

MANAGEMENT ANALYSIS OF THE INVOLVED POPULATION AND STRUCTURE OF AGRICULTURAL HOLDINGS IN ROMANIA

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Abstract.

In any economic activity, where factors of different kinds are involved, production processes are organized and carried out, human work takes place, etc., the presence of management is absolutely necessary. Ideally this should also be applied to agriculture. Considering the economic and social role of agriculture, its contribution to environmental protection, its impact on the life of communities, the use of managerial knowledge of agricultural holdings is part of the natural logic of things. To fulfill such a role and respond to various requirements implies, among other things, that management science will be applied taking into account the natural, material and social conditions and limitations that exist in agriculture. The present paper presents an analysis of the distribution of the farmers according to the cultivated and virgin areas, which allows us to draw conclusions about the total improper dispersion of the agricultural performance of the farmers in our country. On the one hand, this data confirms the absolutely imperative need to implement modern management policies and methods within agricultural holdings, and on the other hand it shows the extreme difficulty of implementing this desideratum

Keywords: agricultural system, management analysis, crop structure.

INTRODUCTION

Although Romania has an agricultural potential above the average of most EU countries, the context of the economic and social changes registered in Romanian society after 1989 has imposed a profound reform with reference to its essential components: ownership, types and forms of farms, production structure, agricultural policy, etc. Of course, under agrarian structures in "movement" and generally in a business environment undergoing training, management and entrepreneurship are more difficult to achieve. It is necessary to combine the management of agricultural holdings with their exogenous environment, in order to achieve organizational forms appropriate to agriculture that have to evolve, in line with the new changing realities in which Romanian farmers must perform.

RESULTS AND DISCUSSIONS

In the specific case of agriculture in our country marked by radical structural changes, especially after 1989, primarily due to the change of ownership, a chain of effects has appeared in terms of types and forms of farms, production and technology, etc. In such a reality, the induction of scientific management within agricultural holdings becomes a sine qua non condition for the upward trend of this branch.

The current state of agriculture in Romania is characterized by a strong fragmentation of resources on many farms, low capitalization, very few advanced technology investments, the advanced age of many producers, lack of professional training. This is in contradiction with the need to practice management at a level corresponding to the requirements of agriculture, in terms of competitiveness on the European economic market, especially on third markets. On

the other hand, over the last few years, the presence of the extremely strong competition of non-EU countries, especially Ukraine and Russia, has increasingly been felt, both in terms of quantities offered and dumping prices. Romanian farmers are directly disadvantaged on the grain market, especially given their location at the EU border, close to these markets.

From the analysis of the data in Table 1, it is easy to draw conclusions about the total improper dispersion of the performing agriculture of the farmers in our country. Although the number of farmers working under 1 ha decreased by 20% by 2015 and the area cultivated by them decreased by more than 50% in the year 2018, of the total number of farmers 97%, respectively 800640 farmers work in an average of about 4.8 ha.

The data confirm, on the one hand, the absolutely imperative need to implement modern management policies and methods within agricultural holdings, and on the other hand the extreme difficulty in implementing this desideratum.

Table 1

The distribution of Romanian farmers according to the cultivated area, in the year 2018

Hectares	Number of farmers				Farmed area			
	2015	2016	2017	2018	2015	2016	2017	2018
< 1	7.659	4.507	5.328	4.717	4.852,73	2.604,70	3.315,15	2.201,31
1-50 ha	855.145	823.868	809.050	795.923	3.700.081,56	3.724.450,93	3.746.946,61	3.854.410,89
50-100 ha	8.079	8.054	8.458	8.928	574.500,06	572.506,3	599.616,89	635.314,47
<100 ha	12.405	12.167	12.741	13.039	5.034.788,77	4.965.377,84	5.097.995,34	5.186.659,15
Total	883.288	848.596	835.577	822.607	9.314.223,12	9.264.939,77	9.447.873,99	9.678.585,82

Figure 1 shows the data on the number of farmers per age category. Analyzing the data presented, one can notice the high aging rate of the population involved in agriculture, namely the highest number of 216329 farmers aged between 60-70 years. Also, the number of farmers aged between 70 and 80 exceeds that of farmers aged 40-50 years.

The substantial subsistence and semi-subsistence content of most of the Romanian agriculture leads to the use of traditional methods in plant cultivation and animal husbandry, choosing production activities according to their own farm needs, while the economic criteria and the connection to the market are poorly represented. Such situations, as well as others encountered in agriculture, must be removed as much as possible, in a relatively short time. In addition, subsistence and semi-subsistence farming is a counter-action factor in creating larger farms that produce for the market and allow management to become operational. A large-scale holding connected to the market and running operations with financial institutions amplifies management authority on a whole chain of issues. It is more complex, referring not only to production, but also to the factors beyond it, as the scope of decisions becomes far more comprehensive. Larger managerial exercise provides those who practice it with the accumulation of knowledge and a richer experience.

If the farmer does not have additional production technologies in order to perform certain tasks, when the situation in the field requires it, to compensate for extreme situations, thus ensuring the development of plants and animals under normal conditions, he remains at the mercy of nature. The production and therefore the economic results will depend, to a great extent, on the favorability of natural factors. Overall, agriculture will be tributary to weather

phenomena as environmental components seen in broad, managerial terms. Without technical, technological and economic instruments, management, however good it may be, can only counteract, to a small extent, the adversities involved in agricultural production.

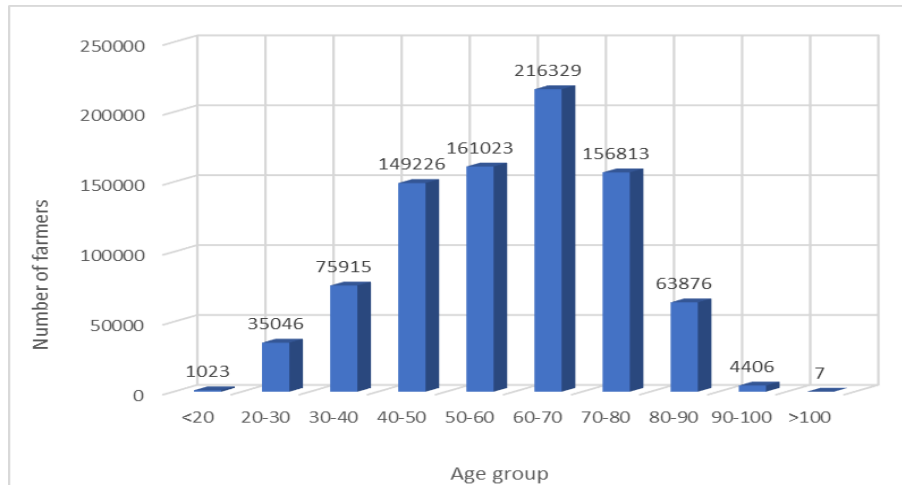


Fig.1. Total number of farmers by age group in the year 2018 in Romania

Managerial performance is also influenced by specific economical and business conditions. Agricultural holdings experience price pressure on inputs, which grow relatively steadily. At the same time, the prices of agricultural products are liberalized. The producer purchases inputs at prices that are imposed on him and sells products at prices that are formed on the market, depending on demand and supply. This is where a discussion can arise regarding the economic advantages that the managers with enough technology can have. With this in mind, at least in the case of large field crops, it becomes absolutely necessary to have compliant storage facilities. Investments in silos and warehouses offer the manufacturer both a certainty in keeping the grain quality to the desired standards, as well as the opportunity to capitalize on free market production at the most favorable price momentum, maximizing economic performance. In the absence of such technologies, the farmer has relatively few levers to control the economic situation of the farm, being caught in what is called "price scissors".

CONCLUSIONS

Agriculture is the economic branch that has the strongest connection with the natural environment. Man's work in agriculture is more or less productive, while managerial performance can vary based on numerous factors, including natural ones.

As a result, there can be no discussion about managerial and economic performance in the absence of the means by which the producer can intervene to remove (corrective decisions), at least to a certain extent, the unfavorable influence of natural factors. However, our agriculture is characterized, especially in the case of family farms, by insufficient means of modernization (mechanization, irrigation, consumption of fertilizers, indices of seed quality, etc.).

Against this background, we believe that immediate measures need to be taken to improve agricultural performance, including:

- *facilitating access to relevant information and advice for the agricultural population, in order to identify solutions to the challenges and problems of adapting agricultural production, household, family and social and economic relationships, even those placed outside the framework of normal farm activities, thus creating the possibility for the agricultural population to make well-grounded decisions about income opportunities;*
- *implementing measures that ultimately lead to the rejuvenation of the labor force in agriculture, which will make this sector more attractive to young people, leading to their retention in rural areas;*
- *creating and consolidating a stable and competitive agricultural market, similar to that of the EU Member States, which would allow for stability and would provide farmers with adequate incomes;*
- *organizing training courses with farmers on subsistence and semi-subsistence farms, helping them to acquire skills in terms of judicious use of inputs, rational management of resources (their own, attracted or borrowed), and conducting activities to ensure capital return and profit.*

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