

AGRICULTURE IN ROMANIA IN THE PROCESS OF INTEGRATION INTO EUROPEAN STRUCTURES DURING POST – ACCESSION

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Summary:

European Union and its Member States shall adjust some provisions of the development strategies aimed at increasing food production in sustainable ways, protecting natural resources and increase competitiveness of European agriculture on the world market.

Romania faces imbalances in market conditions is not rationally use land particularly favorable to obtain a competitive agricultural supplies. Large annual variations in crop conditions in which the yields per hectare and per animal is about half the EU15 average does not provide the power necessary at affordable prices, especially for vulnerable population groups.

Addressing structural and operational problems of the institutional system of agriculture in Romania's European integration process is an important way of overcoming the situations to which the elimination of disparities in economic development and social peace disturbed by high and rising prices of food, produced in quantities increasing imports.

In the current international situation in which Romania difficulties in structural adjustment in agriculture and reduction of disparities compared to EU Member States, a national policy of granting real priorities for the sector is badly needed. These priorities cover both ways of achieving the overall objectives which fall within the strategic guidelines of the European Union and European integration meets the needs and solving specific national targets.

Keywords: European integration, rural development, agricultural policy, national objectives, agricultural holdings.

JEL Codes: Q0 , Q1

1. Strategic directions for agriculture and rural development in line with the EU strategy
European Union of 27 Member States has the strategic directions to integrate agriculture and rural environment for sustainable development to cope with economic risks and uncertainties, environmental, social and health. New challenges on the global market instability and food crisis have emerged under the impact of climate change, degradation of natural resources and soaring energy prices. The effects of income inequality have generated and rising food prices. As a result of these disturbances, and the predictable results of the negotiations of the WTO on agricultural trade liberalization, the European Union and its Member States shall adjust some provisions of the development strategies aimed at increasing food production in sustainable ways, protect natural resources and increasing the competitiveness of European agriculture on the world market.

Community development in Romania are the conditions under which agriculture has not yet made the expected progress in adapting its structures based on competitive market demands, while the national economy is growing in 2000. To overcome this situation, which limits the expansion potential of the agricultural economy and measures are required to accelerate the modernization and organization of agriculture in sustainable use of renewable and non renewable resources for food security and economic equilibrium. Although Romania is not facing a food crisis, agricultural production is highly dependent on climatic conditions. Market imbalances have widened in the absence of coherent agricultural policy to ensure a certain continuity of funding during the transition period, due to the destructuring of products in the reform process and difficulties adapting to European agricultural model. Restoring private ownership of land has been separated from their organization and operation were not created to provide basic infrastructure services necessary for the production and marketing of agricultural products. Financing agricultural policy measures is still lacking, both in terms of ensuring the necessary funds and bureaucratic system of allocating them. Therefore, Romania is facing imbalances in the market conditions are not rationally use land particularly favorable to obtain a competitive agricultural supplies. Large annual variations in crop conditions in which the yields per hectare and per animal is about half the EU15 average does not provide the power necessary at affordable prices, especially for vulnerable population groups. The perpetuation of this situation and in years with high yields because of lack of storage and marketing structures, inflated and unjustified price of food imports. In the new global conjuncture, the threat posed by climate change and escalating energy prices requires a new approach to the role of agriculture as a balancing factor for Romania's economic growth model.

2. Romanian agriculture integration in the EU requirements and national priorities

Romania needs to build a national agricultural policy into line with requirements and rules for the CAP to the market orientation of agriculture, modernization of rural communities and enhancing environmental protection measures. At present concerns for the Common Agricultural Policy implementation mechanisms, the priority now, do not put enough emphasis on the fact that they must be combined with specific measures of association and cooperation of small farmers to increase production to the market, excessive land parceled out to the practice of merging technologies, training food chains, national agricultural research reconsideration. Without visible results in the evolution of these structures is difficult for the Romanian agriculture to become short and medium term consistent with the Western European. As a member of the European Union, Romania has a significant community support for the market and especially for rural development, plus national and support. Adapting agriculture to EU requirements creates benefits for countries that are in an efficient organizational system such as that of the European Community. To qualify for these benefits are necessary major adjustments in operating structures for the formation and expansion of the commercial sector to include family farms with opportunities to become viable, by providing material and technical facilities in Europe as parameters to approximate the existing level the old Member States on yields per hectare and per animal, ensuring food security and agricultural performance of the population. The Romanian agriculture at the end of 2007 there were approximately 3.93 million farms, of which 89.6% have an average size less than 5 hectares, 7.79% are

farms that have between 5 to 10 hectares and only 0.37% of total have over 50 ha. Over 48% of utilized agricultural area is operated by units with legal personality, large and extra large. Dual character of the form of exploitation is reflected in the existence of more than 3.1 million individual household subsistence and subsistence, with an average area of 2.25 ha, OR (2005), which also hold about 90% of cattle herds 97% of sheep, 99% of the goat. In 2007 only 9,595 households had individual market sales of own production of more than 50%. Own consumption ranges on average for the country to a level of approx. 40% and in rural areas about 80%.

Number of farms directly eligible for Community support is 1.245 million. About 60% of the total households remain outside the system if the owners do not associate support for accessing European funds for agricultural and non-agricultural activities diversified. This remains a priority objective of national agricultural policy since rural areas have important natural resources and a large work force poorly used in small individual households.

Romanian economy's dependence on agriculture is a strong handicap to approach European levels of economic development. Share of agriculture in GDP was in transition at very high, between 12-18%, decreased to 7.8% in 2006 and 6.8% in 2007 due to overall economic development, but also the conditions bad weather affecting agricultural production (excessive drought, floods). Agricultural contribution to GDP compared with the share of active agricultural population in total employment (about 30%) reflects a low level of agricultural labor productivity gaps of about 1:8 to old Member States. Large numbers of people active unemployed or partially employed in economic activity led to a migration of excessive rural labor to countries young European members of the European Union and following the abandonment of agricultural activity, especially in households.

As a result of agricultural policies did not support the economic organization of small farmers, especially in the creation of infrastructure for storage, processing, transporting and marketing their products, about 3 million acres per year remain fallow. Lack of investment in the modernization of agriculture and rural areas increased market imbalances and volatility in food prices due to low yields and difficulties in market access for producers direct. Large annual crop losses due to difficulties in contracting and transportation of products, and the lack of storage space. Most farmers sell their crops directly in the field, at low prices, lack of deposits held by the association which can provide much lower costs than the big stores.

The state of agricultural production has worsened in the past 18 years, tending toward a more unbalanced structure: in 2007, 60.2% is the value of plant products, and only 38.3% of the value of animal products, the opposite of the structure consumption. Agricultural supply has declined to a smaller number of products, cereals and oilseeds have very large weights (in 2007 the share of cereals cultivated area was 65.4%, 17.2% plant oil), and beet crops sugar, flax and hemp, tobacco, fodder, etc. areas have reduced.

Wheat production, subject to annual climate variations and lack of storage capacity, not supplying rhythmic processing sector and therefore increase bread prices in January-June when stocks fall. The trend of excessive growth of area under oilseeds (rapeseed and sunflower) for biofuels, as a result of Community support supplement per hectare (an area of 3.1-fold increase in 2007 compared with 2006 to rape), disturbances in ensuring rational crop rotation and crop structure removed from the major corn and barley business to the detriment of the livestock sector. The degree of self-sufficiency in domestic market

knows and has high annual variation trend wear. In 2007, the level of supply was 97.2% grain, 97.9% in potato (in circumstances where small producers have remained unsold due to large amounts of existing difficulties in organizing the market), 92.2% for vegetables, fruit 73.9%, 17.6% sugar, 100.7% for milk and milk products, 101.1% for eggs, meat and organs 63.5%, 16.3% fish, 82% vegetable and animal fats. This indicator, which reflects the low level of consumer gratification needs of national production, worsened in recent years, although most products Romania can achieve efficiencies close to those in western European countries with similar natural conditions. In 2007 agricultural production was heavily affected by excessive drought. In 2008, although high yields were realized there were no reductions in food prices due to strong network marketing defavorizează farmers and agricultural policy mechanisms that no effective measures to ensure the concentration of supply, transport and warehouse. Livestock sector is in decline further, both in terms of livestock and production, except for cow's milk.

Romania faces imbalances agricultural market is not fully functional. Offer is poorly diversified domestic and imported products play an increasingly important role in sales volume in urban areas. Food prices are high relative to household income and the prices of some products exceed EU countries, is an important determinant of inflation as food costs have more than 40% in the consumer basket. In today's soaring prices of cereals and other agricultural products in international markets, rising food prices in Romania and the need for integration into EU structures, restructuring and modernization of agriculture in reducing and eliminating disparities in development are priorities of economic policy.

3. Agriculture and rural development objectives for 2007-2013

The food crisis in poor countries and pressure on agricultural markets due to energy crisis and climate change policies require global emergency. Doubling the price of basic foods, particularly in urban areas in poor countries and escalating world prices of agricultural products, while meat and milk demand in emerging countries, and increasing use of part of the harvest of cereals and oilseeds biofuels (20% of U.S. corn were used for ethanol production in 2007) put strong pressure on markets. In the context of lower grain stocks to the lowest level (since 1995) reduction policy in EU intervention stocks and production of drought damage in many areas of the world, excessively high prices have benefited speculators and holders deposits. The lack of infrastructure, small producers could not benefit from high prices in this period. Food security has become a major international concern, which requires emergency action and change some rules in agriculture today. These changes are designed to protect natural resources and creating transport and storage infrastructure products, network marketing organization, to assist the great mass of farmers.

Addressing structural and operational problems of the institutional system of agriculture in Romania's European integration process is an important way of overcoming the situations to which the elimination of disparities in economic development and social peace disturbed by high and rising prices of food, produced in quantities increasing imports. Broken paths in food products since 1990 and their lack of measures to restructure the ownership and operating the new structures have resulted in increased imports and the entry of large supermarkets, Romanian farmers and processors are becoming more dependent on retail outlets that secure conditions acquisition and food

prices. Small producers are virtually non-existent on the market, as well as retailers. The purchase prices for agricultural products and foodstuffs offered by supermarkets for Romanian producers are poor while their income increases as a result of soaring prices. In the current international situation in which Romania difficulties in structural adjustment in agriculture and reduction of disparities compared to EU Member States, a national policy of granting real priorities for the sector is badly needed. These priorities cover both ways of achieving the overall objectives which fall within the strategic guidelines of the European Union and European integration meets the needs and solving specific national targets.

The main overall objective of ensuring that the EU policy are:

- Promoting sustainable consumption and production model, along with protection of ecosystems and decoupling economic growth from environmental degradation. These objectives are the future arrangements for Romania to increase food production in sustainable ways for food security and food safety, while improving the production system in order to stop land degradation and natural resource protection;
- Improving competitiveness of agriculture and adding value throughout the food chain. This objective meets the need of organizing channels on the product, economic growth performance in agriculture and food industry, modernization of marketing channels;
- Helping farmers adapt to climate change and energy saving. This can be achieved by supporting Romania reorganization of agricultural research thoroughly marginalized and lacking financial resources for investment and training of researchers, improving the management at farm level and the institutions that apply to agricultural policy mechanisms;
- Implementation of good agricultural practices, forestry and processing to ensure consumer safety and food safety. This objective allows the Community Benefit that requires compliance requirements to facilitate access to the Romanian market and unique food products to ensure public health.
- Diversification of rural economy, modernization of villages, implementation of cultural heritage in rural areas, etc.. These objectives financed by the National Rural Development Programme 2007-2013 are meant to solve a number of shortcomings related to the creation of jobs for youth stabilization, improved social conditions, revenue growth, etc. These general objectives common to all European Union member states are added to a series of specific targets for recovery and modernization of the Romanian agriculture, as:
- The formation and consolidation of farm enterprises, and the associative family and economic organization throughout the food chain. By achieving these goals are stabilization of the internal market and increased productivity of natural and human capital in rural areas;
- Measures to accelerate the European integration process towards consolidation of agricultural land and farm planning organization formed after the producers association;
- Promote and expand the varieties and hybrids created by the Romanian scientific research that adapts agricultural conditions in different areas and provides increase in average yields, yields to levels closer to the EU 15;
- Support of investment in agriculture and rural economy to ensure that revenue growth and stabilization of youth;
- Modernization of irrigation systems through rehabilitation and adapting them to new land management structures and construction of economic systems based on low energy

technology in the context of climate change and excessive drought in southern areas of the country;

- Creation of rural infrastructure and agricultural services, transport, storage and marketing of products to ensure access of small and medium market;
- Diversification of economic activities in rural areas by developing small and medium enterprises in tourism, agricultural products processing, etc. various rural services. to increase the number of jobs and providing alternative incomes;
- Public intervention to correct market dysfunction selective agricultural policy mechanisms to ensure food security, protection of renewable resources and agricultural products more competitive. These objectives are additional measures of support from the national budget and attracting external sources other than those set by existing agreements with the European Union (EU sources of support, external loans);
- Reorganization of agricultural research and support agricultural education in rural areas to eliminate the fundamental gap separating Romania from developed countries. Achieving these objectives will contribute to structural changes in depth and limiting rural migration.

Conclusions

European Union of 27 Member States has the strategic directions to integrate agriculture and rural environment for sustainable development to cope with economic risks and uncertainties, environmental, social and health. New challenges on the global market instability and food crisis have emerged under the impact of climate change, degradation of natural resources and soaring energy prices. The effects of income inequality have generated and rising food prices. As a result of these disturbances, and the predictable results of the negotiations of the WTO on agricultural trade liberalization, the European Union and its Member States shall adjust some provisions of the development strategies aimed at increasing food production in sustainable ways, protect natural resources and increased global market competitiveness of European agriculture. Community development in Romania are the conditions under which agriculture has not yet made the expected progress in adapting its structures based on competitive market demands, while the national economy is growing in 2000. To overcome this situation, which limits the expansion potential of the agricultural economy and measures are required to accelerate the modernization and organization of agriculture in sustainable use of renewable and non renewable resources for food security and economic equilibrium. Although Romania is not facing a food crisis, agricultural production is highly dependent on climatic conditions. Market imbalances have widened in the absence of coherent agricultural policy to ensure a certain continuity of funding during the transition period, due to the de structuring of products in the reform process and difficulties adapting to European agricultural model. Restoring private ownership of land has been separated from their organization and operation were not created to provide basic infrastructure services necessary for the production and marketing of agricultural products. Financing agricultural policy measures is still lacking, both in terms of ensuring the necessary funds and bureaucratic system of allocating them. Therefore, Romania is facing imbalances in the market conditions are not rationally use land particularly favorable to obtain a competitive agricultural supplies. Large annual variations in crop conditions in which the yields per hectare and per animal is about half the EU15 average does not provide the

power necessary at affordable prices, especially for vulnerable population groups. The perpetuation of this situation and in years with high yields because of lack of storage and marketing structures, inflated and unjustified prices for food imports.

In the new global conjuncture, the threat posed by climate change and escalating energy prices requires a new approach to the role of agriculture as a balancing factor for Romania's economic growth model.

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