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# SUBSISTENCE AND SEMI SUBSISTENCE AGRICULTURE IN ROMANIA

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**Summary:** *The paper aims to analyze the main question that arises in the context of current agricultural policies: are households farms really? Viewed from the perspective of sustainable development of rural areas, the answer becomes very important, especially given that the actual shortcomings rural employment opportunities and business development. Research is needed, especially given the new Common Agricultural Policy for the period 2014-2020 still provides annual grants (between 500-1000 euros), especially given that you want to implement a policy of restructuring. In order to eliminate the sector subsistence farmers producing for own consumption only occasionally provides a scheme for granting annuities 2020 for owners who will give lands on lease or be sold to commercial farms and co financing up to 15,000 euros for starting a business.*

**Keywords:** *individual households, subsidies, sustainability*

## INTRODUCTION

In last twenty years, the semi-subsistence farms and subsistence major because of its size, has been the target of numerous policy measures seeking to restructure, but these measures have had the desired effect: achieving better productivity and higher efficiency.

This is due to various reasons, such as reluctance of owners to associative phenomenon; continuously changing legal and tax systems have created an environment of distrust and uncertainty, lack of capital necessary to ensure good development, low level of domestic agricultural subsidies, the creation of functional problems of rural distribution channels, etc.

## MATERIAL AND METHOD

Material underlying this work consists of an extensive bibliography, literature. The method used consists of data collection, processing, analyzing and synthesizing them. This article was developed to disseminate the results of the thesis "Research in farm planning. Case Studies "at the University of Agricultural Sciences and Veterinary Medicine in Bucharest.

## RESULTS AND DISCUSSION

If you look subsistence farms in terms of physical size, it appears that in 2010, they represented 92.9% of total holdings and operated 29.7% of UAA.

Class 2-5 ha farms represent 21% of all farms cultivate subsistence and 56.5% of UAA (Table 1).

**Table 1 Subsistence farms with crop production in 2010 in the SAU class**

	Total	Arable land	Family gardens	Pastures and meadow	Permanent crops
<b>Farms - thousands</b>					
Total	3721.9	2750.1	2479.2	1512.2	1123.5
Less than 5 ha	3457.0	2505.5	2308.6	1339.3	1037.2
%	92.9	91.1	93.1	88.6	92.3
Under 0.1 ha	384.1	54.7	296.6	40.3	50.7
%	11.1	2.2	12.8	3.0	4.9
0.1-0.3 ha	661.7	337.3	434.3	135.8	188.2
%	19.1	13.5	18.8	10.1	18.1
0.3-0.5 ha	354.5	276.9	225.2	111.9	102.0

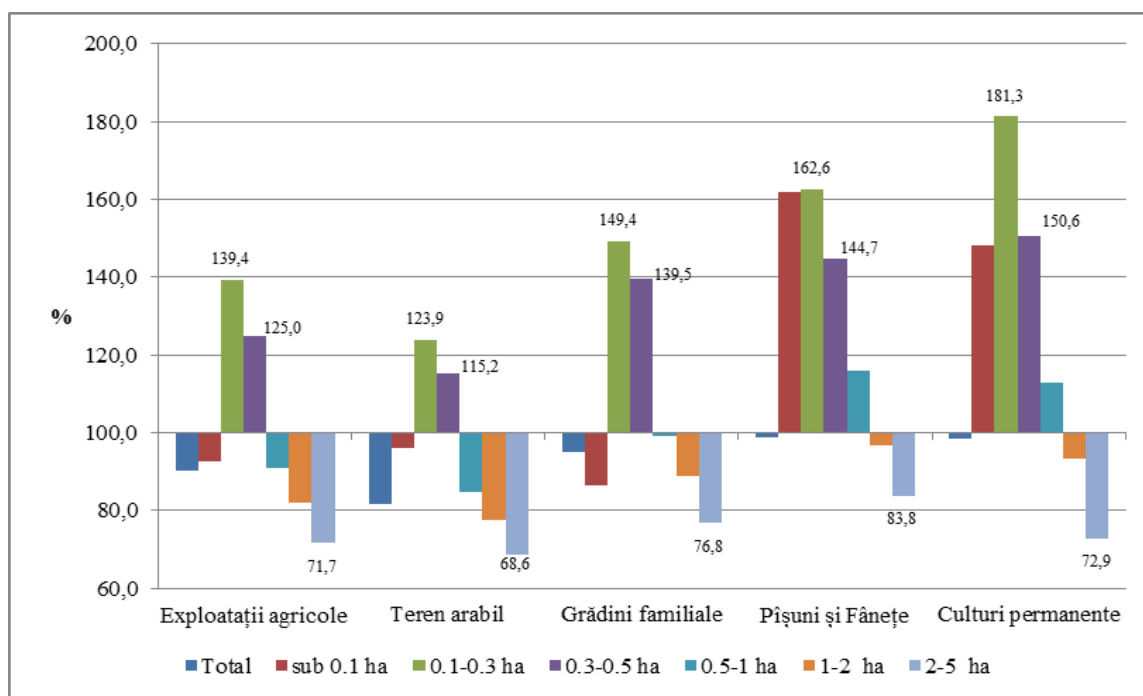
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	Total	Arable land	Family gardens	Pastures and meadow	Permanent crops
%	10.3	11.1	9.8	8.4	9.8
0.5-1 ha	617.3	521.7	379.8	247.2	177.8
%	17.9	20.8	16.5	18.5	17.1
2.1 ha	712.2	637.3	467.2	360.2	240.0
%	20.6	25.4	20.2	26.9	23.1
2.5 ha	727.2	677.5	505.4	443.9	278.4
%	21.0	27.0	21.9	33.1	26.8
<b>OR - thousand ha</b>					
Total	13298.2	8305.5	181.6	4493.9	317.2
Less than 5 ha	3946.9	2437.4	166.5	1164.3	178.6
%	29.7	29.3	91.7	25.9	56.3
Under 0.1 ha	19.5	2.7	12.6	2.0	2.1
%	0.5	0.1	7.6	0.2	1.2
0.1-0.3 ha	120.4	48.1	36.0	19.3	17.1
%	3.1	2.0	21.6	1.7	9.5
0.3-0.5 ha	136.0	76.7	17.4	29.0	12.9
%	3.4	3.1	10.5	2.5	7.2
0.5-1 ha	431.5	268.6	27.0	109.2	26.6
%	10.9	11.0	16.2	9.4	14.9
2.1 ha	1010.5	643.4	33.9	287.2	46.1
%	25.6	26.4	20.4	24.7	25.8
2.5 ha	2229.0	1397.9	39.6	717.7	73.9
%	56.5	57.4	23.8	61.6	41.4

Source: Based on INS data

Compared to 2005, we can see from the chart below, the number of subsistence vegetable cultivating 0.1 - 0.3 ha, increased by 39.4%, and 81.3% in the category of permanent crops farms (Figure 1).

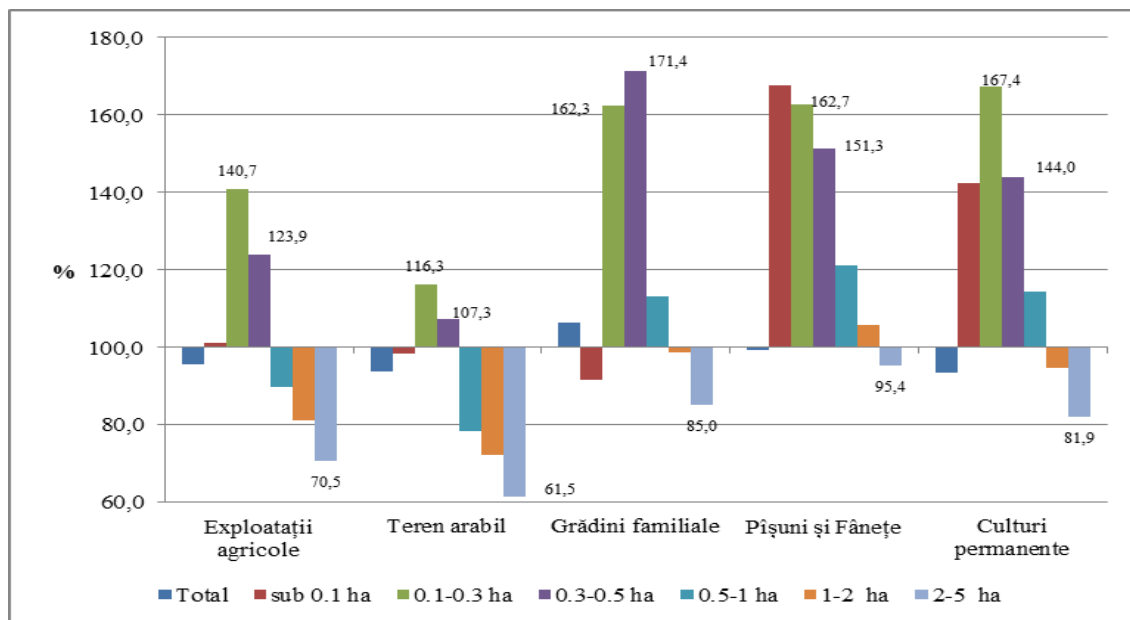
**Figure 1 Evolution of subsistence farms with crop production in 2005-2010**



Source: Based on INS data

We also observe an increase in the number of farms in Class 0.3 - 0.5 ha. Number of farms with 2-5 ha decreased by approximately 30% in each category. Number of farms with pastures and meadows and permanent crops that have or below 0.5 ha increased by over 50% during 2005-2010, while the number of farms with 2-5 ha decreased in each category (Figure 2).

**Figure 2 Evolution or by subsistence farms in 2005-2010**



Source: Based on INS data

Regarding the animal is observed (Table 2):

- In category increasing cattle farms, farms with less than 5 ha is 83% and 61.5% of the actual holding. Farms of 2-5 ha category hold 49.7% of herds.
- In the category of sheep farms, farms with less than 5 ha is 78.1% and 44.4% of the actual holding. Farms of 2-5 ha category hold 46.5% of the actual.
- In the category of goat farms, farms with less than 5 ha is 87.4% and 64.3% of the actual holding. Farms of 2-5 ha category hold 38.5% of the sheep, and farms have 19.9% category 1-2 hectares.
- The category of pig farms, farms with less than 5 ha is 90.8% and 64.8% of the actual holding. Farms of 2-5 ha category hold 31.4% of pig herds and farms ranging from 1.2 ha holding 18.8%.
- In the category of poultry holdings, farms with less than 5 ha is 93.0% and 79.8% of the actual holding. Farms of 2-5 ha category hold 23.9% of sheep and farms below 0.1 ha category hold 33.0%.
- In the category of bee farms, farms with less than 5 ha is 84.2% and 85.2% of families have bee. Most families of bees are found on farms with 2-5 ha and in those under 0.1 ha.

**Table 2 Subsistence farms with animal production in 2010 on SAU classes**

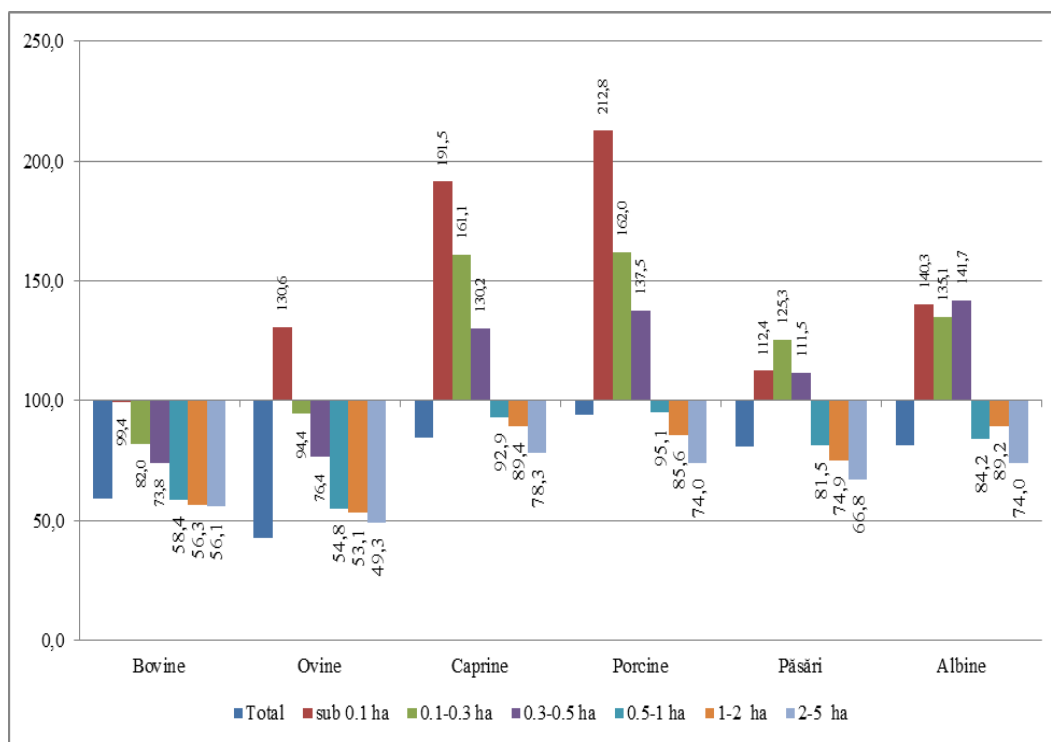
	Cattle	Sheep	Goats	Swine	Birds	Bees
<b>Farms - thousands</b>						
Total	726.1	271.3	176.4	1649.5	2660.4	42.6
Less than 5 ha	607.0	211.9	154.1	1497.7	2473.5	35.9
%	83.6	78.1	87.4	90.8	93.0	84.2
Under 0.1 ha	28.6	13.9	15.2	221.0	397.1	6.4
%	4.7	6.6	9.9	14.8	16.1	17.9
0.1-0.3 ha	38.6	18.3	20.6	197.9	397.8	5.5
%	6.4	8.6	13.4	13.2	16.1	15.4
0.3-0.5 ha	29.2	11.5	12.0	109.0	214.1	2.6

	Cattle	Sheep	Goats	Swine	Birds	Bees
%	4.8	5.4	7.8	7.3	8.7	7.3
0.5-1 ha	79.8	26.4	23.7	229.1	397.0	4.4
%	13.1	12.5	15.4	15.3	16.0	12.4
2.1 ha	163.4	50.2	34.6	331.6	508.3	6.4
%	26.9	23.7	22.5	22.1	20.5	17.8
2.5 ha	267.4	91.6	47.9	409.0	559.2	10.5
%	44.1	43.2	31.1	27.3	22.6	29.3
Animals - thousands						
Total	1985.2	8385.7	1236.9	5387.4	78866.8	1283.2
Less than 5 ha	1221.5	3721.4	795.0	3492.7	62965.1	1093.3
%	61.5	44.4	64.3	64.8	79.8	85.2
Under 0.1 ha	77.1	403.8	84.9	833.5	20809.1	233.8
%	6.3	10.9	10.7	23.9	33.0	21.4
0.1-0.3 ha	68.8	346.6	96.9	331.4	6858.3	207.1
%	5.6	9.3	12.2	9.5	10.9	18.9
0.3-0.5 ha	49.1	176.4	51.5	181.6	3546.5	88.3
%	4.0	4.7	6.5	5.2	5.6	8.1
0.5-1 ha	129.8	360.5	97.2	394.8	7035.1	134.0
%	10.6	9.7	12.2	11.3	11.2	12.3
2.1 ha	289.9	703.1	158.4	655.8	9658.0	166.9
%	23.7	18.9	19.9	18.8	15.3	15.3
2.5 ha	606.6	1731.0	306.1	1095.6	15058.0	263.2
%	49.7	46.5	38.5	31.4	23.9	24.1

Source: Based on INS data

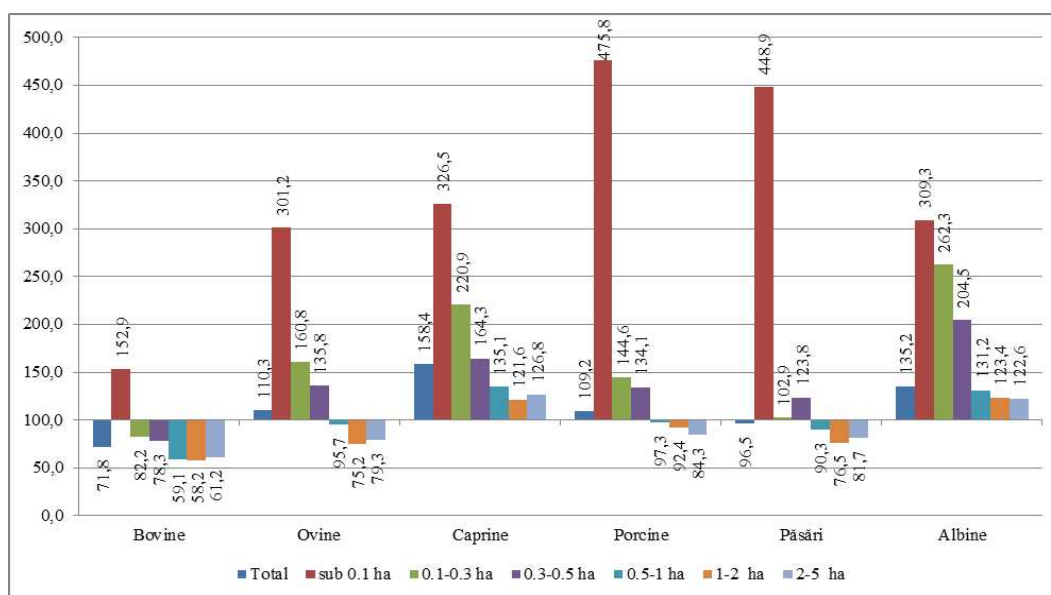
In the period 2005-2010, analysis of percentage change in the structure of livestock farms show a significant decrease in the share holdings of 2-5 ha category and a significant increase in the share of farms below 0.3 ha (Figure 3). Regarding the development of livestock, we see a major increase in the share of farms with 0.5-1 ha and 2-5 ha farms decrease (Figure 4).

**Figure 3 Evolution of subsistence farms with livestock production 2005-2010**



Source: Based on INS data

**Figure 4 Evolution of the number of animals in subsistence farms 2005-2010**



Source: Based on INS data

Considering the classification unit economic size by Eurostat based on data from the period 2005-2007 RICA (Eurostat, 2012), our analysis shows that in 2005 and 2007, over 99% of farms had less than 8 ESU. Thus, of all farms, 91% in 2005 and 84% in 2007 were subsistence farms (under 2 ESU) (Table 3). The firm exploited about 60% of the UAA. In 2005-2007 the number of subsistence farms decreased by 4.6% and the OR increased by 7.1%. Number of semi-subsistence farms decreased by 39.9% and the utilized agricultural area by 18.3%.

Due to the large number of small farms, real restructuring possibilities are quite low, especially considering that the number of farms considered in recent years support to transform their commercial farms, subsistence farms included only between 2 and 8 ESU (approximately 350,000 farms over 5 hectares - about 9% of the total) and the fact that only about 1.1 million farms were eligible for support from SAPS scheme (direct payments). Ineligibility of nearly 2 million farms support measures, changes in the structure of the rural population (aging), lack of agricultural infrastructure, technical jobs, etc., remain real problems that require structural changes in all economic, legislative and social Romanian countryside.

**Table 3 Subsistence and semi-subsistence agricultural holdings in 2005 and 2007 on ESU classes**

	TOTAL	Subsistence farms			Semi-subsistence farms		
		<1	1-1.9	Total	2-3.9	4-7.9	Total
2005							
Farms (thousands)	4256.2	3020.2	851.1	3871.3	289.3	65.1	354.4
%	100	71	20	91	6.8	1.5	8.3
OR (ha)	13906.7	3569.6	2721.9	6291.5	1588.8	649	2237.8
%	100	25.7	19.6	45.3	11.4	4.7	16.1
2007							
Agricultural Holdings (Thousands)	3931.4	3064.7	629.8	3694.5	169.6	43.3	212.9
%	100	78	16	94	4.3	1.1	5.4
OR (ha)	13753.1	4254.9	2480.2	6735.1	1204.5	624.6	1829.1
%	One hundred	30.9	18	48.9	8.8	4.5	13.3

2007/2005							
Agricultural holdings -%	92.4	101.5	74	95.4	58.6	66.6	60.1
OR -%	98.9	119.2	91.1	107.1	75.8	96.2	81.7

Source: Based on INS data

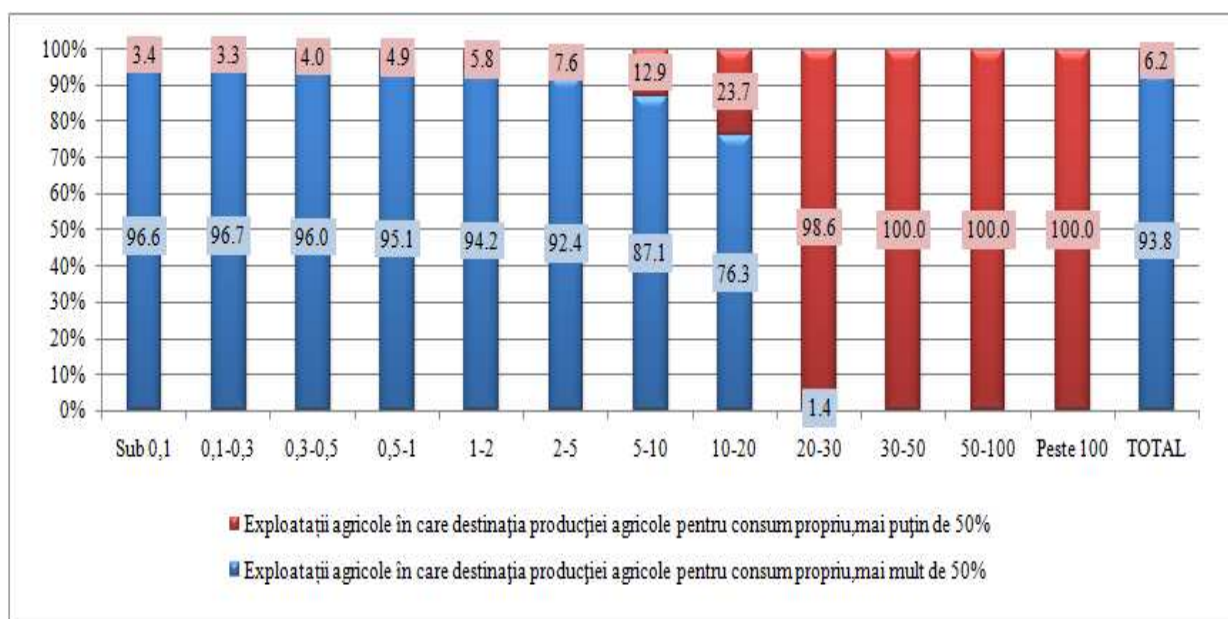
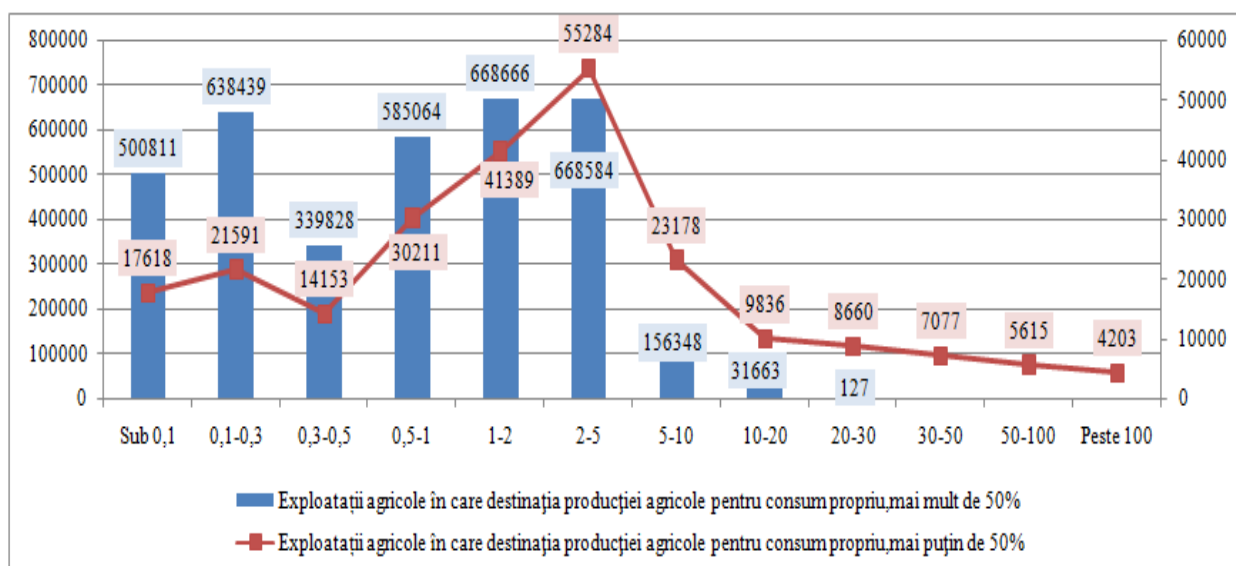
To this is added the negative aspects that we see in terms of holdings analyzing market orientation. Thus, in 2010, about 3.6 million holdings over 50% of agricultural production is for own consumption, while only 239,000 were market-oriented farms. As shown, the majority of holdings under 5 ha have high self-consumption (Figure 5).

There are three reasons that could explain the lack of market participation:

- transaction costs
- unable to comply with agricultural standards
- non-pecuniary benefits of food consumption from own production.

In the context of Romania's fourth argument is that households do not sell their own production as dependent on it for their food consumption needs, not only from lack of money, but because there are few alternative sources of fresh produce in communities isolated rural.

Figure 5 Situation depending on the destination farm agricultural production

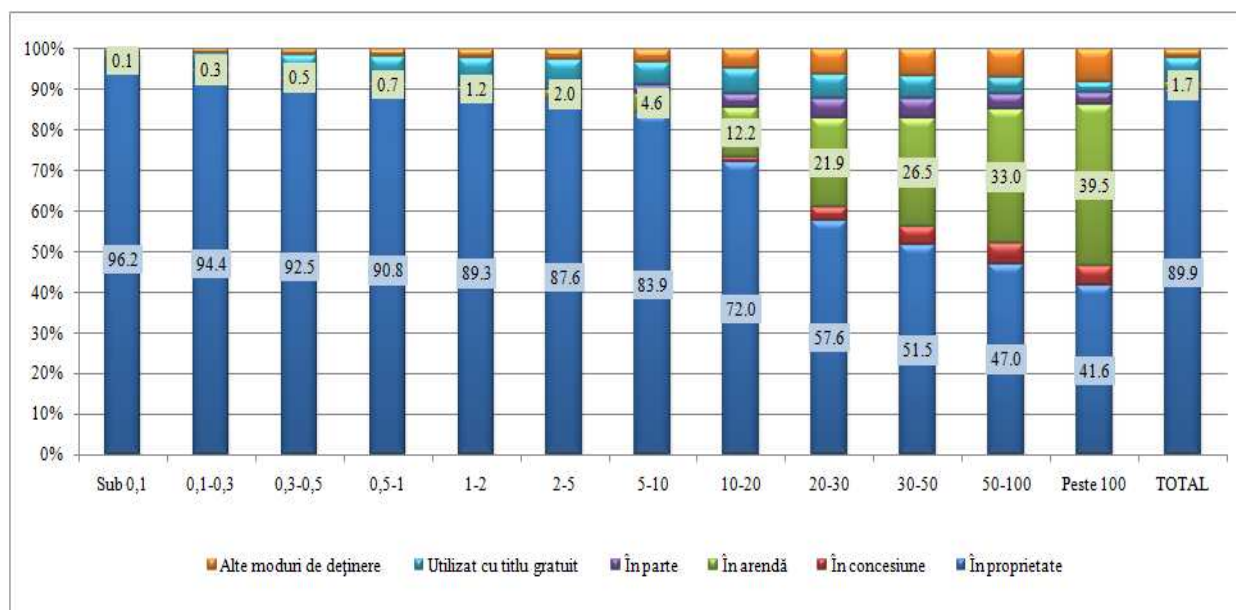


Source: Based on INS data

Another reason explaining the low level of participation in the market is that producers prefer the cultivation and consumption of food from own production. The presence of small farms influence environmental benefits because their goals are more oriented lifestyle than the economic side. While some FSS are already well integrated into the market, others are not integrated, and while many of them still practice agriculture out of necessity, others seem to simply enjoy this way of life (Davidova et al. 2009).

If correlated market orientation of forms of ownership and use of land, is observed first that the holdings of up to 5 ha (as in all farms with up to 50 hectares) UAA is mostly owned by individual household members (Figure 6). With the development of agricultural production for the market is an increase in holdings by lease, concession, etc., but the majority ownership by the rural population and use this property for their own use are difficult attempts to restructure the Romanian agriculture.

**Figure 6 Statement of farm land ownership categories**



Source: Based on INS data

Also, we should mention that these working farms averaged about 1.53 to 2.41 persons (excluding people who work temporarily or employed), which is dedicated to the holding between 12 and 40% of days worked into a year. These people remain in poverty because:

- Standard output on a farm that has less than 5 ha is under 3000 euro / year (about 250 euro / month)
- Income per person for a farmer is about 142,5 euro / month<sup>2</sup>, Of which 25.5% (about 36 euro / month) 4% value their own consumption and income from agricultural products sold (food markets). If we refer only to subsistence farms, estimates show that the household (income in kind) to constitute and 58.5%.

## CONCLUSIONS

In conclusion, in terms of subsistence and semi-subsistence sector in Romania, should be considered first that the current situation of Romanian agriculture is the direct result of a specific rural lifestyle that requires intervention not so Common Agricultural Policy, as by economic, fiscal, social policy, etc.

<sup>2</sup> Compared to about 240 euro / month - average monthly income per employee, 1 euro = 4.2379



As highlighted above, changes in the sector in the period 2005-2010 were insignificant, especially considering all the support measures in the past twenty years to create a modern commercial agriculture. Even today over 99% of farms are subsistence and semi-subsistence farms (about 94% less than 2 ESU). With the support of the RDP measures to increase competitiveness and diversification are primarily directed towards farms with 2-8 ESU, the big problem is that Romanian agriculture over 3.6 million farms are less than 2 ESU (91 % of total holdings), and of these only about 1 million receive support through the SAPS (Single Area Payment Scheme) and PNDC (complementary national direct payments). To quantify the real impact of the support but CAP subsistence agriculture and implications for sector restructuring, research in this work requires a revision on the next agricultural census. This will allow us to quantify, even if not directly impact agricultural policy measures in the period 2007-2013. Only in this way, through a post accession, we see real change in the sector.

We believe, however, that agricultural policy measures must be supported by ongoing counseling and information activities of small producers in the sector of opportunities, and the benefits they can get by, association, organization of producer groups or orientation towards the production of traditional quality to distribute peasant markets or tourism networks.

## **REFERENCES**

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\*\*\* National Institute of Statistics, 2005-2010.