

SUPPORTING YOUNG FARMERS AND THE SUSTAINABILITY OF RURAL REGIONS. CASE STUDY - OLT COUNTY, ROMANIA

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Abstract

The support system for young farmers within the CAP, through the large volume of projects, has one of the strongest effects on the development of Romanian agriculture. In Romania, support for young farmers under the CAP has been introduced since 2007, with Romania's accession to the European Union. The scheme provides financial support to people under the age of forty who want to start an agricultural business. Moreover, the support measure for the establishment of young farmers was continued in the 2014-2020 programming period, the intensity of support being even higher. Other non-direct support measures for young farmers through National Rural Development Program (NRDP) funding have also served to change future generations of farmers. The purpose of this paper is to present the results of a survey in Olt County that considered the link between the sustainable development of the county region through the actors that make it up: a new generation of young farmers. As a main tool of the analysis, a questionnaire was completed and applied to 170 beneficiaries of sub-measure 6.1. "The installation of the young farmer". The implementation of the questionnaires resulted in a series of benefits that young farmers obtained, but also the difficulties they encounter in their activity. We could see that the financial benefits obtained by young farmers through sub-measure 6.1. from the NRDP shows that this system contributes greatly to supporting the level of development of agricultural holdings they own, with positive long-term results on increasing their incomes, improving the quality of life. According to a significant percentage of the 170 farmers participating in the study, one problem they face is mainly related to finding new markets. Many of those interviewed do not have large quantities of agricultural products in order to enter the free market, to be able to negotiate a competitive price, being at the beginning of activity in this field. That is why some consider that a solution for capitalization through cooperatives or producer associations would be a beneficial solution in the future.

Key words: young farmers, rural areas, Common Agricultural Policy, support measures, sustainability

INTRODUCTION

The concept of young farmers is widely presented in the literature on topics related to the EU's Common Agricultural Policy [8], [11], [13], [17], [19]. The effects of support for young farmers on the basis of the CAP have been analyzed in various studies and identify the positive impact of the support they receive on the sustainability of rural areas [2], [3], [7], [16].

Young farmers are considered to be the main driving force in agriculture. Not only do young farmers have a higher entrepreneurial spirit, but the new generation of farmers is much more concerned about the environment than the older ones. [5]. Analyzing the effects of agricultural activities on the natural

environment, in terms of soil degradation and/or sustainable use, we can say that young farmers who associate their future income with agricultural activities, are more likely to care for the environment, soil quality, its long-term use in terms of sustainability, compared to older farmers, whose time horizon is a maximum of 5-10 years and who have no openness to the new [18]. This, together with greater risk tolerance and acceptance of innovation, puts young farmers at the forefront of shaping the agricultural sector in the medium and long term [6]. Due to the fact that most agricultural land in EU Member States has already been allocated to existing agricultural units, the support scheme for setting up young farmers under the CAP has been introduced to facilitate the entry of

young people into agricultural activities and to maintain a generational change in agriculture. On the other hand, young people in rural areas are among the most vulnerable groups and support measures are needed to attract them to the agricultural sector [4], [14]. The low percentage of young farmers in the EU and the main obstacles to starting agricultural activities are related to difficulties in renting or purchasing land, machinery or other factors of production [20].

Thus, the support of young farmers serves not only as a precondition for increasing the educational level of farmers through the vocational training courses they benefit from, but also as a tool for maintaining the rural population, to stop the exodus from the village to the city to reduce pressure on urban areas or from one region to another that poses a threat to EU agriculture, calling into question the possibility of the EU meeting its food demand in the future [9], [10], [12].

MATERIALS AND METHODS

As a main tool of the analysis, a questionnaire was completed and applied to 170 beneficiaries of sub-measure 6.1. The questionnaire is an appropriate tool for obtaining information on the intentions and perceptions of young farmers in order to clarify their socio-economic characteristics and attitudes [1], [15].

In the survey, we defined a young farmer as a person engaged in agricultural activities who is less than 40 years old and who settles as the sole head of the agricultural holding, definition in accordance with art. 2 of Regulation (EU) no. 1305/2013.

The limitations of our research come from the fact that we rely on the sample of only Romanian farmers in Olt County. The results obtained can be applied at national or regional level which share similar development paths, but the results cannot be extrapolated to the level of the old EU Member States.

RESULTS AND DISCUSSIONS

European Union (EU) agriculture has undergone several changes over time, driven

by changes in food safety and security. In addition to food safety and security issues, EU policies also have an impact on the viability of rural areas. It is therefore important to examine the links between the multiple valences of EU policy measures, farmers' decisions and the effects on the rural economy and the increase in quality of life.

In the case of agriculture, the access of young farmers is encouraged through the measures promoted by the Common Agricultural Policy (CAP), and farmers entering the market contribute to the viability of rural areas. It is therefore important to identify the factors that determine the effectiveness of the support measures taken in this regard, as well as ways to make better use of the products obtained by them.

The participation in the survey considered 170 respondents, with 170 questionnaires accepted after validation. The questionnaire for young farmers included three main groups of questions:

- the degree of difficulty in accessing the installation measure of young farmers, as well as the demand for counseling services;
- how the project is implemented and the interaction with the authorities responsible for managing EU funds during the implementation period;
- the benefits of the payment scheme for young farmers

The specific questions in each group of questions were chosen to cover as many dimensions of the medium- and long-term sustainability of rural areas as possible.

Regarding the age samples, the 170 respondents 60.6% were male managers and 39.4% female managers. The survey participants covered all age segments between 18-40 years: 18-24 years (19.4%), 25-30 years: 27.6%, 31-35 years: 29.4% and 36-40 years: 23.5%. Regarding the place of residence, all young farmers who participated in the survey live in rural areas. Half of the participating farmers (50.6%) are high school graduates, and 21.8% have a university degree. Regarding the specialization of the farm, due to the positioning in the plain area of Olt county, 90.6% of the respondents are

specialized in vegetable production and 9.4% are employed in mixed agriculture.

The first part of the questionnaire considered questions about the degree of difficulty that young farmers encountered in submitting the project.

Accessing the sub-measure for the installation of the young farmer was considered easy and very easy by 58.9% of the respondents and only 41.1% of the farmers considered it difficult and very difficult (Fig.1).

The main difficulty encountered by almost half of the interviewed farmers (47.5%) referred to the large number of documents required, excessive bureaucracy. A second difficulty was the lack of necessary information, considering that the guide for sub-measure 6.1. it is not very explicit (28.3% of respondents), followed by the lack of a consultant (7.3%). The rest of the farmers (16.9%) stated that they did not encounter any difficulty in accessing this sub-measure.

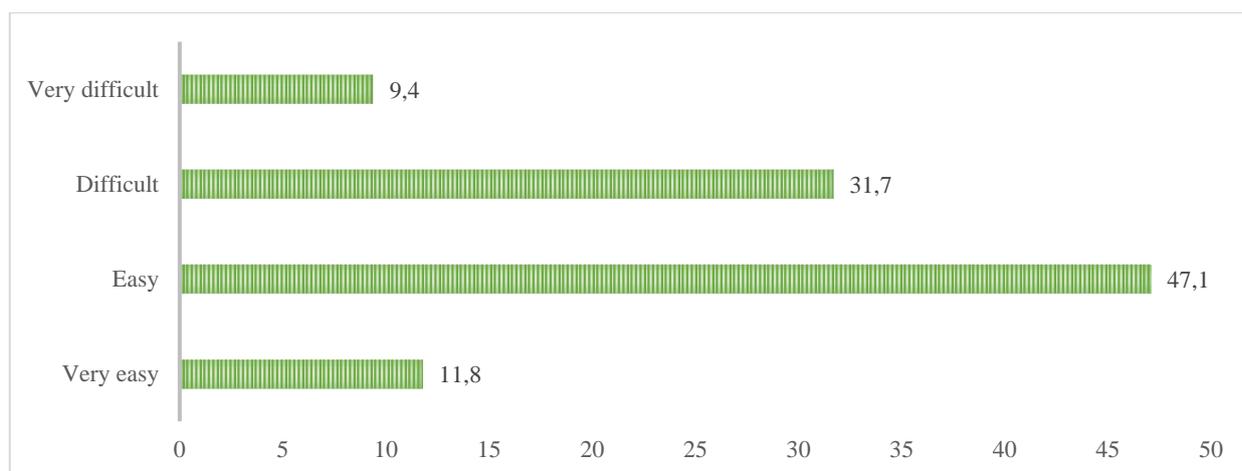


Fig. 1. How difficult was it to access sub-measure 6.1?
 Source: Own design based on questionnaire output data.

The support of a consultant for support in writing the funding application was needed in 85.3% of cases, either for writing the whole project (72.9%) or only partially (12.4%). Only 14.7% of farmers stated that they did not turn to the consultant (Fig. 2). Of those who benefited from the services of consultants,

51.2% considered that the support provided by them was adequate, 21.2% considered that the aid received was beneficial only to a certain extent, 10% believe that the aid was adequate in small and 2.9% said that the consulting service was not at all beneficial.

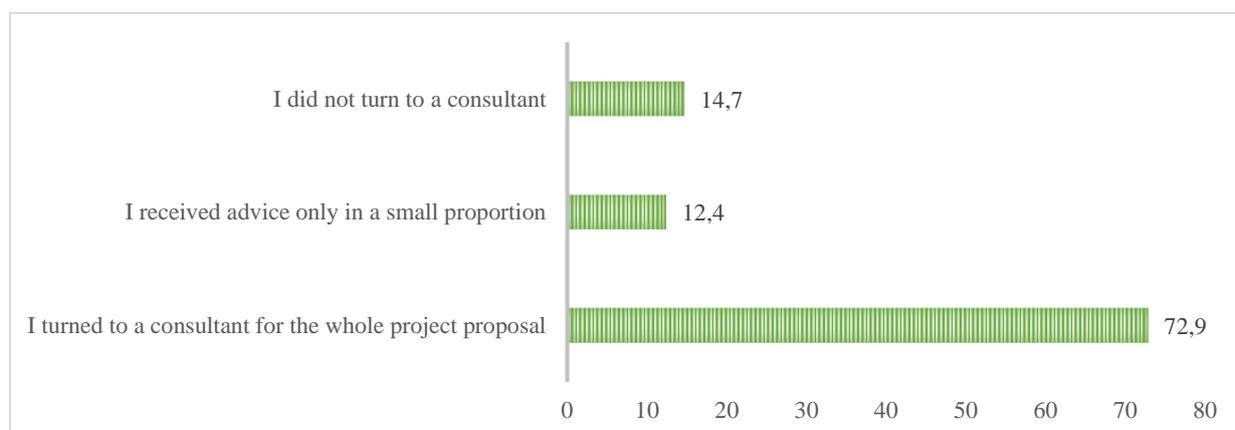


Fig. 2. Did you benefit from the support of a consultant in drawing up the funding application file?
 Source: Own design based on questionnaire output data.

The second part of the questionnaire followed the implementation of the project and the interaction with the authorities responsible for managing EU funds during the implementation period.

Farmers were asked if during the project implementation period they encountered difficulties and if it was necessary to amend the financing contract by an additional act. 85.3% of respondents stated that they had no

problems with implementation and no changes were needed through additional documents.

At the same time, 92.9% of farmers stated that during the implementation there were no failures in the objectives assumed in the business plan, they met all the indicators assumed by the business plan of the project and only 7.1% encountered problems that had as consequence penalties.

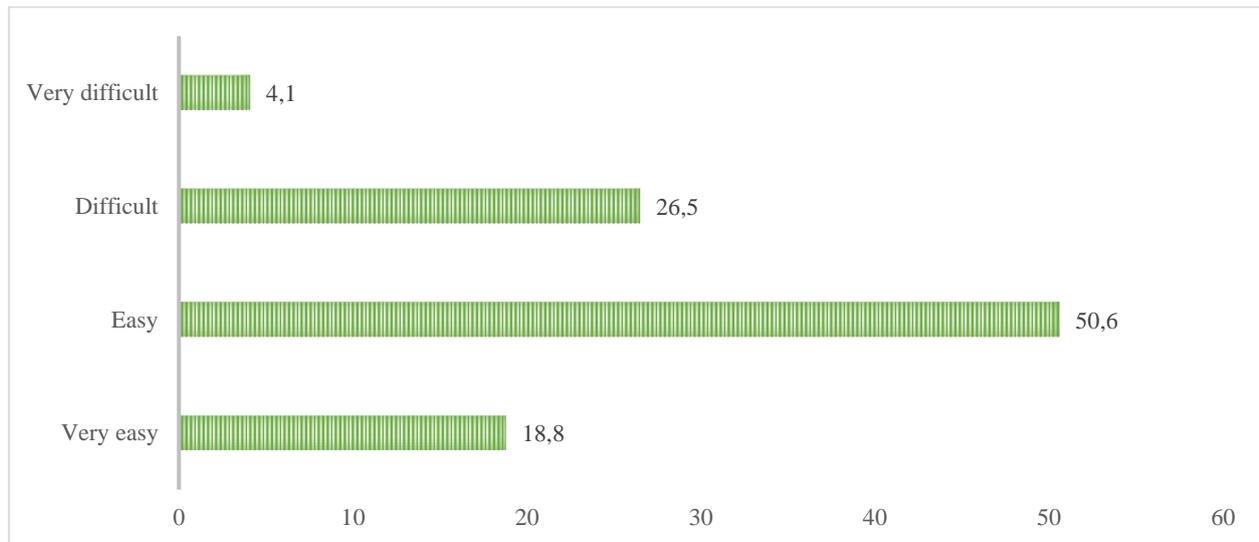


Fig. 3. How to interact with the authorities?
 Source: Own design based on questionnaire output data.

Interaction with the authorities responsible for managing EU funds during the implementation period was considered easy and very easy by 69.4% of young farmers, 26.5% said they had a difficult interaction with the authorities and 4.1% collaboration with institutions in field was very difficult (Fig. 3). In the final part of the questionnaire, farmers were invited to express their opinion on the benefits of the project, if they registered economic growth at the level of their own farms and implicitly if they felt an increase in living standards. More than half of the farmers (55.9%) consider that the implemented project had largely beneficial results, 27.6% to a certain extent, 15.3% to a small extent and only 1.2% believe that the project it did not bring them any change for

the better (Fig.4). At the end of the questionnaire, one last question concerned the intentions of farmers regarding the interest in accessing new measures regarding the modernization or diversification of their activity. Of the 170 interviewed farmers, 72.9% want to access new measures for the next programming period: 38.2% want to access the farm modernization measure, 18.8% want to access non-agricultural measures, 5.9% processing measures of agricultural products, 10% other measures from the National Rural Development Program. It is important to note that 27.1% of farmers no longer want to access European funds to modernize or diversify their activities (Fig. 5).

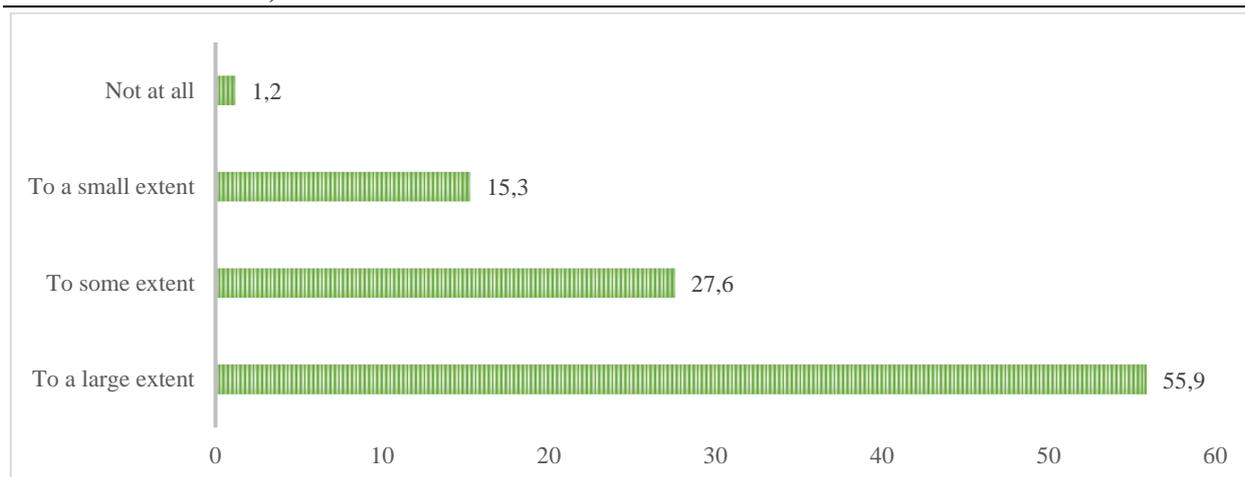


Fig. 4. Did the investment on sub-measure 6.1 result in the economic growth of your activity and implicitly in the increase of the living standard?

Source: Own design based on questionnaire output data.

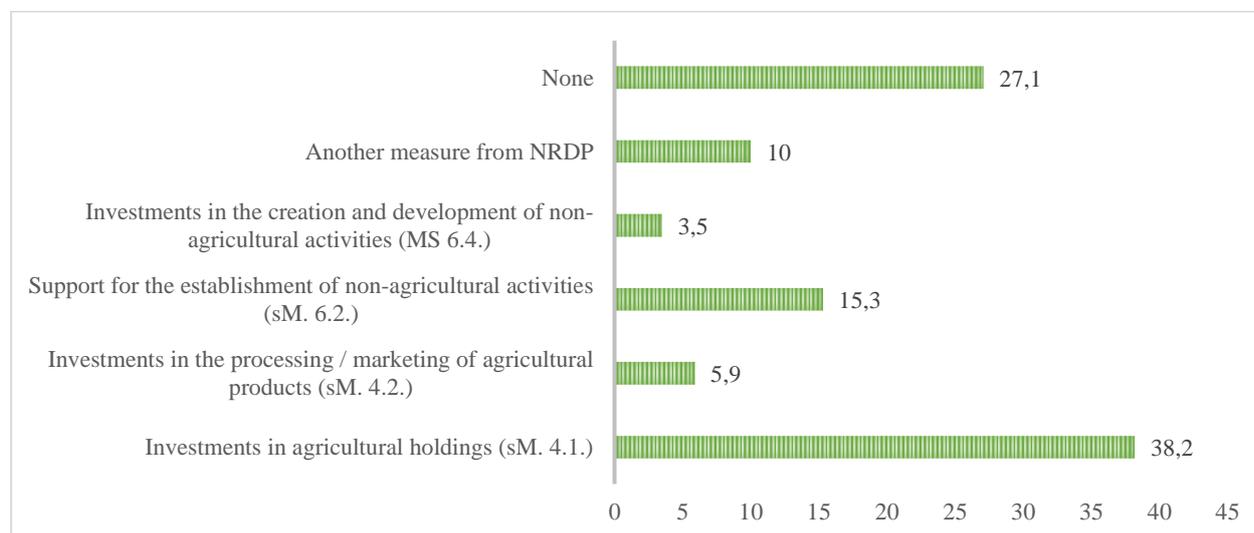


Fig. 5. Are you interested in accessing new measures to modernize or diversify your current business?

Source: Own design based on questionnaire output data.

CONCLUSIONS

Opportunities for generational change in agriculture by supporting investments from European funds for young farmers are a beneficial way to set up and develop their own farms.

Financial benefits obtained by young farmers through sub-measure 6.1. from the NRDP shows that this system contributes greatly to supporting the level of development of the farms they own. At the same time, the support received from the European Union for eligible farmers in the form of a single area payment (young farmers being eligible for these payments) also helps to ensure the income levels of their farms by creating additional sources of income. These additional financial

revenues are essential for smaller farms because the development of the farm from own funds is sometimes impossible.

From the survey we found that farms operated by young farmers with higher education are more likely to seek support for investment, for the establishment and development of farms. This shows the importance of education in making decisions to start and continue farming. They said they are open to innovation, acceptance of innovations and usually have better financial results and use modern management techniques, thus confirming the need to support these agricultural entities to increase the sustainability of rural areas.

Regarding the profile of the farms of the farmers who participated in the study, a

significant difference was found, 90.6% of the young farmers own farms with plant profile, and the remaining 9.4% mixed profile. No farmer in the study had a strict zootechnical profile, this being argued that the field of animal husbandry requires a lot of work.

It was important to note that the demand for counseling services was very high, about 85% of respondents confirmed that they needed and used these services. Some of the farmers received counseling during the implementation of the project, for the submission of the second tranche file, but for the vast majority the counseling ended when the financing contract was signed.

Farmers who did not use consulting services had in their projects mainly purchases of agricultural equipment and considered that the support of a consultant is not appropriate. Also, farmers with higher education in the field of agriculture stated that they used a consultant only in a small proportion to write the project, or not at all.

One issue that has resulted in the 170 farmers participating in the study is supporting the diversification of agricultural activities for young farmers. In the long run, diversification can improve farms' resilience to market uncertainty. Although measures to support farmers in diversifying agricultural activities exist, only a small percentage of them have indicated that they are interested in this area. Consequently, the support for diversification granted to farmers in general, but to young people in particular, who have a greater openness to new, to technology, to new environmentally friendly activities, should be intensified to ensure the sustainability and resilience of the Romanian agricultural sector. The difficulties that most young farmers face are mainly related to finding new markets, many of those interviewed do not have large quantities of agricultural products to enter the free market, to be able to negotiate a competitive price, being at the beginning activity in this field. That is why some consider that capitalization through cooperatives or producer associations would be a beneficial solution in the future.

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