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# THE IMPACT OF GRANTING SUPPORT SCHEMES ON THE FARM, IN THE PERIOD 2007-2015 USING DATA RICA

VLAD MIHAELA CRISTINA<sup>1</sup>

**Abstract:** *This paper examines the impact of the subsidies, in the vegetable and animal sector, on farms, in 2007-2015. The impact can be monitor in terms of economic key indicators that provide insights into Romanian productive sector. Based on these data we can reveal evolutionary trends realistic and accurate, which can highlight the implications of the different support schemes applied in our country.*

**Keywords:** *subsidies, costs, revenues, holdings*

**JEL Classification:** H23, O38

## INTRODUCTION

The introduction of the CAP in Romania caused a radical change of policy support and agricultural market in our country. Outside the gradual elimination of support schemes implemented by 2006, it also meant the functioning of the common market organization for most agricultural products and agricultural prices gradually adjust prices in the Single Market. Measures to support agricultural markets and producers' income include direct payments to farmers and subsidies arising from conditions common organization of the market, such as operation of intervention prices, the purchase of products from public funds to reduce surplus markets, export subsidies, import protection schemes,

The effects of adopting CAP measures are reflected directly on the allocation of resources (natural, human, material, financial) of agriculture, on farmers' income and the living standards of consumers. Any change in agricultural policies impact on prices of agricultural inputs prices and other monetary transfers are translated into changes in the value added of agricultural production and hence on farmers' income (1).

## MATERIAL AND METHODS

For the 2007-2015 analysis were taken in to account the main data gathered by the Farm Accountancy Data Network (RICA). The Farm Accountancy Data Network is a statistical tool based on an annual survey, carried out according to the common methodology of the Member States of the European Union, on a micro sample of participating agricultural holdings in order to assess their incomes and their technical and economic activity. It was chosen to carry out their own calculations based on them, calculation of the economic indicators, in order to highlight the influences at the level of the agricultural holdings during this period. Agricultural holdings were grouped into six economic size classes, depending on the value of their standard output. Direct sectoral impact indicators analyzed: structure of agricultural production value, specific cost structure in crop production, structure of specific cost in animal production, net profit margin and income rate, current subsidies per hectare OR, structure of subsidies (2).

## RESULTS AND DISCUSSIONS

The analysis regarding the percentage structure of the agricultural production, comprising both the vegetal and the animal sector, by economic size classes, in Romania during 2007 - 2015, shows the following (Table 1):

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✚ In the class with economic dimension 2 000- <8 000 euro: the share of the value of agricultural crop production ranged between 43,4 -51,3% (the average 47,3%) of the total, being lower by 0,8% in 2015, compared to the first year of the analyzed period; livestock production ranged between 48.7 - 55.1% (the average 52.7%), exceeding in 2015 0.8% the share in 2007.

✚ In the class with economic dimension 8000 - <25,000: the agricultural crop production represented 34.2 - 60.8% of the total (average 49.3%), being higher in the last year to be analyzed by 10.5% with that of 2007; agricultural livestock production held 39.2 -65.8% (50.7%), being 10.5% lower in 2015 compared to 2007.

✚ In the class with economic dimension 25 000 - <50 000 euro: from the total agricultural production, the agricultural crop production had a weight of 20.9 - 66.4% (average 55.9%), exceeding in year 2015 by 37, 9% on that at the beginning of the period; agricultural livestock production amounted to 33.6 -79.1% (average 44.1%), the share in the last year being 37.9% less than in 2007.

✚ In the economy class 50,000 - <100,000: the agricultural crop production represented 38,5 -81,4% (the average 72,2%) of the total, holding in 2015 a higher share by 35,9% comparative with that of the first year considered; livestock production oscillated between 18.6 - 61.5% (the average 27.8%) representing in the last year of the period 35.9% less.

✚ In the economy class 100 000 - <500 000 euro: the share of agricultural crop production in the total agricultural production oscillated between 58.5 - 90.5% (average 84.3%), exceeding in 2015 by 32% first year of analysis; the value of animal production was between 9.5 and 41.5% of the total, in the last year of the period being 32% lower than in 2007.

✚ In the economic size class  $\geq$  500,000 euro: the agricultural crop production represented 41.2 - 80.7% (average 61.6%) of the total agricultural production, and in 2015 it was by 38.1% higher compared with that achieved in the first year of analysis; the share of livestock production oscillated between 19.3 - 58.8% (the average 38.4%), being 38.1% lower in the last year compared to 2007.

As a general remark, we can see that starting with the 2000- 8000 euro economic class, up to the 100 000 - <500 000 Euros, the value of the crop production has been increasing constantly (while decreasing the share of livestock farming).

In the economic size class  $\geq$  500,000 Euro, there is a decrease in the share of agricultural crop production (accompanied by an increase in the share of livestock production), to some extent to the values registered in the class 25 000 - <50 000 Euro.

Table 1 The composition of agricultural production (vegetable / animal) on the economic size classes (%)

Economic size class	2000 < 8000 EUR		8000 - < 25000 EUR		25 000 - < 50000 EUR		50 000 - < 100000 EUR		100 000 - < 500 000 EUR		$\geq$ 500000 EUR	
Year	VCP *	VLP **	VCP	VLP	VCP	VLP	VCP	VLP	VCP	VLP	VCP	VLP
2007	46.6	53.4	34.2	65.8	20.9	79.1	38.5	61.5	58.5	41.5	41.2	58.8
2008	51.3	48.7	60.8	39.2	55.5	44.5	81.4	18.6	80.5	19.5	55.2	44.8
2009	46.6	53.4	52.4	47.6	62.8	37.2	77.9	22.1	87.5	12.5	42.2	57.8
2010	44.9	55.1	52.3	47.7	63.1	36.9	77.0	23.0	86.5	13.5	51.2	48.8
2011	43.4	56.6	50.1	49.9	66.4	33.6	80.2	19.8	87.1	12.9	59.6	40.4
2012	50.5	49.5	50.4	49.6	56.8	43.2	73.5	26.5	88.2	11.8	70.1	29.9
2013	49.6	50.4	50.6	49.4	60.0	40.0	73.6	26.4	89.7	10.3	75.1	24.9
2014	47.5	52.5	48.1	51.9	59.3	40.7	73.5	26.5	90.3	9.7	80.7	19.3
2015	45.8	54.2	44.7	55.3	58.8	41.2	74.4	25.6	90.5	9.5	79.3	20.7

\* Value of crop production, \*\* Value of livestock production

Source: own calculations based on data RICA (3)

Analysis of the structure of the specific cost to the production plant (seeds and seedlings, fertilizer, crop protection products, other specific costs of culture), the classes of economic size, expressed as a percentage (Table 2) show the following:

■ Economic size class 2000- <8000 euros: seeds and seedlings were 30.78 -40.31% (average 34.66%) of the total specific costs, accounting for 2015 of 6.87% less than share in the first year; fertilizers held between 27.38 to 38.15% (average 33.72%) of the total cost, exceeding last year with 10.77% share for 2007; the weight of the plant protection product ranged from 17.38% -26.13% of the specific, being 2015 3.34% higher than that of the first year; other specific cost category was represented at a rate of 7.69 -14.92% of total specific cost, which is lower by 7.23% last year compared to 2007.

■ Economic size class 8000 - <25 000 euros: the total specific cost seeds and seedlings were 32.73 - 45.36% (average 36.55%) of the total, ranging in 2015 with 10.12% under the share in the first year; Fertilizer category was represented in proportion 26,25 - 26 52% of the specific, exceeding last year with 10.27% figure in 2007; plant protection products held between 17.12 -23.27% 2015 having a higher percentage of 4.49% compared to that of the first year; other costs specific category held 6.63 -11.46% (average 10.26%), accounting last year for a smaller proportion of 4.64% of the total compared with 2007.

■ The economic size class between 25000 -50000 EUR: seeds and seedlings were 33.71 to 44.13% (mean 36.57%) of the total, and the weight 2015 was reduced from that of the first year 3.94%; fertilizers noted at a ratio of 28.65 to -38.28% (average 35.56%) of the total cost and in the last year of this analysis exceeded that of the 9.63% on 2007; plant protection products' share of 18.66 -21.35% (average 20.12%) of the total percentage of 2015 is very appropriate to that achieved in the first year of the period; other specific cost category was represented in proportion of 4.77 - 10.55% (average 7.75%) of the total holding period last year with 5.78% less than the share in 2007.

■ Economic size class 50 000 - <100 000: seeds and seedlings held between 31.47 - 40.39% (average 35.31%) of total specific cost, exceeding 2015 2.21% the proportion occupied first year; category fertilizers was 28.08 -39.71% (average 37%) of the total, registering a plus of 2.08% last year compared to 2007; plant protection products had a share of 14.78% -22.57% (average 20.10%) of the total cost, recorded in 2015, 7.79% more than in the first year; other specific costs have ranged from 4.04 -16.13% (average 7.59%) in total, last year lower as a share of 12.09% compared to 2007.

■ The economic size class 100 000 - <500 000: seeds and seedlings was recorded a weight of 32.54 to 36.25% (mean 33.81%) of the total, is reduced to 2015 to 1, 61% compared with the first year; fertilizers held 30.16 -42.36% (average 38.06%) of the total last year exceeding by 12.2% the proportion for 2007; the weight of the plant protection product was 18.36 -23.09% (mean 21.29%) of the total, more than 2015 of 4.18% over that achieved in the first year of the period; other costs specific category held 2.34% -17.11% (average 6.84%) of the total cost share in the last year of the period decreased by 14.77% compared with that in 2007.

■ Economic size class  $\geq$  500 000: seeds and seedlings held from 25.71 to 32.29% (average 29.04%) of the total, the proportion is higher by 1.81% in 2015 compared to the first year to be tested; fertilizers were 28.96 to 44.16% (mean 38.21%) of the total cost in the last year the weight of the upper 10.73% compared to that of 2017; plant protection products as a proportion varied between 19,02- 27.53% (mean 22.97%) of the total exceeding 8.51% in weight of 2015 made in the first year of the period; other costs specific category of registered shares of 2.60 -23.64% (average 9.78%) of the total cost, the latter being the last year of the period lower by 21.04% compared with that for 2007.

Table 2 Structure of crop production cost of the specific classes of economic size (%)

Specific crop Costs	Seeds and plants	Fertilizers	Crop protection	Other specific crop Costs	Seeds and plants	Fertilizers	Crop protection	Other specific crop Costs
Year	Economic size class 2000 <8 000 EUR				Economic size class 8000 - <25 000 EUR			
2007	40.31%	27.38%	17.38%	14.92%	45.36%	26.25%	17.12%	11.27%
2008	39.00%	32.25%	17.54%	11.20%	39.32%	31.78%	19.14%	9.75%
2009	36.17%	33.06%	19.97%	10.80%	37.69%	33.76%	17.97%	10.59%
2010	34.92%	34.52%	18.69%	11.87%	36.20%	33.58%	18.77%	11.46%
2011	32.96%	36.07%	17.82%	13.15%	35.03%	34.94%	19.35%	10.68%
2012	33.50%	33.99%	21.12%	11.39%	34.04%	34.88%	20.28%	10.80%
2013	30.78%	33.78%	26.13%	9.31%	32.73%	34.20%	23.27%	9.80%
2014	30.89%	34.25%	22.63%	12.23%	33.33%	35.72%	19.60%	11.35%
2015	33.44%	38.15%	20.72%	7.69%	35.24%	36.52%	21.61%	6.63%
Year	Economic size class 25 000 - <50 000 EUR				Economic size class 50 000 - <100 000 EUR			
2007	39.54%	28.65%	21.26%	10.55%	31.47%	37.63%	14.78%	16.13%
2008	44.13%	30.67%	18.66%	6.54%	40.39%	28.08%	21.89%	9.65%
2009	36.84%	36.66%	19.84%	6.66%	37.08%	35.93%	20.04%	6.96%
2010	34.93%	38.05%	18.70%	8.31%	35.48%	37.71%	20.07%	6.74%
2011	34.18%	37.76%	20.00%	8.06%	33.95%	39.47%	20.10%	6.47%
2012	36.22%	36.58%	19.20%	7.99%	37.25%	38.05%	18.85%	5.86%
2013	34.00%	36.14%	21.10%	8.77%	34.69%	38.33%	20.76%	6.21%
2014	33.71%	37.28%	20.95%	8.07%	33.79%	38.09%	21.84%	6.28%
2015	35.60%	38.28%	21.35%	4.77%	33.68%	39.71%	22.57%	4.04%
Year	Economic size class 100 000 - <500 000 EUR				Economic size class ≥ 500 000 EUR			
2007	34.37%	30.16%	18.36%	17.11%	28.37%	28.96%	19.02%	23.64%
2008	33.22%	36.26%	20.57%	9.95%	30.84%	35.99%	21.17%	12.00%
2009	36.25%	36.91%	19.19%	7.65%	27.16%	38.80%	23.50%	10.54%
2010	33.95%	38.44%	21.95%	5.66%	25.71%	34.79%	21.18%	18.33%
2011	32.95%	40.20%	21.84%	5.02%	28.72%	39.52%	23.83%	7.93%
2012	34.65%	39.72%	21.23%	4.40%	32.29%	41.02%	21.73%	4.95%
2013	32.54%	39.67%	23.09%	4.70%	29.30%	44.16%	23.45%	3.09%
2014	33.57%	38.84%	22.81%	4.78%	28.76%	40.97%	25.30%	4.97%
2015	32.76%	42.36%	22.54%	2.34%	30.18%	39.69%	27.53%	2.60%

Source: own calculations based on data RICA

Analysis on the structure of the agricultural production cost of the specific animal (feed herbivores and granivorous, other specific livestock costs) economic size class in Romania, during 2007-2015, Table 3, revealed the following:

➤ Economic size class 2000 - <8000 euros: Feed for grazing livestock were 43.8 to 77.2% (mean 65.2%) of the specific cost of the total weight of 2015 is 26.6% higher than that for the first year; feed for pigs and poultry held from 13.5 to 25.8% (average 18.5%) of the total, and last year the proportion was lower by 8.8% compared to 2007; category other specific costs weighed oscillating between 9.2 to 30.5% (average 16.3%) of the total, in 2015 it was lower by 17.9% compared to the first year.

➤ Economic size class 8000 - <25 000 euros: Feed for grazing livestock held a weight of 15.6 to 85.3% (average 71.6%) of the total cost, the last year of this period exceeded 66% that of

2007; feed for pigs and poultry, they represented a weight of 7.9 to 32.1% (mean 13.5%) of the total, reduced by 22.2% compared to the 2015 at the beginning of the period; category other specific costs represented 6.6 to 52.3% (average 14.9%) of the total holding period last year of a lower rate of 43.7% compared to the corresponding 2007.

➤ Economic size class 25 000 - <50 000: the share of feed for herbivores in the total specific cost varied between 8.7 to 87.4% (mean 71.4%), exceeding 2015 to almost 74% in the 2007; feed for pigs and poultry, held between 6.3 to 65.7% (average 16.8%) of the total with a lower rate of 56.6% last year compared to 2007; specific weight category of costs represented oscillations between 5.2 to 25.6% (mean 11.8%) of the total cost being reduced by 17.2% in 2015 to that of the first year of the review.

➤ Economic size class 50 000 - <100 000: Feed for grazing livestock were from 9.1 to 89.1% (average 74.2%) of the total cost, and in the last year of the period exceeded 79.5% the proportion taken in 2007; feed for pigs and poultry have ranged from 3.6 to 60.9% (mean 74.2%) of the total, reduced by 56.7% in 2015 compared to the first year of the period; category other specific costs held a proportion of 4.4 to 29.9% (average 12.7%) of the total, the latter being lower than last year considered over 2007 by 22.7%.

➤ Economic size class 100 000 - <500 000 euro: Feed for grazing livestock, represented a share of 13.7 to 83.2% (average 52.6%) of the total, in 2015 it exceeded 63.7% on the corresponding 2007; feed for pigs and poultry were 9.1 to 89.1% (average 28.6%) of the total cost, the proportion is lower by 23% in 2007; category other specific costs showed a variation between 4.8 to 48.2% (average 18.8%) of the total proportion of participation was lower by 40.7% in 2015 compared to 2007.

➤ Economic size class > = 500 000: Feed for grazing livestock share of the total cost was 4.4 to 12.9% (average 8.2%), exceeding by 1.8% last year in the corresponding period of 2007; feed for pigs and poultry held between 56.6 to 84.7% (average 72.4%), the proportion in 2015 is higher by 11.2% compared to the first year of analysis; other specific cost category was represented between 5.9 to 38.7% (average 19.4%) of the total weight is lower in the last year of the period by 13% compared to 2007.

Table 3 Composition of the production cost of specific size classes of economic animals (%)

Specific livestock Costs	Feed for grazing livestock	Feed for pigs & poultry	Other specific livestock Costs	Feed for grazing livestock	Feed for pigs & poultry	Other specific livestock Costs
Year	Economic size class 2000 <8 000 EUR			Economic size class 8000 - <25 000 EUR		
2007	43.8%	25.8%	30.5%	15.6%	32.1%	52.3%
2008	59.2%	25.8%	15.0%	74.8%	15.3%	9.9%
2009	61.7%	21.0%	17.3%	75.1%	12.2%	12.6%
2010	67.0%	14.3%	18.7%	75.3%	10.6%	14.1%
2011	65.7%	13.6%	20.6%	75.0%	9.8%	15.2%
2012	69.5%	19.4%	11.1%	80.0%	12.4%	7.6%
2013	72.8%	15.9%	11.3%	81.8%	11.7%	6.6%
2014	77.2%	13.5%	9.2%	85.3%	7.9%	6.8%
2015	70.4%	17.0%	12.6%	81.6%	9.9%	8.6%
Year	Economic size class 25 000 - <50 000 EUR			Economic size class 50 000 - <100 000 EUR		
2007	8.7%	65.7%	25.6%	9.1%	60.9%	29.9%
2008	54.1%	29.4%	16.5%	81.6%	3.6%	14.8%
2009	78.7%	7.9%	13.4%	78.8%	6.3%	14.8%
2010	81.8%	6.4%	11.9%	71.7%	10.5%	17.8%
2011	80.5%	6.3%	13.2%	78.0%	8.5%	13.5%

Specific livestock Costs	Feed for grazing livestock	Feed for pigs & poultry	Other specific livestock Costs	Feed for grazing livestock	Feed for pigs & poultry	Other specific livestock Costs
2012	82.9%	11.4%	5.8%	87.3%	7.0%	5.7%
2013	87.4%	7.5%	5.2%	89.1%	6.5%	4.4%
2014	86.3%	7.4%	6.3%	83.3%	10.9%	5.9%
2015	82.4%	9.1%	8.4%	88.6%	4.2%	7.2%
Year	Economic size class 100 000 - <500 000 EUR			Economic size class > = 500 000 EUR		
2007	13.7%	38.1%	48.2%	9.4%	70.4%	20.2%
2008	22.1%	56.6%	21.3%	5.3%	68.8%	25.8%
2009	48.1%	26.2%	25.7%	4.8%	56.6%	38.7%
2010	48.3%	27.7%	24.0%	4.4%	61.9%	33.8%
2011	43.2%	31.2%	25.6%	6.7%	64.8%	28.5%
2012	63.6%	29.4%	7.0%	9.4%	84.7%	5.9%
2013	73.5%	21.7%	4.8%	12.9%	81.0%	6.1%
2014	83.2%	11.4%	5.4%	9.3%	82.0%	8.6%
2015	77.4%	15.1%	7.5%	11.2%	81.6%	7.2%

Source: own calculations based on data RICA

Summary analysis economic indicators relating to the net profit margin (net income related to the value of agricultural production) rate and income (net income reported at cost) the economic size classes in Romanian agriculture during 2007-2015 revealed the following (table 4):

➤ Economic size class 2000 - <8000 EUR: net profit margin has variations in the 31.5 to 45.7% (mean 39%), being reduced by 3.9% in 2015 to the first year; income without subsidy rate ranged from 29.7 to 49.1% (average 41%), surpassing last year by 6.2% over the analysis for 2007; income subsidy rate ranged from 43.5 to 68.1 with% (average 55.7%), making 23% less than in the first year of the period.

➤ Economic size class 8000 - <25 000 EUR: net profit margin ranged from 12.4 to 57.1% (average 44.9%) was higher in the last year of the period by 28.2% compared with 2007; rate income without subsidies introduced limits between 4.5 to 70.2% (average 53.7%), and in 2015 exceeded 43.3% in the first year; income rate subsidies had variations between 12.1 to 93.1% (average 72.3%) is higher than 50% last year compared to 2007 found.

➤ Economic size class 25 000 - <50 000 EUR: the net profit margin were noted between the range 19.4 to 55.4% (mean 45.2%), exceeding 2015 to 21.7% in the first year one; income without subsidy rate ranged from 1.2 to 63.9% (average 45.2%), being the last year of the period increased by 43.9% compared to 2007; income rate subsidies had variations between 19.9 to 91.7% (average 68.2%) for 2015 to exceed 40.4% in the first year.

➤ Economic size class 50 000 - <100 000 EUR: net profit margin ranged from 11.5 to 58.1% (average 42.9%) is higher in the last year period by 24.6% compared to the corresponding 2007; rate income without subsidies introduced limits between 11.3 to 55.3% (average 31.1%), reaching in 2015 19.3% higher than in the first year; income subsidy rate ranged from 10.3 to 85.2 with% (average 59.2%), exceeding last year by 37.5% on the analyzed 2007.

➤ Economic size class 100 000 - <500 000 EUR: net profit margin ranged from 19.4 to 60.3% (average 42.1%), being 14% higher in 2015 than in the first year; income without subsidy rate recorded oscillations -6.6 to 23.4% (average 12.6%), exceeding the year analyzed by 9.2% over that of 2007; income subsidy rate ranged from 22.6 to 43.8 with% (average 34.6), exceeding 2015 by 6.4% compared to the first year;

➤ Economic size class > = 500 000 EUR: net profit margin ranged between 10.1 - 63.8% (average 33.2%), being the year 2015, 13.3% higher than in the first year; income without subsidy rate recorded variations between 14.5% -124.3% (average 28%), exceeding last year by 21.6% on

the period for 2007; subsidies income rate was between 8.7% -143.7% (average 48.2%) is 21.6% higher in 2015 that achieved in the early period.

Table 4 Net profit margin rate income rate income without subsidies, economic size class (%)

Economic size class	2000 - <8 000 EUR			8000 - <25 000 EUR			25 000 - <50 000 EUR		
Year	Net profit margin	Income rate	Rate of income without subsidies	Net profit margin	Income rate	Rate of income without subsidies	Net profit margin	Income rate	Rate of income without subsidies
2007	35.4	45.8	29.7	40.6	45.8	-4.5	19.4	19.9	1.2
2008	39.9	55.8	40.1	51.2	55.8	53.6	47.9	73.2	50.6
2009	37.9	53.2	38.7	54.1	53.2	56.2	42.8	59.5	36.6
2010	37.0	52.2	39.6	52.6	52.2	57.0	43.7	60.9	38.0
2011	39.6	57.6	44.1	51.6	57.6	66.0	49.6	76.6	52.7
2012	43.1	63.4	45.4	48.4	63.4	65.3	55.4	91.7	63.9
2013	45.7	68.1	47.1	47.3	68.1	70.2	55.1	89.4	60.5
2014	41.3	62.2	49.1	45.8	62.2	67.7	51.7	82.6	58.2
2015	31.5	43.5	35.8	12.4	43.5	52.3	41.1	60.3	45.1
Economic size class	50 000 - <100 000 EUR			100 000 - <500 000 EUR			> = 500 000 EUR		
2007	11.5	10.3	-11.3	21.1	22.6	-6.6	15.1	13.4	-11.7
2008	31.6	34.7	10.8	19.4	20.2	-5.4	63.8	143.7	124.3
2009	58.1	72.3	22.5	28.1	27.3	1.8	10.1	8.7	-14.5
2010	43.3	57.2	30.9	47.9	38.9	17.9	29.7	37.1	23.9
2011	47.3	67.2	40.7	54.4	41.5	23.1	38.2	50.9	32.4
2012	52.6	78.8	48.5	56.3	43.8	21.1	42.3	55.9	30.6
2013	54.3	85.2	55.3	60.3	45.6	23.4	37.3	47.1	24.6
2014	51.7	79.2	51.6	56.0	42.6	22.4	34.1	42.0	21.1
2015	36.1	47.8	30.6	35.1	29.0	15.8	28.4	35.0	21.6

Source: own calculations based on data RICA

Agricultural holdings that received the least current subsidies (without the investment), on the total period considered, are those of small economic size, respectively 2000-8000 euro, pocketing less than 1500 euro / ha UAA. 25000-50000 EUR Holdings group and more than 500,000 Euro received the highest subsidy, 1832 and 1896 respectively EUR / ha OR (Table 5).

Regarding the structure of subsidies, their share in total grants, can be seen in Table 6 that:

- share of total subsidies is decoupled payments in the majority in all economic size classes, reaching even 83% in 2000-8000 euro class;
- Animal weights exceeding the rate grant grants for culture;
- the share of subsidies is intermediate consumption, average total time of 17% for holding the economic size of up to 50000 Euros, while holding the economic size of over 50,000 Euros is the average total time of 57%.
- Subsidies for crops have the lowest share in total subsidies, reaching in 2014 the highest share of 18%.



Table 5 Current Grants (without the investment) per hectare or economic size classes in Romania, 2007-2015

Euro / ha OR

Year	Economic size class 2000 - <8 000 EUR	Economic size class 8000 - <25 000 EUR	Economic size class 25 000 - <50 000 EUR	Economic size class 50 000 - <100 000 EUR	Economic size class 100 000 - <500 000 EUR	Economic size class > = 500 000 EUR
2007	193.2	388.1	496.9	278.1	236.6	274.4
2008	160.3	165.6	188.9	154.8	159.1	276.5
2009	144.8	150.9	141.2	231.1	135.5	303.9
2010	144.2	168.5	158.9	144.4	141.6	161.4
2011	163.8	183.3	164.7	152.2	152.3	188.4
2012	186.3	214	202.2	182.2	174.7	211.4
2013	230.6	223.1	202.8	183.2	176.1	189.2
2014	142.8	171.8	167.4	165	156.6	172.6
2015	86.2	107.8	109.1	110	102.2	118.1

Source: own calculations based on data RICA

Table 6 Structure economic size classes subsidies in Romania, in the period 2007-2015 (%)

Year	Economic size class (1) 2 000 - <8000 EURO						
	Total subsidies without investment	Total subsidies for crops	Total subsidies for animals	Total subsidies to rural development	Grants for intermediate consumption	decoupled payments	other subsidies
2007	100%	1.9%	51.5%	0.0%	6.1%	25.3%	15.3%
2008	100%	1.2%	17.6%	1.5%	4.7%	38.0%	36.9%
2009	100%	0.2%	12.8%	1.5%	1.1%	48.0%	36.5%
2010	100%	0.0%	6.8%	5.3%	0.2%	54.6%	33.2%
2011	100%	0.1%	4.5%	12.5%	0.1%	60.8%	22.0%
2012	100%	0.1%	1.2%	17.7%	0.3%	63.0%	17.7%
2013	100%	0.0%	0.4%	30.9%	0.0%	59.3%	9.5%
2014	100%	0.2%	10.5%	4.3%	0.0%	83.6%	1.4%
2015	100%	0.3%	10.8%	0.7%	0.0%	82.6%	5.6%
Year	Economic size class (2) 8000 - <25 000 EURO						
	Total subsidies without investment	Total subsidies for crops	Total subsidies for animals	Total subsidies to rural development	Grants for intermediate consumption	decoupled payments	other subsidies
2007	100%	0.3%	24.1%	0.6%	0.3%	72.0%	2.8%
2008	100%	0.1%	16.3%	3.9%	0.2%	77.7%	1.7%
2009	100%	0.0%	6.6%	19.5%	0.1%	61.9%	11.8%
2010	100%	1.2%	8.2%	13.4%	0.6%	55.6%	21.0%
2011	100%	0.0%	16.9%	7.8%	0.7%	54.7%	19.8%
2012	100%	0.1%	17.0%	6.2%	0.6%	47.4%	28.6%
2013	100%	0.5%	16.0%	1.4%	1.2%	46.6%	34.3%
2014	100%	2.3%	21.0%	0.9%	5.6%	36.4%	33.7%
2015	100%	1.4%	74.0%	0.0%	6.3%	12.6%	5.8%
Year	Economic size class (3) 25 000 - <50 000						
	Total subsidies without investment	Total subsidies for crops	Total subsidies for animals	Total subsidies to rural development	Grants for intermediate consumption	decoupled payments	other subsidies
2007	100%	0.0%	19.5%	2.3%	2.6%	72.8%	2.8%
2008	100%	0.2%	12.1%	2.0%	1.8%	81.6%	2.3%
2009	100%	0.1%	10.9%	8.6%	0.5%	68.6%	11.3%

2010	100%	0.3%	13.6%	7.4%	1.3%	59.1%	18.2%
2011	100%	0.1%	13.5%	4.7%	1.7%	61.1%	18.8%
2012	100%	0.1%	15.4%	3.1%	2.6%	50.5%	28.3%
2013	100%	0.2%	11.0%	0.4%	3.3%	52.2%	32.9%
2014	100%	0.8%	26.2%	1.3%	6.9%	32.2%	32.7%
2015	100%	0.3%	76.6%	0.0%	4.8%	9.9%	8.4%
Economic size class 50 000 - <100 000 EURO							
2007	100%	0.0%	15.4%	2.4%	6.5%	71.6%	4.0%
2008	100%	0.6%	6.5%	4.4%	2.8%	83.3%	2.4%
2009	100%	0.0%	7.0%	4.1%	1.1%	76.0%	11.8%
2010	100%	0.0%	7.9%	4.3%	2.0%	65.7%	20.0%
2011	100%	0.1%	4.9%	4.1%	3.3%	66.1%	21.6%
2012	100%	0.3%	6.4%	2.3%	2.0%	55.6%	33.4%
2013	100%	0.3%	2.9%	0.9%	1.9%	75.7%	18.3%
2014	100%	1.7%	8.7%	0.3%	9.9%	39.3%	40.1%
2015	100%	1.5%	46.3%	0.0%	12.4%	18.0%	21.8%
Economic size class 100 000 - <500 000 EURO							
2007	100%	0.4%	3.4%	1.5%	12.2%	77.1%	5.3%
2008	100%	0.7%	2.1%	1.6%	5.4%	87.3%	2.8%
2009	100%	0.2%	2.8%	2.5%	2.2%	79.0%	13.3%
2010	100%	0.4%	2.0%	3.4%	3.8%	68.5%	21.9%
2011	100%	0.1%	1.2%	6.5%	4.8%	66.1%	21.4%
2012	100%	0.5%	1.5%	0.8%	4.3%	56.7%	36.0%
2013	100%	1.4%	2.9%	0.8%	5.9%	51.9%	37.0%
2014	100%	1.9%	14.7%	0.1%	8.6%	38.1%	36.7%
2015	100%	5.6%	23.5%	0.0%	19.7%	20.6%	30.6%
Economic size class >= 500 000 EURO							
2007	100%	0.2%	9.3%	3.9%	13.7%	66.4%	6.5%
2008	100%	0.0%	9.3%	6.2%	4.1%	78.5%	2.0%
2009	100%	0.2%	2.7%	5.6%	2.4%	73.5%	15.6%
2010	100%	0.6%	5.9%	6.9%	4.3%	56.6%	25.7%
2011	100%	0.0%	1.6%	22.5%	4.8%	53.4%	17.7%
2012	100%	4.3%	7.4%	0.2%	4.0%	49.8%	34.3%
2013	100%	11.0%	24.3%	1.0%	3.4%	22.9%	37.3%
2014	100%	18.0%	28.8%	0.0%	5.6%	21.9%	25.7%
2015	100%	3.0%	26.6%	0.0%	21.9%	17.9%	30.6%

Source: own calculations based on data RICA

## CONCLUSIONS

In conclusion, we can say that direct support schemes for farmers practiced within the common agricultural policy, used as mechanisms to support their development by allowing beneficiaries own business plan or a program of short-term development, while assessing the level amounts to receive. Also providing advance payments provide financial capital to carry out specific activities in time fall campaign. Thus, they create opportunities to increase trade flow of material resources of farmers. Allocation of direct subsidies increase the quantities of products for market and stabilize farm income.

These aids are found in a significant weight in the specific costs (inputs) for crops and then the rate of interest on farm level. Moreover, in the analyzed period, it can be seen that the profitability of crops increases almost proportionally with an increase of the amount awarded acreage. We say almost directly proportional to the fact that the rate of return is directly influenced by the yield obtained per hectare of adverse weather conditions, the orientation of the crops with high yields manufacturer or subsidized better than the application of products on the market. The share of subsidies in total income varies from year to year, depending on the final results of the farm and the level of subsidies allocated.

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