

OVERVIEW OF AGRICULTURAL HOLDINGS IN ROMANIA AND THE EUROPEAN UNION

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Abstract

This study aims to complement previous studies and create an overview of the subject of agricultural holdings both at the Romanian and European level. According to the statistical data and using a quantitative and qualitative research method, it was found that more than 30 years after the restoration of land ownership, a percentage of approximately 96% of the holdings in Romania are smaller than 10 hectares, while over 70% of them are represented by farms up to 2 hectares. Therefore there huge differences and discrepancies between Romania and other EU countries in terms of agricultural holdings. The results obtained confirm that small-sized farms are found in countries such as Romania, Malta, Cyprus, Greece and Portugal, while medium-sized holdings are found especially in countries such as Poland, Spain and Italy, the rest of the holdings, those between 50 and over 100 hectares, they are mostly found in Luxembourg, Finland, the Netherlands and even Germany and France.

Key words: agricultural holdings, Romania, European Union

INTRODUCTION

The unit of measure established in each of the structural checks of each EU member state is the agricultural holding and is based on the definition of agricultural exploitation regulated by European Commission Regulation no.1166/2008, where it is mentioned that "the exploitation means a single unit, both from a technical and economic point of view, with a single management, which carries out its agricultural activities on the economic territory of the EU, either as primary activities or as secondary activities" [8].

Although the member states are based on this definition, the level of compliance and comparability of farms differs from one state to another. There are only a few states (Romania, Germany, Slovenia, and Ireland) that have concretely introduced the definition of agricultural holding. For other states, the national definitions show a marked lack of terminology, using common terms such as farm, enterprise, unit, private holding, etc. So, for some states, slight deviations in the national definitions of the concept of

agricultural exploitation, compared to the EC regulation were observed. For example, in Belgium, in some cases, it was observed that the data recorded by a single "unit" (agricultural holding) actually included several holdings. This occurred because the sampling frame included some farmers who made a single declaration for several agricultural holdings.

In Croatia, the definition of agricultural holding mentions, among other things, that the scope of the survey includes other non-profit institutions, such as schools, hospitals, etc., which carry out agricultural activities as a secondary or additional activity [6]. However, as long as these units meet the other criteria that define an agricultural holding, they are not in contradiction with the EC Regulation. In the Netherlands, the national census also includes holdings that breed livestock, other than rabbits, but this activity is contrary to Regulation 1166/2008 [8].

In Romania, agricultural holdings can be classified according to the following criteria [9]; [10]:

- The type of activities carried out within the farm;

- Legal personality;
- Property form;
- The economic dimension and the physical dimension;

Mainly, the surface of the land owned by the agricultural holding, including the total number of animals it owns, determines the size of the holding [3]. Agriculture with a higher level of performance is generally possible within large and modern agricultural holdings. Also, this type of agriculture is also possible within some holdings that meet certain agrotechnical requirements, which are specific to these types of holdings.

The statement that the area used by commercial holdings is to a large extent equal to the surface area used by subsistence holdings generated the idea of maintaining and persisting the high level of importance of agriculture in Romania within the rural economy [1].

After the period of '89, through the legislation of that time regarding the land framework but also regarding the promotion and development of new holding structures based on the concept of private ownership of land, it reached the level of 2010 that agricultural holdings did not have legal personality to own more than half (53%) of the total holdings present at that time in Romania.

At the same time, more than half of the agricultural area (56%) was used by them, while holdings with legal status (47%) used an agricultural area in percentage of 44% [4]. At the moment, at the level of Romania, there is a multilateral and very complex legal framework, which influences in a clear and direct way the carrying out of activities within the holdings but also the establishment of new agricultural holdings [2]. Thus, the dimension of Romanian agriculture today, which is in continuous development, is shaped and supported mainly by the development and consolidation of holdings that have legal personality. At the same time, their development and consolidation has maintained a strong link with the other category of agricultural holdings, those without legal personality, which continue to contribute to the maintenance and support of

the social protection of all rural households, but also to the support of land funds that are owned in different forms legal [11].

In this context, the purpose of this study was to present a general framework and an overview of the evolution of agricultural holdings in Romania and European Union in 2020.

MATERIALS AND METHODS

The data used in this study can be found in the database of the National Institute of Statistics in Romania and in the Eurostat database. A quantitative and qualitative data research method was used for the realization of the work, with the aim of presenting a complex framework and an overview of the evolution of agricultural holdings.

The data used refer to the distribution of agricultural holdings, but also to the distribution of agricultural areas used according to the size of the holding

This scientific paper presents information on:

- the share of agricultural holdings, analyzed according to the size classes of the agricultural areas used;
- the distribution of holdings in Romania, including the agricultural areas used;
- the number of agricultural holdings in Romania, including the areas used depending on their size;
- the distribution of agricultural holdings at the level of the EU member states and the surface used by them depending on the size of the holding;
- distribution of farms with physical size < 5 ha in EU countries;
- distribution of farms with a physical size between 10 and 49.9 ha and between 50 - >100 ha in EU countries.

RESULTS AND DISCUSSIONS

Around 2.87 million agricultural holdings were registered in 2020. Of these, 99% (2.86 million holdings) were represented by agricultural farms that do not have legal status, as a result, only about 1% (25.3

thousand holdings) were those with legal status (Table 1).

Table 1. Number of agricultural holdings by legal status in 2020

The legal status of agricultural holdings	No. of holdings	%
Agricultural holdings without legal personality	2,861,673	99
Agricultural holdings with legal personality	25,394	1
Total	2,887,067	100

Source: National Institute of Statistics [5].

Observing the information related to agricultural holdings from the period 2016-2020, registered at the national level, a downward trend of their total number was observed, so that in 2016 there were 3.39

million holdings, approximately 19% more than in 2020.

Analyzing agricultural holdings and the used agricultural area returned to an average agricultural holding, it was noted that 2.81 million agricultural holdings that do not have legal personality used approximately 7.81 million hectares. However, it was observed that, on average, the agricultural surface used by an agricultural holding is approximately 52.53 hectares.

At the same time, it should be mentioned that 25.1 thousand holdings that have legal personality used an area of approximately 5 million hectares (4.98 million hectares), and the used agricultural area that returned on average to a single holding was 1,620, 5 hectares (Table 2).

Table 2. Agricultural holdings and the average used agricultural surface per agricultural holding, by legal status

The legal status of agricultural holdings	TOTAL agricultural holdings (Number)	Farms that used agricultural land (Number)	The agricultural area used (ha)	The used agricultural area which return on average (ha)	
				Per agricultural holding	Per an agricultural holding that used agricultural land
Agricultural holdings without legal personality	2,861,673	2,826,368	7,816,660.3	52.53	53.15
Agricultural holdings with legal personality	25,394	25,128	4,946,168, 29	1,620.55	1,633.04

Source: National Institute of Statistics [7].

Continuing to analyze the data, however, from the point of view of the size of the used surface, it was possible to note that most farms were smaller than 0.5 ha, however, representing a fairly high share, around 37 % of the total holdings at the national level.

On the other hand, from the perspective of the legal framework, holdings that were not considered legal entities, and that had an area smaller than 0.5 hectares, represented a weight of 37% (1.05 million) of the total holdings.

A very small share (0.002%) is owned by large holdings, those with a physical size of over 1,000 hectares.

At the same time, the highest share is owned by holdings that have legal personality and are

between 100 and 500 hectares in size (Figure 1).

After more than 30 years after gaining land ownership rights, 96% of the number of agricultural holdings in Romania are smaller than 10 hectares, while 71% of them are agricultural holdings with an area of less than 2 hectares. Consequently, the current agricultural sector in Romania is extremely polarized, being made up of two main categories of entities, with different characteristics and different functionalities.

They refer to small-scale agricultural holdings, whose production is reduced, both quantitatively and qualitatively, directed mainly toward own consumption.

The second category refers to large agricultural holdings, which own

approximately half of the agricultural land, where there is mechanized production, being

oriented toward the commercialization of the entire production obtained (Figure 2).

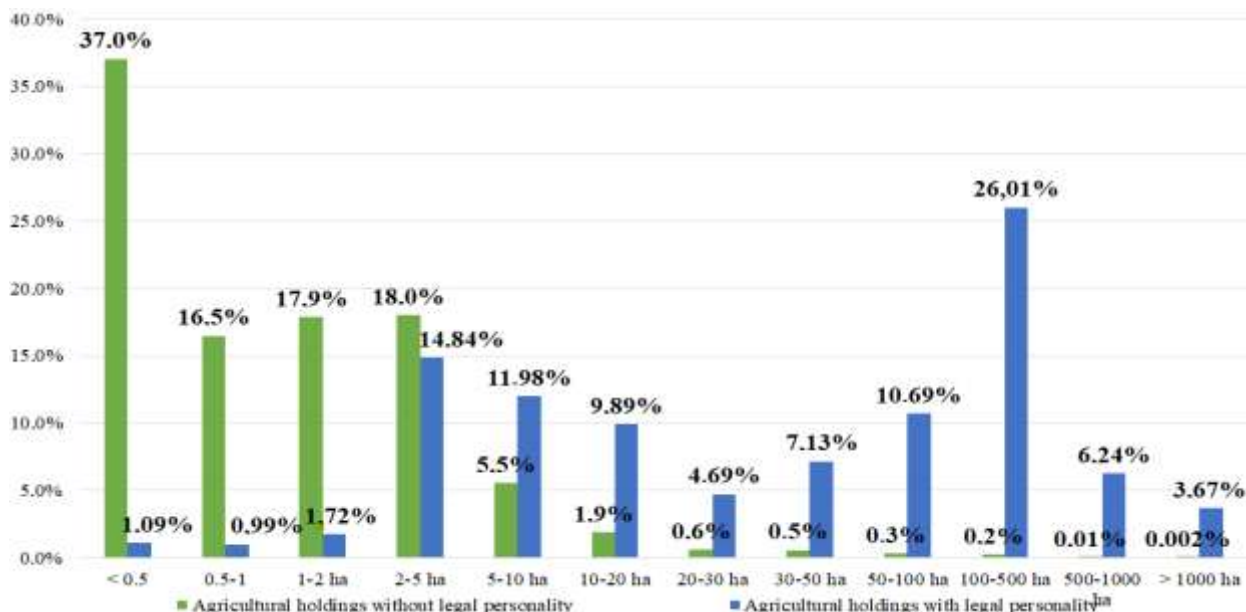


Fig. 1. The percentage of agricultural holdings, by classes of the size of the agricultural area used, according to the legal status of the agricultural holdings

Source: National Institute of Statistics [7].

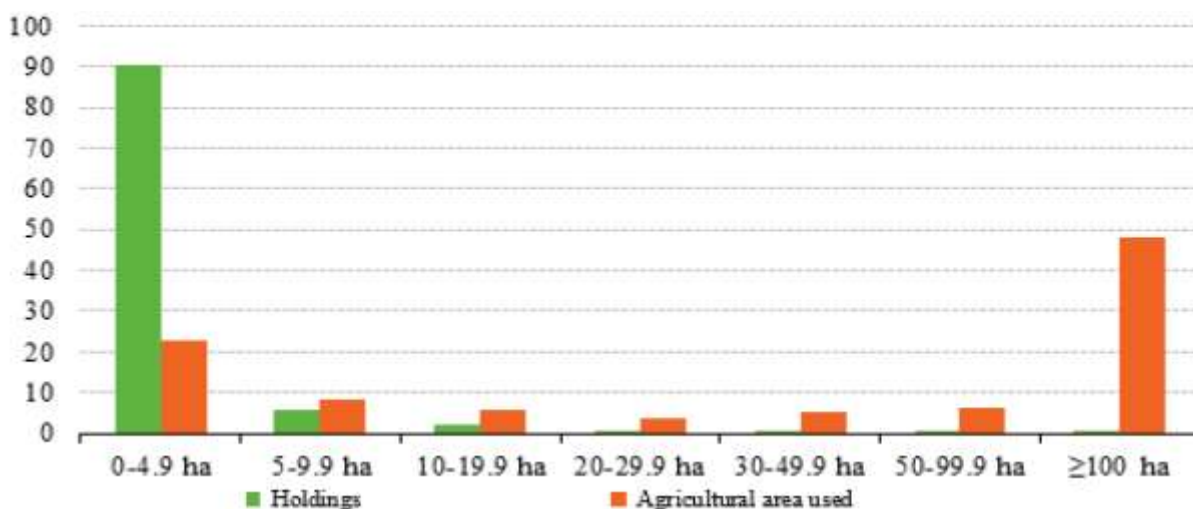


Fig. 2. Distribution of Romanian farms and the agricultural area used according to the size of the farm (% , 2020)

Source: National Institute of Statistics [7].

Thus, for the sector of medium-sized agricultural holdings, maintenance of them is still observed, and even for the near future, there do not seem to be any prospects of increasing their number, given that the analyzes and developments of the last period indicate an extensive process of pooling and growth of large holdings [12].

Farms < 5 hectares represent around 91% of all agricultural holdings in Romania and hold

just under a quarter of the used agricultural area (22.8%). The fact that almost a quarter of the total area is allocated to holdings <5 hectares contributes to the understanding and explanation of some negative aspects, which over time have caused catastrophic effects on Romania. Among these aspects are the high degree of poverty in the country's rural areas, the precarious level of education, the lack of

adequate living conditions, all of which lead to a poor quality of life.

Analyzing agricultural holdings under 10 hectares, we note that they represent approximately 96% of all holdings present in Romania, while they exploit only 31% of the used agricultural surface.

On the other hand, 21% of the agricultural area is used by medium farms, with physical sizes between 10 and 100 ha. This category of holdings represents only 3.5% of the total number of existing holdings.

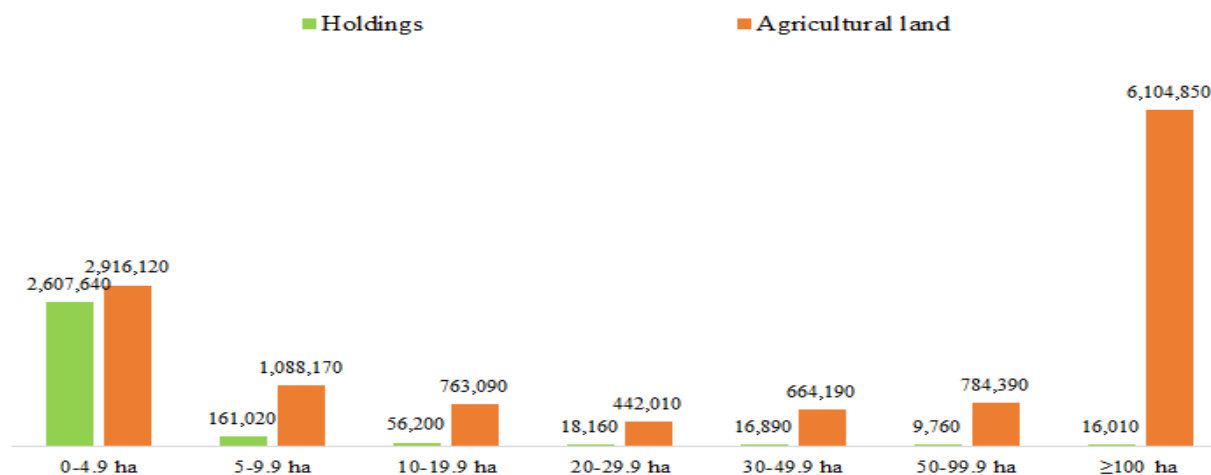


Fig. 3. Distribution of the number of Romanian farms and the agricultural area used according to the size of the farm (no, 2020)

Source: National Institute of Statistics [7].

The excessive polarization existing in Romania is generated by the existence of a very small number of large holdings, but which own more than half of all agricultural land. Also, despite the low percentage of large holdings (0.5% of the total), it was observed that they use almost half of the agricultural area, indicating that large farms, from an economic point of view, are much more efficient, compared to other categories of holdings.

However, at the EU level in terms of areas, 64% of agricultural holdings had a used agricultural area of less than 5 hectares. Small farms are very important in the country's economy because they contribute to reducing the level of poverty in the countryside, through the additional income obtained but also through the fact that there is an additional flow of food.

In the opposite direction from the perspective of the scale of production, 53.4% of all

agricultural area used by the EU was worked by 3.6% of farms, having a physical size of 100 hectares or even more (Figure 4).

The distribution of holdings in this way is quite important for countries like Romania, because it is known as the country with the highest number of small holdings (under 5 hectares), approximately 9 out of 10 farms being smaller than 5 hectares (2.6 million holdings < 5 hectares).

Taking into account the fact that at the level of the European Union, most farms were between 0 and 5 hectares, a short analysis was also carried out at the level of each member state, in order to highlight the discrepancy between them. Thus, it was observed that in countries such as Malta (96.6% of the total number of farms registered in Malta), Cyprus (87.5%), Greece (74%), Portugal (73%), etc., there were predominantly small farms (Figure 5).

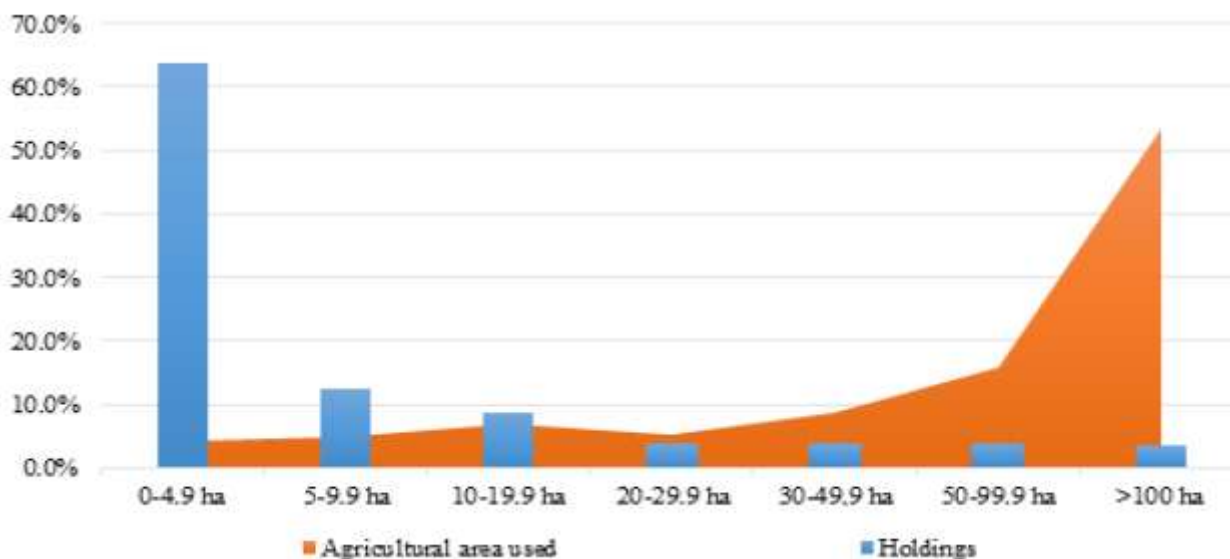


Fig. 4. Distribution of European Union farms and used agricultural area by farm size (% , 2020)
 Source: Eurostat statistical database processing [5].

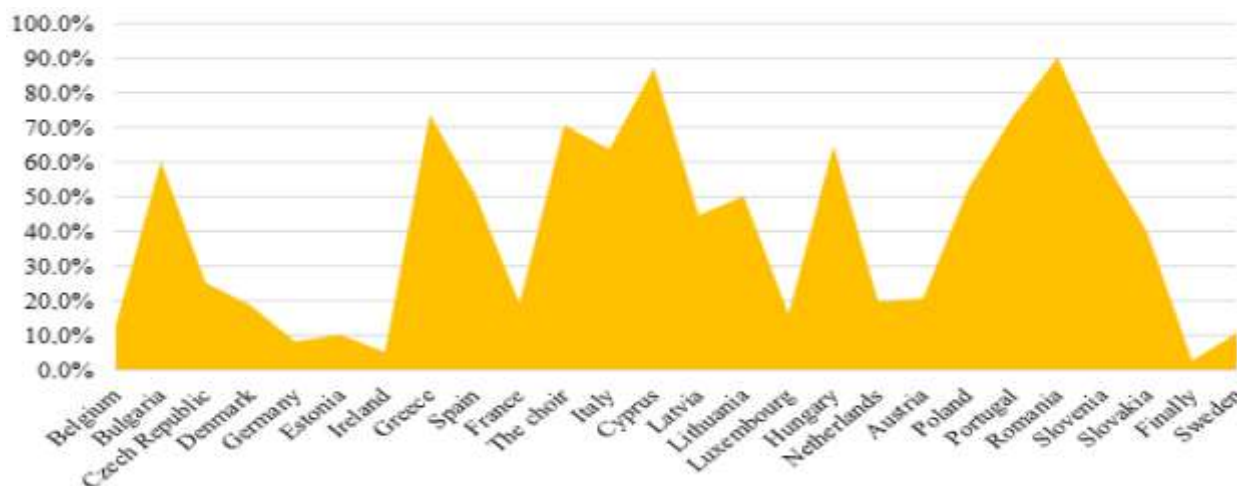


Fig. 5. Distribution of farms with physical size < 5 ha in EU countries (% , 2020)
 Source: Eurostat statistical database processing [5].

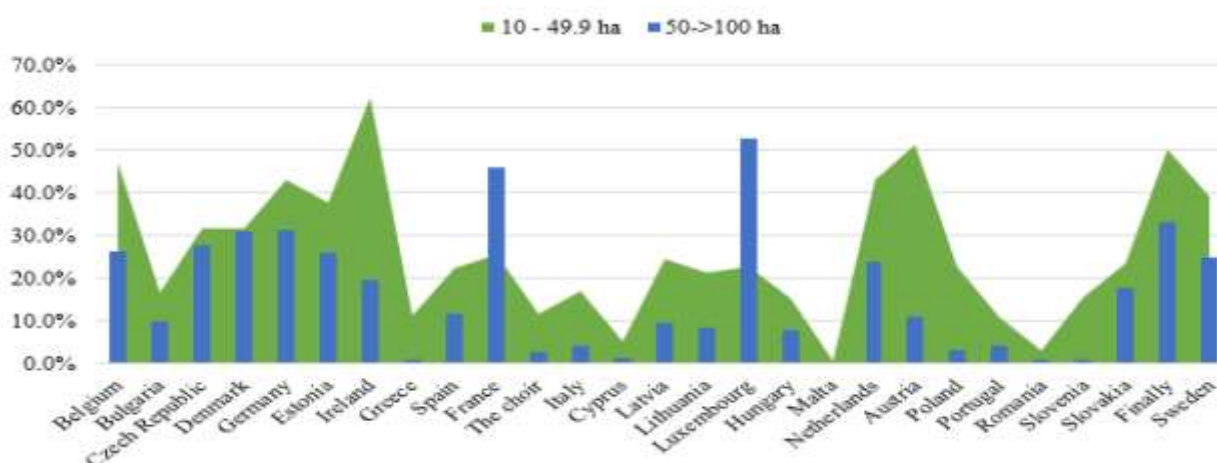


Fig. 6. Distribution of farms with a physical size between 10 and 49.9 ha and between 50 - >100 ha in EU countries (% , 2020)
 Source: Eurostat statistical database processing [5].

However, medium-sized holdings, between 10 and 49.9 hectares, are in a slightly more delicate situation, because of the total number of holdings in the EU as a whole (9.07 million holdings), they hold a percentage only 16.4% and use about a quarter (21%) of the EU-27 agricultural area. The most such holdings are in Poland (298 thousand holdings), followed by Spain and Italy with 13.8% and 13.1% respectively (Figure 6).

In other words, the rest of the holdings, those between 50->100 hectares, are largely found in Luxembourg (53.7%), Finland (39%), the Netherlands (35%), and even Germany (33%) and France (32%).

CONCLUSIONS

The initially proposed goal was fulfilled and this study completed the results from the previous studies.

It also contributed to the expansion of the current specialized literature and the need for future research.

Following the analysis, it is concluded that in Romania, in 2020, approximately 2.87 million agricultural holdings were registered, most of them being agricultural holdings without legal personality (99.1%). Agricultural holdings in Romania with a size of less than 10 hectares have a weight of 96%, of which 71% are represented by holdings with a size less than 2 hectares.

Observing from the perspective of EU countries, a large number of small farms are also found in Malta (96.6% of the total number of farms in Malta), Cyprus, Greece, Portugal, etc., while for medium farms (those between 10 and 49.9 hectares) the situation is different and more delicate because, out of the total holdings of 9.07 million holdings, registered at EU level, they hold a share of 16.4% and use approximately a quarter (21%) of the EU agricultural area -27.

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