

THE IMPACT OF EUROPEAN FUNDS ON AGRICULTURAL FARMS IN NORTH-WEST ROMANIA

Florin BORODAN^{1#}, Brindusa COVACI², Radu BREJEA¹, Mihai COVACI³

¹ University of Oradea, Romania

² Centre for Mountain Economy / CBM International University, USA

³ Hyperion University / CBM International University, USA

RESEARCH ARTICLE

Abstract

The study analyzes the impact of European funds on the development of agricultural entrepreneurship in the North-West region of Romania, with a focus on measures dedicated to young farmers and small agricultural holdings. Based on a questionnaire applied to a sample of 60 beneficiaries, the research highlights significant changes in production structure, material and financial resources, logistical capacity, and the level of digitalization. The results show that European funds have led to increased productivity, the modernization of agricultural infrastructure, and the expansion of marketing channels, contributing to the shift from production for self-consumption to market integration through the development of added-value chains in the supply–production–sales sequence. Moreover, the investments have stimulated the diversification of activities and the transition toward sustainable agricultural practices. However, difficulties regarding bureaucracy, access to information, and the implementation of public procurement procedures persist, discouraging some farmers from applying for new funding. The study underscores the need to adapt programs to on-the-ground realities and to simplify procedures so that European funds can generate lasting effects on competitiveness and agro-rural development.

Keywords: agricultural funds, financing analysis, young farmers

#Corresponding author: Florin Borodan, Florin.BORODAN@afir.info

INTRODUCTION

Small-scale agriculture represents a fundamental component of the rural economy in Romania, especially in the northwestern regions of the country, where agricultural activities are used both for own consumption and for small-scale marketing.

In recent years, accessing European funds for rural development has become an important tool for modernizing farms and increasing the competitiveness of farmers.

European funds represent the most attractive option for young farmers, which is why numerous agricultural entrepreneurs support accessing various national and European financing schemes.

The diversification of economic activities in rural areas contributes to the creation of new alternative or supplementary sources of income for the rural population.

The purpose of these financial instruments should also be oriented toward agricultural pluriactivity, as the multifunctional role of farmers is acquiring complex dimensions in the context of production directed toward both food and non-food sectors, as well as other economic directions. (Sima, 2023)

The aim of European and national funding in the agro-rural sector must also be centered on achieving significant progress in modernizing infrastructure and increasing economic cohesion. Both within Romania and in relation to other regions of Europe, disparities can be reduced under conditions of proper implementation of public funding.

There is a clear need for a strategic development scenario based on reducing regional gaps, ecological and digital transition, infrastructure modernization, and capital development. (Boțîrcă & Sandu, 2025)

In the context of agro-rural financing in Romania, it has been observed that working

experience with farmers - who are much more familiar with practical realities - can lead to the achievement of result indicators. (Teodorescu et al., 2023)

Most farmers access European funds with difficulty, later no longer being inclined to apply for financing, particularly due to shortcomings in public procurement. Zai and Iosifaru (2024) propose several solutions to address problems related to public procurement within European agricultural funds, namely increasing the degree of digitization, promoting competition and diversity, ensuring transparency and accessibility, providing education and professional training, and strengthening monitoring and control.

The implementation of these proposals will ensure a more responsible use of resources and increase public trust in this process.

This study analyzes the impact of investments made through various financing measures on entrepreneurship development agro -rural - in particular DR 30 (Support for the installation of young farmers, 2023-2027), SM 6.1 (Support for the installation of young farmers, 2014-2020) and SM 6.3 (Support for the development of small farms, 2014-2020) - on productivity, efficiency, logistics structure, digitalization and market.

The analysis is based on a set of data collected through an online questionnaire addressed to farmers in western Romania.

From the results it can be seen that young farmers accessed the most funds, longitudinal sustainability being ensured in this area of Romania.

The data reveal significant changes in the mode of production, in the capacity to capitalize on products, in the resources used and in the logistic development models.

The article aims to provide a coherent synthesis, which supports the understanding of how European funding influences agro -rural development.

MATERIAL AND METHOD

The research is based on the analysis of a questionnaire applied online to a sample of 60 beneficiaries of European funds from the counties of Bihor (58%); Arad (12%); Timiș (12%); Caraș-Severin (8%); Bihor, Sălaj, Satu Mare (8%); Satu Mare (2%). The analysis is oriented on Bihor County. purpose of using other counties than Bihor is to understand the context of the region.

The data collected include responses from agricultural entrepreneurs regarding the county in which they operate; the field of activity before and after accessing the funds; types of products and production structure; existing material and financial resources before and after financing; productivity and turnover; production costs; resource efficiency; sales market; degree of logistics and digitalization; sources of financing; perceptions regarding the improvement of financing schemes.

The responses were expressed in percentage/qualitative terms and analyzed comparatively between the period before and after accessing the funds.

RESULTS AND DISCUSSIONS

The profile of the respondents and the geographical distribution show that the western area of Romania presents a high interest in agriculture and related European funds.

The field of *activity* of those interviewed highlights the importance of agriculture based on plant resources in attracting European funds in the analyzed counties, 96% being involved in this activity.

The activities are carried out in their own system, most of them not having employees. The main actions focus on the cultivation of vegetables and cereals, the plant sector being significantly represented in the implementation of European funds in western Romania. Vegetable growing is presented as a basic sector in agriculture in western Romania in relation to attracting European funds.

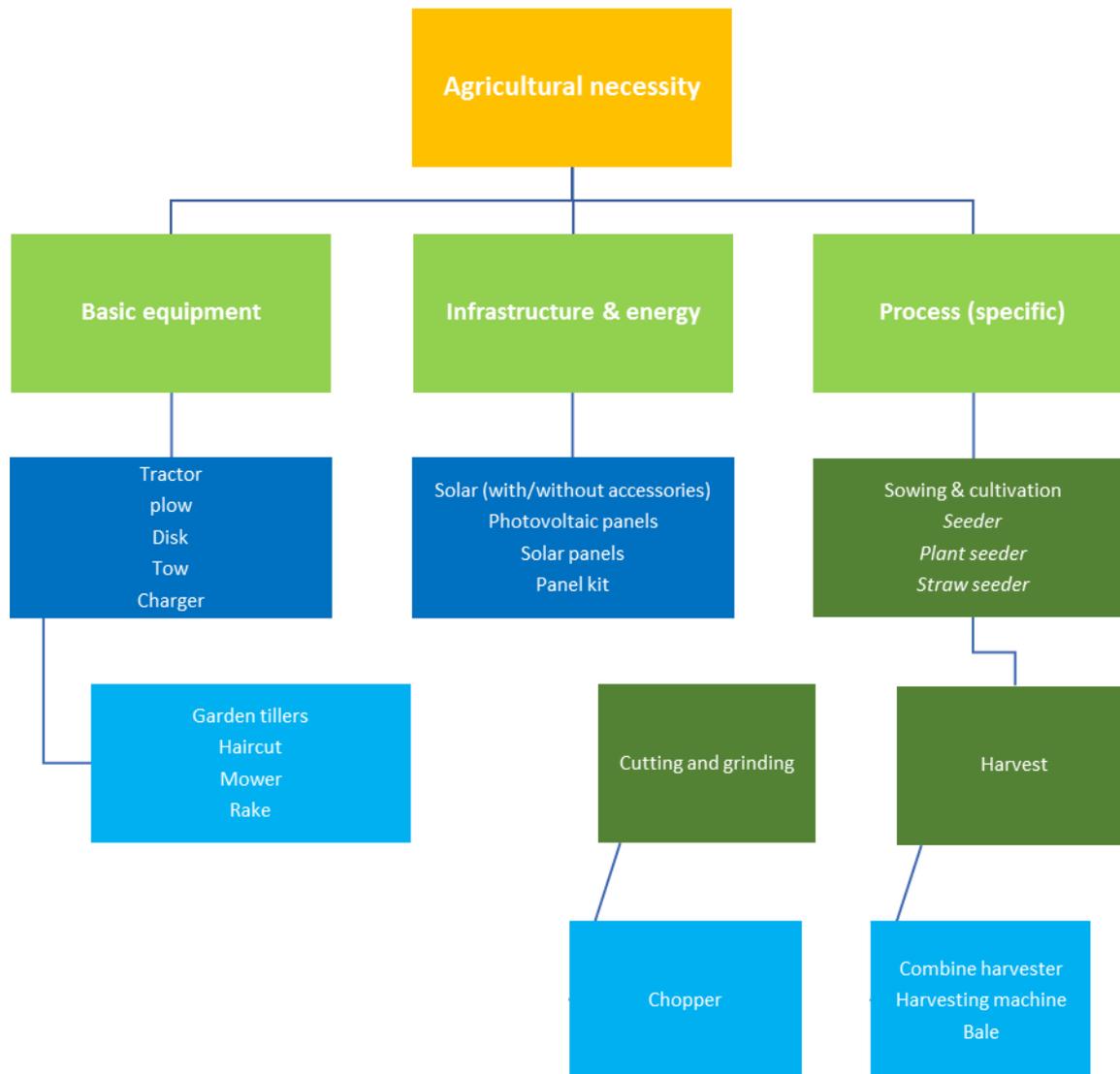
Against the background of subsistence agriculture, most of the subjects studied also carry out other income-producing activities, agriculture being a subsidiary and marginal sector (2-4 people work in agriculture).

The analysis of *material and financial resources* supports the importance of the infusion of funds into agriculture, the picture of the need starting from the lack of resources - 26% had no material resources, the insufficiency and wear of equipment, respectively the financial sources came from own funds or subsidies.

After financing, the number of new machines improved considerably, through the appearance of tractors, plows, discs, seeders, motor cultivators; the infrastructure improved with modern solariums, photovoltaic panels, irrigation systems, and human and financial capital diversified. (figures 1)

of the outlet market by use of funds, with a majority focus on combined channels such as cooperatives, markets, online and individual customers, which account for the majority of

the percentages. Compared to the minimum percentage (2% "not available"), the data suggests a substantial increase in market access and a much broader economic integration.



2.1.



2.2.

Figures 2 Agricultural necessity during funding

Logistics and digitalization: the distribution of responses shows a clear prevalence of a very low logistical level before accessing funds, with categories such as "none", "0" and "low level" accounting for the majority of the percentages, indicating a minimal level of infrastructure and equipment. The contrast

with the low percentages associated with a "medium" level (6%) confirms an insufficient initial logistical structure, characterized by limited operational capacity.

The distribution of responses indicates a substantial increase in the degree of logistics development after accessing the funds, with the

“average” category being the most frequent (18%), followed by multiple mentions of a “high” or “very good” level. The contrast between these values and the minimum percentages (2% for individual responses) highlights a significant logistics consolidation, characterized by the diversification of equipment and the modernization of infrastructure.

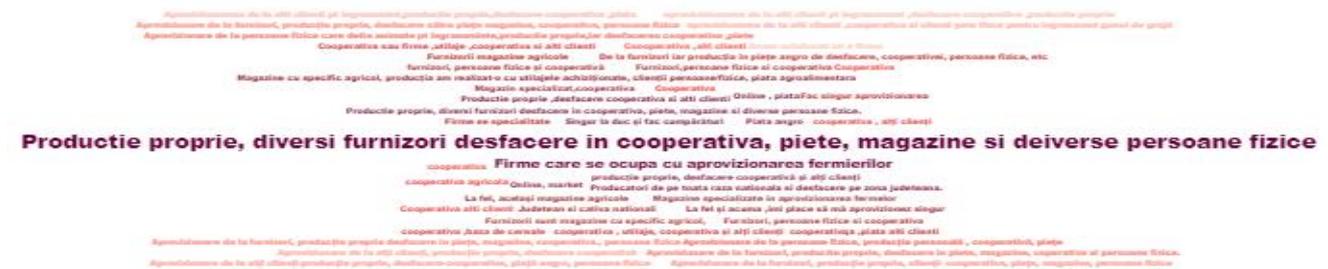
Regarding digitalization, its non-existence is observed before accessing public funding sources, and after digitalization it is reflected in

the creation of websites, online promotion, brand development, etc.

The *supply-production-sales chain* that existed before accessing the funds was almost non-existent, with most of them carrying out all the links of the value chain in their own system. After accessing the funds, the value chain became complex by ensuring their own production, diversifying the structure of suppliers, and distributing through cooperatives or in markets, stores and individuals. (figures 4)



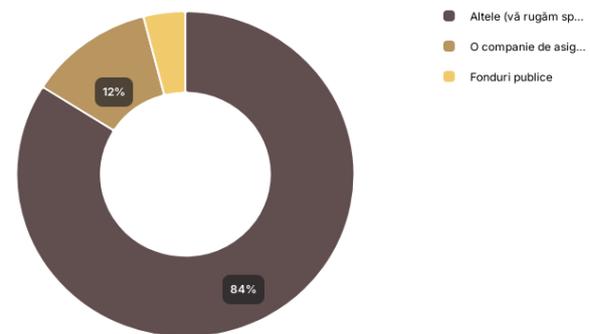
4.1.



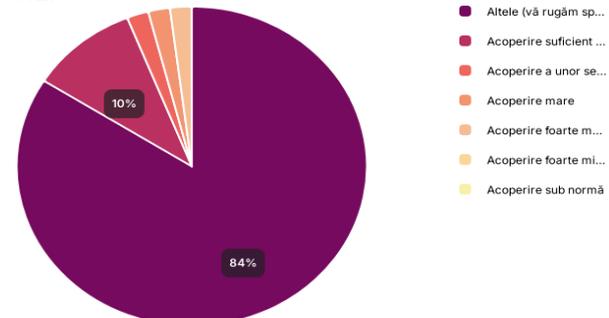
4.2.

Figures 4 The supply-production-sales chain

In light of the inability to manage natural phenomena, the dimension of crop/equipment *insurance* becomes essential for the development of agricultural activities. Before attracting European funds, farmers in western Romania covered this dimension from public funds (4%), through an insurance company (12%) or in their own system (84%). After financing, the situation did not change, the percentages varying only with the diversification of insurance from public funds/insurance companies. This aspect denotes insufficient information regarding European funds intended for insurance, often noting significant amounts carried over from one financing session to another. The insurances carried out cover a relatively important range of products, farmers not yet having a clear strategy on (figures 5)



5.1.

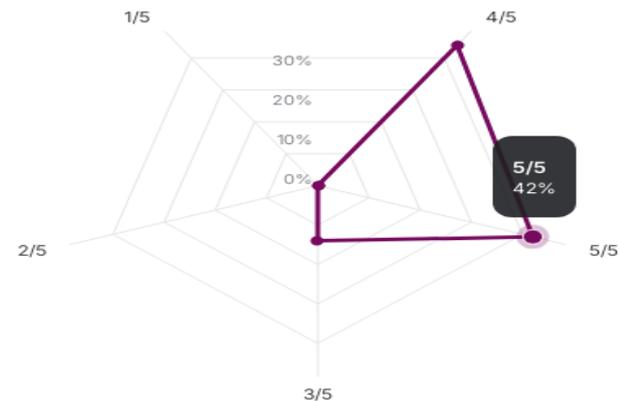


5.2.

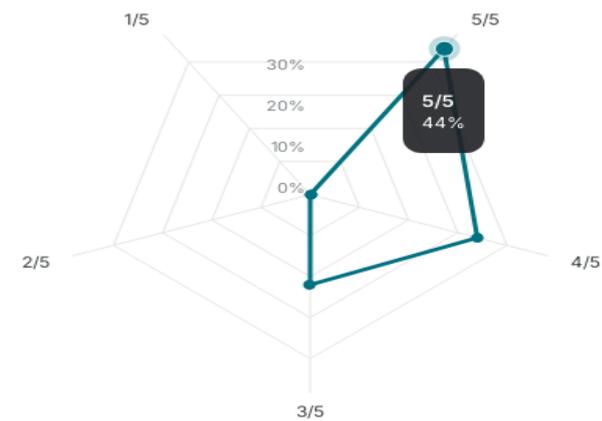
Figures 5 The insurance before and after funding

Satisfaction with attracting funds shows a fairly high resistance to change, with 62%

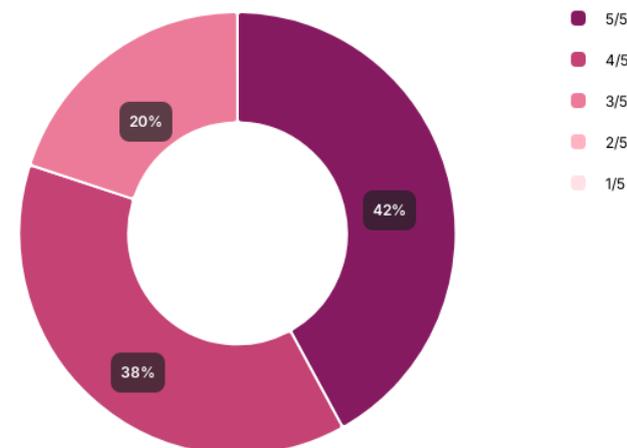
responding that they do not want any more public funding. Overall satisfaction with public funds in agriculture is 42%, during the implementation period 44%. During the sustainability period (after the project ends) 42% consider that they are within the expected profitability margins, while 38% have an average level of satisfaction and 20% quite low. (figures 6)



6.1.



6.2.



6.3.

Figures 6 Satisfaction with attracting funds

After studying the questionnaires, several suggestions can be synthesized regarding the improvement of the funds, including reducing bureaucracy, simplified procedures, timely published guides, larger funding adapted to price increases, and more flexible conditions for farmers.

CONCLUSIONS

Accessing European funds has produced major transformations in the analyzed agricultural holdings: modernization of agricultural infrastructure, increase in productivity and turnover, diversification of sales markets, transition to ecological practices, development of logistics and digitalization.

However, farmers are calling for a reduction in bureaucracy and simplification of the application and implementation stages. The results demonstrate that European funds are essential for the modernization of Romanian agriculture, provided that the programs are adapted to the real needs of farmers.

REFERENCES

- AFIR, 2021. Summary guide on submeasure 6.1. Support for the installation of young farmers. https://portal.afir.info/informatii_generale_pndr_in_vestitii_prin_pndr_sm_6_1_sprijin_pentru_instalarea_tinerilor_fermieri
- AFIR, 2023. Ghidul solicitantului pentru accesarea Intervenției DR-30 – „Sprijin pentru instalarea tinerilor fermieri”. <https://www.afir.ro/domenii-de-interventie/detalii-si-anexe-dr-30/>
- Boțircă, B. M., & Sandu, M. I. 2025. Progresele României înregistrate în ajustarea structurală a dezvoltării regionale. AEE Papers, Issue 9, 2025 Faculty of Agrifood and Environmental Economics, Bucharest University of Economic Studies
- Sima, E. 2023. Diversificarea economiei rurale în România între deziderat și realitate. In International Symposium Agriculture Economy and Rural Development—Trends and Challenges, Section (Vol. 2).
- Teodorescu, C., Coșofreț, C., Baci, G., Debrenti, E., Rimoli, R., Scriban, R., ... & Bouriaud, L. 2023. Scheme de plăți bazate pe rezultat pentru protejarea biodiversității. Experiență acumulată, beneficii percepute și obstacole în România. Bucovina Forestieră, 23(1).
- Zai, P. V., & Iosifaru, G. 2024. Studiu privind evoluția procedurilor de atribuire a contractelor publice de achiziții din România în perioada 2021–2023. Revista Transilvană de Științe Administrative, 26(54), 216-231.