

AGRICULTURAL COOPERATIVE, FUNDAMENTAL CONDITION FOR ROMANIAN AGRICULTURAL DEVELOPMENT

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Abstract: *Agricultural cooperative emerged and evolved to compete with other forms of economic and legal origin. For Romania, after 1989 establishment and development opportunities consistent with the pursuit of cooperative land reforms.*

In the absence of legislation to highlight some benefits of cooperative agricultural some economic entities managed a regrouping as agricultural associations or companies. Many of these were sprayed by the chaos and system failures occurring and changing too quickly to allow an adaptation.

Area of economic activities in agriculture was only partially covered by agricultural units, most of the agricultural land remaining in managing small owner, totally helpless by the new market system and free of any elements of state support.

Based on these arguments it is necessary to launch a program to establish and support national agricultural cooperatives as an objective and necessary measure.

Key words: *cooperative, agriculture, agricultural associations, owners, development*

INTRODUCTION

In EU countries agricultural cooperative has developed and perfected through the Common Agricultural Policy and through the reforms that he promoted was intended to achieve legislative and organizational framework to support agriculture and farmers to produce in quantity and quality conditions, to ensure auto consumption, export availabilities in terms of economic efficiency and in accordance with the requirements of environmental protection.

Farms, regardless of the organizational structure under which they operate, not cover their own costs for the services they need to complete the process of agricultural production. Consequently appear the need to involve farmers in various forms of cooperation.

Agricultural cooperative is the determining factor that favored the development of agriculture process in the world, especially in EU countries, due to the multiple implications on farmers and agricultural production structures.

MATERIALS AND METHODS

The authors of the paper were used as methods of work: data collection, processing, analysis, observation and their interpretation.

RESEARCH RESULTS

Shortcomings and unsatisfactory application of the law no.18/199, lack of institutional system to facilitate improved structure and organization of the modern exploitations and subsequent land policy did not allow the creation of a viable initial base of private agricultural exploitations is the territorial dimension allowing agricultural mechanization.

Liquidation of assets of former agricultural cooperatives towards physical destruction of assets, lack of the necessary inventory for new owners to be able to work the land, lack of mechanisms for guidance of private farmers thorough associative forms of

organization or development of farms in lease system have caused the fall of agricultural production. It not succeeded finding the crossing bridges through the microeconomic level from the control system to specific forms of organization of the market system. There was actually collapse of economic management witch was not replaced with a modern system open to a fair competition.

The danger of repeating the same scenario exists today in the implementation process of the new agricultural law that amends the Law no.18/1991 without certainty that the surfaces are required and can quickly organize commercial farms.

Excessive fragmentation of land and lack of operating capital are aggravated by the separation of ownership and operation, given the fact that a large number of homeowners are residing in cities and rent obtained by them is spent outside agriculture. For the Romanian agriculture transition from subsistence to performance and overcome this major obstacle to EU integration, high costs are required for ownership concentration where land policy accord priorities only for sale-purchase land. This path is long time one.

In almost 10 years the average area per household has remained around 2.3 hectares, and form the entry into force of the law of territorial land movement is not visible. Rupture of the privatization process and organization of exploitation with modern technical means is one of the fundamental causes of the Romanian agriculture crisis. This rupure is not only due to lack of capital but is also the result of lack of managerial capacity propagated top-down thorough economic and agricultural policy mechanisms insufficiently or incorrectly applied. Clearly it is essential to resolve the issue of ownership, market economy countries agriculture is deprived from the public or private sector is significant.

Romania is in a special situation of transition from the control system to a market system. Excessive fragmentation can be avoided if land legislation and laws of exploitation of the earth are organize the seen together based on economic efficiency and the relationship between ownership and exploitation.

Romania could benefit from the advantages that it has today Hungary, Czech Republic, Germany on farm economic arrangements that provide complex market conditions as they may practice modern technologies and produce large quantities of goods for domestic market and export. Land re-privatization is only the starting point of accomplishment agricultural reform. In this framework depends territorial subsequently increases or decreases on farming. As a result of the allocation of our agricultural land is far from the organizational structure that allows performance.

The economic organization process in agriculture must not only rethought in all its components but also accelerated and supported by laws, institutions, policies and funding.

May be seen, in perspective, in Romanian agriculture two basic forms of organization of agricultural producers:

- Commercial family farms or associative follows the German model of organization;
- Commercial farms and large agricultural holding companies that have correspondent in the American model of agricultural development.

The transition of agriculture to a market economy and building a modern and functional agricultural markets does not mean that our agriculture will become capitalist. The overwhelmed part of majority of family exploitations and forms diversified of agricultural and rural cooperatives from us is not capitalist competitive market characterized by all the features especially on liberalization and lack of protection for producers.

Farms in market economies operate on the principles of the capitalist market and adapt to the demands of tough competition but in all economically developed countries the

maintenance and protection of the countryside are subject headings supportive. Major agricultural enterprises moving in the capitalist market is organized and operates according to the principles and rules of other sectors.

Certain facilities are temporary accorded and selective related to the need to prevent or eliminate major market imbalances.

The role of science in promoting new forms of organization and finding ways to economic strengthen is vital along with financial and logistical support internally and externally. For solving these objectives must be carefully managed funds available. Supporting all households is not possible because there are no resources and if there is not rational to be scattered to maintain a subsistence agriculture. Much of the over 4 million farms will disappear through market forces or structural adjustment policies. This latter path practiced by EU ensure social protection of older farmers through effective mechanisms and in any event by selecting all owners via so-called direct support (vouchers). Encourage associations, leasing, land sales, etc.. can help accelerate structural change only if agriculture becomes an attractive and effective activity for young farmers and old owners are creating a pension system and adequate social protection.

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In our country has not been applied a policy to support young farmers to encourage stabilization in rural areas. Land legislation does not encourage this option and the financial and logistical support really does not distinguish between different farmers by age. It tries something in this sense only in 2003 by developing special laws.

One of the issues covered by the accession negotiations is arguably size and number of farms. For peasant farms to have average size of 10 ha, the number of the current one should decrease in about 10 years from 4 million to 1 million. This reduction may be possible only through a politics of the structures to accelerate the process in any way possible in terms of Romania: association, leasing, sale-purchase land, lease and rent of land and other agricultural goods etc. Creating institutional framework to accelerate these processes together with measures to protect the elderly owners witch boosting land and multifunctional development of rural areas are badly needed.

As can be seen from the table below, the activity of production cooperative structure reflects a different coverage.

Table 1

Agricultural cooperatives after production activity

Nr. Crt.	Activity subject	Cooperatives
1.	Vegetable production	23
2.	Crop production (cereals)	18
3.	Beekeeping	18
4.	Sheep (sheep milk processing)	13
5.	Cattle	10
6.	Horticulture	10
7.	Winemaking	7
8.	Fishing	5
9.	Growing potatoes	3
10.	The keeping of pigs	2
11.	Growing birds	1
12.	Slaughter / meat processing	3
13.	Breeding	1
14.	Other cooperative agr. Production, processing, trade, etc..	30
15.	Services for agriculture	5
	TOTAL	149

Source: Processing by MADR-ANCA – Cooperative agricole 2010

In Romania, until now, have not created cooperative structures similar to those of the old Member States of the European Union. It is obvious that any specific structure is not representative. The lack of a clear attitude of the political class to be reflected in government employee programs and adequate legislation to foster the establishment and development of cooperatives could mean, for 65% of Romania's agriculture, not only further reduce the chances of receiving European funds, but even further degradation of the situation after implementation of the new CAP regulations starting 2013.

CONCLUSIONS

In conclusion, the cooperatives have emerged as a socio-economic necessity, addressing the needs of small producers. These, taking specific elements from the objectives and scope of companies and non-profit entities, managed to shape a distinct purpose that has proven its viability and future development prospects.

Based on the above, we can say that the development of agricultural cooperatives, strengthen the Romanian component of agricultural structures, constitute a significant element of national pride.

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