

STUDY ON ASSOCIATION FORMS GROUPS AND FOR FARMERS

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Abstract: Of the total 4,256,152 farms, a percentage of 90.96% represents the subsistence, 7.55% semi-subsistence farms represented 1.49% of commercial holdings. This context is unfavorable development of the agricultural sector, especially farmers that the cooperation has proved to be insufficient. Increasing competitiveness is conditioned by market capitalization of proper agricultural products in terms of quality and quantity. The key is in the hands of farmers who can join. Thus, adaptation of production to market requirements can be significantly accelerated.

Key words: *the agricultural sector, farmers, agriculture forms of association, agricultural area, holdings.*

INTRODUCTION

With EU accession, farmers are no longer protected by customs barriers and thus poor supply of agricultural products in Romania is invaded by European agro-food supply, which implies the impossibility of covering the losses by raising prices and thus a sharp disinvestment, particularly in the years mostly dry.

Provisional results of the 2010 General Agricultural Census provides an overview of both the country and in territorial (the region of development and counties), the number of farms, farmland structure used and unused farmland, the livestock, the number of people who have worked in agriculture (excluding temporary employed persons and other persons), and the total number of days worked on farms.

General Agricultural Census 2010 there were 3856 thousand exploitation agriculture, of which 3,825 thousand (99.20%) are unincorporated farms (farms individual freelancers, sole proprietorships/family) and 31 000 (0.80%) are farms with autonomous legal personality, society/agricultural associations, companies with majority state/private institutions/research stations and schools in the agriculture, local councils/municipalities, other public institutions, cooperative units and other units).

Total utilized agricultural area in the country was 13,298 ha, of which 7,445 hectares (55.99%) fall unincorporated farms and 5,853 hectares (44.01%), farms with legal personality. [5]

Unutilized agricultural land, including the units that did not meet the conditions to be considered agricultural holdings was 888 000 ha and idle agricultural land registered to statistical research the main crops 2010 crop production was 1350 thousand hectares.

UAA that is, on average, on a farm, nationwide, is 3.45 ha. Farm unincorporated incumbent on average 1.95 hectares and farms with legal personality 190.84 ha.

GROUPS AND FORMS THE NATIONAL ASSOCIATION

The restitution of land in state property into private property led to the establishment of farms of different sizes depending on their type: subsistence holdings are 45.24% of the total utilized agricultural area, semi-subsistence farms using 16.09% and 38.67% using commercial holdings.

Of all of them, depending on the type of farm, approximate weight is:

- 91% of the subsistence (which hold about 50% of the total utilized agricultural area)

- 7.5% is the semi-subsistence farms;

- 1.5% is commercial holdings. [5]

This context is unfavorable development of the agricultural sector, especially farmers that the cooperation has proved to be insufficient. Increasing competitiveness is conditioned by market capitalization of proper agricultural products in terms of quality and quantity. The key is in the hands of farmers who can join. Thus, adaptation of production to market requirements can be significantly accelerated. [7]

The only way they can get more money from European funds and the state budget. Together they have more force than working individually. These groups will form the nucleus actually farm environments, with large farms will produce for the domestic market and even to foreign markets.

Producer groups are corporate for-profit and private economic management. Ie, are associations of farmers markets, Shared, products. ***Producer groups can be both commercial companies and cooperatives and agricultural associations.*** [7]

Producer group should ensure planned production and adapted to market demand, particularly in terms of quality and quantity. You also need to promote supply and the placing on the market of products produced by its members. All group has the task of optimizing production costs and set prices to the producer, but also promote the use of cultivation practices, production techniques and waste management practices that do not harm the environment.

Be a member of a producer group whoever legally owns a production base and declare in writing its intention to sell its own agricultural production in a group of producers who pay dues in accordance with group status.

Group members are required to apply the rules adopted by the producer organization relating to production reporting, production and environmental protection itself. Should also belong to only a single producer organization for the marketing of one or more products subject to the common organization of the market, as required by law. Group members are also required to sell the bulk of production by the producer organization.

Associative forms provide a number of **advantages**:

- *reducing production costs (the most important advantage that it is a member of a producer group - for example, the group may purchase machinery and equipment that are shared by all members);*

- *exploitation of land area required for the application of modern technologies, competitive production and waste management, in order to comply with environmental standards and conservation of biodiversity, which we are obliged to take into account that members of the European Union;*

- *Possibility production planning and change on demand of quantitative and qualitative market;*

- *easier access to EU funds and bank borrowing;*

- *facilitate communication between farmers, on the one hand and between their representatives and government institutions, on the other hand (the association is a forum for discussion, exchange of views, to resolve issues between members, it provides relief, access to information, representatives of associations are a relevant partner for dialogue with the Ministry of Agriculture in making decisions regarding agricultural producers and their interests);*

- *increasing the capacity of negotiation in order to obtain better prices as the joint buying of inputs needed for production and the development of products by offering large quantities of high quality conditions;*

- *promoting more efficient production both domestic and foreign markets. [7]*

These issues, which can be added of course others, may take, under highly competitive environment, increasing farmers' income and the awareness of their responsibilities to their rights and obligations as factors in the market.

Under the legislation, **agriculture forms of association** are the following:

- *agricultural societies and other agricultural associations (Law no. 36/1991);*
- *associations (Government Ordinance no. 26/2000 on associations and foundations, approved with amendments and completions by Law no. 246/2005);*
- *agricultural cooperatives (agricultural cooperatives Law no. 566/2004).*

Given the GO nr.37/2005 recognition and operation of groups and producer organizations for marketing of agricultural and forestry association structures mentioned above may be recognized producer groups.

To establish a preliminary recognized producer group requires a number of documents in accordance with Order 694/2008 and European Regulation 1234/2009:

- *copy status showing clear obligations of members and the internal rules of organization and operation;*
- *copy of the decision of the General Assembly stating its agreement to perform legal steps to obtain the status of GPs;*
- *copy of the Commercial Registry / the operating license;*
- *a summary of area / s of land and / production of conditioned spaces in service members, prepared and signed by administrator by documents;*
- *affidavit of each member showing that belong to another organization or another recognized producer group preliminary for the same group of products for which recognition is sought;*
- *statement requesting funding programs accessed and progress of their*
- *organization and a list of staff;*
- *engagement manager for compliance specific legal entity;*
- *proof of payment of debts to the state budget or local;*
- *recognition plan.*

Typology associative forms:

1. Associative forms the fruit and vegetable sector

Romanian agriculture adapt to the requirements and EU agricultural market development can be achieved by diversifying varieties depending on market requirements, the modernization of technical and marketing standards. It is also necessary to increase the surface culture media, trade association for producers and production obtained even decide to hold the chain from production to marketing.

Currently, the manufacturer is found where not only can handle the production, harvesting and sale of products quickly. Due to the development of large retail (supermarkets, hypermarkets) increased demands on the continuity and quality of supply. Thus, we can say as a vulnerable position of producers in terms of availability - lack of time and technical resources to ensure sorting, packing and trading.

To counter the divergence between the interests of producers and traders, the group recommends producers associative forms for commercialization. The objectives of the common organization of the market are oriented market and through them available to the manufacturers technical means to cover the entire product life cycle (production - harvest - Sorting - Storage - Packaging - Marketing). Moreover, it allows preserving the value added production in associative forms.

For a producer group must be recognized to form at least 5 fruit and / or vegetables and also internal criteria need to be met for the organization and functioning. [10]

In the vegetable - fruit, so far 82 have been established producer groups and membership organizations.

Farmers are grouped in an associative type company, agricultural society, association, cooperative farming etc. eligible for financial support from the state. For example, a group of at least five producers who sell at least 75% of the group obtained by having a centralized accounting and billing can get the first five years of existence, financial support from the state.

2. Associative forms in the seeds

Seed sector is one form associations - Breeder Association, manufacturers and marketers of seed and planting material of Romania (AMSEM). This is a branch association, governmental, nonprofit and public utility under HG 1128/2004, which functions as a unit brings together public and professional groups extra income from seed production pathway to commercialization. AMSEM has 8 branches including seed producers associations in the areas of influence.

3. Associative forms the organic sector

Among the general objectives of organic farming associations in promoting the concept of AE mention (organic) and organic food promotion, consumer education and market development of organic food in Romania. The prestige of association is by creating and strengthening collaboration with NGOs in the country, finding new partners and through openness to international cooperation with all interested countries.

In this sector, so far nine have been established organizations.

4. Associative forms cereals and oilseeds sector

In order to induce farmers to work the land effectively and to support the emergence of economically viable farms, Ministry of Agriculture and Rural Development encourages the establishment of forms of association (producer groups, modern agricultural cooperatives) based on free consent.

Hitherto been recognized by MARD in accordance with Ordinance no. 37/2005, approved by Law no. 338/2005, for cereals and oilseeds a number of 33 producer groups.

5. Associative forms in the land reclamation

Associative forms in land improvements could in land improvements Law no. 138/2004:

- *land improvement organizations (irrigation water users' organizations, organizations of drainage and drainage, flood defense organizations, organizations soil erosion);*

- *land improvement associations organizations.*

National Register of Land Reclamation Organizations - held by the governing land reclamation organizations within MARD - are recorded:

- *423 organizations land reclamation (5 drainage and drainage organizations (SDO) and 418 organizations of water users for irrigation (OUAI), covering an area of 1,075,437.7 ha gross and net area of 1,045,024.1 ha);*

- *3 federations land improvement organizations (covering an area of 18,026.0 ha gross and net area of 17,779.0 ha);*

Of the total of 426 organizations and federations, 291 irrigation infrastructures have taken over an area of 770,475.6 ha gross/net area of 748,963.1 hectares. [9]

Natural or legal persons holding under a valid title of ownership or use, land served by irrigation or drainage systems and drainage works or flood protection or erosion control may be an improvement organization land. Organizations are legal entities of public, non-profit, which is established and operated in accordance with Law no. 138 of 20 April 2004.

Federation land reclamation organizations are established for two or more organizations, land reclamation, for operation, maintenance and repair of parts of a facility or an entire land improvement joint serving member organization.

Can acquire membership of a federation only those organizations receiving portion of land improvement and planning around that one federation operate, maintain and repair and who can provide services for land reclamation by the federation.

6. Associative forms in the livestock sector

So far, the livestock sectors were recognized by MARD in accordance with Ordinance no. 37/2005, approved by Law no. 338/2005, a total of 45 producer groups.

To encourage the creation of associative forms of agriculture, MARD granted by Measure 142, funding for setting up producer groups (except for the fruit and vegetable sector only). The general objective of the measure is to develop a balanced relationship between producers and processing and marketing sectors and adapting production in terms of quality and quantity to the consumers.

Beneficiaries are officially recognized producer groups from 1 January 2007 to 31 December 2013, according to the law.

Are excluded from funding:

- Preliminary recognized producer groups in the fruit and vegetables;
- Producer groups receiving support under the SAPARD Programmer and the national budget;
- Producer organizations in the fruits and vegetables supported by EC Regulation 2200/1996;
- Hop producer organizations.

Under measure 142 are non-refundable public support 100%, according to Annex to Regulation (EC) no. 1698/2005. Amount granted by this measure is calculated annually based on the value of marketed production by recognized producer group. [8,10]

Support is granted to producer groups recognized under national legislation:

- field crops (cereals, oilseeds, protein crops, technical, root crops field);
- horticulture (flowers, ornamental plants);
- viticulture (grape wine);
- dairy farming;
- livestock (excluding milk);
- mixed (dairy and meat livestock/crops and livestock).

Support scheme for producer groups is as follows: annual rates given in the first 5 years of the producer group was recognized; support will be calculated based on the annual production marketed by the producer group, as follows: 5% in the first two years, 4% in the third year, 3% in year four, 2% in the fifth year of the value of marketed production up to 1,000,000 Euro, 2.5% in the first two years, 2.0% in the third year and 1.5% in the fourth and fifth of the value of marketed production exceeding EUR 1,000,000. [9]

Support may not exceed the following amounts: EUR 100,000.

The first installment will be paid one year after the date on which the producer group was recognized. Payment will be made after verification that the conditions initial recognition of producer groups, based on invoices for sold production recorded and calculated after one year of group recognition.

Types of financing the vegetables - fruits:

Producer organizations providing support in the amount of 4.1% of the value of marketed production and 50% of the total operational program.

In order to facilitate the establishment and administrative activities are granted financial aid by 10% in the first two years, 8% in the third year, 6% in the fourth year and 4% in the fifth year of the value of marketed production.

Another type of financial aid is granted directly to producer groups for preliminary recognition covering 75% of the eligible investments according to the recognition and the 10% of VPC. [7, 9]

Eligible measures:

- New construction and / or upgrades for storage and storage of members, including cold storage, internal infrastructure and utilities, and piping connections needed projects, including the payment of pre-feasibility studies and feasibility studies, project construction and / or modernization for ;
- Purchase or lease of new equipment, facilities, equipment for grading and labeling production members and their installation costs;
- Investments to improve the internal quality control of products and by-products obtained in the preliminary recognized groups;
- lease purchase of new specialized transportation necessary marketing activities identified as required by plan recognition;
- Investments in agricultural product processing members, including equipment for sale, including storage, cooling etc. [9, 10]

Producer of fruits and vegetables, a member of a recognized group ruling may access in their own programs through rural development measures (Measure 121, Measure 123, etc.) and allocate eligible project is supported in 50%.

To grant recognition to a producer group and accessing aid is necessary to have at least 5 fruit and / or vegetables and also to enforce internal criteria of organization and operation.

Types of land improvement sector funding

For ensuring the operation of land improvement infrastructure by Government Decision no. 269/2009 were approved activities for which financial assistance is provided to farmers in land reclamation sector in 2009, its amount and the total amount allocated to each activity.

Measure 121 “Modernization of agricultural holdings and Rehabilitation Project and Irrigation Sector Reform” can access funds for the purchase of irrigation equipment.

Measure 125 “Improving and developing infrastructure related to the development and adaptation of agriculture and forestry” can access grants of up to € 1 million for the modernization and upgrading of irrigation infrastructure and other facilities and land reclamation works.

Thus, it can access funds for:

- installation of flow pumping stations putting pressure (SPP) belonging OUAI;
- Rehabilitation of irrigation infrastructure in interior design belonging OUAI;
- procurement of spare parts for irrigation infrastructure in the interior;
- Procurement of IT equipment for irrigation and OUAI and mopeds for monitoring the application of splashing. [7, 9]

Producer groups may request the competent authority of the recognition or preliminary recognition as appropriate. Competent authority of the Ministry of Agriculture and Rural Development. [4]

Producer groups operate and are recognized for one or more product groups, which are established by implementing rules of this Ordinance.

Required notice of preliminary recognition of producer groups in accordance with an ordinance implementing rules.

Final recognition is given within 3-5 years. Recognition opinion is issued within 3 months from the date of application for recognition. Were issued 145 notices for recognition of producer groups, producer groups for preliminary recognition of producer organizations until 03/08/2012. [10]

GROUPS AND ASSOCIATIVE FORMS IN TIMIS COUNTY

In recent years due to concentration or development strategies, farmers are faced with a fundamental strategic decision: to choose how to act unsafely better to make farms viable, profitable, strong competition, with markets and effective access to financial funds.

For better work efficiency and farmers, expressly to participate in price formation of animal and vegetable products, is absolutely necessary to establish associations, producer groups on agriculture and livestock profile. Whether you call them companies, agricultural cooperatives or agricultural associations, producer groups confers a number of advantages associated members, benefits provided both by law and by operating in such an environment.

In Timis and national level are such associations and producer groups.

From 2007 to present, the establishment and operation of agricultural producer groups is supported by substantial grants through the National Rural Development Programme.

Table 1

Producer groups in Timiș County

<i>Group recognition.</i>	<i>Headquarters.</i>	<i>Notice number recognition.</i>	<i>Product group for which he won recognition</i>
S.C. GRUP DE PRODUCĂTORI DE CEREALE BODO S.R.L.	Bodo, no. 304, Timis County	181 05.03.2012	Cereals
S.C. WEST PROD CEREAL S.R.L.	Jimbolia, Spre Sud street, no. 12/A, (room 4), Timiș county	182 09.03.2012	Cereals Oilseeds
S.C. SINFRUTTA S.R.L.	Sânnicolau Mare, December 30 Market street, no. 9, (room 1), Timiș county	171 22.11.2011 (preliminary)	0703 onion... 0807 melons... 0808 apples... 0809 apricots
TIMLACTAGRO COOPERATIVA AGRICOLĂ	Orțișoara, C.F. 401677, room 1, Timiș county	12931.08.2010	lactation milk and milk products
S.A.COMLOSANA	Comloșu Mare , no. 190, Timiș county	82 16.07.2008	Cereals and oilseeds
S. C. „EXIGENT TM SRL”	Gătaia, DN 58Bkm 400, Timiș conty	8919.02.2009	Cereals and oilseeds
S.C. KRONSTAD FRUCTE S.R.L.	Periam no. 366 A, Timiș county	110 14 01.2010 (preliminary)	Fruits and vegetables (except potatoes)

Source: M.A.D.R.

Are successful organizational forms in Western Europe, as it provides selling products at good prices, members benefited supply seeds, fertilizers, herbicides and other inputs at low cost and attractive grants from EU funds.

And in Timis County, the most powerful agricultural county in the country, as well as throughout the country, were set a small agricultural cooperatives and agricultural producer groups. Reluctance to join, but poor legislation is reasons for Romanian farmers are not organized as the West.

Timis County were recognized by MARD, a seven producer groups (Table 1). Sectors that are working are: cereals and oilseeds (four groups of producers), fruit and vegetable (two producer groups) and dairy (a group of producers).

CONCLUSIONS

While the advantages are undeniable existence of associative forms worldwide, Romanian farmers hesitate when it comes to unite in an agricultural association. Lack forms of association are mainly caused by the reluctance and low interest to farmers association structures because:

- low level of awareness and lack of information to farmers regarding benefits resulting from association;
- varying degrees of preparedness of those involved in associative forms (different understandings of the purposes and principles of operation thereof);
- mentality about obligatory association. (e.g. agricultural cooperative).

The selection of the landlords association as their way of work is determined by the individual possibilities low capitalization own family household that does not allow it to provide all the means necessary to carry out its activities. By association, especially if associations have some means materials can act to annihilate the undesirable effects of lack of capital.

Difficulties faced by small farmers and justifying the need to involve cooperation are determined by service units difficult, especially when holding surface is reduced, and missing or underdeveloped marketing structures

Association and cooperation relations are diversified variety of links that are established between agriculture and other sectors of the national economy and in agriculture, between economic agent's producers such means agricultural production (seeds and planting material, production animals, etc.) and storage facilities, processing and sale of agricultural products.

Concentration of production on farms of optimal size and diversification and specialization of agricultural production are closely linked to the development of relations of association and cooperation over technology flows to produce agricultural raw materials, but also on the processing and use of agricultural products.

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