

SUPPORT FOR THE AGRICULTURAL PRODUCERS: OBJECTIVES, GOAL, INDEXES

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Abstract: Agriculture represents one of the national economy sectors of priority. Among the main measures taken by the Government, the following can be mentioned: promotion of the politics for reformation and consolidation of the agrarian terrains; creation of the conditions favourable for obtaining a new competitive production; support for the agricultural producers, including by the subsidizing and insurance system; adjustment of the agrarian sector and of the agro-alimentary industry according to European standards; offering consulting and informational assistance. It is necessary to have a new politics for offering subventions correlated with the economical relationships and with Romanian interests. The subventions must get to producers and not to processors. The actual system of offering subventions to agricultural producers is characterized by the application of a variable, inefficient, not transparent and bureaucratic system for the administration and allocation of budgetary resources, fact which involves the partial assimilation of the financial resources allocated from the fund used to offer subventions to agricultural producers.

Key words: agriculture, subvention, producer, resources

Romanian agriculture passes through a crisis period which never happened before. On national level, from 9 million hectares of arable terrain, it was negotiated with European union to cultivate 7 million hectares, and Romania inseminates only 3,5 – 4 million hectares. Romania loses annually 200 000 millions Euro from the non-capitalization of the agricultural potential and, in addition, it loads Romanian's present and future, by a greater deficit of external payments balance due in a great measure to food import. Romania has a catastrophic politics in agricultural area, this putting in danger even the alimentary security of Romanian population. If gas oil won't be subsidized. Taking into account the aberrant price from the filling stations, many of the actual farmers will not start the spring campaign or they will perform works on much smaller surfaces.

The agricultural producers are indignant because nobody considers them. They are totally ignored by the State authorities. Practically, there is no social dialog, there aren't any development strategies for each sector. Romania could lose even the milk contribution from internal production, received from the European Union and then the whole milk will be imported. The milk for processing will be bought with 3 lei per litre, fact which will generate an unbearable blow up of the finite product price. This fact will change the milk and milky products in products that most of the citizens will not be able to afford.

Due to the total agriculture abandon, the prices of the basic agro-alimentary products will increase in the first term of 2008 with 25 – 30%, **the main reasons of this huge rise in the price being the following three:**

- the increase of the price of natural gases and fuels (electricity, gas oil);

- the increase of the price of fodders necessary for the zootechny: corn – 500 Euro/ton, soy – 400 Euro/ton, wheat – 290 Euro/ton;

- the rapid depreciation of the Leu reported to the unique European currency.

From the funds of European Union Development Bank there were built in Romania ten centres for vegetables and fruit wholesale, but Romanian producers, do not have where to sell their merchandise and are speculated by intermediaries who increase 3-4 times the prices on the market for consumers. The governmental authorities dedicated to promote the aboriginal agricultural production to get as soon as possible in the administration of agricultural producers professional associations and, in order to perform this desideratum, a law project has to be submitted to Romanian Parliament, project which should be debated in emergency procedure. It will not be easy, because many of the actual governors or other persons close to this economical sphere obtain great profits from food import or from processing agricultural products.

It is necessary to have a new politics for offering subventions correlated with economical relationships and with Romanian interests. The subventions must get to producers and not to processors. It is not normal that, from a subvention of 100% to the price of a litre of milk, 10 – 15% goes to the producer, 35 – 45% to small traders and the rest of 40 – 55% to processors.

In the strategic plan from agriculture field within the expenses on average term for the next years, it is indicated that one of the key-problems of agrarian sector is the elaboration and implementation of a new subvention mechanism for agricultural producers. The resources are limited for subsidizing the agricultural sector. In this respect, the efficient usage of the allocated budgetary resources is essential. Therefore, it is very important to minutely select the usage of the subventions from their contribution point of view in reaching with maximum efficiency the Government's objective regarding the economical increase and reduction of poverty.

The current general frame for the application of the different measures of agricultural politics performed to support the agricultural producers is often differentiated according to the circumstances and in many cases it is promoted without having strong arguments regarding the necessity and efficiency of the application of agricultural politics measures and finally, their utility for the agrarian sector. It is well known the fact that many of the field which benefit of the State support were selected according to the circumstances and outside a strategic frame on medium and long development term and outside a strategic frame for revamping the agrarian sector.

On the other hand, the actual system of offering subventions to agricultural producers is characterized by the application of a variable, inefficient, not transparent and bureaucratic system for the administration and allocation of budgetary resources, fact which involves the partial assimilation of the financial resources allocated from the fund used to offer subventions to agricultural producers. Due to this fact, it takes place the systematic change of the state budget law and of the regulations approved by the Parliament and Government.

For the reasons indicated above, there will be imminently performed the measures which foresee the revision of the existent subvention system from agriculture field in the context of the objectives of Economical Increase Strategy and Reduction of Poverty and introduction of a new system which provides a more efficient usage of the resources.

The goal and the objectives of the system for offering subventions to agricultural producers consist in establishing the principles, objectives and tasks which

have priority in elaborating, monitoring and performing the politics supporting the agricultural producers by the intermediary of a system offering subventions to agricultural producers. The main **objectives** can be:

- modelling of a unique subsidizing system for agricultural producers, needful of the priorities established in the documents of the State agricultural politics, connected to the necessities of different farmers groups from the countryside.
- establishment and substantiation of the main directions and of the agricultural sectors financially supported from the fund used to offer subventions to the agricultural producers, annually approved by the state budget law.
- the rational allocation of financial resources from the fund used to offer subventions to the agricultural producers.
- determination of the basic criteria mandatory when establishing the eligibility conditions for the beneficiaries from agriculture field in order the State to offer support.
- creation of the institutional system for the administration of financial resources assigned for subsidizing the agricultural producers, monitoring of their allocation and quantitative and qualitative evaluation of the impact generated by the measures taken by the State to support the agricultural producers

The system for offering subventions to agricultural producers will be revised on the **purpose** of creating conditions:

- to increase the competitiveness and productivity of rural economy and to increase the orientation towards the market.
- to provide the alimentary auto-sufficiency in the country, by supporting the aboriginal agricultural producers and to diminish the food import.
- to encourage the investments in the profitable sectors, in order to discourage the subsistence agriculture and to facilitate the creation of a fiscal business environment which should bring incomings to the State budget.
- to stimulate the increase of agricultural crops productivity and agricultural products quality, by introducing some productivity and quality norms mandatory for the support given by the State for agricultural crops.
- to stimulate the increase of organic agricultural production and of the agricultural production dedicated to export.
- to promote the chance equality, to stimulate the occupation and to stop the migration from the countryside, to fight poverty, to increase the capacity to answer the increased requirements for a better quality of life.

We believe that the application of the system subsidizing the agricultural producers in compliance with the current conception, doesn't substitute other way of supporting the agricultural producers performed by the State or by third parties.

The realization of the system subsidizing the agricultural producers will contribute to:

- the concentration of all budgetary sources dedicated to support the agricultural producers within the fund used to support the agrarian sector and its connection to the strategic priorities established for the development of the agricultural sector on medium and long term. Thus, the financial means dedicated to support the agricultural sector will be administrated more efficiently, more transparently, and they will have a greater impact upon the agricultural sector development.
- the creation of an institutional system for the administration of financial resources dedicated to subsidize the agricultural producers, monitoring of their

allocation and quantitative and qualitative evaluation of the impact generated by the measures taken by the State to support the agricultural producers.

- the support from the State of a much various agricultural producers scale which provides the total assimilation of the financial means dedicated to agricultural producers.
- providing the alimentary auto-sufficiency in the country, by supporting the aboriginal agricultural producers and diminishing the food import.
- the creation of a business environment in the countryside which should bring incomings to the State budget.
- to encourage the investments in agricultural activities, in creating the rural infrastructure and to revamp the material basis of the agro-alimentary sector.
- the stimulation of the increase of agricultural crops productivity and of agricultural products quality.
- the stimulation of the increase of organic agricultural production and of the agricultural production dedicated to export.
- the creation of new work places for the population from countryside.

The subventions received in 2008 for the agricultural producers from zoo technical and vegetal sector

“Villages newspaper” presents the activities for which financial support is given to the agricultural producers from the zoo technical sector, in 2008, the quantum of the support and the total amount allocated to each activity.

Table 1. Support for the improvement of the quality of animal origin products, as follows:

Denomination	Value index
Improvement of the quality of meat productions by financially supporting the implementation of the system classifying the cases, respectively	- E pigs cases - 120 lei/case, - U pigs cases - 100 lei/case, - bovines - 100 lei/case;
Improvement of the production quality and parameters in increasing the effectives by supporting the meat and eggs production.	- sow from farms - 150 lei/head, - chicken meat – broiler chicken - 1,6 lei/head
Improvement of the quality of honey production by supporting the bees families	- 20 lei/bee families;
Improvement of the quality and hygiene of cow milk dedicated to processing in order to reach the quality standards from European union, respectively support for the delivered milk with a total number of germs (NTG) smaller or equal to 100.000/ml and with a number of somatic cells smaller or equal to 400.000/ml	- 0,3 lei/kg;

Source : <http://www.gazetasatelor.com/>

Table 2. Financial support form the State in order to support the improvement of the animals populations, as follows:

Denomination	Value index
Management of genealogic registers	bovines – 7,5 lei/head, ships/goats – 3,68 lei/head;
Official control of the milk production from ships and goats	– 5,8 lei/head;
Official control of wool production	- ships - 0,50 lei/head;
Official control of skin production from ships	- 1,0 lei/head;
Official control of ship/goat meat production	- 0,80 lei/head;
Introduction, on farms level, of modern techniques, biotechnologies and practices for the reproduction of animals' species, respectively the purchase of containers for the preservation of the frozen seminal material, with a capacity of more than 20 litres and with dynamic autonomy of over 90 days.	- 3.500 lei/piece;
Support for the expenses made on testing the reproduction males	- bulls - 1000 lei/head, - rams/bucks - 50 lei/head;
Support for the expenses made to perform the national dissection test for the authorization of the equipments used in order to classify the pigs cases	- 800 lei/head

Source : <http://www.gazetasatelor.com/>

The measures taken for the production and commercialization of bee products, such as:

- support for medicine purchase in order to eliminate the diseases specific to bee families - 6 lei/bee family;
- support for the repopulation in beehives on the national territory by purchasing the queen of an aboriginal breed - 15 lei/bee's queen.

Subventions in vegetal sector

The agricultural producers from the vegetal sector will receive a financial support of 300 lei per ton of conventional soy, capitalized between September, 1st 2007 – January, 31st 2008.

In order to take benefit from this support of the State, the agricultural producers have to submit until the 1st of March 2008, to agricultural and rural development authorities from the county a certain kind of request.

Being given the fact that in Romania the genetically modified soy was forbidden, the purpose of this support is to encourage the agricultural producers to cultivate conventional soy, which has a smaller productivity than the genetically modified soy, but which fulfils the environmental standards available on European Union level.

The soy is used as raw material in order to obtain alimentary and/or industrial products within the agricultural producer's own unity, products which are considered as agricultural products meant to be commercialized and which benefits of subsidizing.

The sugar beet and rice producers will benefit of financial support of 30 and, respectively, 500 lei per ton.

The method used to offer the direct support from the State per product for the sugar beet and rice production. This support is given as a total amount of 17 million lei for rice and 21,84 million lei for sugar beet.

During the calculation of the direct support per products, it was taken into consideration the expenses made per surface unit and per ton of a product, the production obtained during the previous years and the estimated average price for the capitalization of the product on the market.

Conclusions

Beside the European funds which will be received in order to support Romanian agriculture, Romanian Government, by the intermediary of the Ministry of Agriculture and Rural development and by the intermediary of the Agency for payments and Interventions in Agriculture, will support the agricultural producers by giving them some financial aids, as it happened last year. By the OUG no. 123/2006, it is approved to offer the financial support to the agricultural producers from the vegetal system and from zootechny, for land improvement and for the organization and systematization of the territory, but only for the activities which are not financed from the Agriculture European Fund for Rural Development, from the Piscine European fund or from structural or cohesion funds.

The Ministry of Agriculture will also support the purchase of IT equipment by the agricultural professional associations, software and database, it will encourage the associations to take part to the organizations constituted on European Union level, it will support the subsidizing of the gas oil in order to perform the dodged-up agricultural works. Very important is also the subsidizing of the vignettes costs for agriculture, in order to be able to drive the tractors and transport vehicles on the national roads, as well as to provide the transport of the agricultural production, of animals and other inputs.

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