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IMPLEMENTATION OF THE COMMON AGRICULTURAL POLICY IN THE 2023-2027 PERIOD THROUGH THE NATIONAL STRATEGIC PROGRAM



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Abstract: In this article, the authors analyse the National Strategic Program, the program through which the Common Agricultural Policy is implemented in the 2023-2027 period. For this period, Romania benefits from 15.8 billion euros, of which 9.93 million euros for Pillar I, which covers direct payments and market measures, and 5.87 million euros for Pillar II, which covers rural development. The distribution of these funds as well as the allocation criteria are the subject of difficult, sometimes contradictory discussions, between those who designed this program, on the one hand, and farmers and representatives of local authorities, on the other.

• Introduction

The Common Agricultural Policy is deeply rooted in the construction and development of the European Union. Conceived in the early 1960s, the Common Agricultural Policy has gone through many reforms aimed at improving the competitiveness of the agricultural sector and stimulating rural development, in order to face new challenges

The financial support of agriculture and rural development in Romania, both in the pre-accession period (1991-2006) and in the post-accession period (2007-2022), had two distinct destinations: subsidies to support agri-food production and commodity production (Pillar I) and investments in agricultural holdings, processing units and for the development of rural space (Pillar II).

• Material and method

The article analyses the National Strategic Program, program through which the Common Agricultural Policy is implemented in Romania for the next five years, between 2023 and 2027. The distribution of European funds as well as the allocation criteria are the subject of difficult, sometimes contradictory discussions between those who designed this program on the one hand and farmers and local government representatives on the other.

The methods used were analysis, synthesis, comparison, deduction and induction. The primary data used in the elaboration of this paper were taken from the regulations and communications of the Council of the European Union, the European Commission and the relevant ministries, national statistics, and from various national and international publications in the field, based on which the authors made own calculations and interpretations.

• Results and discussions

The National Strategic Plan (PNS), a text of over 1000 pages, designed based on the provisions of the EU's common agricultural policy, represents Romania's agricultural strategy for the period 2023-2027, with the following general objectives: a) development of agriculture; b) development of the food industry; c) development of the Romanian village.

Assuming that the financial provisions of the PNS will be fulfilled exactly, in the years 2023-2027, i.e. the amounts allocated for the three major objectives of the rural area: 1) agricultural production (respectively for vegetable production and livestock production); 2) the food industry and 3) the Romanian village, analysing the financial allocations presented in the PNS for each sector separately (vegetable, animal, food and rural), we found the following:

1. Most of the cumulative financial allocations from Pillars I and II are also intended in this cycle for agricultural production, 86.9%, of which 72.3% for vegetable production, and only 14.6% for livestock production;

2. For the storage and processing of agri-food production products (agri-food industry) the financial provisions are more than derisory, of only 2.4% of the financial allocations for the entire budget cycle;

3. Next, the direct payments (the single payment on Romania's eligible surface of 9,697 thousand ha (APIA Report 2022), are provided in the amount of €4,820 million, the redistributive payment of €978.2 million, the support coupled to 408, €1 million (destined directly for vegetable production) and young farmers €67.2 million, in total €6,276.4 million (39.5% of the total budget, respectively 85.6% of Pillar I);

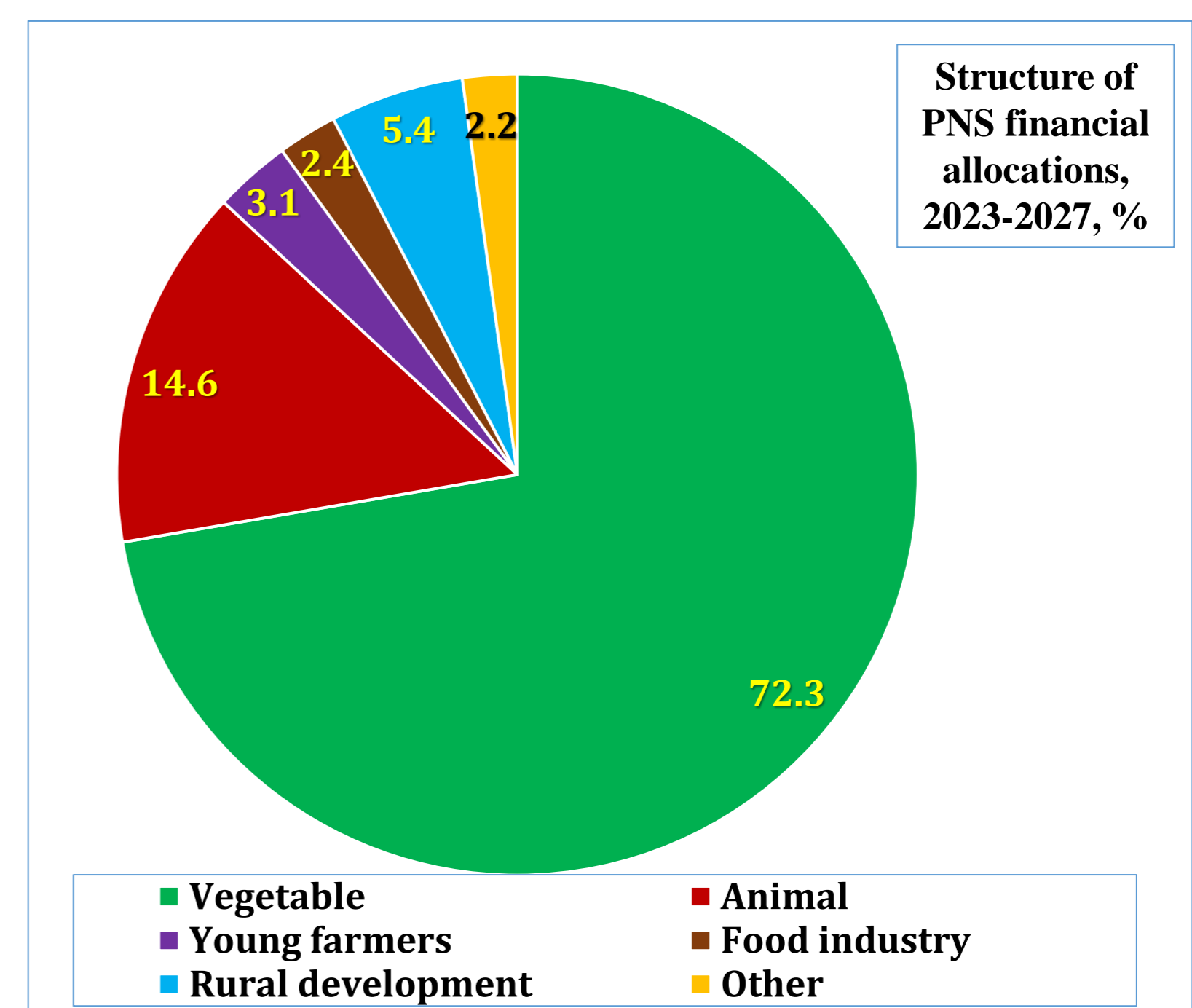
4. Direct payments for livestock production, through the support provided in the form of direct payments, are €1,059.4 million, i.e. 6.7% of the total budget, respectively 14.6% of direct payments for agricultural production, a derisory amount for a sector so underdeveloped in Romania, but particularly necessary for balancing the national food balance;

5. The allocations for climate, environment and animal welfare in Pillar II have clearly stated objectives in the PNS, targeting the following destinations:

- contributing to climate change mitigation and adaptation;
- promoting sustainable development;
- efficient management of natural resources;
- contribution to biodiversity protection;
- improving ecosystem services;
- conservation of habitats and landscapes;

6. The amount allocated for climate and environment is €2,456.2 million (41.4%) of the total Pillar II, of which €736.3 million is for animal welfare (30% allocation from Pillar II). From Pillar II, the amount of €2,190 million is allocated for the development of farms, but, in this case too, the largest amount is intended for the development of vegetable farms by creating protective curtains and rehabilitating irrigation systems (€1,749 million, 83.6%), and only €234.6 million (10.7%) is allocated for the development of farms in the livestock sector.

If we consider only the six findings regarding the financial allocations in Pillars I and II, on the three objectives presented by the new strategy, the answer is only one: the new PNS, for the most part, has the same allocation strategy as before now (2007-2022): the massive support of plant production, i.e. of the large plant farms and, therefore, maintaining the major imbalances of Romanian agriculture; the imbalance between plant production and animal production; the imbalance between agri-food production and food consumption and, finally, the accentuation of the imbalance in Romania's agri-food trade balance.



Conclusions

After joining the EU, Romania aligned itself with the common European agricultural policy in terms of supporting agriculture and rural development, the destination of subsidies and investments falling within Pillars I and II and the measures established by the EU. With regard to the financial allocations from the European agricultural budget, respectively the financing measures and directions, Romania has "aligned" with the European policy of allocation by destination. Here, a remark regarding allocations by destination (sectors, branches, crops, animal species and categories, activities, etc.) is important. In establishing the financial allocation priorities at the community level, the EU started from the general state of European agriculture in the years 2007-2021, which was and is (still) very different from the state and priorities of Romanian agriculture.

Analysing the financial allocations on EAGF subsidies and EAFRD measures, for the period 2023-2027, they are totally inadequate to the development requirements of two of the most deficient sectors of Romanian agri-food production: animal husbandry and processing.

In our opinion, the financial support from European and Romanian funds, through the common European and national agricultural policy, should be deeply reformed, even starting with the European financial cycle 2023-2027, by increasing the weight of national decisions in the allocation of funds (applying a fundamental principle of decisions financial: subsidiarity) for those areas, measures and products of primary importance necessary for domestic consumption, on the following solutions to increase competitiveness and ensure full domestic consumption of agri-food products:

- increasing the share of financial allocations from the EU and national budget towards investments for the realization of local irrigation systems with gravity flow from inland rivers (including the completion of the irrigation system of the Siret-Bărăgan Canal) and from local accumulations with duplex function, anti-flood protection and irrigation, the rehabilitation of the current irrigation systems (about 1.7-1.8 million ha) with a maximum of two pumping-repumping stages from the Danube;

- the realization of the national public system of protection curtains for fields, towns and communication routes as components of the national infrastructure system, the inclusion of these measures in the system of green agriculture and mitigating the effects of climate change;

- stimulating the production of high-performance but also traditional local biological materials (seeds, planting material, piglets, chickens, etc.) in Romanian agricultural holdings, in order to avoid the massive and extremely expensive import necessary for this field;

- supporting investments for the development and diversification of upstream education-research, production and service systems (dual schools, sustainable financing of accredited public and private research-development structures, the production of agricultural machinery and inputs necessary for agricultural production) and downstream (systems of national and local marketing, supply cooperatives, sales, etc.);

- the distribution of funds for rural development and planning of the agricultural territory in the amount of €5.87 billion allocated from the EU budget mainly for rural investment works for the modernization and revitalization of villages, with spaces necessary for the expansion of the social and non-agricultural rural economy to absorb and stabilize young and active rural workforce.

These applied courses of action, but also others, will certainly lead to the increase in competitiveness and diversification of the Romanian rural agri-food system, the increase in the number of jobs in the rural area, implicitly the revitalization of agricultural holdings and Romanian villages.

	Pillar I EAGF		Pillar II EAFRD		Total	
	euro	%	euro	%	euro	%
Agricultural production	9867.7	99.3	3865.7	65.9	13733.4	86.9
- vegetable	8530.0	(85.9)	2894.8	(49.3)	11424.8*	(72.3)
- animal	1337.7	(13.5)	970.9	(16.5)	2308.6**	14.6
Young farmers	67.2	0.7	420.3	7.2	487.5	3.1
Food industry	-	-	375.2	6.4	375.2	2.4
Rural development	-	-	851.0	14.5	851.0	5.4
Other	-	-	357.0	6.1	357.0	2.2
Total	9934.9	100	5869.2	100	15804.1	100

Summary of financial allocations provided for agriculture and rural development in the National Strategic Program 2023-2027, thousands of euros

