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AGRARIAN STRUCTURE AND COMPETITIVENESS GAPS OF ROMANIAN AGRICULTURE IN THE EUROPEAN CONTEXT

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Abstract: Romania's agriculture is characterised by significant structural transformations that have generated persistent imbalances and difficulties in shaping a coherent development strategy. The current agrarian structure is highly polarised, being dominated by the coexistence of small subsistence or semi-subsistence farms and large-scale holdings, while the segment of medium-sized farms remains underdeveloped. Compared to the European Union average, the level of capitalisation, technical endowment, and degree of modernisation of Romanian agriculture are lower, which is reflected in reduced productivity and a high vulnerability to climatic factors. At the same time, the limited development of the processing sector and the relative decline of livestock production contribute to the deepening of agri-food trade imbalances, characterised by the predominant export of raw materials and the import of high value-added products.

• Introduction

In understanding the agricultural development policy, we start from the observation that the most efficient farms in the EU are medium-sized private-family farms, operated on their own or on lease. In Western Europe, the agricultural policies of the governments that succeeded each other in power after the establishment of the European Common Market in 1957 (the European Economic Community, the current European Union), had as a basis for the formation of agricultural farms, private ownership of land and its exploitation on their own or on lease (family farm). Western European agricultural policies have favored the formation, in parallel and in most cases, of private-family agricultural holdings, as the basis of agricultural production and support for maintaining social life in rural areas. Concurrently with the formation and consolidation of private-family agricultural holdings (farms), the common agricultural policy has stimulated the creation and development of a cooperative-type agri-food infrastructure (cooperatives) or of commercial companies for supply, marketing and processing downstream and upstream of the agricultural holding.

The current state of Romanian agriculture and the rural space in our country is largely determined by the agrarian structure of Romania, an economic and social problem of utmost importance and topicality for Romania.

• Material and method

The paper deals with the current state of agricultural holdings in Romania. In the first part of the paper, we presented aspects related to Romania's rural development policy as well as some aspects related to the effects of the application of the Land Fund Law no. 18/1991. The second part of the paper deals with the state of agricultural holdings in Romania and what Romania's policy should be for their development. The study is based on statistical data processing.

The methods used were analysis, synthesis, comparison, deduction and induction. The primary data used in the elaboration of this work were taken from the National Institute of Statistics, the General Agricultural Census 2020 and from various national and international publications in the field, based on which we made our own calculations and interpretations.

• Results and discussions

From the distribution of agricultural holdings by size classes, it emerges that Romania holds an absolute "record" in the EU, meaning it has the largest "dispersion" of surface area size, from a few ares, in the case of subsistence farms, to tens of thousands of hectares (55.5 thousand hectares, the largest agricultural holding), in the case of the 15,900 capitalist holdings of over 100 hectares, which together hold 6.10 million hectares of arable land (47.8% of Romania's arable area).

The current agricultural structure of Romania, as shown in table 1, is made up of four major categories of agricultural holdings (farms, companies):

Table 1. General picture of Romanian agricultural holdings by categories and size classes, 2020

Farm size class (ha)	No. of farms (thousands)	% of total number of farms	Area (thousands ha)	% of total area
1. Unfinanced households				
< 1 Total 1	1531	53.8	587	4.6
2. Subsistence and semi-subsistence households				
1-2	512	43.0	729	21.3
2-5	519	43.5	1600	46.8
5-10	161	13.5	1088	31.8
Total 2	1192	42.0	3417	26.8
3. Family farms				
10-20	56	54.9	763	28.8
20-30	18	17.6	442	16.7
30-50	17	16.7	664	25.0
50-100	11	10.8	784	29.6
Total 3	102	3.6	2653	20,8
4. Commercial farms				
100-500	13	81.8	2773	45.4
500-1000	1,9	11.9	1331	21.8
> 1000	1	6.3	2001	32.8
Total 4	15.9	0.6	6105	47.8
Grand total	2841	100.0	12762	100.0

In Romania, there are, **depending on the legal form**, two types of agricultural holdings: **without legal personality**, numbering 2.81 million, with an agricultural area of 7.81 million ha (61.2%) and **with legal personality**, agricultural joint-stock companies, numbering 25.1 thousand with an agricultural area of 4.94 million ha (38.8%).

The extremely low level of livestock farming is found in agricultural holdings with legal personality, which, although they use (own) 38.8% of the best agricultural area of the country, own only 16.7% of the total cattle herd, 5.1% of the total sheep herd, 55% of the total swine herd, 51.4% of poultry and, on average, 26.5% of the total UVM (table 2). The current holdings with legal personality, in fact the majority, are also large estates and have a much more unbalanced agricultural production structure.

By carefully analyzing the structure of field crops in Romania in each type of farm, compared to the EU average or large cereal-growing countries (France, Spain, Italy, Poland, etc.), table 3, we note how deficient Romanian agriculture is in terms of intensity.

In Romania, large field crops (cereals - oilseeds) have an excessively high share (almost 72.9%), and in the case of agricultural enterprises with legal personality the share is even higher (over 88%). The share of these crops in Romania is 15-20% higher than in countries with similar ecological conditions to our country.

Table 2. Share of agricultural land area and livestock by type of agricultural holdings (2020)

Holdings	Area		Cattle		Sheep+goats		Swine		Poultry		UVM	
	thous. ha	%	thous. heads	%	thous. heads	%	thous. heads	%	thous. heads	%	thous. heads	%
Agricultural enterprises without legal personality	7816	61.2	1496	83.3	10465	94.9	1610	45.0	37587	48.6	3223	73.5
Agricultural enterprises with legal personality	4946	38.8	299	16.7	559	5.1	1966	55.0	39766	51.4	1162	26.5
Total	12762	100.0	1795	100.0	11024	100.0	3576	100.0	77353	100.0	4385	100.0

Table 3. Structure of main arable crops by types of agricultural holdings, %, 2020

Holdings	Cereals				Oleaginous plants			Potato, Sugar beets	Forage plants	Vegetables	Others	
	Total	Wheat	Maize	Barley	Total	Sun-flower	Rape-seed					Soy-beans
Agricultural enterprises without legal personality	59.1	38.5	54.9	6.6	13.8	78.6	15.6	5.9	1.5	17.8	1.1	6.7
Agricultural enterprises with legal personality	61.5	50.9	38.7	10.5	26.8	61.1	27.5	11.4	0.6	6.1	0.2	4.7
Total	60.2	44.3	47.2	8.4	19.8	67.6	23.1	9.3	1.1	12.4	0.7	5.8

• Conclusions

We believe that the experience of EU states in the field of forming and consolidating agricultural holdings represents a good path for Romania to adopt. In this regard, there is a need to develop a clear concept and, on this basis, a long-term economic and social strategy regarding the type of agricultural holding to be supported, the size of the holdings, their structure, the financing of expenses for studies and design. The Romanian state also has the obligation to support the phenomenon of rural development and planning, as a sure way to recover Romania's rural economy.

After the application of the Land Fund Law (18/1991) and at the present time, there is much discussion about the pronounced fragmentation of agricultural land. The Romanian agrarian reality is marked by the fact that almost 60% of the country's agricultural surface is combined. The agrarian structure is incomparable with the European agrarian reality. The excessive polarization of the current Romanian agrarian structures is not found in the EU. In our country, medium-sized farms (10-100 ha) have the lowest share, while subsistence farms and large estates dominate the Romanian agricultural landscape.

From the analysis of the presented data, we highlight the profound imbalance of the current agricultural production. Large holdings with legal personality practice primary, cereal agriculture which is, at first impression, the most profitable for the holdings themselves, but extremely disastrous for the agricultural economy of the country. This explains the particularly low share of animal husbandry in Romanian agriculture (about 25-30% in the last ten years) and the impermissibly low processing of agricultural production. Large agricultural holdings export cereals, sunflowers, rapeseed and live animals, and Romania imports this 3-4 times more expensive production by bringing processed products. These profound imbalances of the current agricultural structure are the result of the current (after 1989) particularly deficient agricultural policy, because the branches that add value (animal husbandry and processing) are not supported.

From a structural point of view, Romanian agriculture in the years 1990-2020 does not differ at all from the large-scale agriculture before the agrarian reform of 1921, nor from the interwar agriculture, on the contrary, it is more unbalanced. And in those periods the agricultural export product was cereals - primary agricultural material with a share of 75-80% in Romanian agricultural export.