

STUDIES CONCERNING THE ACCESSION OF STRUCTURAL FUNDS ON CATTLE FARMS FROM ROMANIA

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Abstract

The paper presents the status of funds absorbed by the growth of cattle in Romania under Measure 121 NRDP (National Rural Development Program) 2007-2013. Statistical data processing was done on areas of development, based on results of the 5 sessions projects conducted by PARD (Payment Agency for Rural Development and Fisheries) in the measure 121 "Modernisation of Agricultural Holdings" during March 2008 - October 2009 interval. The study has revealed that the greatest number of projects in this sector was recorded in Region 6 of development were recorded also the largest amount of public funds attracted in this field. At the opposite is Region 8 which were no selected any project for funding in the sector. During the 5 projects sessions currently completed nationally were selected 130 projects worth total eligible of 586,070,104 lei. The maximum public contribution is 315,790,387 lei; this value can not be increased. The differences of 270,279,717 lei of the eligible value of the selected projects are private contribution of beneficiaries. Total final value of the projects will include in addition to their eligible amounts and eligible expenses entirely supported by beneficiaries.

Key words: funds absorption, cattle farms, NRDP, Measure 121

INTRODUCTION

Through Measure 121 "Modernisation of Agricultural Holdings" of NRDP Programme [9] is allowed for the 2007-2013 period 991.827.895 euro public aid of which 80% is supported from EC funds, the rest of 20% being allowed by MAFRD of Romanian Government [1].

This funds is an extraordinary help for modernize the agricultural national farms being necessary to be attract in order to align agricultural sector to the European standards.

One of the main activities for which this amounts can be attract is cattle growing, including milking cows farms, youth cattle farms for meat and reproduction farms [3].

If this amount is not entirely attracted in projects until the end of mentioned interval, the funds allowed can be redirected to other countries. It is important for Romanian agriculture to attract every money can get for to ensure the necessary modernizing of the sector.

For strategically researches is also important to know the situation of fund attracted at the time. This ensure basis for the next interval national rural development programme planning.

MATERIAL AND METHOD

This is a statistically research and was performed for to find situation of attracted amounts in the cattle growing sector through Measure 121 of PNDR.

The researched interval is March 2008 – date of first session of projects appeal to October 2009 date of last projects appeal up to now.

The basis material for study is represented by the Selection reports published by Contracting authority after each of the 5 sessions developed until now.

The results of the study are reported by the 8 Developing regions established at national level in 2000 (Fig. 1) according to NUTS protocol [2].

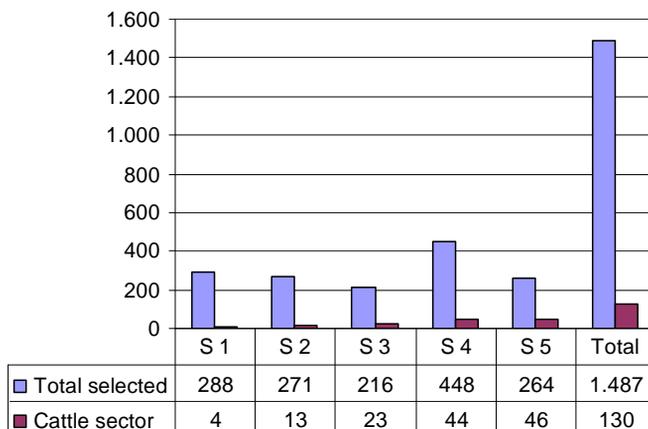


Fig. 2 – Situation of selected projects numbers in March 2008-November 2009 interval under Measure 121 of NRDP

Session 4 recorded the largest number of selected projects under this measure number due mostly of the large interval (over 6 months) available for to prepare new projects, in the session 5 is recorded the

largest number of cattle sector selected projects.

Concerning financial general situation for these sessions, this is presented in Fig. 3.

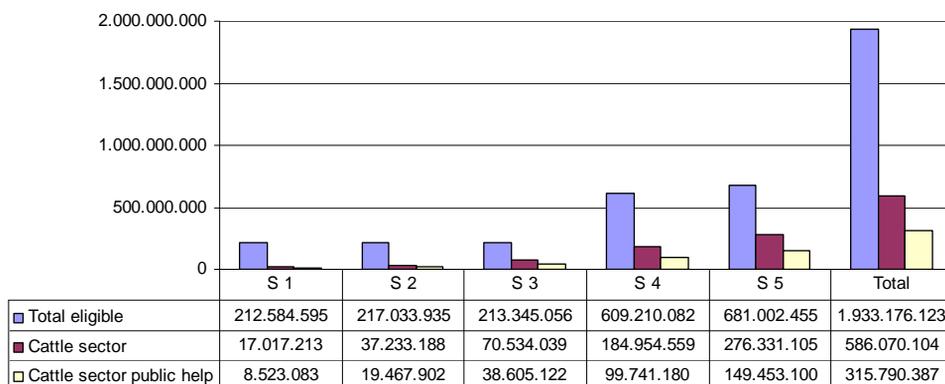


Fig. 3 – Financial situation of selected projects in March 2008-November 2009 interval under Measure 121 of NRDP (lei)

For the 1.487 projects selected, was consumed 1.933.176.123 lei of public aid, representing almost 500.300.000 euro, over 50% of public aid designated to this measure. On the last 2 sessions were allowed over 65% of public aid due the length of these individuals which are over 2 months each. Also, the exchange rate was bigger in 2009 comparative with 2008.

The cattle sector attract 16,34% of the public aid with a total value of 315.070.104

lei. The total eligible value allowed for this sector was 586.070.107, the difference between these 2 values representing value supported by beneficiaries which has a rate between 40 and 75% depending of the specific conditions of each project.

As we can observe, both eligible and public help values increase each session, being in a direct correlation with numeric situation of the selected projects (Fig. 2).

Concerning the regional numeric situation of selected projects in cattle sector, these recorded a minimum in region 4 with 6 projects and a maximum in region 6 with 42

selected projects (Fig. 4). Maximum number (18) of cattle projects selected per region was recorded also in region 6 during session 5.

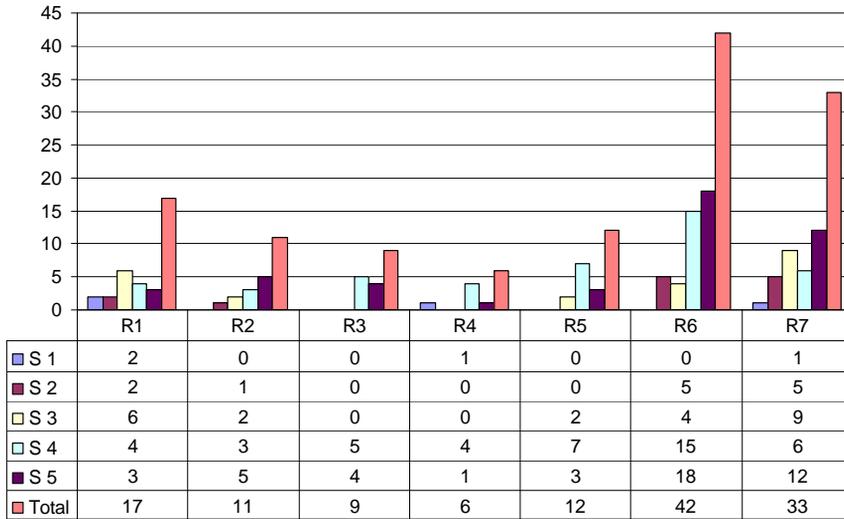


Fig. 4 – Numeric situation of selected projects in cattle sector under Measure 121 of NRDP

We can mention that in region 8 was recorded none project for cattle sector due the density of human population and of large surfaces necessary for residential zones, industry and services which interfere with minimum distance imposed for cattle shelter.

Also, in some regions was exist session without projects selected in cattle sector, region 3 recording 3 sessions consecutive with none projects selected, followed by regions 4 and 5, each with 2 “white” consecutive sessions.

The eligible value of project selected is 586.070.104 lei (Fig. 5). Region 8 where none cattle sector project was selected, attract 0% of this amount.

In the reference period, region 4 recorded minimum eligible value which is 33.436.122 lei, representing only 5,71% of eligible value of selected projects. In the opposite, maximum value of these indicators is

recorded in region 6 which with a value of 166.810.581 lei, request 28,46% of eligible values.

The possible reasons for low absorption rate recorded in region 4 is one on hand the high rate of poverty reported to national level an on the other hand to the agricultural specific of this area where the crop activities is dominating occupation due the large plains and to the climate present in this zone.

We can observe that regions 6 and 7 absorbed 47,15% of total funds eligible attract in cattle sector, and this is due mostly to the hilly and mountain relief, to the animal farms is a traditional occupations in these regions and also to the high living level.

As we expected, the maximum eligible value was recorded in region 6, under session 5, with an amount of 93.547.376 lei, these being moment with largest number of projects selected as we can see in Fig. 4.

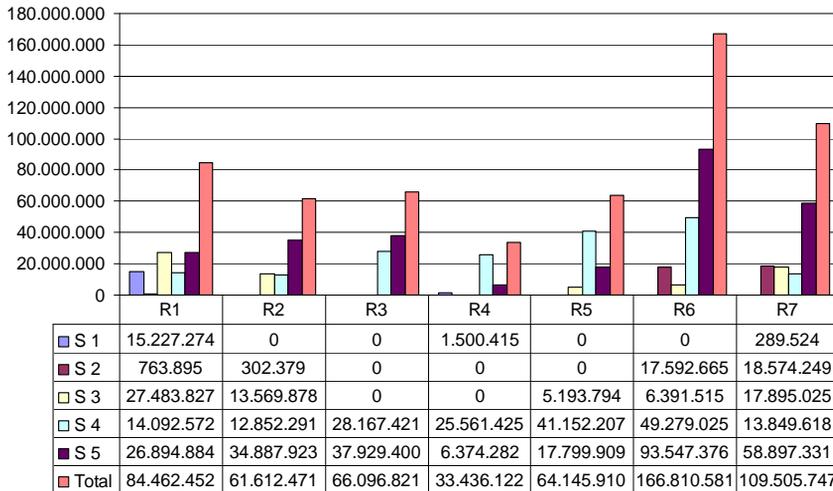


Fig. 5 – Regional situation of eligible values of selected projects in March 2008-November 2009 interval under Measure 121 of NRDP (lei)

Situation of public help absorbed in the framework of cattle sector under Measure 121 is presented in Fig. 6.

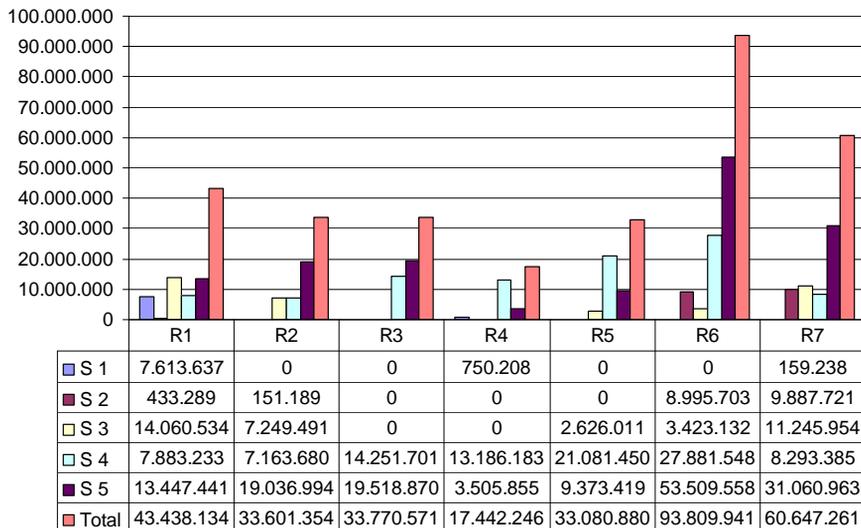


Fig. 6 – Regional situation of public help values of selected projects in March 2008-November 2009 interval under Measure 121 of NRDP (lei)

Being a fraction of the eligible value of every project, according to the Guide of the measure, this indicator follows closely the trend visible in the case of eligible value.

We can remark region 6 as top region in attracting public funds in cattle sector under Measure 121 and, in the same time, on the end of list can be founded region 4. The

intermediary places are occupied, in decreasing order by regions: 7, 1, 3, 2 and 5.

Due the specific rate of public funds allowed is influenced by specific of the project, is interesting to see that comparative with eligible values where region 5 is before region 2, in the case of public aid, region 2 attracted a bigger value than region 5.

We can notice that at national level under Measure 121 on cattle growing sector the counties statistics limits in numbers for the studied indicators shown as follow:

- from 42 counties, only in 30 was submitted projects in the cattle sector under Measure 121. In the rest of 12 counties is included those 2 which formed region 8, respective Bucharest and Ilfov.

- 3 counties – Dambovită, Gorj and Giurgiu - have each only 1 project selected.

- the largest number of selected projects was recorded for Salaj county with a number of 10.

- the maximum eligible value (12.840.000 lei) and also the maximum public value (6.420.000 lei) for a single project were recorded in Calarasi county.

- the minimum eligible value (93.798 lei) and also the minimum public value (51.589 lei) for a single project were recorded in Bihor county.

- the maximum total value of public help (33.537.695 lei) for an entire county were recorded in Cluj where 8 projects was selected.

- the minimum total value of public help (687.359 lei) for an entire county were recorded in Hunedoara where 3 projects was selected.

- total amount of public help for the 130 selected projects on cattle sector during the study period was 315.790.387 lei.

Hope that in the interval 2010-2013, the rest of public aid will be consumed entirely, even if percent of public help is lower with 10% than in studied period.

CONCLUSIONS

Through Measure 121 “Modernisation of Agricultural Holdings” of NRDP Programme is allowed for the 2007-2013 period 991.827.895 euro public aid of which 80% is supported from EC funds, the rest of 20% being allowed by MAFRD of Romanian Government [10].

In the framework of this Measure can be accessed funds for develop or modernize agricultural holdings in vegetal and/or animal sector.

Until now were submitted for evaluation a total of 5.600 projects, 1.487 projects being

selected for financing of which, 130 in the cattle farms sector.

The amounts of 500.272.168 euro absorbed through this measure at this time represent 50,44% of the total public aid designated for this measure. At this time, cattle sector absorbed 16,34% of the total measure designed funds.

At regional level, development region 6 is on the first place on the top of cattle farms sector, last place being occupied by region 4.

A project on this sector can have a big complexity due the diverse type of acquisition possible (animals, buildings, machines for forages crop, machines for production primary processing etc.) requesting a lot of resources human, logistic, material and time. This is the main reason for that in the first sessions the number of projects was small.

For the interval 2010-2013 the percent of public help is lower with 10% than in studied period as was negotiate between representatives of MAFRD and of DG-AGRI of European Commission.

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