

## COMPARATIVE STUDY REGARDING CHALLENGES OF POLISH, ROMANIAN AND SLOVAK SMALL AND MEDIUM SIZE FARMS FROM MANAGEMENT POINT OF VIEW

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**Abstract:** Farm management involves planning, organizing, coordinating, decision making or controlling of farm resources under the influence of a lot of factors. In the present time all farms, especially small and medium sized farms, are faced to different challenges. Are the challenges different from a country to other? In this article authors emphasize the main problems of Polish, Romanian and Slovak small and medium sized farms from management point of view All data was collected through a survey and by applying a questionnaire which contains 17 questions.

**Key words:** management, farms, challenges

### INTRODUCTION

Defined as a self-managing unit from technical and economical point of view, the farm is that unit manage by the owner, leaseholders or manager. The farm is also that unit where production obtained can be for self consumption or selling and can. The entire production system include land, livestock, technical equipment, financial resources and labor force. In general, all farms presents features like: ensuring the best management of their resources (natural, financiar, technical), providing production in optimum way, obtaining economic results, capacity of payment and capacity for making investments [2,13,14].

Known as the 4th production factor, beside land, labor and capital, the management is important for any type or size of farm, actually for any kind of business. Of course, managements particularities and its methods are different, they depends to the physical size, activity and type of farming. For example, in very small, small and medium size farms, farmer can be owner and entrepreneur and he manage the entire activity of the farm, while large farms can be managed by a group, with real administration, all managers use modern techniques and are good informed. And all of these because the success it is not an accident, the success can be obtain with managerial abilities, hard working and know how [12,13,14].

On the other hand, according to modern business theory, entrepreneurial activity is such a human based activity that is oriented towards achieving a balance in the economy, a state of the economy when production tools are utilized optimally, considering the characteristics of the economic environment. The private sector produces 90,6% of the GDP, its ratio in trade accounts for 99,8%, construction 99,7%, agriculture 99% industry 85,9%, transport 63,6% and forestry 46,7% explained [9,10]. Also [15] defined the position and business activities of small and medium sized enterprises in realtion to Corporate Social Responsibility.

## MATERIALS AND METHODS

The purpose of this article is to reveal the main challenges of small and medium-sized farms from Poland, Romania and Slovakia.

In order to emphasize this, first, the authors made a literature review and second they made a survey by a questionnaire. After that all data were processed and analysed.

The survey was accomplished through internet. So, the questionnaire was realised with the application provided by Google Docs, to complete it the respondents accessed the a link ([https://docs.google.com/forms/d/e/1FAIpQLSeqk9hY7\\_cpZezMNsQJ7JLW60RnuGO6BqKMXEi4LnXYHuDvg/viewform](https://docs.google.com/forms/d/e/1FAIpQLSeqk9hY7_cpZezMNsQJ7JLW60RnuGO6BqKMXEi4LnXYHuDvg/viewform)).

The survey has 17 questions and it is divided in two sections (General information and Farm management).

The first section, general information, has 12 questions about the respondents (name and surname, gender, age, last educational level graduated, domain of study, country, city/village, physical size of farm, farming activity, type of farming, labor force directly working, self-consumed share of farm outputs).

The second section tries to obtain information regarding challenges of small and medium-sized farms management. The 5 questions from this section are closed questions with a single correct answer (1, 2, 3, 5) and an open question (4). So, farmers from three countries answered to the following questions:

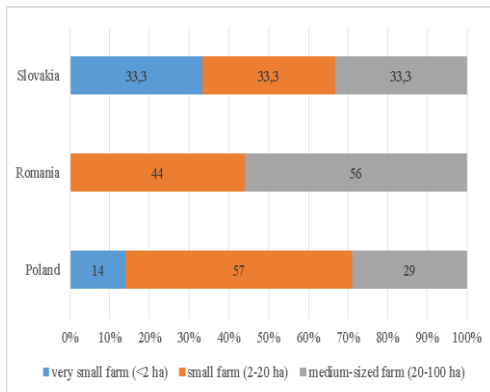
1. Are you first generation farmer?
2. Do you have knowledge about management, marketing, financing in agricultural field?
3. Are you member in associations, producers groups, agricultural cooperatives?
4. What are the main problems you face in managing farm?
5. Do you use agricultural extension services (consultancy)?

The survey was realized between 1<sup>st</sup> October 2017 – 31<sup>th</sup> October 2017 in Poland, Romania and Slovakia. The sample consisted in 90 subjects who manage small and medium size farms, 30 respondents from each country, aged between 22 and 62 years, 75% male and 25% female. Concerning the educational level 27.8% of the participants graduated university courses, 26.1% post-university courses, 16.7% high school and 19.4% vocational (professional) school. Most of respondents domains of study are related to life sciences (agronomy, veterinary medicine, zootechnics, mechanization, plant protection, horticulture, biology) or connected domains (agricultural economics, farm management, trade, business and marketing).

## RESEARCH RESULTS

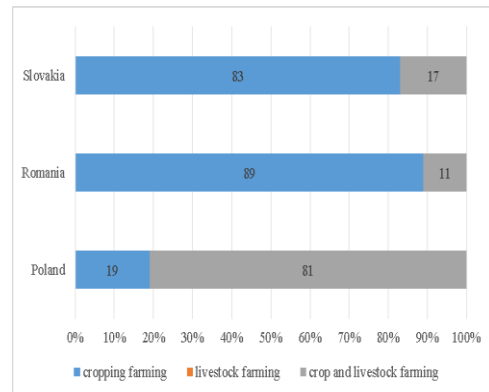
Related to physical size of the farm, all farmers who participated to survey manage small and medium size. As it can be see in figure 1, most of farmers from Poland who participated to survey manage small farms (2-20 ha), while most of farmers from Romania own medium size farms (20-100 ha), beside farmers from Slovakia who own very small farms, small farms and medium-sized farms equally.

In Slovakia, the size of small and medium sized enterprises has been defined by the *Act No. 100/1995 on the State Support for Development of Small and Medium Sized Enterprises*. In 1999, the Act No. 100/1995 was substituted for the *Act No. 231/1999 of the State Support* and “small and medium sized enterprise” is defined in accordance with the European Union definition. The period of the Slovak accession into the European Union was very important from the viewpoint of finding a permanent state on the common market for small and medium sized enterprises, adapting them to the new social and economic conditions and reducing successfully the difference in the economic area as wrote [16].



**Figure 1. Physical size of farms by studied countries**

*Source: own researches*

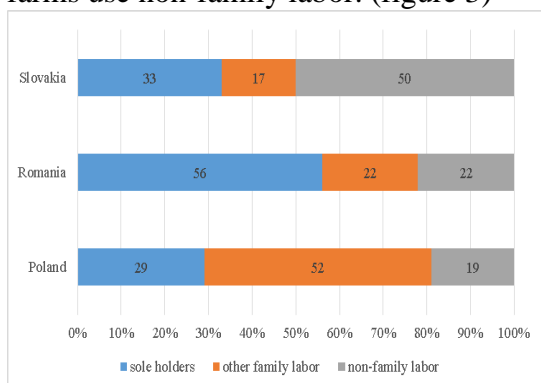


**Figure 2. Activity of small and medium size farms by studied countries**

*Source: own researches*

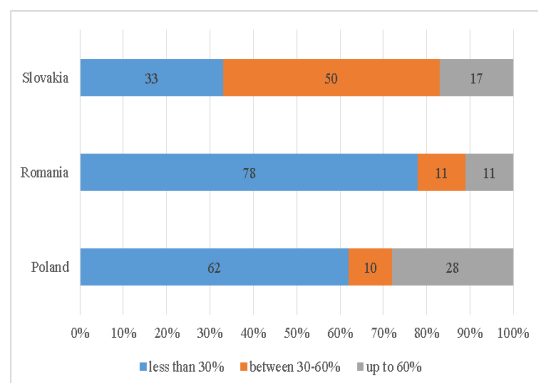
According to the answers provided by farmers the activity of their farms is mainly cropping farming in Romania and Slovakia, while in Poland is mostly crop and livestock farming (figure 2). About farming type it is necessary to mention that Polish farms include various crops and livestock combined, mixed cropping, mixed livestock, specialist pigs, general field cropping, mainly grazing livestock, specialist dairying, various permanent crops combined, various granivores combined, specialist horticulture outdoor, general field cropping, specialist cereals, specialist cattle rearing and fattening, oil seeds and protein crops, cattle dairying, rearing and fattening combined, specialist horticulture indoor, mainly granivores, specialist poultry. Romanian farms who participated to survey include various permanent crops combined, general field cropping, various granivores combined, specialist horticulture indoor, specialist cereals, oil seeds and protein crops and mixed cropping. Regarding type of farming for Slovak farms are specific: general field cropping, specialist vineyards, various permanent crop combined, various granivores combined, specialist cereals, oil seeds and protein crops, specialist fruit and citrus fruit, specialist pigs and mixed cropping.

Concerning the labour force directly working in farms, the situation is different between the three countries studied. In most of Polish farms (52%) are involved other family labor, in Romania are mainly involved sole holders (56%) and in Slovakia 55% of farms use non-family labor. (figure 3)



**Figure 3. Labor force directly working on small and medium size farm by studied countries**

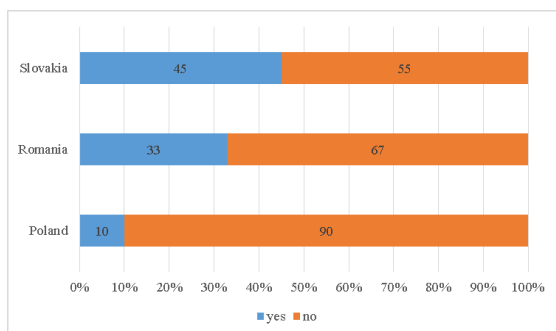
*Source: own researches*



**Figure 4. Self-consumed share of small and medium size farm outputs by studied countries**

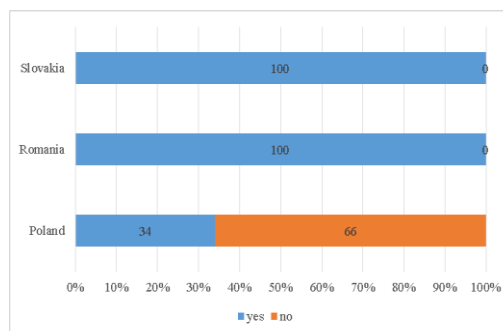
*Source: own researches*

As it can be notice from figure 4, most of small and medium size farms from Poland and Romania consume less than 30% of their production, while in Slovakia the share of self consumed is between 30-60% for 50% of farms.



**Figure 5. Are you first generation farmer?**

*Source: own researches*

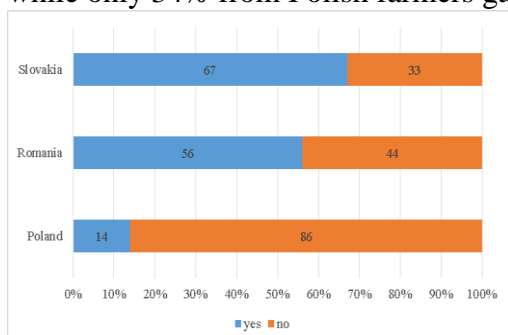


**Figure 6. Do you have knowledge about management, marketing, financing in agricultural field?**

*Source: own researches*

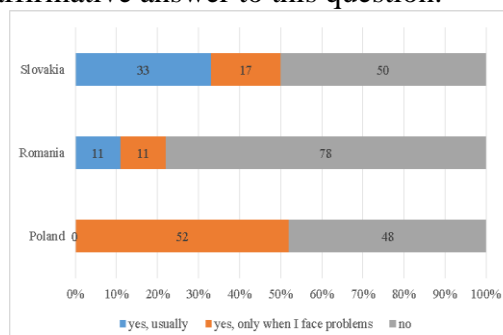
Many of farmers are not first generation farmer (figure 5) and we can say that this aspect is important for farm management, because they benefit of the entire farming experience of their family and even financial or technical resources. Based on [7], small and medium sized enterprises are the backbone of each developed economy. It is characteristic that small and medium sized enterprises employ fewer employees and the largest group of these types is formed by micro – enterprises. In 2015 (according to the Green Report 2016), the share of agriculture in the economy of the Slovak Republic increased a little bit in relation to intermediate consumption and employment and decreased in relation to average wages. Slovak Republic has a different agrarian structure from the other EU member states, in terms of larger average size of enterprises, particularly large-scale character and prevalence of rented land as well as low level of diversification into non-agricultural activities. In general, the situation in the field of agrifood SMEs demand for innovation in Slovak Republic could be characterized as insufficient, non-motivating and not well informed like wrote [8,16].

Another important aspect regarding farm management are knowledges about management, finances and marketing, because it is not enough to know how to produce, it is more important to know what to produce, in which way, how to combine all resources, how to sell, where or when to sell. As it can be notice from figure 6 all farmers from Slovakia and Romania have knowledge about management, marketing and financing, while only 34% from Polish farmers gave an affirmative answer to this question.



**Figure 7. Are you member in associations, producers groups, agricultural cooperatives?**

*Source: own researches*



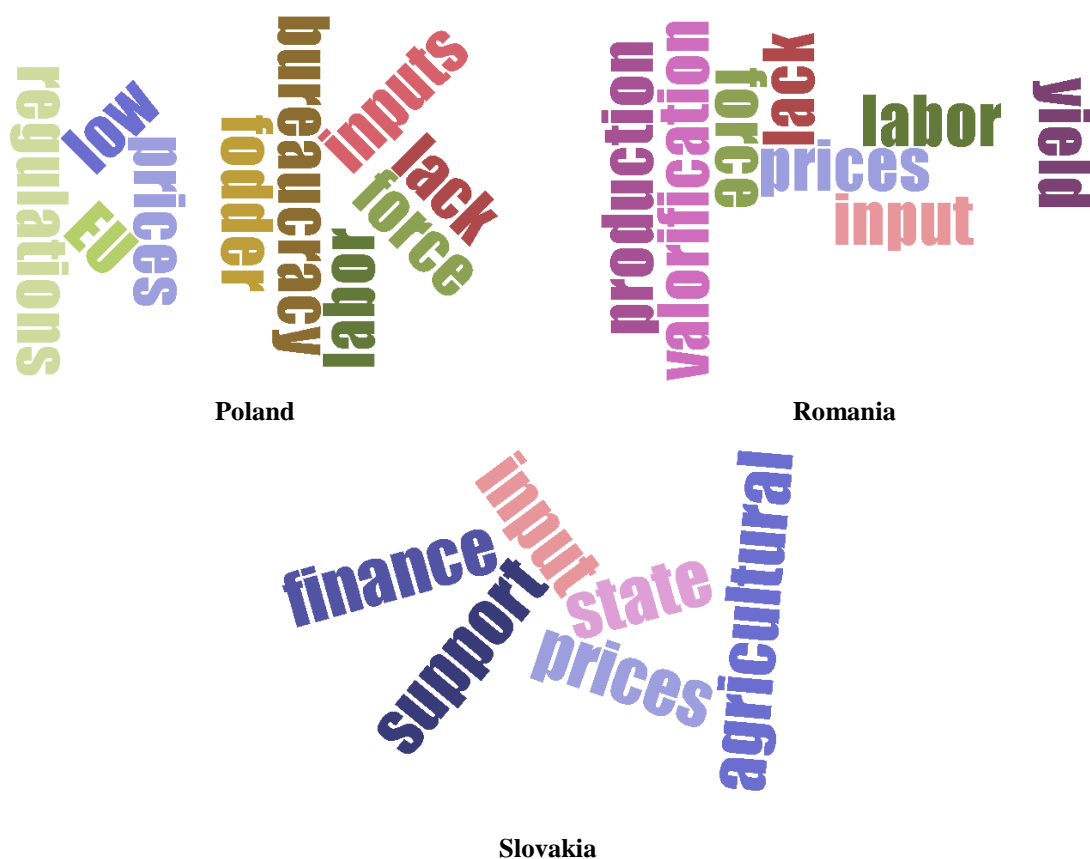
**Figure 8. Do you use agricultural extension services (consultancy)?**

*Source: own researches*

Related to memberships of farmers in associations, producers groups, agricultural cooperatives, it can be observe from figure 7 that most of Polish farmers (86%) are not members, while in the case of Slovak and Romanian farmers the situation is similar. Many

of Slovak and Romanian farmers are members of different organizations as associations, producers groups, agricultural cooperatives.

Managing a farm is more than obtaining production, in many cases the farmer face a lot of challenges or problems and he need to find solutions immediately. But not all the time he has all solutions or responses to his problems, and in such cases a consultant can help him to solve them. In this way many farmers from Poland (52%) use agricultural extension services only when they face problems and the other part (48%) do not use this kind of services. In Romania most of farmers who manage small and medium size farms never call for consultancy services (78%), while only 11% of them use this kind of services usually and the same percent of farmers use consultancy only when they face problems. In Slovakia, half of farmers do not use agricultural extension services, 33% usually call consultancy and 17% of them call to consultancy only when they face problems. (figure 8)



**Figure 9. The main problems faced by farmers in managing their farms**

*Source: own researches, responses were processed on [www.jasondavies.com/wordcloud/](http://www.jasondavies.com/wordcloud/)*

According to the answers provided farmers who manage small and medium sized farms from Poland, Romania and Slovakia face similar challenges. (figure 9).

*Poland.* There are following main stakeholders of AKIS (Agricultural Knowledge and Information System): Agricultural advisory organisations are represented by 1 Agricultural Advisory Centre, 16 Provincial Advisory Centres, 16 agricultural chambers and 163 private advisory organizations and NGO's. These actors cover wide spectrum of educational, environmental, ecological, developmental and cultural activities. Advisors mainly deal with market information, promotion of agricultural, economics and organizational innovations, constant education and solving the problems. Research and Education contains 13 agricultural research institutes, 10 universities of agriculture or life sciences, 15 colleges and 45 secondary agricultural schools. Scientists and teachers deal

with generating new knowledge to strengthen the system in the scope of innovation. Agricultural policy actors include Ministry of Agriculture and Rural Development, Ministry of Environment, Ministry of Finance, Ministry of Science and Higher Education, 2 parliamentary committees for agriculture, 3 state agencies, 5 state inspections, 16 provincial governors and 314 country districts. Politicians, administration officials and inspector are responsible for agricultural policies, quality, health, safety, environmental protection etc. There are 1, 506 million of agricultural holdings as users. There is different quality level of relationship between AKIS actors. Very strong cooperation is between farmers and advisory organisations. Strong cooperation is between farmers and suppliers of inputs, farmers and sales, advisory actors and research and education actors, advisory actors and agricultural policy makers. [6]

*Romania.* The competitiveness of romanian agricultural sector is linked to efficiency of agricultural knowledge and information system. AKIS was founded to promote mutual learning and to benefit from agricultural technologies, knowledge and information. [1,3,4]

The entire system is represented by public institutions (ministry of agriculture and its territorial structures), private organizations (consultancy private services, independent advisers, trade international organizations, regional suppliers) and also agricultural organizations (cooperatives and producer groups), research and educational organizations and NGOs. AKIS integrates: Ministry of Agriculture and Rural Development, 17 agricultural research and development institutes and centers, 51 agricultural experimental research centers, agricultural high schools and universities (4), farmers, agricultural consultancy and the private sector. [3,11]

Throughout time the system suffered several changes, all changes were made to adapt at new facts. For farmers AKIS is ineffective, research system, consultancy and agricultural education are poorly prepared to sustain the implementation of CAP 2014-2020. [3,11] The integration of agricultural extension, agricultural research and agricultural education activities is restricted. [1,5]

*Slovakia.* Within Agricultural knowledge and information system (AKIS), organisations and institutions are inter-connected in order to generate new knowledge, share experiences and transfer it among themselves with the aim of introducing it into agricultural and rural practises. AKIS includes following main actors: Ministry of Agriculture and Rural Development, 2 agencies (Agricultural Paying Agency and Rural Development Agency), 5 research institutes and 4 universities, 14 private consulting companies, 27 independent consultants, 2 farmer's group, 2 chambers and 74 600 agricultural holdings as users. The specific national agreement about integration of knowledge exchange does not exist among AKIS actors. There are agreements on the targeted budgetary allocations and these agreements include paragraphs which are referring to responsibility of respective institutions towards knowledge exchange and information sharing and transfer of innovations and new technologies within existing institutional frameworks. Despite the integration of organisations in relation to research and advisory, as well as links among the farmer's community, were not successfully developed after EU accession. From this point of view AKIS system does not function well where cooperation is not strengthened from policy makers [8].

## CONCLUSIONS

After analyzing the answers provided by farmers from Poland, Romania and Slovakia to the 17 questions we noticed the following:

- most of them (77,8%) are not first generation farmers;
- most of them (61,1%) have knowledge about management, marketing, financing in agricultural field;
- many of them (66,7%) are not members in associations, producer groups, agricultural cooperatives;
- 55,6% of farmers do not use agricultural extension and 36,1% use these type of services only when they face problems;
- more penetration into the EU markets with typical products from each country of origin;
- to apply a sustainable development of skills in the business's management from the point of view of international as well as business skills;
- to use the possibilities of support tools in each county.

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