

Stability of Agriculture in Romania

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Abstract

Unfortunately, more than 30 years after the Revolution, agriculture has developed in a polarized way, in the sense that governmental measures taken over time, as a whole have slowed down the development of this sector and bringing It is currently on the verge of suffocation and collapse and only the inventiveness and determination of farmers has delayed this process. Romania is an extremely important market, as shown by the SWOT analysis of the National Strategic Plan 2021-2027, where shows that the romanian food and beverage market is the seventh largest in the European Union and the second largest in Eastern Europe, after Poland, is valued at 25.9 billion euros, of which 20.6 billion euros, 79.5%, in retail and 5.3 billion euros, 21.5%, in food services. The problem identified here is that an important part of this market is covered with imported products, and Romania has a large deficit of over 1.5 billion euros in the balance of trade in agricultural products . In this paper a plan to achieve stability of Agriculture in Romania.

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1. Introduction

At the moment in Romania there is a sharp degradation of activities in all agricultural sectors. In livestock due to the lack of measures to detect, control and combat African swine fever, led to the decimation sector swine breeding and reaching depend on the majority of imported pork, this activity is one with strong traditions and professional knowledge in Romania.

Another dramatic situation for an agricultural sector is the closing of dairy factories, because the processors are largely multinationals that have only local interests to sell the quantities of milk of Romanian producers, without the desire to export significantly, which determines them to close the surplus capacities. The small Romanian factories also do not face the competition, for reasons of organization and control of the sales, in the conditions of the disappearance of many of the local stores. Moreover, the marketing costs for own promotion campaigns are high in relation to the volumes sold, so general campaigns are required to stimulate the consumption of local products financed from state or European budgets. The

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processing of other agricultural products is limited and apart from the demand for classic products such as wheat, corn, sunflower, otherwise nothing is used in processing, such as maybe possible with grain legumes, such as beans, chickpeas, peas, lentils, then other crops such as buckwheat, cotton, soy, millet, sorghum, others.

Romania could provide the raw material for durum wheat for pasta, then we could discuss the provision of domestic soybean meal, other legumes for feeding a high-performance livestock sector, but we do not have, we could increase the rice production sector or other niche cultures. There is a shortage of vegetable processing, which makes many producers obtain marketing prices that defy misery and ridicule, given that we import very large quantities of canned vegetables.

This paper is based on the SWOT analysis related to the preparation of the new PNS (National Strategic Plan), carried out by MADR (Ministry of Agriculture and Rural Development) and proposes certain measures to be taken for Agricultural Stability.

2. Materials and Methods

SWOT analysis version 2 of MADR (Ministry of Agriculture and Rural Development), shows the main problems of agriculture at the moment and which would look briefly presented as follows: the competitiveness of agricultural holdings is negatively influenced by the poor development of advisory and consultancy services, reduced use of precision agriculture and technologies especially in small and medium-sized farms, the reduced capacity of research and innovation activities to meet the needs of the agri-food sector, as well as the limited capacity to market and transfer the results of research and innovation to the economic environment, the reluctance of farmers to organize in associative forms with economic role and the reduced use of risk management tools to mitigate economic risks in agriculture. Also, soil degradation phenomena, natural and specific constraints negatively influence the competitiveness of agricultural holdings. In addition, in 2017, 5% of UAA (Utilised Agricultural Area) applied various extensive agricultural methods, based on the extensive use of resources and reduced GHG (Greenhouse Gas Emissions emissions), in the context of agri-environment and climate commitments. Unfortunately, the problems are many, more complex and with deeper implications, but we believe that true specialists can find solutions to unblock this sector of utmost importance. (Bouwman, A. F. 2017)

This paper aims to be a basis for discussion based on a few simple but effective elements to determine the needs of Romanian Agriculture Sector and not to replace the need for a complex and complete strategy. The main elements considered were the structural problems were: production registered and the negative influence of the trade balance with agri-food products, then the causes that hinder the development of sectors and ways to adapt to the requirements of the new common agricultural policy, which is in the birth phase.

According to the SWOT analysis performed by MADR specialists, some of the most important problems identified are the following:

- Low labor productivity in agriculture (4 times lower than the EU 28 average);
- Low level of gross fixed capital formation in agriculture (50% of the EU 28 average);
- High share of small and very small holdings, associated with a significant percentage of households in which household / extensive holding systems are practiced”;
- Irrigation systems, largely degraded and inefficient;
- Low labor productivity in the food industry (approximately 67.6% of the value of labor productivity in the EU 28); - Negative trade balance with a tendency to accentuate;
- Export of raw materials and import of processed foods;
- Significant decrease in pig herds and a slight decrease in cattle and poultry;
- Lack of breeding farms in the poultry and pig segment;
- Reduced yields per ha compared to those recorded at EU level;
- A very high share of arable land with medium to very low fertility - Poor adaptation of farms in the management of risks associated with adverse environmental conditions;
- Poorly developed collection and storage systems, especially for fruits, vegetables and potatoes;
- Poor processing capacities of local primary production (milk, meat, fruit, berries, mushrooms, medicinal / aromatic plants) in some areas, especially in mountainous areas;
- Poor integration of production;
- Declining productivity of fruit plantations;
- Aged population at the level of farm managers, with a low level of higher specialization in agriculture;
- Credit and guarantee schemes need to be constantly adapted to the needs of the agricultural and processing sector, and there are still difficulties in obtaining the necessary loans to make investments
- Large agricultural areas affected by soil degradation phenomena (erosion, landslides, desertification, etc.);
- Low level of association;
- Low level of basic vocational training and skills among farmers;
- Poorly developed information, advice and advisory services, including on adaptation to climate change through nature-based solutions and the transition to sustainable agricultural practices;
- Lower competitiveness of many Romanian agricultural products compared to those in European countries or important producers worldwide;
- Destruction / disappearance of hydrogeological boreholes that allowed tracking the variation of groundwater level and soil water chemistry;

- The low interest of the owners for the establishment of the SDG, compared to the irrigation activity, due to the reduced funds allocated for the drainage activity;
- Destruction of works to combat surface erosion as a result of the faulty application of the Land Fund Law and reconstruction of the property right on the old sites without taking into account the existing works;
- Uncontrolled deforestation of slopes in areas with high potential for erosion and landslides.

According to identified problems, this paper's purpose is to create measures and solutions for an efficient strategy that could be adopted by Romania.

3. Case Study

Stability means for the agricultural sector a succession of perceptions and realities that are beneficial and that lead to investment and development decisions in this sector. In the same way, stability for a farmer means first and foremost the safety of the main object of production - the LAND. Land ownership is sacred and very necessary, but the costs of doing so are high for any farmer and then complementary measures must be found to ensure this stability by regulating the mode of use. The benefits of this measure are immense and we consider it to be the cornerstone of AGRICULTURAL DEVELOPMENT and we say this starting from the fact that it allows a stability of farmers and the investments they make, can apply modern agricultural technologies, or can quantify their necessary investments and how to recover the investment in the short and medium term.

The SWOT analysis of MADR shows - In the last 4 years there is a constant annual trend of increasing the number of commercially active agricultural cooperatives, thus showing interest in carrying out the activity in good conditions, the average annual growth being + 13%.

Thus it can be seen that the cooperative sector is far from being at the level required by an agriculture like ours, it is clear that we have structural problems that must be overcome, starting from mentalities and problems to promote the concept, to the economic stability of members, how to develop the common heritage and how to exploit it and much more. At this time, as it results from the official figures, the situation of carbon emissions is positive in relation to the EU average (SWOT analysis), in Romania, total greenhouse gas emissions from agriculture decreased between 1995 and 2016 by 24% (-12% in the EU-28).

However, the share of emissions from agriculture in total net emissions increased from 13% in 1995 to 18% in 2016. The emission of CH₄ and N₂O per hectare of UAA in Romania is among the lowest in the EU (1.29 kilotons equivalent CO₂ / 1000 ha compared to the EU average reaching 2.83 kilotons / 1000 ha). About 59% of CH₄ and N₂O emissions come from enteric fermentation, 28% from agricultural land management and 12% from manure management.”

Regarding the implementation of stability, it must be borne in mind that it is a measure that does not require money, but only a vision and a political determination, which is very important when it is presented and supported in front

of society and the general population. The population needs to be clarified and informed about the reasons for adopting certain solutions, what the subsidy mechanism is and why it is needed, how it is done in other countries, what is wanted through the new Community agricultural policies and many other issues of interest. As shown before, clear, uncomplicated legislation to protect investment in agriculture can stimulate investment. Another very important measure is to identify the targets or rather the agricultural areas that deserve to be helped, but the criteria considered must be correct, easily verifiable by anyone and only economically substantiated. As Warren, D. M., D. Brokens and L. J. Slikkerveer, (eds. 2013) suggest, the implementation of sustainability concepts in agriculture cannot be done without the stability of agricultural holdings, because the effects are not obtained immediately, but are long-term and then in order to meet the challenges of sustainable agriculture, advanced technology is needed. Sustainable agriculture can bring important benefits, in the sense that the use of sound crop rotations, and this in the long run, can reduce the consumption of pesticides with an effect on product quality, or reduce the consumption of fossil fuels, with a beneficial impact on reducing greenhouse gas emissions carbon dioxide in the atmosphere, and the so-called "carbon footprint reduction" concept.

Such a model of agriculture also leads to the conservation or rehabilitation of the quality of agricultural soils, some of them degraded due to the incorrect way of exploitation over time.

Summarizing all the above, a happy ending is reached, because stability generates a desire for development and brings with it new technologies and diversification of production, then is followed by the development of production capacities with stimulating sales including foreign markets, export that brings benefits internal stability in terms of inflation and exchange rate stability.

One of the simplest ways to identify development directions can be to analyze the country's trade balance for the various agri-food products, or the new strategies imposed by the Community agricultural policies to be implemented and which must be analyzed in the light of our internal situation. As an exemplary way of working, for the pork sector in Romania, the trade balance is negative and exceeds 500 million euros, so Romania is paying for exports to ensure the necessary pork for consumption by the population. In these conditions must be identified what the problems are and so come to see that the pig sector has had big problems due to swine fever.

To resolve the situation we should consider the following issues:

- Elimination or minimization of vectors of disease transmission - primarily requires legislation to provide stability:

- a. Reducing the number of wild boars to a limit that does not endanger the safety of sanitary areas around pig complexes;

- b. Strict regulation of the breeding and marketing of pigs in households by purchasing piglets only from authorized places, breeding only for self-consumption, prohibition of marketing in fairs without special authorization, prohibition of marketing from untaxed persons, etc .;

Thus the following measures can be considered:

Measures to stimulate the development of the sector -a. State aid for the establishment of breeding farms and obtaining high-capacity piglets and in areas with a minimum risk of uncontrolled transmission of diseases - areas where there are no areas with wild pigs, long distances from localities; Credit lines with medium-term state guarantees for the purchase of piglets for fattening in complexes that have had problems and have been closed due to plague; european funds to stimulate the establishment of new pig farms in very favorable areas; european funds for the construction or modernization of own slaughterhouses and meat processing facilities - this avoids the movement of live animals between breeding areas and slaughterhouses; introduction of a subsidy for carcass or live fattened pig;

Measures to stimulate the sustainability and digitalisation of the sector like: Implementation of photovoltaic systems on the roofs of stables for electricity production; development of biogas plants for electricity; supply of zonal farmers with organic fertilizers following the obtaining of biogas or directly from the battles of the treatment plants after composting; computer control of indoor microclimate factors, feeding or manure evacuation moments, administered feed rations, indoor surveillance of breeding halls, etc.

4. Results:

Fulfilling the criterion of stability in agriculture, will automatically lead to business development, in the case of agricultural holdings and food processing capacities in Romania, knowing that an entrepreneur when he has a business stability and has a predictable legislative framework, then it will only deal with identifying development and investment opportunities. In the economic environment is recognized the importance of the rating of a country or a business and which by definition shows that first of all, the stability of a business environment, characterized by legislation, recognized control and guidance mechanisms, political stability etc. The same is true in agriculture or the food industry, where if we want to evolve according to the same model, must be followed the same rules.

For Alcorn, J. (2010), the stability of the business will also attract an increase in bank solvency, ie more money for investments at better interest rates, because they also depend on the performance of the sector. Moreover, stability also means a reduction of risks, by creating mechanisms to reduce the impact of climate calamities on agricultural activity. All these aspects will lead to a development of activity in agriculture, which will also lead to the development of the rural environment, but also of the income sources of the population in this environment through the emergence of new related activities or support for agriculture, but also necessary services. a prosperous community

Objectives proposed regarding the implementation of stability:

As shown in the example of the pig sector, the implementation of the concept of stability takes into account, in particular, provisions for legislative regulation of the operation of these activities, which with few exceptions do not carry budgetary

costs, but are of great importance in decisions. Legislative regulatory decisions are not always easy to make, many of them with electoral costs, but mainly due to the flawed or complete lack of a serious debate in relation to professional organizations, other associations and NGOs for environmental protection or by presenting in detail to the population of the directions and needs of an agricultural sector. One of the main problems that is simple to solve is the transparency of discussions related to all these areas of general interest, such as during this period the adoption of the new National Strategic Program, but just as important can be the regulation of the law. pig ”or why it is desired to change the“ law of odors ”, or what is the issue regarding the need to regulate rent or agricultural insurance.

Public presentation of issues with the help of professional communicators, through pre-presentations to the press and professional organizations to understand the details of the proposed regulations, can also be beneficial and make the job easier. If these presentations only accuse "heavy legacies" or "those who were", not much will be done. One more thing must be taken into account, as is the case in all EU countries or the USA, Australia etc. and where agricultural land is considered of strategic importance, no matter how liberal a country is, there are activities that have regulations and some are very tough, such as arms production, drug production and agricultural production. That is why in the agricultural field it is always an economic field, but for long-term investors, not a speculative field, especially since the speculative nature can cause distortions with extremely serious and unpredictable implications.

A set of measures that are mandatory to be adopted would be the following the stability of the agricultural sector must be seen as a foundation for any kind of subsequent measure, with a view to the development of one agricultural sector or another. The stability of the agricultural field in general and especially for the large crop sectors, mixed livestock + livestock farms, fruit growing, viticulture, but also part of the vegetable sector, especially the production of field vegetables, need the stability of agricultural land for long periods of use.

Ways to achieve stability in the agricultural sector can be grouped as follows:

Lease-Acquisition of agricultural land- Stimulating land acquisitions under well-defined conditions can be one of the main tools for accelerating the formation of a middle class in agriculture, and here we could consider the following categories of beneficiaries: Launch of a program for the acquisition of agricultural land by STAT and subsequently to be granted in concession, especially in areas of strategic interest, based on criteria established by legislative rules such as:

Land amalgamation - administrative and property exchanges- This measure could be the result of a very good implementation of the two measures previously presented. We say this because if the areas owned by farmers, especially small and medium-sized ones, increase, they could then participate in mergers through exchanges of ownership with other farmers, which would lead to the stability of the areas worked, which would lead to another mode of administration.

The increase in the duration of leases could also have a stimulating effect, as a duration of 10 years or more would allow for administrative exchanges between

tenants, which would also allow land mergers. This process is still manifested today, which makes me confident that it would be accelerated in practice, if we had a lease law with a duration of at least 10 years.

The stability of the minimum income per farm must be followed two directions, namely the minimum income in case of natural disasters and the stability of income in case of major price fluctuations on agricultural markets. Thus, envisage the implementation of the following measures to implement the stability of the minimum income by:

Stability of the minimum income per holding in case of natural disasters through:

- Realization of an agricultural insurance pole including for catastrophic risks, such as earthquakes, drought, floods, epidemic diseases in animals, etc.;
- Achieve clear legislation on how to identify and apply force majeure and accident in agriculture.
- Achieving clear legislation on how to identify specific natural disasters as an area of manifestation such as storms, hail, torrential rains, etc.

Stability of minimum farm income in case of major price fluctuations in agricultural markets. The structure of the state reserve should be diversified, wheat, corn, meat, canned food etc., but the size of these types of products can also help the market. If in a year the prices fall, it is possible to intervene in the increase of the state reserve, which can give an important impulse to stabilize prices on the market and can help farmers but also the State Reserve to buy products at very low prices. good. Moreover, the State Reserve may also have commercial functions at certain times and with certain stocks, so that when there are problems on the market in other sectors to intervene to limit price increases. The subject is sensitive, but the State Reserve has a social nature and then a mechanism must be thought through which the market is free, but can intervene when free becomes anarchic. Stability of the minimum income per farm by developing the framework for the establishment and operation of irrigation- Irrigation can be one of the measures with the role of income stability on a farm, but only where it exists and for a long time from now on will be relatively low in proportion to the total existing agricultural area. However, these must be taken into account in the importance they can have in ensuring food security, which must be manifested not only in production but also in subsequent marketing.

Legislation in general is very important in creating a framework of stability and predictability in any sector, and therefore in agriculture. The directions of action can be numerous, but considering the following directions that seems more important. Legislation for the definition, classification and operation of agricultural farms - here I am considering the repeal of Law 37/2015 and the adoption of a complete law that takes into account the following more important elements:

- Definition of agricultural holdings;
- Defining the authorization method ;
- Classification of holdings according to the mode of establishment:
Applicable tax legislation;

- Regulation of the calculation of local taxes on buildings, agricultural land, machinery, equipment;
 - Regulation of the application of depreciation
- Legislation on agricultural advice - one approach could be:
- Consulting through the agricultural chambers;
 - Private advice through authorized experts;
 - Private consultancy through agricultural management companies - applicable in the case of large farms that want to transfer management based on predetermined objectives; It is mandatory for all forms to coexist in order to create real competition in obtaining results.
 - Regulation of the agricultural consultancy activity as follows: a) the introduction of the obligation for all farms larger than 100 ha or more than 50 animals equivalent to UVM, to have a specialist in agriculture or a consultancy contract with an authorized consultant; b) specialist means any person with agricultural studies (specialized high school, faculty, schools or courses with a duration of more than 12 months or an experience of more than 5 years in the field as farm manager); c) the consultant can only be a graduate of specialized higher education, accredited by MADR and with experience of at least 5 years in the field;

5. Conclusions

Agriculture needs a simple vision, adapted to the existing moment and opportunities and moreover it needs a direction assumed primarily by the Romanian agricultural sector.

Maybe now more than ever we can understand that during a crisis it is important to help yourself first and then to rely on friends, and this agricultural sector, along with the medical and defense and public order are pillars of basis for preserving the existence of a society.

Given the above, there is a need to integrate the agri-food sector into the supervision and programming of the CSAT (Supreme Council of National Defense), given its strategic importance. In this way, there would be the prospect of a more vigorous and efficient implementation of a plan of measures, taking into account the recovery of the situation in agriculture and the food industry and the need to implement huge reforms and investments in this direction.

Moreover, the strategy adopted should be cross-party and take into account only economic and social considerations, without populist or demagogic interference, which have already done harm, now requiring a serious communication effort to mitigate conflicts between farmers and a part of the population, the latter which perceives only the existence of taxes and duties paid unjustifiably for the benefit of a guild, but without seeing the full picture of the reality and necessity of these things.

The implementation of this vision is a simple, understandable, pragmatic and easy to communicate path for every farmer or entrepreneur in the agriculture and in food industry, adapted to the new challenges of the Common Agricultural Policy and to meet the needs of optimizing agricultural technologies.

The population must also receive a simple and convincing communication message, taking into account the requirements of the moment, respectively environmentally friendly cultivation technologies, leading to the safe use of fertilizers and pesticides, a traceability of products throughout the chain, correct processing technologies, with as little human intervention as possible and with as little impact on the environment as possible. Production and processing must provide the population healthy, diversified food, with a tendency to eliminate additives and to ensure a constant quality and nutritional diversity regardless of the season.

At the same time, this path requires a sustained effort on the part of the political class to debureaucratization of the agricultural sector, to shed light on the legislative framework, to allow predictability of investments and last but not least to protect the agricultural sector.

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