

THE EVOLUTION OF AGRICULTURAL HOLDINGS IN MACRO-REGION FOUR (SOUTH WEST-OLTENIA) AFTER ROMANIA'S INTEGRATION INTO THE EUROPEAN UNION

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Abstract

The year 2007, the moment of Romania's integration into the European Union, was the beginning of a new era of the agriculture economy of our country. In this framework, the Romanian agriculture must quickly conform and to adopt to the European Union's agricultural measures and political (Common Agricultural Policy). The present study describes the evolution of agricultural holdings since 2007 after integration into the European Union, till present because the integration was and still is a powerful pressure factor for the rapid reform of the Romanian agriculture. Oltenia region is a significant agricultural region in Romania and is one of the most sensitive regions of the country in terms of extreme weather combined with the natural and socio-economic conditions.

Key words: agricultural region, macro-region four, agricultural holdings, European Union, evolution

INTRODUCTION

The agricultural holding is representing a complex of labor means, objects of labor and labor force, interconnected into a unitary system, based on labor division and labor cooperation, in order to obtain certain agricultural products, to execute works or provide services. [2]

The agricultural holding is a unitary (territorial, technical, productive, legal, economic) system which has the main purpose to capitalize the agricultural land/or animal breeding in terms of economic efficiency and in good environmental conditions.

Member States of the European Union show a structure of agriculture that varies according to different geological, climatic, and topographic factors, different natural resources and regional activities, lifestyle and social habits.

At European Union level, our country occupies the 6th place of the agricultural area used, so in the recent years with a very high agricultural potential, Romania became an

important player on the European agricultural market.

Unfortunately, the large agricultural area used do not mean the existence of big size dimension farms on contrary in Romania indicates large numbers of agricultural holdings represented by many small subsistence farms. Romania present one third of the number of holdings at EU level in 2013 (33.5%)[3]. In this context, Romania integration into the European Union is an economic, social and political necessity, the main objective of integration being represented by the problem of agrarian structures and organization [7]

MATERIALS AND METHODS

This study has data collected and correlated from various sources of information, both quantitative and qualitative, such: official statistics available on territorial, national and international, documents published by Ministry of Agriculture and Rural Development, National Institute of Statistics, and Eurostat.

In order to provide an ample image of the evolution of agricultural holdings in Oltenia region, were used the following indicators: type of legal status, the agricultural area used, classes and size.

RESULTS AND DISCUSSIONS

The Macro-region was established in Romania in 1998 and is representing a type of regional division Macro-regions have been created to collect regional statistic, and they do not have legal administrative status.

There are four macro-regions in Romania, each of them are formed by two development regions. Macro-region four is made up of the southern and eastern regions of the country.

Oltenia Region is located in the South-West of Romania, in the North is delimited by the Carpathian Mountains, in South and West by Danube River, in East by Olt River.

The region is covering an area of 29,212 km², representing 12.25% of Romania's surface area and consists of 5 counties: Dolj, Gorj, Mehedinți, Olt, and Valcea.

The fundamental transformation in the agricultural structure, in the technical and material resources, in the farm set-up is necessary in order to ensure a modern agriculture and its enrolment in the general strategy for the transition of the entire Romanian economy to the market economy. [9]

Table 1. The evolution of agricultural holdings after 2007-2016 (thousand)

Indicators	2007	2010	2013	2016
Total agricultural holdings	3,931	3,859	3,630	3,422
Agricultural holdings without legal status	3,913	3,828	3,602	3,396
Agricultural holdings with legal status	17	31	28	26

Source: Farm Structure Survey, 2013;
<http://www.insse.ro>. [5, 8]

In Romania, since the moment of integration into the European Union, the number of agricultural holdings registered a decrease, from 3,931 thousand units in 2007 to 3,422 units in 2016 meaning 12.94% of the total agricultural holdings.

At the regional level in Oltenia, making a comparison with the year 2007, the number of agricultural holdings decreased very much in 2016 with more than 41,000 units, this decrease is the result of the merger process.

Table 2. Total agricultural holdings in Oltenia region (number)

Indicators	Total agricultural holdings			
	2007	2010	2013	2016
South West Oltenia	580,606	576,603	557,850	539,545
Dolj	157,018	147,184	137,080	129,630
Gorj	95,788	97,585	97,017	94,607
Mehedinți	75,271	77,383	76,286	72,436
Olt	133,338	134,911	130,223	126,647
Vâlcea	119,191	119,540	117,244	116,225

Source: Farm Structure Survey, 2007; Agricultural Census, 2010; Farm Structure Survey, 2016. [1, 4, 6]

Agricultural holdings were classified into two large categories according to their legal status: holdings without and with legal personality.

The agricultural exploitations without legal status are represented by individual agricultural holdings, authorized natural persons, individual companies, and family companies.

The agricultural exploitations with legal personality are represented by autonomous administrations, companies/ agricultural associations, commercial companies with private majority capital, commercial companies with state majority capital, institutes or research station, co-operatives units.

Table 3. The Agricultural holdings based on legal statut in Oltenia region (number)

Indicators	Agricultural holdings without legal status			Agricultural holdings with legal status		
	2007	2010	2016	2007	2010	2016
South West Oltenia	578,843	573,968	536,788	1,763	2,635	2,757
Dolj	156,519	146,473	128,764	499	711	866
Gorj	95,541	97,247	94,325	247	338	282
Mehedinți	75,048	76,958	72,020	223	425	416
Olt	132,835	134,307	125,906	503	604	741
Vâlcea	118,900	118,983	115,773	291	557	452

Source: Farm Structure Survey, 2007; Agricultural Census, 2010; Farm Structure Survey, 2016 [1, 4, 6]

Agricultural holdings without legal status, present the biggest proportion of the total

number of holdings, reaching both 99.70% and 99.54% in 2007 and in 2010, which means the existence of many small subsistence farms.

However, after the merger process in 2013, there was a subtle decrease reaching 96.22% in 2016.

In 2016, according to the Structural Agriculture Survey, there were 2,757 holdings with legal status in 2016 meaning an increase with 994 units compares to 2007, the year of European integration. The majority of the holdings with legal status are located in Dolj county, accounts 31.41% of the total number of farms with legal personality but which represents a very small percentage of 0.16 % of the total holdings.

At the national level, not only the number of agricultural holding decrease, also the agricultural area used by them so in 2016 it was recorded an area with 6% less 2010 and 4.2% less 2013.

Table 4. The total of the agricultural area used of the farmers between 2007-2016 (ha)

Indicators	Total agricultural holdings			Agricultural holdings without legal status			Agricultural holdings with legal status		
	2007	2010	2016	2007	2010	2016	2007	2010	2016
South West Oltenia	1,629,400	1,607,752.66	1,479,930.68	1,292,262	2,772,192.7	968,198.77	337,229	502,953.02	511,731.91
Dolj	553,349	534,392.05	477,324	445,885	923,209	274,721.58	107,464	186,344.64	202,602.81
Gorj	225,498	219,050.52	188,1	186,588	374,688	156,820.46	38,91	55,075.61	312,804.43
Mehedinti	271,218	259,169.99	221,122	238,639	459,761	176,699.33	32,579	52,698.73	44,423.07
Olt	360,794	405,831.23	406,304	234,091	640,395	209,011.84	126,703	171,242.57	197,292.91
Valcea	218,631	189,308.87	187,078	187,059	374,137	150,945.56	31,572	37,591.47	36,132.69

Source: Farm Structure Survey, 2007; Agricultural Census, 2010; Farm Structure Survey, 2016 [1, 4, 6,]

In Oltenia, as presented in table 4, the area used by agricultural holdings decreased by 1.33% in 2010 compared to 2007 and by 9.17% in 2016.

Agricultural holdings without legal status used 65% of the total agricultural surface in 2016, although the agricultural area used, decreased compared to 2007.

Even though the area used by farms with legal status is smaller than those of without legal status, there is an increase in 2016 of the surface area used compared to 2007 with 174,502 hectares, supported by the surface increases in Dolj and Olt.

In Oltenia region, the average area per hectare used by agricultural holdings in the analyzed period recorded a slight decrease from 2.81 hectare in 2007 to 2.72 hectare in 2016.

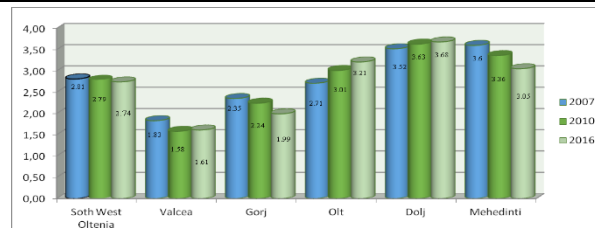


Fig. 1. The average of the utilized area (hectares) per holding between 2007 -2016

Source: own processing

Dolj counties show the highest average area used in the whole Oltenia region, registering small increases from 3.52 hectares in 2007 to 3.63 hectares and reaching in 2016 at 3.68 hectares.

At the national level, the average of agricultural area utilized per agricultural holding did not change significantly, 3.65 ha in 2016 from in 3.60 ha 2013. As can be seen in Fig. 2 many agricultural holdings use the land that they have in their own property which is evidenced by the fact that are many numbers of farmers with small farms in size less than 1 ha.

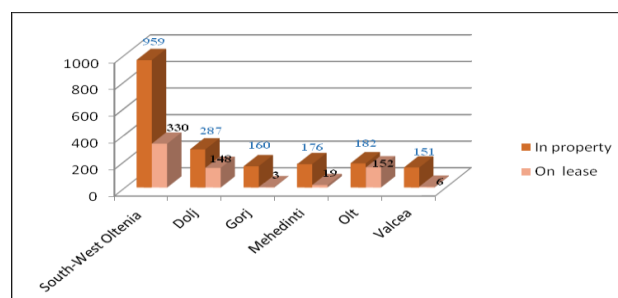


Fig. 2. Utilised agricultural area (thousand hectares) in Oltenia by type of tenure in 2016

Source: own processing.

An important classification of the structure of agricultural holdings in Romania is by the size classes. In 2016, more than half of the total number of agricultural holdings (53.00%) was owned by farms smaller than 1 ha, but the agricultural area used by them present a low percentage of total agricultural area used only 5.1%.

Very frequent are also the farms with the size between 1 and 5 hectare accounting 38.6% of the total number of farms and 23.6% of the utilized area.

A very low share of numbers of holdings are recorded by farms over 50 ha, but they

utilized more than half of agricultural are (51.1%).

Table 5. The classification of agricultural holdings without legal status in Oltenia by size classes in 2016

Indicators	Oltenia South West	Dolj	Gorj	Mehedinti	Olt	Valcea
under 1	254,001	60,349	43,010	22,556	65,122	62,964
1 - 5	241,061	56,034	45,393	38,553	53,061	48,020
5 - 10	25,620	8,740	3,506	6,731	3,872	2,771
10 - 20	3,835	1,063	511	1,057	978	226
20 - 30	767	275	94	130	234	34
30 - 50	387	148	25	74	101	39
50 - 100	254	85	24	37	94	14
over 100	191	89	12	20	56	14

Source: Farm Structure Survey, 2016. [6]

At the level of Oltenia, most agricultural holdings without legal status are the one less than 1 hectare, recording 48.27% of the total holdings and using 6.14% of the area (more than 91,000 ha).

Significant numbers of agricultural holdings without legal personality (45.81% of the total number of holdings) are represented by farms with the size between 1 and 5 ha. This type of farms presents the largest share of the surface used by them about 38% of the total area used.

Large agricultural holdings without legal personality with surface over 100 hectares have a very low share of the number (0.03%), but they represent 35.9% of the area used in Oltenia. Most of them are located in Dolj , with 14.80% of the area used.

At the county level, in the Olt county are found most of the agricultural holdings without legal status with size smaller than 1 ha, representing 25.64% of the total holdings, followed closely by Valcea county with 62,964 farms. The two counties together share of about 50% of farms under 1 ha.

Table 6. The classification of agricultural holdings without legal status in Oltenia by size classes in 2016

Indicators	Oltenia South West	Dolj	Gorj	Mehedinti	Olt	Valcea
under 1	223	23	57	22	33	88
1 - 5	597	140	86	119	127	125
5 - 10	335	104	24	88	66	53
10 - 20	149	52	13	32	27	25
20 - 30	83	36	5	8	23	11
30 - 50	122	45	7	19	31	20
50 - 100	222	82	16	14	82	28
over 100	1014	381	72	111	350	100

Source: Farm Structure Survey, 2016 [6].

In terms of the numbers of farms with legal status, it can be noticed that the Oltenia region recors a very low number of farms with legal status compared with farms without legal personality. Most of the agroholdings with legal status are found in Dolj and Olt counties, but they represent an extremely small

percentage of the total number of agroholdings.

CONCLUSIONS

Despite the fact that in the recent years there has been a tendency to decrease the number of agricultural holdings, Romania accounts 33% of the total number of farms, remains the country with the largest number of holdings at European level. This agglomeration of small farms emerged as a result of the land restitution process that took place in the 1990s and lasted until 2005.

At the level of Oltenia as well as in Romania, the decrease in the number of agricultural holding with small sizes less 1 ha is due to the merger process in 2013, which is a benefit for farmers, as they can better apply improved and upgraded technologies.

In order to improve the productivity of agriculture, therefore to increase the economic efficiency in Oltenia, a series of measures must be taken regarding the support and stimulation the farmers association, the introduction of new technologies, the training of specialist in this area, registration the properties in the national cadastre system and last but not least to optimize the size and area used of agricultural holdings.

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