

CRITERIA FOR THE CLASSIFICATION OF THE AGRICULTURAL HOLDINGS

Glogovetan Oana Eleonora, B. Samochis, Ioana Georgeta Dsnils, C. Crisan
University "Bogdan Voda", Faculty of Economics Sciences, Cluj-Napoca, Romania
email: cornel_crisan25@yahoo.com

Abstract. *Farms can be classified by various criteria (political ideology, size, profile, relationship property, labor etc.). Farm Typology existing literature of our country is treated very superficially, as a number of uncertainties still surrounding the concept itself and the discussions that are ongoing in the context of land reform yet. Most of the literature is limited to inventory and describe the types of farms that occur as a result of the legislative and administrative decisions to be adopted.*

Keywords: classification, agricultural holdings.

INTRODUCTION

CRITERIAS FOR CLASSIFICATION OF THE AGRICULTURAL HOLDINGS. Below we list a number of criteria for classification of agricultural holdings in general. Literature addresses the classification of farms using several criteria:

In terms of political ideologies and economic doctrines that were the basis for farm development. These types of holdings arose and were shaped over time in rural areas in different countries and political systems, according to political ideologies and economic doctrines that were the basis for their development, are as follows (Oțiman, 1997): private family-farms; mixed-farm lease; associative-type farms (family associations); type-farm agricultural society; farm-type company; cooperative farms (kibitzer); state-farm (farm type model); state-farms (type sovhoz, GOST); state-collective farms (kolkhoz type, PAC); institutes and agricultural research stations.

In terms of size. Farm size is the most widely used classification criterion used in statistics, but there are some problems with the terms of reference: agricultural land, labor, economic dimension of activity, each benefits and disadvantages.

In terms of employment (Ciani, 1992): small-holdings (holdings do not exceed the activity can be performed by a single family); large farms (farms whose work requires resources and employment outside the family). As a family has different sizes in the EU and Accounting Agricultural Information Network (RICA), used as a criterion called conventional unit work unit (WU). Thus there are: farms with less than 2 WU.; 2-5 W.U.-farms; farms with more than 5 U.M.. Taking into account the European Union, annual work unit - AWU (Annual Work Unit - AWU) is equivalent to a full-time employment. One LU corresponds to activity by a person employed full time in agriculture at a farm over a period of 12 months. Working time in a year is 1,800 hours, ie 225 days with a program of work for 8 hours per day. There are exceptions, where the different EU Member States, provisions governing contracts for specific work. According to EU employment at farm level are classified according to the LU in the following manner (Agricultural Statistics, 2009): farms with less than 0.5 AWU; farms with 0.5 - <1 AWU; farms with 1 - <2 AWU; farms with 2 - <3 AWU; farms with more than 3 AWU.

In terms of agricultural area in EU be taken into account the agricultural area (UAA) or the total agricultural area (TAA). RICA farms classified in terms of UAA in: farms that use an area of up to 5 ha; farms that use surface between 5-10 ha; farm using a surface between 10 to 20 hectares; farms that use surface between 20-50 hectares; farms that use a larger area of 50 ha. From a statistical viewpoint, in Romania, farms are divided according to the agricultural area used by size class as follows: less than 0.1 hectares; between 0.1 to 0.3 ha; between 0.3-0.5 ha; between 0.5 to 1 ha; between 1-2 ha; between 2-5 ha; between 5-10 ha; between 10 to 20 hectares; between 20 to 30 hectares; between 30-50 hectares; between 50-100 ha; more than 100 hectares.

Romania to the European Union, farms are divided according to the agricultural area used by size class as follows: less than 5 hectares; between 5-20 ha; between 20-50 hectares; between 50-100 ha; ver 100 hectares. Although these classifications are based on the same statistical basis, more detailed division for Romania is the fact that in our country the number of small farms and the average is very high compared to the number of holdings of the same size in the European Union. Since the relevance of these categories is affected by the report that can occur in each area between the workforce and in terms of intensity of the production process tends to sharing them: small-to-farm area to 10 hectares; farm-to-medium size from 10-50 ha; large farm-to-surface over 50 ha.

In terms of economic size: is a criterion used because the small areas can obtain higher yields and vice versa. In assessing the value of economic size indicators are used. In this respect, the U.E. because it takes into account the predominance of family farms is taken as a specific indicator of their basic standard gross margin, calculated as the difference between value of output produced and direct costs (variable costs) (Statistical yearbook, 2008). The specific indicator used U.E. European dimension is the unit (ESU). The specific indicator used is ESU Romania - economic size unit. 1ESU (ESU) = standard gross margin of 1,000 ECU - before 1985; 1ESU (ESU) = standard gross margin amounting to ECU 1100 - after 1985; 1ESU (ESU) = standard gross margin worth EURO 1200 - present.

European Commission - Eurostat, is a classification of farms by value of standard gross margin expressed in ESU (ESU) as follows (Agricultural statistics, 2007; European Communities, 2009): between 1 - <8 ESU; between 8 - <16 ESU; 16 - <40 ESU; 40 - <100 ESU; more than 100 ESU.

In Romania, according to MARD, farms are subdivided into: subsistence farms, which have an economic dimension less than 2 ESU; semi-subsistence farms, which have an economic size between 2-8 ESU; farms that have an economic dimension greater than 8 ESU.

In terms of production structure (after the company profile). Specialized farms (field crops, plantations, etc.). Whose production structure is composed exclusively or predominantly in a particular industry; non-specialized farms, whose production structure contains simultaneously two or more branches of production in considerable proportions; Given the importance of this classification to characterize the farms in the EU, Manufacturing industries are grouped into categories, classes, with coefficients of equivalence. Thus referring to "categories" outlined the following profiles of farms: field-crops; plantation; livestock and forage crops; non-breeding ground. Such classification detail is practiced in the EU and is given in the following table:

Table 1

Profile classification of farms in EU

Specification	Specialized agricultural holdings	Non-specialized agricultural holdings (mixed)
Cereals, grains, oilseeds and protein crops	cereals, oilseeds and protein crops, other crops of rice; crops rice	-rice cereal and mixed cultures
Other crops	-root crops; -vegetable; -various crops: tobacco, cotton.	-cereals and root crops mixed; -mixed-culture of tobacco and cotton.
Horticulture	-vegetables; -flowers and plants-standing - mushroom.	- culture-mixed vegetables in the open (field) and emissions; - mixed-culture of flowers and ornamental plants in the open (field) and emissions;
Viticulture	-wine-grape vineyards; -vines for table grape production.	-Grape-vines for the production of mixed variety
Orchards	-fruit and citrus; -fresh fruit except citrus; - nuts; - olive-groves.	- mixed nuts and fresh fruit other than citrus; - mixed-citrus groves and fresh fruit.
Cattle	- milk production; -milk production and cattle; -cattle-breeding and fattening.	- milk production and growth, fattening cattle that;
Sheep and goats	-sheep growth; - goat rearing.	- sheep and cattle growth; - sheep and goats growth.
Pigs and poultry	-pig growth; -fattening pigs; - meat, poultry growth; - for eggs,	- poultry-breeding and fattening pigs; -growth of pigs and poultry.
Bee-bee	- bee-bee.	
-	-	-field crops and livestock;
-	-	-field crops and plantations; -field crops and horticulture.

Source: European commission, http://europa.eu.int/comm/agriculture/rica/detailf_en.efm.

All European Union, is a classification of farms according to their specialization in terms of agricultural activity as follows: farms specialized in field crops; farms specialized in horticulture; permanent farm crops specialist; farms specialized in cereal crops; farms specialized in mixed cultures; farms specialized in animal husbandry (mixed); farms specialized in animal husbandry and land cultivation.

In terms of ownership enterprise workforce report: farm-simple forms; the mixed-forms in which the point of view of property does not fit into the simple. Farm simple forms are: more than two thirds of the area belongs to their owners; more than two thirds of the area is operated under a lease; more than two thirds of the area are working in part; more than two thirds of the area is managed in other forms. Mixed forms using less than two thirds of the surface in a certain way - rent, in part etc. In terms of ratio-farm labor: farms where the workforce is made up exclusively or mainly of family members; farms where the workforce is comprised mainly of employees.

In terms of level of integration: farm integrated - horizontally; vertical; farms are not integrated: integration with other activities on the farm (Muller, 1997): APT-type farms (Agriculture / Processing / Trading); ACS-type farms (Agriculture / Crafts / Services); AT-type farms (Agriculture / Tourism sheltered farm).

In terms of production destination. For EU countries such classification has no significance, because it is relevant to that area, but to us has a special significance, given that more than half the population belongs to rural areas. There are: commercial

farms (most of the production is for market); subsistence farms (most of the production is for own use).

In terms of gainful activities on agricultural holdings, in addition to agricultural activities themselves are the following activities (Agricultural Statistics, 2009; Eurostat, 2007): holdings receive income from tourism; holdings who earn income and crafts; holdings who earn income and agricultural production processing; holdings who earn income and woodworking; holdings who earn income and aquaculture; holdings who earn income and mutual agreements; holdings who earn income and produce renewable energy.

Table 2

Typology of farmers based on the calculation of net income

No	Farmer type	Balance in terms of net income	Income net
1.	Easily	$VGP - [(VC + Q + It) + (S + Sc + Bf + D)]$	+/- P
2.	Land owner	$VGP - [(VC + Q + It) + (S + Sc + D)]$	Bf +/- P (= Vf)
3.	Owner capital	$VGP - [(VC + Q + It) + (S + Sc + Bf)]$	D+ / - P (= Va)
4.	Owner of land and capital	$VGP - [(VC + Q + It) + (S + Sc)]$	Bf+ D+ / -P
5.	Owner capital management carries	$VGP - [(VC + Q + It) + (S + Bf)]$	D+ SC +/- P
6.	Capital owner who participates in management and production	$VGP - [(VC + Q + It) + (S + Bf)]$	S+D +Sc +/-P
7.	Land owner who participates in management and production	$VGP - [(VC + Q + It) + D]$	S+Sc+ Bf +/-P
8.	Owner to make all inputs and carries	$VGP - (VC + Q + It)$	Bf +S+Sc+D /- (= VN)

Source: Ciani *A Management Accounting e delle imprese in agricoltura*, 1992, p. 112, Ed Etaslibri, Milan
 where: VGP = total income obtained from sale of production; VC = variable costs; Q = rate of maintenance; It = taxes, contributions; S = salary; Sc = administrator salary; Bf = benefit of land; P = superprofit; D = Interest; Vf = land income; Wa = agricultural income; Vn = net income.

Based on classification of enterprises in general, D. Roux, in "Analyse economique et Gestion de l'entreprise", in terms of form of ownership, where farm stands following basic types:

- Agricultural Holdings Private:
 - single: family, professional (individual themselves);
 - corporate businesses: people - company partnership, SNC; capital - limited liability company, limited companies, limited partnership shares; agricultural production-companies; agricultural associations.
- Agricultural Holdings Public (Autonomous), national interest, local interest.
- Agricultural Holdings agricultural cooperative cooperative-work

Italian literature is a classification of farmers working in farms according to the calculation of their net income (Table 2). **European Commission makes a classification of farm manager by age as follows:** farms whose heads do not exceed the age of 35 years; farms whose heads were between 35-54 years; farms whose heads were between 55-64 years; farms whose heads have more than 64 years.

CONCLUSIONS

Share these types of farms across agriculture is very different from country to country. European Union countries are a dominant form of family farm. In our country, due to the fact that "state property" had weight lifted and the privatization of farms in how it is achieved will result in a category of private farms will hold an important place in the individual holdings, representing it in a distinct type of the family, as individual

farm labor employment, called "professional." Most of the literature is limited to inventory and describe the types of farms that occur as a result of the legislative and administrative decisions to be adopted.

The first attempt was the regulation O.U.G. nr.108/2001 on farms, adopted on June 30, 2001. Although this legislation addresses a crucial issue, how the precipitate was adopted, has generated a number of shortcomings contained in its text, which led to adjustments made by two government decisions every six months of adoption (January 17, 2002 and July 11, 2002).

In Article 3 of O.U.G. No 108/2001 sets out the elements that differ in vision legislature farms, namely: the legal nature of their ownership, nature of activities conducted and that the economic size and their size. In terms of size or economic size, the ordinance says that farms can be: business and family, and the following articles shall set out minimum sizes of commercial farms (In cereal crops and medicinal plants technical 110 hectares in the plain area and 50 hectares in hilly area), but state support and will give them.

Beyond the technical and economic issues involved, the angle of view of themes, this classification into "commercial and family" is illogical, because size has nothing to do with business and family categories and two categories belong to forms resulting from different criteria. Minimum sizes specified in the enactment that have nothing in common with reality. A number of scholars have criticized this Ordinance, among them the Academy and P.I. Otiman who presented her as anachronistic, unrealistic, and with serious consequences for the countryside and farmers (Otiman, 2002).

It is anachronistic because U.E. "No longer practice support systems for farmers based on land holdings, excluding allowances which are granted for resting temporary removal from the culture of agricultural land. Is unrealistic because "areas provided can not be achieved through market mechanisms." Besides how to define the farm dimensional criterion "seems rather one copy of the U.S. system, where the average farm size is about 204 hectares, without tailor specific conditions of Romania" (Scholtz, 2002). Is unacceptable because "halt the phenomenon of private farms, family formation following the European model" (Otiman, 2002). For Romania, rural development policies must consider, first, the restoration and conversion of multi-family peasant holdings. If we hold still, in large units we do not simply repeat the experience of 30 years' of cooperatives when "farming with good natural conditions failed to feed its own population" Samochiș, 1997).

REFERENCES

1. Ciani A. (1992). Contabilita e management delle imprese in agricoltura, Ed. Etaslibri, Milano.
2. Muller P. *et al.* (1997). Les entrepreneurs ruraux – Agriculteurs, artisans, commercants elus locaux. Universite de Sciences Sociales de Grenoble, Paris.
3. Otiman P. I. (2002). Agricultura României la cumpăna dintre mileniiile II și III. Ed. Segroprint, Timișoara.
4. Otiman P.I. (1997). Dezvoltarea rurală în România. Ed. Agroprint, Timișoara.
5. Samochiș B. (1997). Opțiuni fundamentale în dezvoltarea reformei agrare din România. Ed. Risoprint, Cluj Napoca.
6. Scholtz B. (2002). Exploatația agricolă comercială mixtă- o posibilitate actuală de relansare a agriculturii românești. Curierul Agricol, nr. 15: 20-21.
7. ***Agricultural Statistics, Main results- 2007, Eurostat, European Communities, 2009.
8. ***Statistical yearbook – Eurostat, 2008.
9. ***http://europa.eu.int/comm/agriculture/rica/detailtf_en.efm.