



UNISECO



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Support the economic viability of the majority of Romanian farms by investing nationally in storage and processing facilities



Photo: Mara Cazacu/WWF-Romania

Understanding and Improving the Sustainability of Agro-ecological Farming Systems in the EU

POLICY BRIEF

Small-scale farming in Transylvania and Maramures has historically produced a rich rural landscape with mosaic patches of semi-natural grasslands maintained by traditional grazing and scything. Our case study in the UNISECO research project pivots around the dilemma and challenge of increasing the economic competitiveness of this farming system while still preserving the cultural landscape and the biodiversity and ecosystem services it nurtures.

RESEARCH FINDINGS

In the case study areas (Transylvania and Maramures), and generally in Romania, small and medium-scale farms are struggling to be economically viable. One of the main needs acknowledged in local communities is the development of infrastructure for storage and processing of agricultural raw produce so that they can offer packaged products with added-value. Our study reveals that farmers do not have the capacity (including the fiscal status) and the infrastructure to store and process their raw materials in order to sell finished food products, thus they tend to sell them directly, through short supply chains, or to industrial, regional processors usually at low standard prices, who develop their own branded product ranges which then reach regional and large retail chains. There is an expectation from the policy sphere that farmers create or join associative structures that could then invest in such facilities. However, for historical reasons, farmers are reticent about such structures. Additionally, national hygiene and safety rules are constantly found to be too complicated, time-consuming and bureaucratic for small producers, creating an additional barrier to starting such investments. For example, an EU recommendation about changing rooms in processing units has been transposed in Romania as an obligation to have three separate rooms for clothing and the shower. Moreover, even with funding provided by the National Rural Development Programme (NRDP), the high cost of such investments is prohibitive, due to the high rate

Author(s): Mihaela Frățilă, Mara Cazacu (WWF-RO); Nat Page (ADEPT Foundation)

Country: Romania

Related to the UNISECO case study: [Small-scale farming in Transylvania and Maramures. Preserving the high farmland biodiversity while improving economic viability](#)

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If you have any questions concerning this Policy brief, please contact the author(s) by e-mail.

Contact email: mfratila@wwf.ro, mcazacu@wwf.ro

of co-financing (approx. 40% of the total value) needed to access the measures, and the need to have a proper cash flow to sustain the expenses before being reimbursed from the grant. Finally, there is a lack of easily accessible, reliable information and advisory services catering to small farmers (and indeed for other classes of farms) regarding changes in law, entrepreneurial skills and business development, marketing, fiscality, funding opportunities, the benefits of associative structures, and other such topics which are all vital in the economics of smallholders and their chances for resilience and development.

POLICY RECOMMENDATIONS

One of the identified solutions is the active involvement of Town Halls and Local Action Groups in developing projects themselves and in creating the necessary local infrastructure, for community use, so that farmers can focus on production without missing out on revenue opportunities. Community infrastructure investment would thus be an alternative solution to individual (farmer) initiatives which are slow to develop due to the barriers mentioned above. They could be designed to have an aim of revenue generation for the public investor (the Town Hall) for long-term and professional management of the facilities and for reinvestment in other community needs/priorities, including further developments in the food supply chain, through creation of new market outlets for the resulting products (as market access is another big issue small and medium producers are facing). The funding measures available through the NRDP to combat shortcomings in processing need an improved design in the next cycle so that public institutions as well as individual farmers are eligible to be beneficiaries of the measures, while also reducing the co-financing amount requested for the measures when applied for by individual farmers/businesses. In terms of law-making, a concrete and feasible step that could be taken to ease the administrative and financial burden would be the simplification of provisions related to processing unit changing rooms. Additionally, on a national level, public procurement needs to be updated and improved to encourage the sourcing of food from the local level and from agro-ecological systems; and on a European level, there is a need for convergence in subsidies so as to reduce the pressure of incorrect competition from products imported from countries with higher income support.

FURTHER INFORMATION

Case study page: <https://uniseco-project.eu/case-study/romania>

Small-scale farming in Transylvania. Preserving the high farmland biodiversity while improving economic viability (story map): <https://tinyurl.com/26r95b7k>

ABOUT UNISECO:

UNISECO is a European research project aiming to develop innovative approaches to enhance the understanding of socio-economic and policy drivers and barriers for further development and implementation of agro-ecological practices in EU farming systems.

Project coordinator: Dr Gerald Schwarz // Email: gerald.schwarz@thuenen.de // Phone: +49 531 596 5140 // Thünen Institute, Bundesallee 63 38116 Braunschweig, GERMANY

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<https://cordis.europa.eu/project/id/773901>

<https://zenodo.org/communities/uniseco-h2020/>

UNISECO in the EIP-Agri projects database:

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