

Financing organic Agriculture in Romania through Strategic Plan Interventions

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Abstract

Organic farming, as a sustainable food system, is an essential pillar of the European Green Deal. The target agreed upon by the 27 Member States in the European Green Deal for the area cultivated under organic farming is 25% of the total agricultural area of the EU by 2030. It is an ambitious objective that aims to combat the decline of biodiversity in Europe and worldwide, and to transform food systems into global standards for agriculture sustainability, and to protect human health and the environment. In this context, organic farming is emerging as a strategic sector for sustainable rural development, generating multiple benefits: protecting natural resources, conserving biodiversity, reducing pollution, and promoting public health. However, its development is conditional on the existence of adequate financial mechanisms capable of compensating for the additional costs and income losses associated with organic practices. Access to finance remains one of the main challenges for organic farmers in Romania, which makes the role of public policies and support schemes crucial. In this sense, this article aims to analyze the functioning and impact of interventions DR-04 and DR-05 of the CAP Strategic Plan 2023-2027, dedicated to the conversion and maintenance of organic agriculture, as key support instruments for the green transition of Romanian agriculture.

Keywords: *organic farming, financial measures, Strategic Plan, organic operators*

JEL classification: Q10; Q14

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1. Introduction

Organic agriculture is one of the key elements of the current EU strategic documents related to green growth (Wessler, 2022). The European Green Deal and the Farm to Fork strategy are two examples of such initiatives that set extremely challenging goals for the Member States. The EU target is that by 2030, a quarter of

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the total agricultural area from the European space should be managed according to organic farming principles (Moschitz, et al, 2021; Cuadros-Casanova et al., 2023).

Organic farming contributes to sustainable development, economic growth, and rural development. Organic farms produce agri-food products in a clean system without using chemical fertilizers (Ion et al., 2012).

Organic food products are obtained by using methods that do not involve synthetic, modern inputs, for example synthetic pesticides and chemical fertilizers, they do not contain organisms that have undergone genetic modification. Organically produced foods represent 1-2% of total global sales, and the market is growing rapidly, far ahead of the rest of the food industry, both in developed and developing countries (Nastase et al., 2011)

The decision to opt for organic farming is related to a wide range of environmental and social advantages, such as reduced water, soil, and air pollution, enhanced working conditions for farmers and increased animal welfare (Jeločnik et al., 2025). Nevertheless, switching to this system also involves potential economic costs, such as lower yields, higher operating costs and extra costs related to certification (Florea et al., 2024; Oltenacu et al., 2025).

The status of a member state of the European Union gives Romania the possibility to provide farmers with access to support mechanisms similar to those available in other Member States. In this framework, Romania has developed financial support mechanisms through the Agricultural Payments and Intervention Agency (APIA), mainly in the form of compensatory payments for organic practices and dedicated interventions in the Strategic Plan 2023–2027. At present, these allocations are operationalized through interventions DR-04 and DR-05 in the Strategic Plan (SP) 2023–2027.

The financial dimension of these interventions, calibrated on eligibility criteria, conditionality, and sustainable management requirements, configures a set of incentives intended to cover the additional costs and income losses associated with the conversion and maintenance of organic practices. Despite a positive dynamic of certified and in-conversion areas, the current level of adoption remains below the European target, which raises legitimate questions regarding the adequacy and effectiveness of the support instruments. Over the last decade, in Romania, organically farmed land has progressively increased, currently representing about 5.46% of the utilized agricultural area, which is still less than the European target level (Jitäreanu et al., 2022).

In this context, the paper aims to analyze how farmers registered in the organic farming system, both certified and those in the conversion period, have accessed financial support measures, namely the packages dedicated to organic farming within the Strategic Plan (SP) 2023–2027.

2. Material and Method

The study examines the access to interventions dedicated to organic farming (DR-04 and DR-05) in the Strategic Plan 2023–2027 in Romania.

The data used in the study come from official sources provided, either open data available at the National Institute of Statistics, the Ministry of Agriculture and Rural Development, or data provided by the Payments and Intervention Agency for Agriculture (APIA). The analyzed database includes aggregated information on the number of beneficiaries, their distribution by activity sectors, territorial distribution at the county level, as well as national totals. The analysis is cross-sectional and aims to structure and compare access by sector and territorial dimensions.

The analysis employed both descriptive and comparative methods. The emphasis was on highlighting territorial and sectoral variations in access to support measures. The selected data were processed and synthesized in the form of tables and graphical representations to facilitate the interpretation of trends and the identification of regional particularities.

3. Results and Discussions

Recently, there has been a significant increase in the area cultivated in organic agriculture, but the percentage remains quite low, 5.46% (2023), according to data published by Eurostat. Romania, through the National Plan for the Development of Organic Production, has set itself the goal of reaching a target of 6% by 2030. This percentage, apparently low, represents an ambitious target, which means approximately 800,000 ha, placing Romania at the top of the member states that practice organic agriculture.

Support for organic farming aims at the sustainable development of the agricultural sector through responsible management of natural resources, contributing to the reduction of greenhouse gas emissions, the reduction of the use of plant protection products, the mitigation of the effects of climate change, the conservation of biodiversity, and the protection of consumer health (Popovici et al., 2018; Patarlageanu et al., 2022).

In this context, the SWOT analysis carried out in the process of developing the CAP Strategic Plan 2023–2027 highlighted a set of major agri-environmental needs, summarized in Figure 1.

Within the CAP Strategic Plan 2023–2027, Romania is implementing two distinct interventions aimed at supporting the transition and consolidation of organic farming: DR-04 – Conversion to organic farming methods and DR-05 – Maintenance of organic farming practices.

Interventions DR-04 and DR-05 were designed to respond to specific objectives of the CAP Strategic Plan 2023–2027, which reflect both environmental and socio-economic commitments.

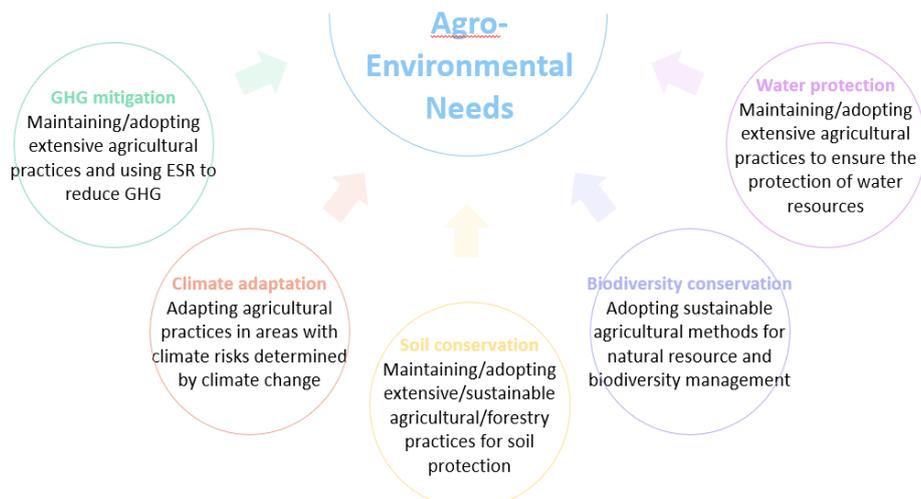


Figure 1. Agri-Environmental Needs Highlighted in SWOT Analysis for SP 2023-2027.

Source: Generated by authors

Thus, SO4 aims to mitigate and adapt to climate change, including reducing greenhouse gas emissions and promoting carbon sequestration; SO5 aims at the sustainable and efficient management of natural resources – water, soil, and air – with reduced dependence on chemical inputs; SO6 concerns the conservation of biodiversity, habitats, and ecosystem services; and SO9 considers the response of agriculture to societal demands regarding food safety, quality, and sustainability, waste reduction, animal welfare, and combating antimicrobial resistance.

SO 4	SO 5	SO 6	SO 9
<ul style="list-style-type: none"> Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, and promoting sustainable energy 	<ul style="list-style-type: none"> Promote sustainable development and the efficient management of natural resources such as water, soil and air, including by reducing chemical dependency 	<ul style="list-style-type: none"> Contribute to halting and reversing biodiversity loss, enhancing ecosystem services and conserving habitats and landscapes 	<ul style="list-style-type: none"> Improve the response of EU agriculture to societal demands for food and health, including for high-quality, safe, nutritious and sustainably produced food, reducing food waste, and improving animal welfare and combating antimicrobial resistance

Figure 2. Specific Objectives of SP 2023-2027 that DR 04 and DR 05 respond to.

Source: Generated by authors

Accessing DR-04 and DR-05 interventions requires compliance with a set of eligibility criteria that define the profile of the beneficiary farmers and the minimum necessary and mandatory conditions for granting compensatory payments. These criteria concern, on the one hand, the size and location of agricultural areas, as well as the registration of holdings in the organic farming system, and on the other hand, the commitment of farmers to implement and document appropriate practices.

The related financial allocations aim to compensate for additional costs and income losses caused by the decrease in yields and restrictions on the use of chemical inputs during the transition period and during organic certification.

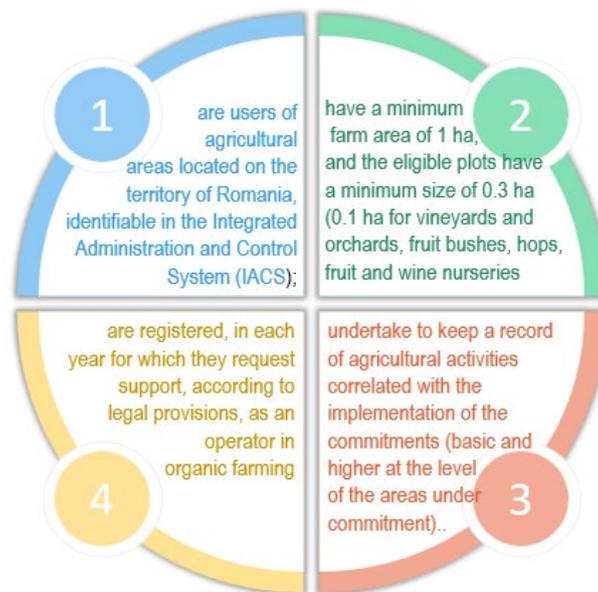


Figure 3. Eligibility Criteria for Beneficiaries of DR04 and DR05.

Source: Generated by authors

The DR-04 intervention aims to support farmers who are in the process of switching from the conventional crop cultivation or livestock raising system to the organic one. This intervention includes a set of packages differentiated according to the type of crop and land use (cereals, technical plants, permanent crops, grasslands, etc.), as well as conditionality related to compliance with the conversion rules provided for in the European and national legislation in force.

The DR-05 intervention targets farmers who have completed the conversion period and already hold organic certification. This measure is designed as a support for maintaining this production system in an organic system. As in the case of DR-04, the packages are structured according to the categories of land use and the specifics of the holding. The main objective is to support the continuity of organic practices in the long term by covering the income gap and the recurring costs generated by the application of the standards specific to organic agriculture.

The structure of the organic farming packages highlights a clear differentiation between support for conversion (DR-04) and maintenance (DR-05). In line with the logic of offsetting transition costs, the values per hectare are generally higher in DR-04 than in DR-05 (e.g., arable crops: 293 vs. 218 €/ha/year; vegetables: 500 vs. 431 €/ha/year; orchards: 620 vs. 442 €/ha/year; permanent grassland: 365 vs. 350 €/ha/year), with a peak payment level in the orchard package, followed by vegetables and vines.

However, the area estimates indicate a wider coverage in DR-05 for most packages, suggesting a significant pool of holdings already in maintenance and an extension of certification on a national scale. A notable exception is option 6.1, where the estimated area decreases in DR-05 compared to DR-04, while in option 6.2 the payment per hectare is higher in DR-05 than in DR-04, signaling an intensification of incentives in combination with agri-environment-climate commitments.

Payment Value (PV) €/ ha/ Year / Estimated Area (EA) ha/ Year for DR 04 and DR 05, 2024

Table 1

Packages under organic farming payment schemes	PV - DR 04	EA- DR 04	PV - DR 05	EA - DR 05
Package 1 – arable crops (including fodder plants)	293	95,000	218	195,000
Package 2 – vegetables (including potatoes)	500	325	431	700
Package 3 – orchards	620	6,000	442	11,300
Package 4 – vineyards	530	550	479	1,700
Package 6 – permanent grassland	365	675	350	825
Option 6.1 (applicable at the national level in areas without an agri-environment-climate commitment)	143	47,000	129	36,500
Option 6.2 (applicable in eligible areas and only in conjunction with an agri-environment-climate commitment)	39	41,000	73	51,750

Source: Ministry of Agriculture and Rural Development

Next, we present the evolution of the number of operators and areas registered in organic farming for which financial support was requested in the period 2023–2025. A mixed dynamic is observed: after a decrease in 2024, the number of operators increases in 2025, while the total area requested remains on a slightly downward trend.

The Number of Operators and Areas Registered in Organic Agriculture in the Period 2023-2025, for which Financial Support was Requested.

Table 2

	2023	2024	2025
Number of operators (production activity)	11,135	9,830	12,114
Area (Ha)	616,958.75	512,128.11	509,994.1

Data source: APIA

The structure of the areas under payment indicates a clear difference between conversion (DR-04) and maintenance (DR-05). At the national level, DR-05 concentrates the largest areas, signaling a large pool of already certified holdings, while DR-04 remains oriented towards new entries into the system. From the perspective of the packages, arable crops (P1) and permanent grassland (P6, including option 6.2) clearly dominate the allocations in both interventions, while vegetables (P2), orchards (P3), and vineyards (P4) have lower shares and a probably more concentrated territorial distribution.

The differences of the order of tens of thousands of hectares between maintenance and conversion, visible especially in P1 and P6, suggest that the scheme functions predominantly as a mechanism to consolidate organic farming already adopted, in parallel with a present, but more moderate, conversion dynamic in 2024.

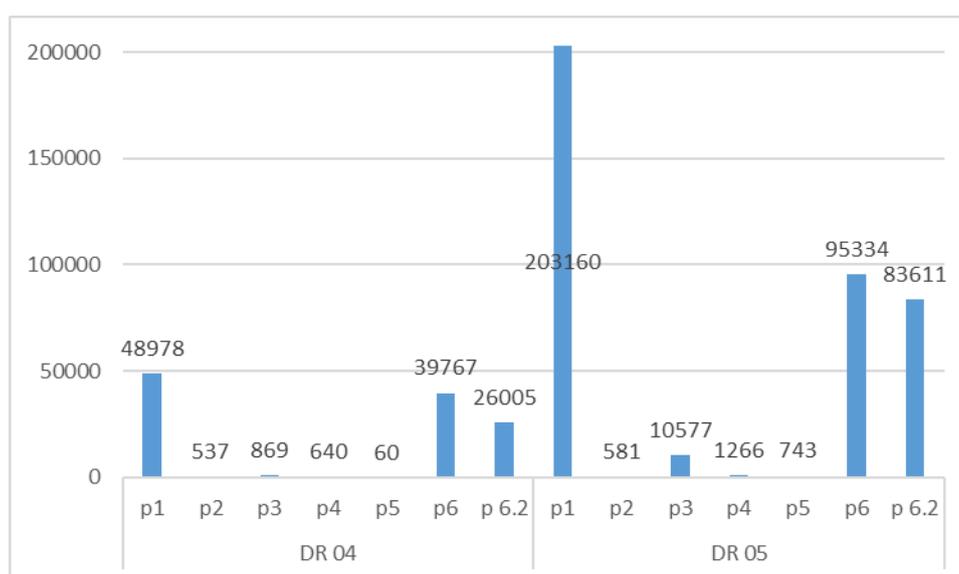


Figure 4. Total Area under Payment by Intervention and Packages for 2024 (ha).

Source: APIA

Analysis of the territorial distribution of the total areas under payment in 2024 highlighted several regional "poles". The southeast (especially Tulcea and Constanța) and the west of the county (Timiș, Arad) concentrate the largest areas,

indicating already consolidated ecological systems on arable crops and grasslands (figure 5).

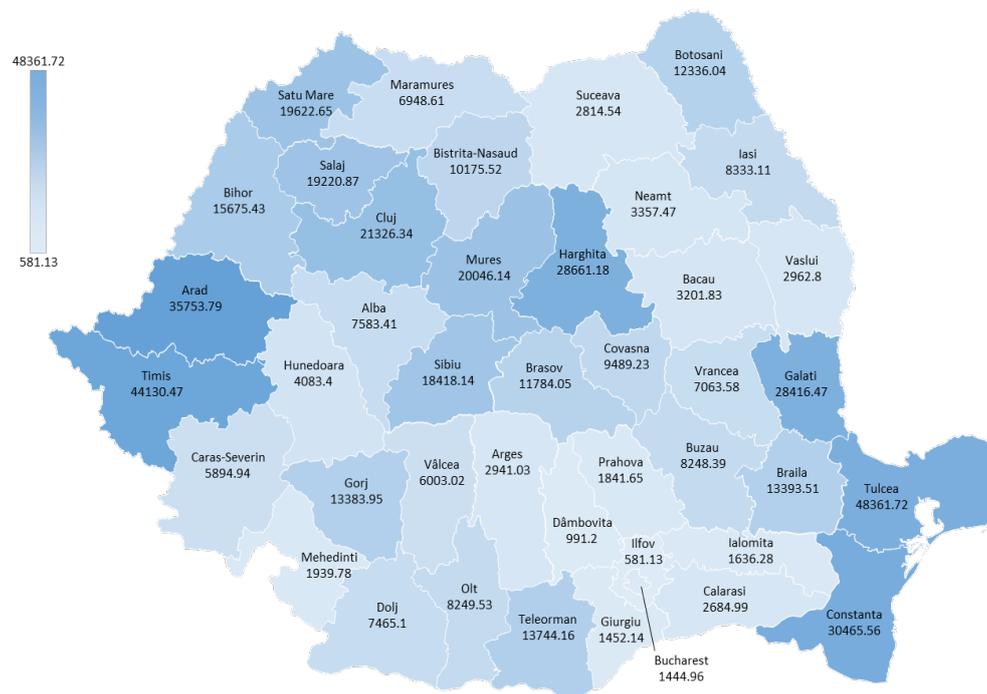


Figure 5. Territorial Distribution of Area under Payment,2024.

Source: Generated by authors

A second core is emerging in the center and north-center of the county (Harghita, Cluj, Mureș, Sibiu), with relevant shares and a greater diversity of land uses. The counties in the southern extra-Carpathian region present mixed values: some are medium to high (Teleorman, Olt, Brăila, Buzău), while others remain at low levels, especially where urban pressure and land fragmentation are high (Bucharest-Ilfov, Dâmbovița).

The top ten counties by total area under payment show a clear concentration in Tulcea (approximately 48.4 thousand ha) and Timiș (over 44.1 thousand ha), followed by Arad (over 35.8 thousand ha) and Constanța (over 30.5 thousand ha) (Figure 6). In all these counties, the maintenance component, DR-05, clearly dominates, which indicates a mature pool of already certified farms; the most pronounced contrast is observed in Harghita, where DR-04 has a minimal share in relation to DR-05.

At the opposite pole, Tulcea and Arad present a relatively higher contribution of conversion, DR-04, to the county total, suggesting a more active dynamic of entry into the ecological system. The geographical distribution is heterogeneous—it includes counties in the southeast (Tulcea, Constanța, Galați),

west (Timiș, Arad, Satu Mare), and center/northwest (Cluj, Mureș, Sălaj)—meaning that the expansion and consolidation of organic agriculture are taking place on different production profiles, with distinct rhythms between conversion and maintenance.

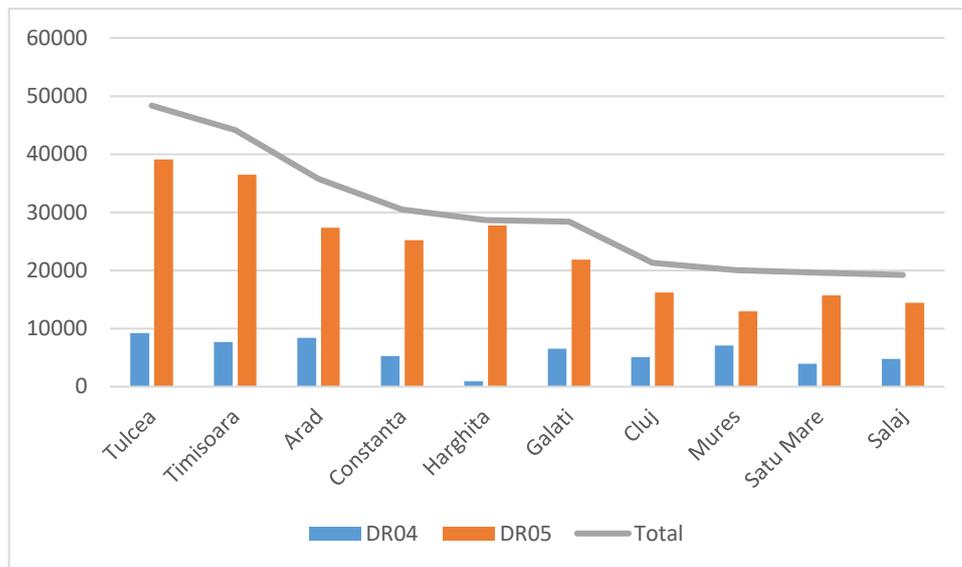


Figure 6. Top ten Counties by Area under Payment, by Specific Intervention Measure.

Source: Generated by authors

At the bottom of the ranking by total area under payment are counties with a lower agricultural share or high urban pressure (Ilfov, Dâmbovița, Bucharest), followed by Giurgiu, Ialomița, Prahova, Mehedinți, Călărași, Suceava, and Argeș (Figure 7). In almost all cases, maintenance (DR-05) clearly dominates the structure, suggesting a core of already certified farms and a modest conversion dynamic (DR-04). The visible exception is Ialomița, where DR-04 and DR-05 are almost balanced, indicating relatively recent entries into the system. Overall, these counties confirm a lower participation in organic farming in 2024, with an emphasis on maintaining certification more than on expansion through conversion.

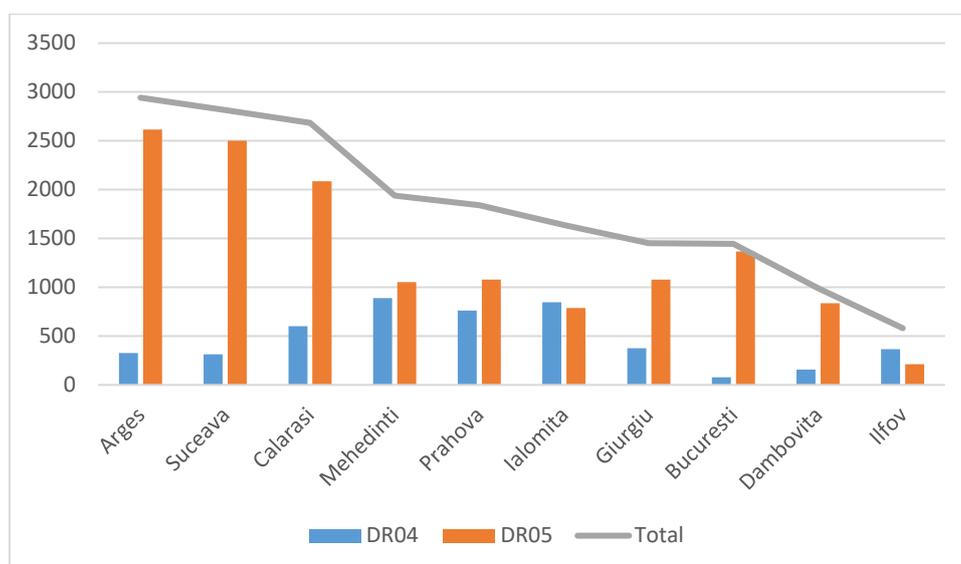


Figure 7. Last ten Counties by Area under Payment, by Specific Intervention.
Source: Generated by authors

Analyzing the data at the national level, we can see that access to the measures is at a high level, but there are large differences between the areas registered in organic agriculture in each county due to geographical diversity and the possibility of obtaining certified organic products that are preferred by the public.

4. Conclusions

According to the strategic plan, there is a differentiated role of interventions in organic farming. DR-04 functions as an entry tool into the system (conversion), while DR-05 consolidates the maintenance of certification. It can be observed that the structure of payments per hectare is, consistently, higher for conversion than for maintenance.

Following the analysis of financing at the level of 2024, it can be observed that DR-05 concentrates the largest areas, indicating a mature pool of certified farms. Payments under DR-04 remain significant, but with a lower weight, reflecting a moderate conversion dynamic.

Regarding the packages related to the interventions studied, P1 (arable) and P6 (meadows) dominate the allocations in both interventions. Packages P2 (vegetables), P3 (orchards), and P4 (livestock) have lower shares and a more concentrated territorial distribution.

The differentiation between Option 6.1 and 6.2 suggests that incentives increase where grasslands are managed in conjunction with agri-environment-climate commitments, which can improve the quality of environmental outcomes.

Large areas are concentrated in SE (Tulcea, Constanța) and W (Timiș, Arad), followed by a central/north-central core (Harghita, Cluj, Mureș, Sibiu), indicating distinct production profiles and different stages of transition.

Compensation levels seem aligned with marginal transition costs (higher upon conversion) and the long-term maintenance objective, but the distribution shows the need for regional adjustments to stimulate conversion in lagging counties.

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