

## INTEGRATION OF SEMI-SUBSISTENCE AGRICULTURAL FARMS

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*Intensive agriculture, industrial type, contributed to environmental degradation and pollution. Thus, on the one hand, makes intensive use of chemicals has led to neglect of duty to maintain the natural fertility of the soil organic matter through proper fattening. On the other hand, organizing specialized industrial environments, high animal breeders, considered the only marketable livestock production, neglecting the production of manure, thus representing a break with the brutal nature of biological circuits*

*Following the experience accumulated over two centuries, mankind has drawn valuable education obligation to safeguard the habitat of nature as a collaborator. In this respect, the main task of our times is to develop appropriate technologies humanist ideal, so that man can become a being as fully integrated into the social and cosmic environment.*

*In the present period as a peasant household current form, is typical of developing countries. It is generated by the result of families who received income from farming and increase farm animalelor. Gospodăria organizational structure is the basic economic and agricultural economy. On the basis of the idea that organic production is the main cause of degradation of the biological quality of products is inadequate human intervention at various structural levels of the biosphere, and the most severe effects on humans resulting from the cumulation of errors relating to soil, plants and animals. Organic farming places emphasis on quality natural products, the quantity and productivity issues as a peripheral level.*

*A balanced rural development policy for the future is not an option but a necessity, especially considering the fact that the issue of agriculture and rural development has important national connotations and is a very complex and timely in Romania*

*Regional development is a concept that aims at stimulating and diversifying economic activities, encouraging private sector investment, helping to reduce unemployment and ultimately lead to improved living standards, according to the regions of the country's development.*

*Keywords: Peasant household, sustainable development, farms, subsistence, european agriculture*

*Codes JEL : Q0 , Q1*



### **Introduction**

Agriculture is important not only for what they produce, but also the function of society by large agricultural population and its role in environmental protection, preservation of rural life and landscapes. Because of the importance of agriculture in the economy is imperative to be among the priorities for short and medium term development in the restructuring and modernization, and long term to remain a chance for sustainable development of European rural.

## **1. Typology of farms**

Diversification of products and services produced in the rural economy of our country, shows a heterogeneous structure of the activities of farms area, which makes it difficult to define their typology, according to uniform criteria. The activities to be carried out as a peasant grow, the more it requires the establishment of multiple and different criteria. From within the unitary system of criteria: two needed to define the specific nature and peasant: the size of production capacity, the structure of income and use of working time

### ***1.1. Classification according to production capacity***

Peasant household can produce goods and services directly correlated with wealth and resources available at household work. Distinguish two types of households:

- *Subsistence peasant farm is a closed household, whose dominant feature is the self-consumption*, combining self-sufficient nature of marketing the production of varying amounts, small products. Priority is self-consumption production in many changing situations is not fully insured to the real needs of rural families ensure their living from agriculture. Living standard of such a farm is different and varies from region to region. Principal factors that determine such differentiation are: wealth of the farm, inherited mentality and traditional culture, education, access to services, the local development, local market for specialty products and public services, incentives and facilities for the small producer, etc..

Subsistence family farms, in most can not qualify to become a strong farm type, they produce primarily for their own consumption. As economic modernization and expansion of market mechanisms, reduces the number of such households is manifested more pronounced tendency of associative forms of organization, leading to the formation of viable farms, run by professionals who produce for market conditions efficiency. Associative forms are now operating type lease agricultural associations and that the economic results achieved so far inconclusive, failed to convince landowners of their viability. This phenomenon is influenced by the current state of the owners having no other alternative, are placed in a position to call the organizers or entrepreneurs associative forms to be received in such an association.

The combination of the developed countries to build on small property fund, which by association, finds support both in production and circulation in the area by providing necessary inputs and value by selling their products in terms of economic return.

Small farms (up to 5 ha) can be considered subsistence family farms. Such a holding is generally devoid of means of production and financial resources which, without state support, have little chance of survival. It produces small quantities of products and varied, depending commercializându need them acoperirii expenses.

- *The peasant type, whose dominant feature is the production for market, for profit*. From this typological group are households that have an adequate financial situation and investment and specialization of activities are likely to become a modern farm. The commercial farms, have all chances to become family farms like those operating in developed countries.

As development and increased investment process, the peasant household is increasingly linked to the market. This is a springboard for Western-style farms, the entrepreneurs who take on lease land from owners who can not work the land, and entrepreneurs to develop viable farms, the optimum size.

### ***1.2. Classification by income structure and use of working time***

Although the two components seem different, they essentially are the same. According to this criterion we distinguish:

- *Agricultural farms derive income solely from agriculture*, the whole working time is allocated only to agricultural activity. This does not mean that the active workforce is employed within the household. Peasant families who have small areas, generally produced for own closed circuit.

Depending on their placement from the market, there are small holdings of about 0.5 ha arranged greenhouses for cultivating vegetables and flowers in culture alternatives to get much higher revenue than grain growing areas of 5-10 ha. Moreover, grain producers have an occupancy rate of time much less than those who practice the culture reduced in protected areas. Due to the low level of technical equipment, a dominant feature of these groups of outer type production extensively.

- *Pluriactive peasant households* who derive income from agriculture and at least another activity such as employment, practicing some crafts or providing services, after the occupation of working time allocated to agricultural activities. Peasant households are deriving income households practice mixed pluriactivitatea generated by objective factors such as: have a surplus of labor, time allocated to domestic and agricultural work are not utilized, farm size does not ensure the existence and the revenue needed development; traditionalism of households to practice agricultural activities during the off season friendly farming; different trades, crafts or provide services to farmers and rural population.

The frequency of these households is higher in hill and mountain areas where the average farm size is small, and in areas where local resources are varied and rich.

## **2. National Rural Development Programme Objectives**

National Rural Development Programme (NRDP) 2007-2013 will be implemented in a period of significant change for agriculture and rural areas of Romania as the country takes its first steps on the EU market and the full effect of the reforms of the Common Agricultural Policy (CAP) will be felt during this period. The first effects are felt in those years, when significant changes occur. Also, growth of the economy in general has a significant impact on the sectors of agriculture and rural economy in terms of opportunities and threats.

National Rural Development Programme in Romania will focus on issues such as competitiveness, environment, quality of rural life, with the overall objectives:

- increasing the competitiveness of agriculture and forestry;
- improving the rural environment;
- improve quality of life and diversification of rural economy;
- initiation and operation of local development initiatives.

Measures under Axis 1 aim, first, improving the efficiency of agriculture and forestry sector to succeed to face the competition resulting in an open environment of foreign trade. The results should be a workforce better trained in agriculture, with an improved age structure, a better structure of land resources, the subsistence farms entering the market, modernized commercial agriculture, higher added value and quality improved products which will further enhance productivity and competitiveness of agriculture and forestry.

## **3. Support for semi-subsistence farms**

Supporting the overall objective of the measure of semi-subsistence farms (141) is to increase the competitiveness of agricultural holdings undergoing restructuring to help ease problems of transition, given that the agricultural sector and rural economy are exposed to competitive pressures of the single market .

Beneficiaries of the measure are individuals engaged in economic activities, mainly farming, the farm which has an economic dimension between 2 and 8 ESU is located within the country, is registered in the register of farms and farm register, sell a part of produced agricultural production and establish a business plan.

Support under this measure is necessary to ensure income during the restructuring and transformation of semi-subsistence-oriented farm market through sustainable use of factors of production, diversification of agricultural production through improved management and introduction of technologies adapted to local conditions.

The first session for submission of projects was held between December 3, 2008 to February 27, 2009, session benefiting from an allocation of 47,607,740 euros, or 10% of the established government financial allocation for 2007-2013.

During this session for submission were submitted 6442 projects with a total amount requested by eligible 48315.000 thousand euros. Of the 6442 submitted projects were selected following the 6262 Selection Committee meeting, out of which 6148 were contracted projects with a value of 46110.000 thousand Euro grant eligible.

Regarding the distribution of approved projects according to farm size, the situation is as follows:

- Holds the largest share of category size <5 ha (74.69% of total projects approved for this measure) of 4592 eligible projects approved and a grant value of 34440.000 thousand Euro;
- 5 ha size ≤ Dimension <10 ha has a weight of 15.11% of total projects approved for this measure, approved 929 projects with a value of 6967.500 thousand Euro grant eligible;
- Category "Size ≥ 10 ha" has a weight of 10.20% of total projects approved for this measure, approved 627 projects with a value of 4702.500 thousand Euro grant eligible.

**Table 1: Status of projects for each type of farm size**

Dimension of the farm	Number of project	Value €	Share (%)
<5 ha	4.592	34.440.000	74.69
5-10 ha	929	6.967.500	15.11
>10 ha	627	4.702.500	10.20

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The total number of semi-subsistence farms supported (6148):

- 786 farms are headed by women;
- 2012 farms are run by young people under 40 years;
- 2711 holdings are in disadvantaged areas;
- 803 apply for Agri-environment farms.

In terms of regional distribution, Constanta South East Region 2 has the largest share, ie 18.38% of total projects approved this measure, followed by North West Region 6 Satu Mare, accounting for approximately 18.33% of total projects approved and South-Muntenia Region 3 with a weight of 16.36%. The three regions have a share of approximately 53.07% of all projects approved under this measure.

**Table .2: Regional distribution of approved projects**

Region	Number of approved projed	Eligible grant amount Euro
1 North – East Iași	977	7.327.500
2 Constanta South East	1.130	8.475.000
3 South Muntenia Târgoviște	1.006	7.545.000
4 South West Oltenia Craiova	615	4.612.500
5 West Timișoara	413	3.097.500
6 North West Satu Mare	1.127	8.452.500
7 Centru Alba Iulia	855	6.412.500
8 București Ilfov	25	187.500
Total General	6.148	46.110.000

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By the end of 2009 have made payments of approximately 9207.196 thousand euros, representing EAFRD contribution 7365.757 thousand euros.

Payments situation in terms of farm size is as follows:

1. Size <5 acres - have made payments amounting to 6878.268 thousand euros, representing 74.69% of the public contribution paid to beneficiaries for the measure, the EAFRD contribution being 5502.614 thousand Euro;
2. 5 ha ≤ size <10 acres - have made payments amounting to 1390.210 thousand euros, representing 15.11% of the public contribution paid to beneficiaries for the measure, the EAFRD contribution being 1112.168 thousand Euro;
3. Size ≥ 10 acres - have made payments amounting to Euro 938,718 thousand, representing 10.20% of the public contribution paid to beneficiaries for the measure, the contribution of the EAFRD is EUR 750,975 thousand.

**Table .3 Value payments broken down by farm size**

Dimension of the farm	Amount paid €	Contribution FEADR €	Share (%)
<5 ha	6.878.268	5.502.614	74.69
5-10 ha	1.390.210	1.112.168	15.11
>10 ha	938.718	750.975	10.20

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Regarding the regional distribution of the value of contracted projects and payments, the situation is shown in the table below:

**Table. 4 : The amount contracted and paid broken down by regions**

Region	Amount contracted Mil Euros	Amount paid Mil Euros
1 North – East Iași	7,33	1,46
2 Constanta South East	8,48	1,70
3 South Muntenia Târgoviște	7,55	1,51
4 South West Oltenia Craiova	4,61	0,92
5 West Timișoara	3,10	0,62
6 North West Satu Mare	8,45	1,69
7 Centru Alba Iulia	6,41	1,28
8 București Ilfov	0,19	0,04
Total General	46,12	9,22

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## Conclusions

European agriculture has a key role in protecting biodiversity. It is important that action on these Community priorities are further strengthened rural development programs. Innovation can contribute particularly to the development of new technologies, products and processes and will therefore support efforts to tackle climate change, renewable energy, water and biodiversity management. Should be granted specific support for innovation with reference to these challenges, to increase the effectiveness of those operations.

With a total area of 238,000 km<sup>2</sup> and a population of over 21 million inhabitants, Romania is the largest, the second new EU member state. It represents 6% of the total EU and 4% of its population. Investment and competitiveness in Romania are still issues to be improved to be able to accelerate growth and ensure income convergence with the EU.

A balanced rural development policy for the future is not an option but a necessity, especially considering the fact that the issue of agriculture and rural development has important national connotations and is a very complex and present in Romania

### **Thanks**

This article is a result of the project POSDRU/88/1.5./S/55287 „Doctoral Programme in Economics at European Knowledge Standards (DOESEC)" . This project is co-funded by the European Social Fund through The Sectorial Operational Programme for Human Resources Development 2007-2013, coordinated by The Bucharest Academy of Economic Studies in partnership with West University of Timisoara.

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