

## SOCIO-ECONOMIC GUIDANCE VERSUS OTHER FARMING CONSULTANCY SERVICES

GABRIELA POPESCU<sup>1</sup>, C. POPESCU<sup>1</sup>, IASMINA IOSIM<sup>1</sup>, CORINA RUSET<sup>1</sup>, CARMEN DUMITRESCU<sup>1</sup>

<sup>1</sup> *Banat's University of Agricultural Science and Veterinary Medicine from Timisoara, Faculty of Agricultural Management, Timisoara, Romania; gabi\_cosmi@yahoo.com*

**Abstract:** *The need for agricultural consultants increases with the development, diversification and specialisation of farm produce and the transfer from the small family farm to the commercial farm. The level and quality of agricultural consultancy should increase accordingly. Agricultural consultants should become more and more market-oriented. Consultancy services that are strictly oriented towards their customers (the end beneficiaries) are specialised services. However, when they are provided for achieving a larger purpose, such as contributing to economic growth and improving macroeconomic productivity through structural changes performed in agriculture, they become part of the socio-economic guidance process.*

**Key words:** *guidance, consultancy, services*

### INTRODUCTION

Agricultural consultancy is a key element in agricultural development. The need for agricultural consultants increases with the development, diversification and specialisation of farm produce and the transfer from the small family farm to the commercial farm. In the agricultural development process, farms rely on a set of means securing their necessities (land, assets, labour force, information, financial resources, education) and adopt certain strategies (farm intensification, diversification, development, multiple activities, season-dependent migration) in order to obtain the expected results. Consultants have started to play a major role in supporting agricultural population in its effort to identify and define problems and their solutions. They have also proved important in choosing and implementing development plans, identifying the supply and the need for agricultural advisory services in semi-subsistence individual and family farms with commercial orientation.

Besides agricultural consultancy services that deal with the concrete aspects of submitting projects for accessing different financing sources, there is also a specialised type of consultants which is either additional or associated with acquiring the general competencies required for project drawing up and implementation, in compliance with the specific requirements or regulations of the financing source. This type includes legal, financial and cadastral advice, feasibility studies, farm produce marketing, farm management, labour safety rules, professional training etc. It is also noted that farmers generally need integrated consultancy services and they are not willing to pay for them.

The quality of agricultural advisory services should improve constantly. At the same time, they should become more and more market-oriented. The need for consultants results from the farmers' desire to use new technologies and access both UE and other funds.

Advisory services that are strictly customer-oriented (end/final beneficiaries) are of various types. However, when they are provided for achieving a larger purpose, such as contributing to economic growth and improving macroeconomic productivity through

structural changes performed in agriculture, they become part of the socio-economic guidance process.

## MATERIALS AND METHODS

The purpose of socio-economic guidance is to increase the income of agricultural population. The beneficiaries of socio-economic guidance services can be classified as follows:

- individuals involved in agriculture;
- farm households;
- agricultural holdings (farms).

Socio-economic guidance services address agricultural population in general and that part of agricultural population involved in (semi)-subsistence farms in particular. The latter highlights the need to develop the income and assets management abilities which are required to meet the challenges raised beyond the farm's boundaries by farm production, household, family and social and economic relations.

Agricultural population is the main beneficiary of the socio-economic guidance services. Depending on the purpose of the services, this population can be structured in individual beneficiaries and beneficiary organisations.

If the beneficiary works in a farm and wants to set up a new farm, is an unpaid family worker or simply owns land, he will be considered an individual beneficiary. If the beneficiary works in a farm and intends to extend it, owns the farm or is just interested in extending it, he will be considered a beneficiary organisation – a farm or agricultural holding.

## RESEARCH RESULTS

In Romania, there are two extremes: a) farms starting from 1-5 hectares and extended to 10 hectares. They play a major role and are concentrated in a small number of holdings that cover almost 1,000 hectares. In addition, 32.3% of this area consists of small farms and the semi-subsistence farms account for 93% of it; b) farms covering 10 - 100 hectares (15.5%, respectively 5.4% of the total number of farms) and larger farms of over 1,000 hectares (52.1% of Romania's arable land).

The main goal of socio-economic guidance can be to facilitate the transition to farms covering 150 - 200 hectares, much larger than the current family farms and much above their farming capacity.

So far, the agricultural sector has developed several types of consultancy services which specialise depending on the purpose of the organisation for which they provide them, its development level, available resources, local characteristics etc. Advisory services can be provided both by public and private institutions:

- a) services provided by centralised public institutions: agricultural chambers – chambers of agriculture, forestry and rural development, agricultural directorates, Payment and Intervention Agency in Agriculture (APIA);
- b) services provided by decentralised public institutions;
- c) services provided by association type organisations: county chambers of commerce, industry and agriculture, non-government organisations, federations, associations;
- d) services provided by the private sector.

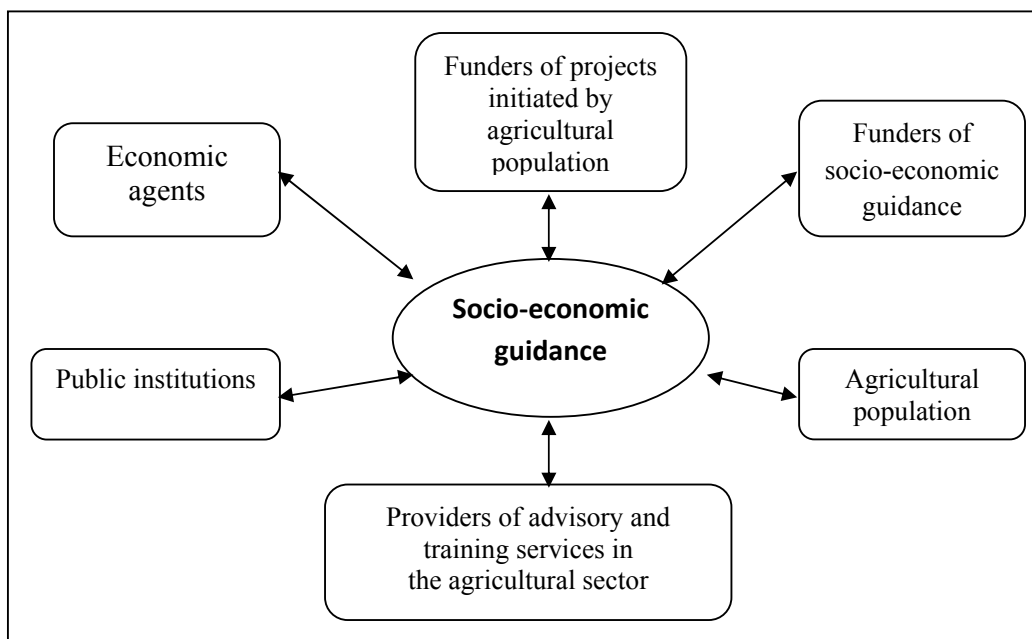
**Table 1**  
**The particularities of socio-economic guidance compared to other advisory services**

Comparison elements	General consultants	Socio-economic guidance
Area of expertise	Specialise in a certain areas of expertise: market research, financial plans, registration in the Trade Register etc.	Focuses on providing solutions or information sources for finding solutions irrespective of the area of expertise
Objectives	Commercial objectives aimed at increasing turnover and profit	Social objectives aimed at increasing agricultural population welfare and achieving community objectives
External environment analysis	External environment analysis aims at adjusting the farmer's initiative to the environment characteristics (identifying suppliers and retail methods etc.)	The analysis is performed within a larger context, based on zone, county or regional objectives and aims at guiding farmers' (extending their activities, crop planning etc.)
Farm analysis	Farm analysis focuses on the current situation of the farm which is the basis of a consistent project.	Farm analysis is continuous and focuses on the farm's evolution in time and the effect of its proposed actions.
Advice to farmers	Is specific and aims at solving problems expressed by farmers (how to set up a company, access funds, apply crop technology)	It has a general character and is not necessarily the result of farmers' initiatives (such as farm development or extension). It may include advice on finding a consultant specialised on solving a certain type of problem.

Socio-economic guidance can be approached in two specific ways.

The first approach focuses on solving problems and their consequences and aims at making best use of opportunities. It is based on:

- target group orientation;
- active participation in the subsequent actions of the target group;
- project stage-planning (for the following actions);
- project implementation follow-up.



**Fig 1 Ways of socio-economic guidance**

The second approach focuses on a business plan based on a business idea. It aims at farm development and deals with the following aspects:

- giving the business idea a final shape;
- establishing the project budget and identifying financial sources;
- drawing up the business plan;
- starting the business and business follow-up.

### CONCLUSIONS

The identified consultants belong to certain areas and can be provided by specialised consultants. What farmers need in order to achieve their objectives concerning structural changes in agriculture is to be guided and shown the right way to development. In other words, they need “socio-economic guidance services” which may be more important than answers to their specific needs.

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