

ABSTRACT

The doctoral thesis is entitled “**Studies concerning mechanisms of economic and financial support for the agriculture of Botoșani County**” and comprises two parts:

- *Ist Part – Bibliographical study, material and research methodology, analysis of the natural conditions of Botoșani County;*

- *IInd Part – Results obtained and their interpretation.*

The **Ist Part** comprises two chapters: **Ist Chapter**, which is entitled “**Stage of knowledge on national and European level, concerning the mechanisms and instruments of economic and financial support for agriculture**” and **IInd Chapter**, which is entitled “**Analysis of the natural conditions of Botoșani County**”.

The **IInd Part** comprises three chapters: **IIIrd Chapter**, which is entitled “**Results of production obtained in the agriculture of Botoșani County during the 2005-2009 period**”, **Chapter IV** entitled “**Mechanisms of economic and financial support for the agriculture of Botoșani County**” and **Chapter V** “**Conclusions and recommendations**”.

The **Ist Chapter** presents in the first part, mechanisms and instruments of economic and financial support in the preadhesion period of Romania to the European Union. There are made references on the implementation of Common Agricultural Policy (CAP) in Romania, which will require ensuring the complementarity of its two pylons: market policy (Pylon I) and policy of rural development (Pylon II).

The main priorities of the European Union and the specific conditions of the agricultural sector and the country side have been taken into consideration in view to elaborate the National Strategic Plan (NSP).

The policy of rural development will focus on the four main axis during the 2007-2013 period, as follows:

- *improving the competitiveness of the agricultural and forestry sector (axis 1);*
- *improving the environment and countryside (axis 2);*
- *calitatea vieții din zonele rurale și diversificarea economiei rurale (axa 3);*
- *LEADER axis (axis 4).*

Hereinafter there are presented mechanisms and instruments of economic and financial support for agriculture after the adhesion of Romania to the European Union.

FEGA will finance direct payments to farmers, according to the Common Agricultural Policy (CAP); export subsidy of agricultural products to countries outside the European

Union; intervention measures through agricultural market adjustment; promotion of agricultural products etc.

Romania will benefit from 4.007.900.000 Euros for the implementation of pylons I and II. The direct payments will be made per surfaces larger or equal to one hectare, under the condition of a minimum parcel size of 0,3 ha cultivated with one crop.

There will be allocated at least 45 % of the total funds of the first axis. During the 2007-2009 there were allocated 732 mil.euros for the market measures.

The total direct support from the European Union, is forecasted at 200 €/ha for the year 2016.

Romania will also benefit by other supporting forms, inclusively support for semi subsistence farms undergoing restructuring, investments for farm modernization and other economic activities in the rural areas, support for rural development and environment protection.

Romania will benefit of direct payments of 1766 mil. Euros in 2016, compared to 440 million Euros received in 2007.

The financial allocation from the European Union budget will difference on the four axis, as follows: 45 % - axis 1; 25 % - axis 2; 27,5 % - axis 3; 2,5 % - axis 4.

The priorities and objectives related to the rural development during the 2007/2013 period, will aim at:

- *economic increase;*
- *creating new workplaces;*
- *improving the quality of life in rural areas.*

Mechanisms and instruments of direct support for physical and juridical persons were performed in the agricultural of Botoșani County, aiming at setting up of new cultures, purchase of certified seeds, purchase of chemical fertilizers for soil fertilization and soil amelioration works.

Moreover, direct payments have been introduced per surface (50 €/ha) and national complementary payments for the most important agricultural cultures were divided in two groups: Ist group (30 €/ha) and IInd group (216 €/ha), starting in 2007.

The compensations per animals, families of bees and fish represent a maximum amount of 80 % from the insurance, after deducting the value of resulted products. Moreover, there are allocated facilities through national complementary payments for animals belonging to farms which produce for market.

Market mechanisms aim at the intervention price and export subsidies.

In the last part of the first chapter, there is broached the harmonization of national legislation related to the financial support for the agriculture, to the juridical rules of the European Union. There are also presented aspects concerning research methodology.

Chapter II refers to the analysis of the natural conditions of Botoșani County.

The main aspects presented aim at:

- *the relief;*
- *the climate (air temperature evolution, effective sunshine duration, average number of days with with temperatures below 0°C, rainfall evolution, air relative humidity, frequency and winds speed);*
- *hydrographic and hydrological network;*
- *soils.*

Chapter III presents the analysis of the results of production obtained in the agriculture of Botoșani County during the 2005 – 2009 period.

There are analysed the following aspects:

- *landed property and structure of crops;*
- *land market;*
- *total and average output of the main crops;*
- *organic agricultural production;*
- *forestry and forest management;*
- *park of tractors and main agricultural machinery;*
- *chemical and natural fertilizers used in the agriculture of Botoșani County;*
- *animal population size per species and categories;*
- *average output per fed animal;*
- *total animal production, maximum output and its destination.*

Chapter IV presents the analysis of mechanisms of economic and financial support for the agriculture of Botoșani County.

Various aspects were analysed, such as:

- *role of finance in the economy of the agricultural and/or food company;*
concept of the economic and financial mechanism (characteristics of the financial system; fund system of financial resources; economic and financial levers; administrative methods of financial management ; institutions with responsibilities in the field of public finance), institutional frame (institutions and authorities with responsibilities in the field of banking; methodological and legal rules of normative nature in the financial field), operating principles of economic and financial

mechanism in industry and branch profile; banking system and tools (management methods in financing and banking; motivation and responsibility).

In the second part of **Chapter IV**, there is presented a case study performed at S.C. EURONUTRITION S.A. Botoșani. The case study is related to the diagnosis analysis of financial stability and profitability at S.C. EURONUTRITION S.A. Botoșani, Botoșani County.

I started with the internal and external environment analysis and I continued with the financial diagnosis at S.C. EURONUTRITION S.A. Botoșani, based on a system of indicators, such as: indicators of financial stability, financial ratios, indicators of yield of resources use etc.

There are also presented aspects concerning agricultural finance and credit system in Botoșani County, with focus on finance and credit in the sector of vegetal production. There are described the main measures of the SAPARD Programme (Measures 1.1., 3.1., 2.1., 3.4., 4.1., 4.2., 3.2., 3.5.), the number of projects performed at national level and in Botoșani County) and the amounts allocated to projects under these measures.

In the last part of **Chapter IV**, there are also treated problems related to identifying of credit risk exposure and credit-risk cover, the price and tariff mechanism for agricultural products and services and price mechanism and other economic and financial means for farmers support.

In the **last Chapter** entitled “**Conclusions and Recommendations**”, there are formulated an appreciable number of conclusions and recommendations related to the research performed and the results obtained.