

FARM STRUCTURES IN THE EUROPEAN UNION

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Abstract

Through its programs, the EU seeks to mitigate the situation by allocations especially for small and medium farms, those with conditions disfavoring, constraints and even the cessation of certain allowances for holding very large, stimulating young farmers setting up new farms medium sized organization of small farmers in the marketing structures of production, etc. That the great latifundia largely own land on lease and concession and thus land ownership is maintained by the rural population, can be a basic to improve the situation. The purpose of the paper is point out some considerations about agriculture in EU, CAP (common agricultural policy) farm structure using the data provided by Eurostat Database. The EU cohesion policy could be a significant driving engine of economic growth, being supported by the objectives of Europe 2020 Strategy and to obtain the commitment of the member states as regards the application of necessary reforms.

Key words: rural development. EU agriculture, farm structure, standard of living

INTRODUCTION

Agriculture is a huge industry that involves rural areas and its communities, natural resources and not least, human resources.

Most of the European countries want to maintain a strong agricultural policy with a budget that can guarantee significant revenue producers and food security of the population. However there are certain interest groups that put together states with eye to eye on the future Common Agricultural Policy, the community of interest being generated either for financial reasons in conjunction with a design more liberal on agricultural policies (group of countries liberal), the recent past frustrating that produced significant social and economic gap (it is former communist countries), certain economic and social realities in the old European states (large share of agriculture in the economy and employment structure of fragmented farms, the high percentage of disadvantaged areas) who European states more conservative product group.

Memberships (formal) in a group or another is given by the positions and solutions on supporting agriculture and especially the extent and future direct payments.[5]

Agriculture is one of the largest and most significant industries in the world. Agriculture, as we all know, is the backbone of any country.

Agricultural productivity is important not only for a country's balance of trade, but the security and health of its population as well. Agriculture covers a wide range of subjects: economic situation, financial aspects, structure, trade, rural development, markets et cetera.

“Increase in agricultural production and the rise in the per-capita income of the rural community, together with the industrialisation and urbanisation, lead to an increased demand in industrial production”-Dr. Bright Singh [5].

Agriculture is the basic source of food supply of all the countries of the world—whether underdeveloped, developing or even developed. Due to heavy pressure of population in underdeveloped and developing countries and its rapid increase, the demand for food is increasing at a fast rate. If agriculture fails to meet the rising demand of food products, it is found to affect adversely the growth rate of the economy. Raising supply of food by agricultural sector has, therefore, great importance for economic

growth of a country [6].

Agriculture provides employment opportunities for rural people on a large scale in underdeveloped and developing countries. It is an important source of livelihood.

The knowledge of agricultural sector and its behaviour is mandatory also at EU level, fact that will help the business to set up a trend.

The interest for such information is to justify a business in the agricultural sector, such as foreign seed production companies which are developing commercial activities in Romania. A relevant example is the utility of the customer relationship management systems in the development of commercial and marketing business area of a company.

The information in big lines about agriculture in general, crop distribution and farms split will create a clear picture about the importance of using this kind of systems in the operational sector of a company which is providing to the final consumer -the farmer-, the seed.

MATERIALS AND METHODS

In the paper is used data collected from the EU data base Eurostat. Aspects such as: the size of agricultural holdings, the farm labour force, agricultural land, agriculture statistics - the evolution of farm holdings use were pointed out.

RESULTS AND DISCUSSIONS

The structure of agriculture in the Member States of the European Union (EU) varies as a function of differences in geology, topography, climate and natural resources, as well as the diversity of regional activities, infrastructure and social customs.

In 2013, there were 10.8 million agricultural holdings within the EU-28. The utilised agricultural area (UAA) in the EU-28 was almost 175 million hectares (some 40.0 % of the total land area), giving an average size of 16.1 hectares per agricultural holding.

In terms of utilised agricultural area, France and Spain had the largest share of the EU-28's agricultural land, with 15.9 % and 13.3 % shares respectively, while the United

Kingdom and Germany had shares just under 10.0 %.

Table 1. Key indicators — share in EU-28 total. 2013

	Number of agricultural holdings		Utilised agricultural area (UAA)	
	(%)	(%)	(%)	(%)
	Number of agricultural holdings	Utilised agricultural area (UAA)	Number of agricultural holdings	Utilised agricultural area (UAA) (ha)
EU-28	100.0	100.0	10,841,000	174613,900
France	4.4	15.9	472,210	27,739,430
Spain	8.9	13.3	965,000	23,300,220
United Kingdom	1.7	9.9	185,190	17,326,990
Germany	2.6	9.6	285,030	16,699,580
Poland	13.2	8.3	1,429,010	14,409,870
Romania	33.5	7.5	3,629,660	13,055,850
Italy	9.3	6.9	1,010,330	12,098,890
Ireland	1.3	2.8	139,600	4,959,450
Greece	6.5	2.8	709,500	4,856,780
Hungary	4.5	2.7	491,330	4,656,520
Bulgaria	2.3	2.7	254,410	4,650,940
Portugal	2.4	2.1	264,420	3,641,590
Czech Republic	0.2	2.0	26,250	3,491,470
Sweden	0.6	1.7	67,150	3,035,920
Lithuania	1.6	1.6	171,800	2,861,250
Austria	1.3	1.6	140,430	2,726,890
Denmark	0.4	1.5	38,830	2,619,340
Finland	0.5	1.3	54,400	2,282,400
Slovakia	0.2	1.1	23,570	1,901,610
Latvia	0.8	1.1	81,800	1,877,720
Netherlands	0.6	1.1	67,480	1,847,570
Croatia	1.5	0.9	157,450	1,571,200
Belgium	0.3	0.7	37,760	1,307,900
Estonia	0.2	0.5	19,190	957,510
Slovenia	0.7	0.3	72,380	485,760
Luxembourg	0.0	0.1	2,080	131,040
Cyprus	0.3	0.1	35,380	109,330
Malta	0.1	0.0	9,360	10,880

Source: Eurostat, 2016

By contrast, the largest number of agricultural holdings was in Romania (3.6 million), where one third (33.5 %) of all the holdings in the EU-28 were located. Poland had the second

highest share of agricultural holdings (13.2 %). some way ahead of Italy (9.3 %) and Spain (8.9 %).

Table 2. Average utilised agricultural area per holding. 2010 and 2013 ⁽¹⁾

	2010	2013
EU-28	14.4	16.1
Czech Republic	152.4	133.0
United Kingdom	90.4	93.6
Slovakia	77.5	80.7
Denmark	62.9	67.5
Luxembourg	59.6	63.0
France	53.9	58.7
Germany	55.8	58.6
Estonia	48.0	49.9
Sweden	43.1	45.2
Finland	35.9	42.0
Ireland	35.7	35.5
Belgium	31.7	34.6
Netherlands	25.9	27.4
Spain	24.0	24.1
Latvia	21.5	23.0
Austria	19.2	19.4
Bulgaria	12.1	18.3
Lithuania	13.7	16.7
Portugal	12.0	13.8
Italy	7.9	12.0
Poland	9.6	10.1
Croatia	5.6	10.0
Hungary	8.1	9.5
Greece	7.2	6.8
Slovenia	6.5	6.7
Romania	3.4	3.6
Cyprus	3.0	3.1
Malta	0.9	1.2
Norway	21.6	23.0
Switzerland ⁽²⁾	17.7	:
Montenegro ⁽²⁾		:
Iceland ⁽²⁾	616.1	:

Source: Eurostat, 2016

⁽¹⁾ Iceland not shown for reasons of scale: 2010 value was 616 hectares.

⁽²⁾ 2013: not available.

The average size of agricultural holdings in the EU-28 increased from 14.4 hectares per holding in 2010 to 16.1 hectares per holding in 2013, resulting from an 11.5 % fall in the number of holdings and a 0.7 % fall in the utilised agricultural area.

The total farm labour force in the EU-28 was the equivalent of 9.5 million annual working units in 2013, of which 8.7 million (92 %) were regular workers.

Table 3. Share of regular workers in the farm labour force and distribution by work intensity, 2013

	Analysis of labour force (% of total)			Farm labour force (1 000 AWU)		
	Full-time regular	Regular but not full-time	Total regular	Total	Regular	Full-time
EU-28	38	53	92	9,508,560	8,733,630	3,649,380
Latvia	37	63	100	82,090	81,770	30,050
Croatia	23	76	99	175,050	173,250	40,070
Malta	30	68	98	4,450	4,380	1,340
Lithuania	21	77	98	144,770	142,450	30,380
Ireland	44	54	98	163,690	160,610	72,800
Estonia	60	38	98	22,060	21,550	13,260
Poland	47	51	97	1,918,550	1,866,450	892,330
Austria	24	72	97	111,160	107,740	27,210
Slovakia	54	43	97	50,600	49,030	27,460
Slovenia	30	66	96	82,450	79,470	24,840
Czech Republic	71	25	96	105,080	101,070	75,130
Denmark	71	25	96	54,470	52,280	38,750
Luxembourg	74	22	96	3,530	3,380	2,600
Sweden	41	53	94	59,320	55,670	24,450
Romania	7	87	94	1,552,630	1,451,870	101,310
United Kingdom	63	30	93	275,370	256,670	173,830
Bulgaria	37	56	93	320,230	298,380	119,090
Portugal	36	56	92	323,470	298,550	117,270
Hungary	30	62	92	433,700	400,020	130,760
Cyprus	30	62	92	16,550	15,240	4,980
Finland	54	38	92	57,550	52,990	31,320
Belgium	68	24	92	56,730	52,010	38,640
Germany	58	31	89	522,730	466,830	303,880
Greece	29	60	89	463,860	412,450	134,400
France	66	22	88	724,690	640,480	479,890
Netherlands	55	31	86	153,310	131,750	83,850
Italy	38	48	85	816,920	696,240	306,570
Spain	40	42	81	813,550	661,050	322,920
Montenegro ⁽¹⁾	39	59	98	47,870	47,060	18,780
Switzerland ⁽¹⁾	33	65	97	95,960	93,550	31,520
Norway	26	67	93	44,000	40,860	11,400
Iceland ⁽¹⁾	46	47	92	4,170	3,850	1,910

Source: Eurostat, 2016

Utilised agricultural area accounted for two fifths (40.0 %) of the total land area of the EU-28 in 2013, with a further 9.0 % of the land belonging to agricultural holdings, either in the form of wooded areas (6.7 %) or other land not used for agriculture (2.3 %).

More than half of all arable land was given over to

cereals, which accounted for one third (33.2 %) of the total utilised agricultural area in 2013. Permanent grassland and meadow was predominantly pasture and meadow, which had a 21.9 % share of the total utilised agricultural area, compared with shares of 11.4 % for rough grazing and 0.8 % for permanent grassland and meadow not used for production, but eligible for subsidies [7].

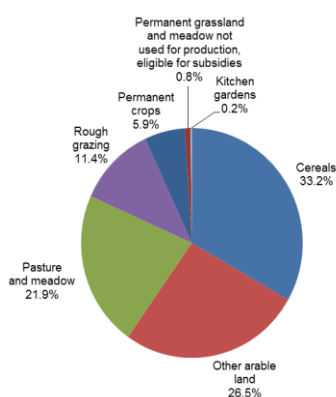


Fig. 1. Utilised agricultural area by land use. EU-28
 Source: Eurostat

The arable crop area in the EU is expected to continue its slow decline. About 45 % of the EU is covered with agricultural land [8].

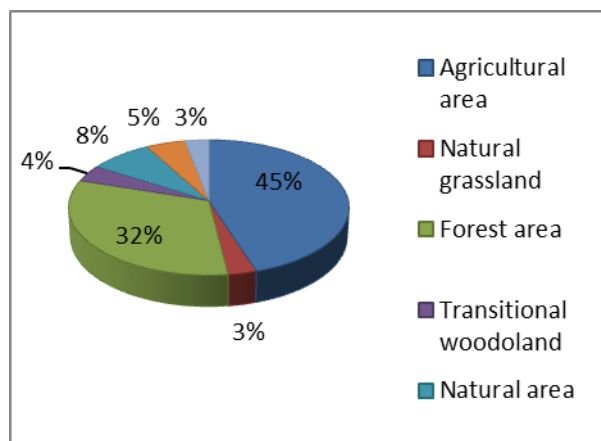


Fig. 2. Share of agriculture in total land cover
 Source: DG Agriculture and Rural Development.
 Context indicator CCI 31 Land cover

According to the European Commission Communication, the Common Agricultural Policy will remain an integrated policy, a strong policy, consisting of two support pillars, in the next years, too. The medium-term strategic objectives are based on the challenges and concerns of the last years, being generous objectives, yet sometimes

divergent as scope and means. One of the objectives is:

Support to the farm sector, so that the farms could provide high quality, clean and diversified agricultural products, obtained by the respect of sustainable production principles. Hence an efficient agriculture is desired at the same time protecting the environment, water, animal health and welfare, plant health and by complying with the public health regulations [3].

The aim of the common agricultural policy (CAP) is to provide a stable, sustainable production of safe food at affordable prices for consumers, ensuring also a decent standard of living for 22 million farmers and agricultural workers.

EU farm policy [1] – the common agricultural policy – serves many purposes:

- helps farmers produce sufficient quantities of food for Europe
 - ensures this food is safe (for example through traceability)
 - protects farmers from excessive price volatility and market crises
 - helps them invest in modernising their farms
 - sustains viable rural communities. with diverse economies
 - creates and maintains jobs in the food industry
 - protects the environment & animal welfare.
- EU farm policy has evolved considerably in recent decades to help farmers face new challenges and also in response to changing public attitudes.

The impact of agriculture on the country's growth is definitely quite high and that is why efforts need to be made to improve it. Various schemes should be integrated for the betterment of the farmers along with guiding them on the new ways of farming. Measures need to be taken to overcome the loss due to heavy or inadequate rainfall so that the farmers can live a happy life.

Agriculture is not only the major sector of the country but a powerful one as well. Its importance cannot be denied as it accounts to the high GDP.

The role of small farms in EU agriculture and in maintaining the economic vitality of the rural area is also recognized. That is why the

Parliament agrees on granting a specific, simplified aid to small farmers, and invites the Commission to find certain transparent and flexible criteria by which the small farm status should be defined by each Member State. It is not clear whether this would presuppose a different approach of these criteria by each Member State or a unitary approach [10].

There are 13.7 million farms in EU-27, out of which 3.9 million in Romania (28.7%). While in EU-27 the average farm size is 12.6 hectares, in Romania the average farm size is only 3.5 ha. i.e. four times smaller. The differences are even higher if the economic size is considered: the EU-27 average is 11.3 ESU and only 1 ESU in Romania.

Table 4. Farm structure in Romania and in EU-27

	Unit of measure	Romania	EU-27
Number of farms	no.	3,931,350	13,700,400
Utilized agriculture area	ha	13,753,050	172,485,050
Labour force	AWU	2,205,280	11,696,730
Average farm size	ha	3.5	12.6
Share of farms by different size classes	%		
< 5ha		89.9	70.4
5-50 ha		9.8	24.5
> 50 ha		0.4	5.1
Average economic farm size	ESU	1.0	11.3
Share of farms by economic size classes	%		
< 2 ESU		94.0	60.8
2-100 ESU		6.0	36.9
> 100 ESU		0.0	2.2
Importance of semi-subsistence farms			
Number of farms under 1 ESU	Nr.	3,064,670	6,389,390
Share of farms under 1 ESU	%	78.0	46.6

Source: calculations based on European Commission's data. 2010

According to the provisional data of the Agricultural Census, in the agricultural year 2009-2010, Romania's agricultural area totalled 15.86 million ha out of which the utilized agricultural area per total country was 13.298 million ha, with an average agricultural land area per holding of 3.45 ha. Out of this land, 62.5% is arable land. 33.8% pastures and hayfields. 2.4% permanent crops

and 1.4% kitchen gardens.

The non-utilized agricultural area totalled 0.88 million ha and the idle agricultural area (according to the statistical research study "Crop production by main crops in 2010") was 1.35 million ha.

According to the Agricultural Census provisional data, 55.6% of total holdings have less than 1 ha (2.13 million holdings) and their total area (1.03 million ha) accounts for 6.8% of total.

The structure of farms over 1 ha (farms complying with the minimum CAP support criterion) is presented in Fig. 3.

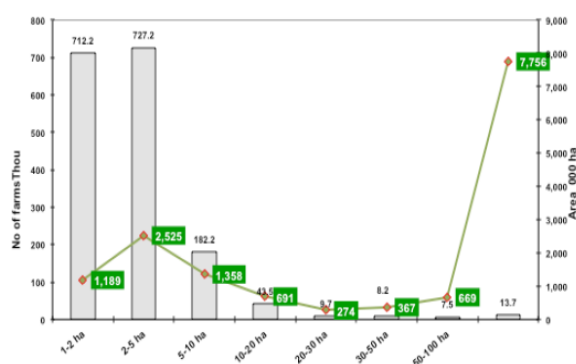


Fig. 3. Structure and number of agricultural holdings over 1ha

Source: Agricultural Census provisional data. NIS. 2011

As it can be seen 18.5% of total farms have 1-2 ha and 7.5% of total area. 20% of total farms have 2-5 ha and operate about 16% of total area and 0.4% of holdings have over 100 de ha and 49% of total area.

The labour employed in the EU-27 agricultural sector totalled 2.2 million annual work units (AWU) which represented about 18.8% of the labour force employed in the primary sector.

The main characteristic of EU agriculture is represented by the family farms, which on the average provide 1 – 1.5 jobs (EU. 2010).

As it can be sees from Table 5.9. in Romania the agricultural production is mainly based on the small-sized semi-subsistence farms, which have an extremely large share - 78%.

In the year 2005, in EU-27, one-fifth of farmers had agricultural training, while in Romania their share was 2.7 times lower (7.4%).

Table 5. Vocational training in agriculture in Romania and in EU-27

	Romania %	EU 27 %
Share of farmers with basic agricultural knowledge or with completed agricultural training	7.4	20.0

Source: according to European Commission's data. 2010

CONCLUSIONS

The agriculture provides food items to the country which helps to prevent buying the same from countries. This reduces the problem to a large extent and proves beneficial in the growth of the nation too. It is better if the country does farming in most of the staple food products.

So it is very clear that agriculture is of great importance not only to the people but in the country as a whole. Steps and measures should be taken to improve agriculture ways thus making it a powerful sector to trade for.

Special attention should be given to this sector so that farmers use the latest technology for agriculture that results in higher yield. Better the agriculture, higher will be the growth of the nation.

As a conclusion of the data presented above, a good scenario for a seed producer company is to start and develop a commercial action in Romania. Selling certified seeds to Romanian farmers encourages the companies to develop besides all the legal financials commercial aspects an operational department meant to sustain and create relationships with customers.

The link and the relationship between the farmer and the provider of any input should be strong built on trust and on a win-win situation.

The development of any business in agriculture meant to increase its profitability offers the opportunity to anyone to identify the actual needs of customer and help them to serve them in a better way [9].

The progress in agricultural sector provides

surplus for increasing the exports of agricultural products. In the earlier stages of development, an increase in the exports earning is more desirable because of the greater strains on the foreign exchange situation needed for the financing of imports of basic and essential capital goods [11].

The Commission Communication on the cohesion policy highlights the importance of this policy for reaching the objectives from "Europe 2020 Strategy" and reiterates the need to consolidate its role, so as to guarantee an intelligent, sustainable and inclusive growth, at the same time promoting the harmonious development of the Union and of all its regions through the diminution of regional disparities.

Although the important role of this policy in job creation, in increasing human capital, construction of critical infrastructure and environment protection improvement is recognized, in the less developed regions the effects of this policy implementation have not been significant yet, which imposes an ambitious reform. mainly in the concentration of resources to reach the objectives of Europe 2020 Strategy and to obtain the commitment of the member states as regards the application of necessary reforms so as to ensure this policy implementation by focusing more on the obtained results. In this context, the cohesion policy could be a significant driving engine of economic growth, in the conditions of the European policies coordination [4].

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