

ROMANIA

Entry of skilled / younger farmers

Location

Drăgănești Ungureni

Programming period

2014 – 2020

Priority

P2 – Competitiveness

Measure

M06 – Farm & business development

Funding (EUR)

Total budget 50 000
EAFRD 32 000
National/Regional 8 000
Private 10 000

Project duration

2017 – 2020

Project promoter

Codita Sorin-Cristian
Individual Enterprise

Contact

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Website

www.portal-info.ro/primarii/primaria-manesti-dambovita.html

EAFRD support enabled a young person to start his own commercially-oriented farm, thus contributing to the generational renewal of the sector.

Summary

In Romania, farmers over 65 years old represent about half of the total number of farmers in the country. Statistics indicate that only 7% of farm managers were under 40, while 44.3% were over 65 in 2016. Most farmers practice subsistence agriculture and only sell a limited amount of their products. In this context, generational renewal in agricultural holdings has become an urgent issue.



After graduating from high school, Sorin Codita worked in a packaging company for a couple of years before deciding to become an agricultural entrepreneur running his own vegetable farm. Support from the Romanian Rural Development Programme (RDP) enabled him to set up his own market-oriented farm, train and gain new professional qualifications.

Results

The beneficiary marketed and sold 30 000 kg of agricultural products worth 6,640 EUR during 2017-2019, which is over 20% of the value of the first financial instalment of RDP support.

Additionally, he sold 10 000 kg of vegetables worth 2 213 EUR during the same period.

Lessons & Recommendations

- ❑ The farmland is in the vicinity of the commune where Sorin lives with his family. He therefore saves both time and money on travel. The vocational courses he followed were also in his local area.
- ❑ A consultant drafted the Business Plan which helped the beneficiary not only to obtain funding, but also to better understand the project implementation cycle in all its phases and to assume his new responsibilities as a young farmer.
- ❑ There are several factors influencing the beneficiary's confidence in developing his business: the favourable location of the farm and the proximity of important and (relatively) stable markets, his client knowledge and the creation of partnerships and contracts with suppliers.

Context

In 2017, only 5.6% of all European farms were run by farmers under the age of 35, while more than 31% of all farmers were over 65. Young farmers only hold a small proportion of the agricultural land and contribute a similarly small share of the sector's overall output. In Romania, the number of farms and farmers is high compared to other Member States. This is mainly due to the fragmented ownership of agricultural areas. Farmers over 65 make up close to half of all the farmers in Romania. The statistics for 2016 indicate that only 7% of farm managers were under 40 while 44.3% were over 65. Most farmers practise subsistence agriculture and sell only very few of their products. In this context, generational renewal in agricultural holdings becomes an urgent issue both in terms of the sector's competitiveness and to improve the living conditions in rural areas.

After graduating from high school, Sorin Codita worked as an operator at a cardboard packaging company for a couple of years. He then decided to become an agricultural entrepreneur running his own vegetable farm. He attended an intensive training course in agriculture and invested his own family money to rent farmland in the Manesti Commune in Dambovita County, near Bucharest and Arges County. The close proximity to these urban centres ensures good access to the major markets, where he can sell his products with the minimum transportation costs and through short supply chains.

To modernise the farm, the young farmer rented the necessary infrastructure and equipment (a shed for machinery, space for the storage of products and a tractor). For two years he attended a certified specialisation course and purchased high-performance equipment according to the business plan. He also set up contracts for supply materials and partnership agreements with distribution chains, in neighbouring areas, to deliver his products according to an agreed schedule.

Objectives

The aim of this project was to contribute to generational renewal in rural areas through the development and modernisation of the beneficiary's farm. The project helped increase the competitiveness of the farm through the efficient use of the production practices.

Activities

Activities carried out prior to the implementation of the project cost 10 000 EUR and lasted for about six months. These included:

- The fees for employing a contractor to support the preparation of the Business Plan and the financing dossier.
- Obtaining a professional qualification in agriculture, following the participation in the apprenticeship training programme organised by the 'Europe Generation 2020 Gaesti Association'.
- Renting 2.98 ha of farmland for vegetable growing in the commune of Manesti.
- Registration of 'Codita Sorin-Cristian Individual Enterprise' at the National Office for Trade Register - ONRC as a microenterprise / small enterprise on 7 July 2016.
- Registration of the farm/operation in the Agricultural Register on 21 March 2016.
- Submission of the application for financial support within the call for sub-Measure 6.1 on 18 July 2016

The activities carried out during the implementation of the project lasted approximately 33 months. According to the requirements for RDP support, the young farmer's installation is considered completed when the business plan is correctly implemented (at the granting of the second instalment payment). The applicant 'Codita Sorin-Cristian II' succeeded in becoming an active farmer within 20 months from the completion of the installation date. This implies he achieved all the objectives set out in the business plan.

The project's main activities and milestones according to the guidelines and approved Business Plan were:

- Signing the financing contract and starting the implementation of the project's Business Plan, in March 2017.
- Marketing the farm's own produce in the Bucharest area.
- Reaching the target of selling a minimum of 20% of the value of the first instalment of the RDP payment of 6 640 EUR
- Establishing partnerships / contracts for the supply of raw materials, auxiliaries, products and services, including pesticides / fertilisers, gasoline / diesel, seeds and planting material, plastic or cardboard packaging for strawberry harvesting.
- Acquisition of the herbicide machine.
- Participating in yearly vocational training courses and obtaining graduation certificates.
- Participating in free thematic seminars held by specialised agencies and the Romanian National Rural Network (NRN), in Dambovita County.

Main results

After three years the project is complete and the farm of 2.98 ha, now successfully produces strawberries on 1.60 ha, wheat on 0.43 ha and corn on 0.95 ha.

The COVID-19 pandemic has had no impact on Sorin Codita who supplies fresh products directly to local buyers and companies.

The farm marketed and sold 30 000 kg of agricultural products worth 6 640 EUR during 2017-2019, which is over 20% of the value of the first instalment of support.

Additionally, Sorin sold 10 000 kg of vegetables worth 2 213 EUR during 2017-2019.

During the same period the farm increased labour efficiency and productivity by purchasing a herbicide machine and a drip irrigation plant.

Sorin participated in professional training courses on the following themes: farm management, farm accounting, organic farming and environmental protection.

The generational renewal process is not yet complete however, because with the income gained by selling the farm products Sorin Codita cannot yet support the family 100% as he can only work part time during certain periods of the year. The viability of this venture will be ensured in the future only through new investments, perhaps by better processing some of the farm's products accompanied by the creation of one or two more jobs (at least part time).



Key lessons

On a personal level, the challenge was an important one for Sorin Codita. It marked the switch from the status of employee to that of young rural farmer /entrepreneur and achieving professional success in a new sector of activity (agriculture). Since the project was completed it can be considered a success.

The farm is in the vicinity of the commune where Sorin lives with his family as are the vocational courses he followed. This saved him time and money on travel and enables him and his family to continue to live and work in the rural area.

The Business Plan, which was drafted by the consultancy, helped Sorin to not only receive funding, but also to better understand the project's implementation cycle in all its phases and to assume his new responsibilities as a young farmer.

The favourable location of the farm and the proximity to important and (relatively) stable markets presents opportunities for the future.

Last but not least, knowing his clients and creating partnerships and contracts with suppliers has increased his confidence in developing his business.

Additional sources of information

www.gazetadeagricultura.info/afaceri-agricole/22252-strategia-de-la-ferma-la-consumator-pentru-dezvoltarea-sustenabila-a-agriculturii-romanesti.html