

OUTSOURCING AGRICULTURAL WORK - A VIABLE ALTERNATIVE FOR FARMERS?

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Abstract

Farmers are faced with a dilemma about the volume and structure of the work they have to do. Some of the work they have to do to obtain agricultural production or to market it may be handed over to other economic units (services from third parties). Farmers must decide which activities they will carry out through their own efforts and which will be transferred to other units. The field survey was carried out by questionnaire survey on a representative sample by economic size categories of 60 farms operating in the NE and SE development regions. These were identified 30 from each region and also 5 from each county. The 5 farms in each county were identified according to economic size (less than 100 thousand SO; 100 thousand SO - 250 thousand SO; 250 thousand SO - 500 thousand SO; 500 thousand SO - 750 thousand SO; greater than 750 thousand SO). The economic size structure of the sample was pre-determined within the research project aimed at determining costs in agriculture. Outsourcing of agricultural work proves unprofitable and unreliable for the sampled farms. This decision could result in an average loss of 19.2% and a decrease in safety of 26.4%. However, for farms with an economic size of less than 250,000 SO this approach can result in a profitability of up to 6.7% and an increase in the safety margin of up to 13.1%.

Key words: costs, agriculture, outsourcing, profit, viability, profitability