THE EFFECTS OF AGRICULTURAL EUROINTEGRATION ON THE AGRICULTURAL PRODUCTION

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SUMMARY

The agricultural sector may contribute significantly to supporting the economic growth, having natural resources and great possibilities for the increase of the productivity. The future changes in the agricultural productivity in the European countries will be determined by the same factors as for the other sectors of the economy, such as the access to capital and technology and the improvement of the management and restructuring in the agriculture. The economic comparative method was used to compare macroeconomic indices of EU-15 countries and of new member countries. According to these facts, some conclusions were displayed, conclusions regarding their position in the agricultural sector of European Union. There were used data published by European Commission and reports on development of the new Member States.

The implementation of the CAP in the NMS will lead to a moderate growth in agricultural production. This will be manifested through an expansion of the individual sectors (in particular poultry, oilseeds and possibly cereals), and coincide with a modernisation and intensification of farm management practices. The combined cereal and oilseed area which is expanding will probably replace some current crops. It may, however, also absorb a part of the presently abandoned arable land as well as areas of fertile soil that have been converted into grass because of the low arable prices. It could even lead to the ploughing up of some permanent grasslands of high nature conservation value. Low input livestock systems, responsible for creating and maintaining these species-rich grassland habitats, will not benefit sufficiently from the first pillar proposals and will not be able to expand from their present low production levels.

The ongoing restructuring process suggests however that it will be gradually exploited and fully used only in the longer term. Agricultural production in the New Member States will increase slightly over the medium term due to the higher prices of production which are also significantly stable, and to the increasingly favourable perspectives on the Single Market, and the rural development measures. Reorganization will depend on new investments. Foreign direct investments are the key element of reorganization. The production in most of the new Member States does not rise up to the EU-15 standards and this may be a barrier for the NMS markets and will undermine their competitiveness.