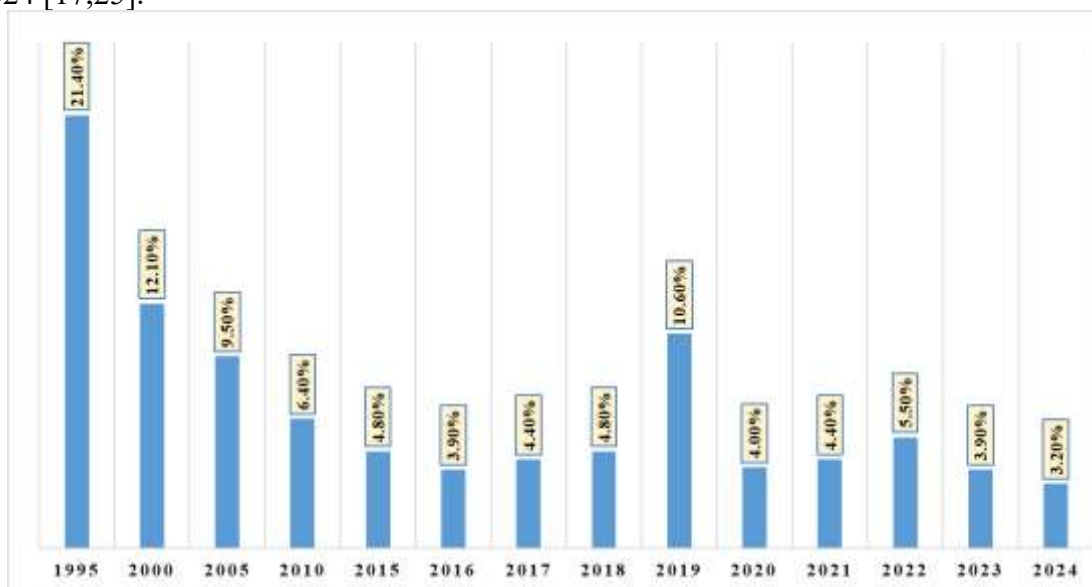


Figure 1. Share of agriculture's contribution to GDP formation

Source: Developed based on [17]

In Romania, through the contribution of agriculture to GDP, even if the share is decreasing, this fact indicates an important aspect, namely, the economy has developed and Romania is no longer an agrarian state [2].

The arable land area in 2024 was 8.4 million hectares, which places us in Europe, in the top agricultural areas. In 2024, the total value of plant, animal and related services

production was 100 billion lei, down 4.3% compared to 2023. In the plant segment, the reduction was 10 percentage points, and the animal segment advanced by 5 percentage points [12,18].

However, recent statistical data advanced at the level of the community block places us in the leading position in European agriculture, due to the historical performances in 2025 in exports of cereals, respectively live animals on markets outside the European Union. These results confirmed the competitive potential of Romanian agriculture [20].

Romanian agriculture is financed by combining loans offered by banking institutions with APIA direct payments, investment grants managed by AFIR and public guarantee instruments offered by FGCR, along with national measures. These instruments have contributed to increasing the productivity and resilience of farms, especially in the plain area where large-scale farming and dairy farms are dominant.

The objective of the paper is the financing of agricultural businesses in Romania, which is carried out through several channels, starting with non-reimbursable European funds, to specialized bank loans and government programs.

MATERIALS AND METHODS

In this research, the authors studied the financing solutions for agricultural businesses in Romania by presenting specific details about the main types of financing. Both in terms of theory and from the study of specialized literature, the data collected and analyzed in this work were obtained from the websites of banks and specialized ones.

The information was analyzed, classified by the authors of the work, who also made their own interpretations, resulting in figures and a series of conclusions were also stated.

RESEARCH RESULTS

Agriculture is one of the branches of the Romanian economy that makes a significant contribution to exports and the trade balance. However, farmers are faced with a mix of opportunities and risks.

According to specialists, credit is considered the main mechanism of agricultural and rural development [1,3,6].

Although Romania owns over 12.7 million hectares of agricultural land, ranking sixth in power in the European Union, credits for agriculture in Romania are 3.5 times lower compared to Spain or the Netherlands, 6.5 times lower compared to Italy and 10 times lower compared to Germany, countries that are predominant in food imports [25.]

Financing channels are multiple, from non-reimbursable European funds to specialized bank loans, but also government programs [8].

Non-reimbursable European Funds, often, constitute the most important financing resources. Several lines are financed: Investments in agricultural holdings, Young Farmers, Processing and Marketing, Infrastructure, Agri-environment and Climate, Implementation [9, 4].

Financial institutions have created and developed specialized products for the agricultural sector presented in Figure 1.

We have presented below (Figure 2), the most important banks that grant loans to those who carry out agricultural businesses in Romania [5].

Agricultural credit is considered the next engine for supporting farmers who need to invest in their farms [5,7]. According to the MARD, this new form of lending to the agricultural sector will benefit entirely from a guarantee from the state budget [8].

Working capital loans	Investment loans	Financial/Operational Leasing	Subsidized guaranteed loans
<p>Short-term lines of credit or loans.</p> <p>↕</p> <p>Used for Purchase of raw materials (seeds, fertilizers, pesticides), payment of rent, salaries, current expenses.</p>	<p>Medium- and long-term loans.</p> <p>↕</p> <p>Used for the purchase of agricultural land, new machinery/modernization, construction or modernization of farms/storage spaces.</p>	<p>Purchase of agricultural machinery, equipment or machinery.</p> <p>↕</p> <p>Used for Loans partially guaranteed by the European Investment Fund (EIF) or Government Programs (AGRO IMM INVEST), which can reduce collateral requirements and the cost of financing.</p>	<p>Offers flexibility and does not require large capital commitments.</p> <p>↕</p> <p>Used for investments and working capital with lower financing costs.</p>

Figure 1. Specialized lending products for the agricultural sector

Source: Developed based on [19,26]

Banca Transilvania	→	BT Agro Invest	short-term working capital loan and APIA subsidies; FGCR guarantees
CEC Bank	→	Agro IMM Invest / Farmer Credit	finances farm expansion, purchase of machinery, silos; period up to 15 years
Raiffeisen Bank	→	Agro Plus	production loan, subsidies and co-financing of EAFRD projects; possible stand-by for VAT
BRD Groupe Soci�t� G�n�rale	→	BRD Agricultural Financing	seasonal loans, investments and subsidy lines; partnership with the European Investment Fund
BCR	→	BCR Agro Cash & Invest	covers current costs and investments; COSME AGRI guarantee option
UniCredit Bank	→	Agri-Finance	multi-annual loan for crops, animals and equipment; grace period of up to 12 months
Exim Banca Rom�neas�	→	Agro IMM Prod	state guaranteed up to 90%; addressed to small-medium farms
Libra Internet Bank	→	Agro Credit	fast online approval, intended for vegetable growers and farms under 10,000 ha
Vista Bank	→	AGRI	credit for APIA subsidies, Workspaces and storage, Agricultural land, Machinery and equipment, Establishment and maintenance of crops, Credit line
ProCredit Bank	→	InvestEU dedicated to financing sustainable practices	credit for APIA subsidies, for Workspaces and storage, Agricultural land, Machinery and equipment, Establishment and maintenance of crops, Credit line
		National Programmes financing	

Figure 2. Loans granted to the agricultural sector by the main banks

Source: Developed based on [11,13,16,21-24]

Banca Transilvania, the strongest bank in Romania, with Romanian capital, offers financing for agriculture, the most popular loans for farmers being the APIA Credit, the Five-Time Subsidy Credit and the Credit for the Establishment and Maintenance of Agricultural Culture [11].

Banca Transilvania offers financing with a maximum duration of 15 years for the acquisition of agricultural land, extended from 10 years as a result of the increase in land prices.

Alpha Bank Romania became part of the UniCredit Group, the merger of the two banks took place on August 15, 2025, resulting in a strong and well-positioned bank in the future. UniCredit Bank supports the European agricultural model and provides clients with various types of financing [10,24].

Vista Bank, present in Romania since 1998, bought Crédit Agricole Romania in 2022. Vista Bank has experience in financing agriculture and a team of agricultural specialists in the main cereal areas of the country [15].

ProCredit Bank contributes to the development of agricultural businesses through its financing offer that includes loans for agricultural investments, for the purchase of agricultural machinery and equipment, tractors, machines, combines, irrigation equipment, the construction of greenhouses or warehouses and care materials and the purchase of arable land.

The Ministry of Agriculture has launched the implementation of a de minimis aid scheme called "Farmer's Credit", through which 250 million lei have been allocated to provide support through access to liquidity for enterprises operating in the field of agricultural production [14].

As a special form of financing, this Farmer's Credit was designed to support the development of agricultural activities in Romania. This sector, being affected by seasonality, climate change and high costs, is supported by access to capital that can make the difference between stagnation and development.

In 2025, this category of credit will benefit from government support through subsidized interest, state guarantees and flexible conditions compared to regular loans.

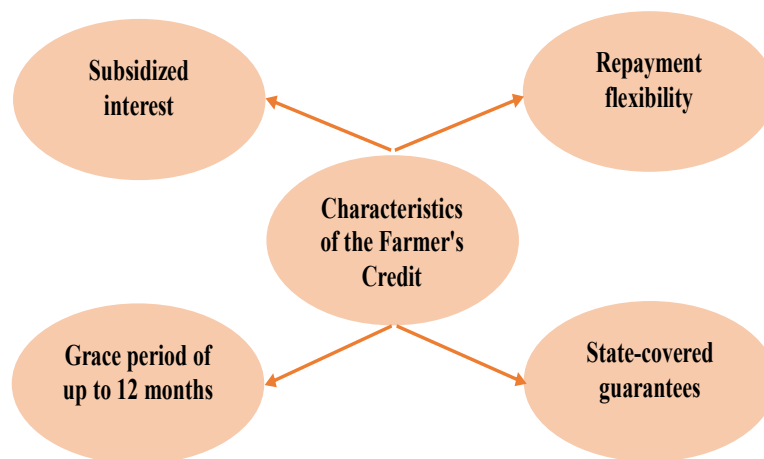


Figure 3. Characteristics of the Farmer Credit

Source: Developed based on [14]

The Romanian state, through the farmer's credit, granted in the form of a financing line, supports farmers, regardless of the legal form of organization, in the form of PFA, II, IF, SRL or other forms of organization of agricultural activities.

The purpose of this loan is to be able to obtain funds quickly, at a lower cost than through standard commercial bank lending products.

The Farmer Loan has several notable features, as shown in Figure 3. The interest is subsidized by the state and the reference interest rate (ROBOR or IRCC) is fully covered, and the farmer only has to pay a fixed margin. During the grace period, only the interest will be paid, not the loan amount. Depending on the seasonal activity in agriculture, many banks allow payments after the harvest of crops and not on a monthly basis. The state covers guarantee of up to 80–100% of the loan amount and can be guaranteed through the Rural Credit Guarantee Fund (FGCR) or the National SME Credit Guarantee Fund (FNGCIMM).

The Ministry of Agriculture and Rural Development increased the budget in 2025, allocating 1.86 billion lei for this program, to support farmers affected by weather conditions or with payment delays.

This loan is adapted to the specifics of agriculture in Romania and can be used to cover a wide range of needs: purchases of agricultural machinery, land or irrigation systems, financing seasonal activity (inputs, fuel, labor) and modernization of farm infrastructure.

Adapted to the needs of the farm and to the periods in which farmers need money, these loans can take several forms:

Working capital loans, which cover immediate expenses (seeds, fuel, fertilizers, spare parts or salaries of seasonal workers). These have a maturity of 6–18 months and can be obtained quickly, based on the agricultural history and subsidies received.

Investment loans are intended for the purchase of machinery, agricultural equipment, modernization of infrastructure, development of greenhouses, irrigation systems, or even the purchase of land. They can be carried out for a period of up to 10 years and also have a grace period of 6–12 months.

Loans based on APIA subsidies can be obtained from the bank in the form of an advance based on the value of the subsidy to be collected by the farmer. This category of credit is frequently used by small farmers, as complex material guarantees are not required.

State-guaranteed loans are products that are offered to the farmer and are available through the two funds, FGCR or FNGCIMM, and the guarantee covers up to 80–100% of the loan amount, minimizing the risk perceived by the bank and improving the chances of approval.

The forms of credit presented can be requested separately or can be combined in a financial plan that covers the needs of each agricultural holding.

In terms of eligibility conditions and documents requested by banks, the criteria are similar and there may be variations from one bank to another.

The farmer's loan is intended for individuals and companies that carry out agricultural activities: Authorized natural persons (PFA) with an agricultural CAEN code; Individual enterprises (II) or family-type enterprises (IF); SRLs and other legal forms of organization that carry out activities in agriculture [13].

Among the requested documents, we mention: the establishment documents of the company or PFA (certificate of registration with the Trade Register, ONRC certificate); Balance sheet or simplified tax documents (for PFA); Business plan or simple justification for the use of funds; APIA extract (for subsidy-based loans); Documents regarding collateral (goods, whether movable or immovable, collateral accounts, etc.); Status of outstanding debts (obtained by checking with the Credit Bureau and the Credit Risk Center).

Farmers, whether they are individuals or legal entities, must understand that there are solutions adapted to their needs, these being loans for agriculture, and through this financing they will obtain exceptional results.

CONCLUSIONS

From what has been presented, it is confirmed that the current agricultural sector in Romania is undergoing a period of modernization and development.

Supporting the agricultural sector is all the more important, given its important share of 3.2% in the creation of the Gross Domestic Product in 2024. The help received by agricultural companies is even more important, especially since they want to invest in sustainable and modern agriculture.

The credit institutions operating on the Romanian market, together with state institutions and programs involved in the sustainable development of the agricultural sector (MADR, AFIR, PNDR), work together to support the development of this important area for the national economy.

Achieving the desired objectives, as well as the development of agriculture, close to the European average, can be achieved through efforts to: increase productivity in the agricultural sector, through the necessary investments in infrastructure, supporting the establishment and modernization of small and family farms, encouraging and supporting the sale of local products on the national market and the development of agri-food processing units and the modernization of the agricultural segment by implementing investments in technology, digitalization and mechanization.

On the market, there are various financing options for farmers, which must be adapted to the needs and conditions of each individual farmer. The most well-known financing solutions are subsidies, along with agricultural loans and credits.

The efficient solution for financing agriculture, the farmer credit, must be supported by all parties involved, representing an accessible option for small and medium-sized farms.

In conclusion, access to financing is one of the great challenges faced by farmers and a widespread concern in agriculture in Romania, but which has also become an opportunity for farmers, through the possibility of obtaining financing without the need for substantial guarantees, through access to agricultural loans with an impact on Romanian agricultural communities.

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