# THE IMPORTANCE OF AGRICULTURE RECOVERY FOR THE ECONOMIC GROWTH IN TIMIS COUNTY

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#### Abstract

Timis county agricultural potential plays an important role in national economy, with crucial implications on the living standards of population and food security.

The agricultural potential of Timis county is remarkable because of the large agricultural plains areas and high quality soil. Although it is currently subvalorificat, in the future can become one of the most important branches of Timis County economy as it was not long time ago.

Currently, the agriculture in Timis county is characterized by a very strong dual structure of exploitation agricultural area, on the one hand a large number of small individual farms (87 768), but operating 48,8% of the county area, on the other hand, a relatively small number of farms but large (706), using over half the agricultural area of the county (51.2%). All these elements allow us to perform an analysis of Timis County agriculture, which must acquire a special importance in developing county economy, but also the national economy.

Key words: potential, agriculture, economy

Romanian economy is poorly diversified making the employability of new unemployed to fall sharply and unemployment continues to grow apace.

At the Timiş County level, the situation is similar with the national situation.

Timiş county has a high soil fertility (50% of the county belongs to the Western Plains with high quality soils) which allows the development of competitive agriculture to contribute to the growth of county's economy.

### MATERIAL AND METHOD

To achieve the objectives of this paper, the working method used were: data collection, processing, analysis and interpretation.

## **RESULTS AND DISCUSSIONS**

High fertility soil in Timis county determines a high potential for agricultural production. During the 1990s agriculture, the main sector of national economy, was in a strong restructuring, representing the private property by returning land to former owners and privatization of agricultural enterprises that belonged to the state.

Timis County's agricultural potential is

remarkable because of extensive farmland and soils of very good quality.

Although at present this potential is not fully valued, in the future it is expected to become one of the most attractive offers of economic cooperation of Timiş County for foreign investors.

The total area of Timiş County in 2007 was 869,665 ha and agricultural land is 80.7% of the total. Because large areas of agricultural land is available in Timiş County, agriculture offers real investment opportunities.

County agriculture is more developed due to arable area quality, 20% - 106 770 ha of land is category I natural fertility of the soil located in the north west of the county, 35% of category II land of the natural fertility is located in the center of the county. Agricultural land of category III and IV of natural fertility is located mainly in the south and east of Timiş County.

The structure of the agricultural area is specific to the counties that have large areas of plains, as follows:

- 530781 ha is arable land- 75,8% of farmland;
- 125504 ha is pastures 17,9%;
- 29882 ha meadows 4,2%;
- 4457 ha vineyards 0,6%;
- 9246 ha orchards 1,3%.

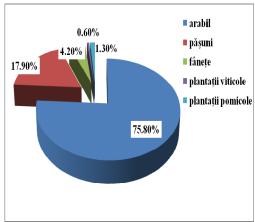


Figure 1 Structure of agricultural area by use categories

Share of cereals (75,8%) is well above normal values. Normally, the cereals do not exceed the maximum of two thirds of arable land.

Timiş county agriculture is characterized by a dual structure of farmland exploitation: first,

large number of family farms, which own and operate small areas of land, on the other hand, a relatively small number of large agricultural holdings, but using 50% of the agricultural area of the county.

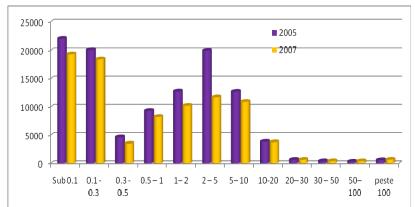


Figure 2 Number of agricultural exploitations by size calsses

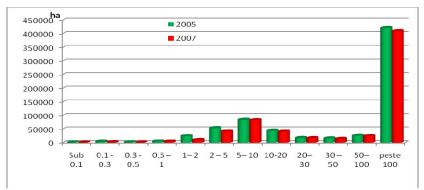


Figure 3 Area of agricultural exploitations by size calsses

One of the oldest and most important agricultural activity in the county, with its favorable climatic conditions, is growing of cereals and technical plants, and in most villages in the lowlands and hills of the county, viticulture is successfully practiced.

Places like Recaş, Giarmata and Buziaş are big names in the country and abroad in terms of

wine production. Vegetable production in individual microfarms is also a traditional economic activity especially in rural areas surrounding urban centers.

The structure of cultivated areas is presented in *table 1*:

Table 1 Structure of cultivated area, 2007

Nr.	Specificaion	Cultivated area	
crt.		ha	%
1	Total	393323	100
2	Grain cereals:	280291	71,26
3	Wheat an rye	139008	35,34
4	Barley	23043	5,85
5	Corn	101609	25,83
6	Potatoes	12268	3,12
7	Sugar beet	20	0,005
8	Oil plants:	62689	15,94
9	Sunflower	33539	9,04
10	Vegetables	12359	3,14

Source: National Institute of Statistics, county statistics, Timis County

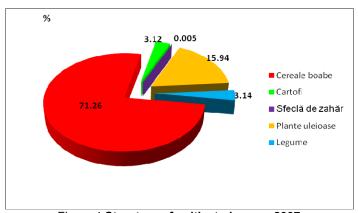


Figure 4 Structure of cultivated areas, 2007

**Zootechnical production.** Livestock is also an important sector, with tradition in the Timiş County agriculture.

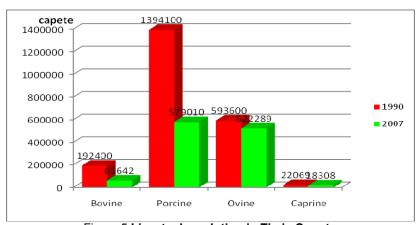


Figure 5 Livestock evolution in Timiş County

The main negative aspects resulting from the analysis of farming in the county are:

- the imbalance between production costs and prices of recovery;
- the uncertainty of recovery of agricultural products;
  - fragmentation of property;
- lack of a coherent policy to require a long term strategy;
- instability in diversity the orientation towards certain cultures being made according to a primary beliefs often;
- the loss of certain crop plants (with major economic interest) had the effect of expanding the monoculture, increasing the resistance treatments for diseases, pests and weeds.

#### **CONCLUSIONS**

Romania's economic problems have made their mark on agriculture, which currently can not meet the consumption needs of the population and can not provide a tender quality and quality standards for food products.

Restoring private ownership was meant to provide rural population against poverty, but this has failed to modernize agriculture to create new farming systems capable of producing for trade and to be internationally competitive.

The current structure of farming does not promote Romania's efforts to harness the full financial support by the EU Common Agricultural Policy.

In the very near future must be found the most effective solutions to attract EU funds allowing recovery of agricultural activities. In agriculture it is necessary to achieve the following objectives:

- ensuring a decent standard of living for farmers by providing substantial subsidies to farmers in EU funds;
- ensuring fair prices for agricultural products for consumers;
- higher quality food products as a result of compliance with EU standards;
- environmental and animal welfare standards;
- possible growth in poorer areas, as a consequence of rural development programs;
- increasing foreign investments in agriculture and food industry.

We believe that structural reform of agriculture should have a double effect:

• first, reducing the number of people who earn their living from agriculture and therefore the

- release of land to strengthen farm-family private farms;
- second, increase the size of farms and, consequently, increasing the efficiency of Romanian agriculture.

Achieving these objectives in the Timiş county, and at a national level will allow recovery of agriculture, but also participation in economic growth that is much needed in the near future.

Increasing the role of capital in agriculture is essential in the current period to achieve optimal production structures and achieving economic exploitation of available resources.

It is important the fact that Timiş County has realized that the opportunities arising over the period and in terms of access to funding by the SAPARD program, standing first in the country in terms of value-funded projects (EUR 266.8 million).

Implementation of funding mechanisms after 2007, especially the single payment scheme (SAPS) was quite heavy, actually general situation at the country level, delays occurring in both the processing of applications and verifications in the field, as on payments, with negative implications on the financial capacity of farms.

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