

MAJOR DEVELOPMENTS OF ROMANIA'S AGRICULTURAL SECTOR WITHIN EU27 – COMPARISONS POST-ACCESSION

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Abstract

The paper aims to present the evolution of main sectoral indicators of Romania's agriculture in the context of European Union enlarged to 27 countries. There have been analysed the sizes and trends of the basic agricultural resources including land, livestock and labour force, as well as the synthetic indicators related to the output. The research was based on the statistical data provided by Eurostat. The results emphasize that Romania ranks among the forefront states regarding the utilized agricultural area, as well as having the largest number of employees in the primary sector. The share of Romania's primary sector in the gross value added, although four times greater than the EU average, had a downward trend, recording a minimum of 6.4% in 2013. Romania's agricultural trade balance gathered a deficit of -8 billion Euros in the post-accession period; however, a net export performance was merely achieved in 2013. In conclusion, Romania's agricultural labour productivity was placed in a modest position by the gaps comparing to the majority of member states, that drew attention to the necessary improvements of the performances and to narrowing the disparities.

Key words: agriculture, EU27, output, Romania, sectoral indicators

INTRODUCTION

In Romania, alike in all Member States, agricultural and food production are core social and economical elements of the rural European Union (EU).

Within this context, the research has been focused on assessments of the agricultural sector state prior to Common Agricultural Policy (CAP) embarked on a new reform stage post-2013.

The new political framework envisaged an effective and adapted reform able to meet the future challenges more efficiently, for a more competitive and sustainable agriculture [1].

The main objectives of development of rural areas, of:

- ensuring a decent standard of living for farmers,
 - providing stable and safe food supply at reasonable prices for consumers;
- continue to be followed while focussing on the sustainable management of resources.

The present article provides analysis on several indicators related to these objectives.

MATERIALS AND METHODS

The research was based on statistical and comparative analysis methods that used structural sectoral indicators related to the performance within EU of Romania's agriculture post-accession: production resources, i.e. utilized agricultural area (UAA), livestock units (LSU), labour input, and macroeconomic indicators, i.e. gross value added (GVA) in the primary sector, the agricultural output and agri-food foreign trade flows [5].

The statistical information has been used from the online database Eurostat, while for Romania's data on agricultural trade provided by the National Institute of Statistics.

RESULTS AND DISCUSSIONS

The contribution of the primary sector of the Romanian economy, including agriculture & forestry & fisheries, in gross value added (GVA), has had a downward trend, falling from 12% in early 2000 to 6.7% in 2010 [4] and 6.4% in 2013 when reached a minimum historical value.

The share of agricultural sector remains, however, almost 4 times higher than the European average EU-27 of 1.7% [5].

Romania benefits from a noteworthy part of resources for agricultural activity, representing, as shares in EU-27, 32% of the agricultural holdings, 7.7% of the utilized agricultural area (UAA), 4% of the livestock units and 16.5% of the full-time equivalent labour input employed in agriculture, expressed by annual work units (AWU) [5].

It strikes also the least standard output per farm, of 3000 EUR/farm, while the EU27 average of 63000 EUR/farm, according to the 2010 Agricultural census [2].

Based on the census, certain disparities in the land structure of the EU has been indicated by half of holdings of small sizes, less than 2 ha, numbering 6 million farms, that worked 2.5% of the total UAA, while large farms, over 100 hectares in sizes, shared 2.7 % of all holdings, farmed half of the total EU land.

According to the average farm size, EU countries roughly comprise 3 categories, i.e. 8 countries with predominant small farms, with sizes ≤ 10 ha, including Romania.

10 countries with large farms sizes, over the EU average of 34.4 ha; and 9 countries with farm sizes between 11 and 32 ha per farm.

Almost 3.9 million of total EU's agricultural holdings, or one third share in EU27, belong to Romania, of which three quarters are of small sizes < 2 ha, while one in four in Italy, sharing 13.2 %, or Poland, 12.3 %.

Among the main countries with predominant small farms are included as well Italy, with 10.7 ha per farm, Poland, 9.6 ha per farm, and Hungary with 9.3 ha per farm, followed by Greece, with an average size of 5 ha per farm or Slovenia with 6.4 ha per farm.

Romania, with 2.7 million people, and Poland, with 1.8 million people, own the largest number of employees in the primary sector, accounting for almost half, of total EU employment in the primary sector in 2013 (49%); however was observed a decreasing trend during 2007-2012.

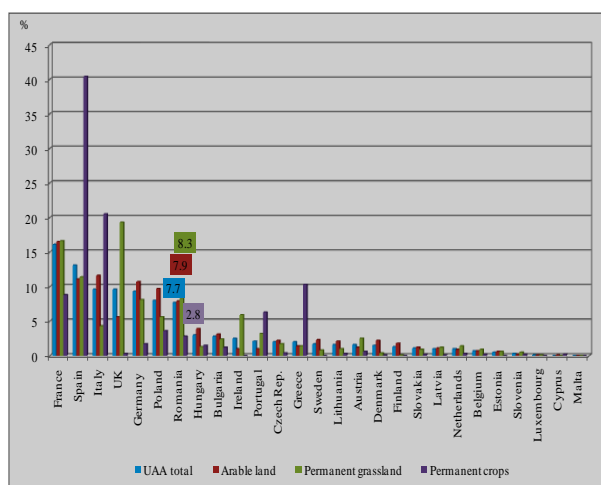
The highest shares of employment in the primary sector in the EU, have been registered in Romania, followed by Bulgaria, Poland,

Greece and Portugal, respectively, from 30% in Romania to 10.5% in Portugal.

In contrast, the lowest rates $\leq 1.5\%$ have been in Luxembourg, Belgium, United Kingdom and Germany.

By the land structure, Romania had a front position in EU's share of the UAA, with 8.3% of the permanent grassland, enhancing the country's potential for grazing (Fig. 1).

In the same time, Romania ranked the sixth in 2013, after France, Spain, Italy, Germany and Poland, sharing 7.9% in the arable area of EU27.



Source: [5].

Fig. 1. Structure of UAA in EU-27 by Member States (2013)

The assessments indicate for the time period 2001-2013 that Romania's agriculture shared 4% in the average GVA of EU27 agriculture, favoured by the increasing share in the EU-27 of the value of crop production, from 3.9%, in 2001, to 5.7%, produced in 2012, while the share of the animal production value decreased, from 2.7% to 2.3% [5].

Romania's contribution to the total agricultural output in the EU-27, in 2013, was of 3% in crop production, respectively, of 1% in animal production.

The GVA accounting for 7.9 million EUR in 2013, placed Romania, after France, Italy, Spain, Germany, Poland, UK and Netherlands, among the top ten member states.

However, the labour productivity of the sector rest reduced in 2013, of 5,000 EUR per AWU.

Table 1. Structural indicators of agriculture in EU-27, by Member States

	No. of farms	UAA mil. ha	Livestock units 1000 LSU	Labour force 1000 AWU
EU-27, total	12,015	180.3	134,192	9,761
Belgium	43	1.3	3,799	62
Bulgaria	370	5.0	1,149	407
Czech Rep.	23	3.5	1,722	108
Denmark	42	2.7	4,919	52
Germany	299	16.7	17,793	546
Estonia	20	1.0	306	25
Ireland	140	4.5	5,787	165
Greece	723	3.7	2,407	430
Spain	990	23.6	14,831	889
France	516	29.0	22,674	780
Italy	1,621	17.3	9,912	954
Cyprus	39	0.1	201	19
Latvia	83	1.9	475	85
Lithuania	200	2.9	900	147
Luxembourg	2	0.1	168	4
Hungary	577	5.3	2,484	423
Malta	13	0.0	42	5
Netherlands	72	1.8	6,712	162
Austria	150	2.9	2,517	114
Poland	1,507	14.4	10,377	1897
Portugal	305	3.7	2,206	363
Romania	3,859	13.9	5,444	1610
Slovenia	75	0.5	518	77
Slovakia	24	1.9	668	56
Finland	64	2.3	1,121	60
Sweden	71	3.0	1,752	57
UK	187	17.3	13,308	266

Source: Processing on Eurostat, from Agric. Census 2010.

The main divergent gaps between Romania and the level of development of the agricultural sector in the greatest part of member states were underlined by the major input of Romania's agriculture in EU's economy and by its share in agricultural employment.

During the analysed time period, the trade flows have a tendency to increase, especially the export value. It is noted in the post-accession small contributions have recorded in total amounts of EU-27, both regarding the share of exports, of 0.8% and those of agri-food imports, of 1%.

In 2013, the market share of Romanian exports to the EU recorded 1.2%, the highest value of the post-accession period.

Concerning the agri-food trade, during the period 2001-2013, Romania's total agri-food trade cumulated 65 billion EUR, of which 23% deficit; exports increased 11 times, while imports grew 4 times.

Romania's agricultural trade balance have had significant deficits, of -1.1 billion EUR, on average, in the period 2001-2006, then widened to -1.4 billion EUR in 2007-2013 while developing with a balancing tendency [6]. Romanian agri-food trade registered a positive balance of 343 million Euro, in the year 2013, the, an unique performance achieved in the last quarter century.

CONCLUSIONS

The research identified that the gaps between Romanian agricultural sector and the EU Member States alert for medium and long term necessity of improvement the internal productivity and efficiency able to enhance the external competitiveness.

Diversification of rural economic activities request an injection of local investments and wider range of jobs created in the upstream and downstream of agriculture.

In addition to these efforts together with innovation and modernization of agriculture techniques, affordable for individual farms, converge to enhancing their capacity of absorbing the financial support provided within CAP framework and more focused on market and economic development.

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