

## **Degree of Association and Cooperation in Agriculture of Iasi and Vaslui Counties**

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**Abstract.** Concentration of production on farms of optimal size and diversification and specialization of agricultural production are closely related to the development of relations of association and cooperation along the technological production flow of agricultural raw materials, but also to the processing and use of agricultural products. The forms of association are regulated by Law no. 36/1991. The legislative framework presents different forms of association, from the simple, to the establishment of agricultural companies. In Iasi County, in the private sector which is a majority, the largest agricultural areas are owned by private companies, about 47%, the private agricultural associations holding only 9.7%. The agriculture of Vaslui County has an agricultural potential of 401,015 hectares, 355,376 hectares in the private sector (88.6%) and 45,639 hectares in the state sector (11.4%). As a means of organizing agriculture, in the county there are about 300 commercial farms, producing for the market and having different organizational forms, such as companies, agricultural companies, associations and individual freelancers. The area worked in farms (as a form of organization) such as: companies, agricultural companies, associations and authorized individual companies. Compared with 2009, in 2010 the associative forms in the private sector grew with 1612 ha. In 2009, the largest share of farmland is occupied by arable land (81% of total), followed by pasture (13%), vineyards, orchards and meadows.

**Keywords:** association, cooperation, agriculture, Iasi, Vaslui, diagnostic analysis

### **MATERIALS AND METHODS**

The information source that was the basis for this study is statistical data from the Agricultural Departments of Iasi and Vaslui counties and also some data collected directly from various agricultural units in the area.

The data processing was performed by specific diagnostic analysis methods resulting in a series of indicators and indexes that allowed assessment of development and tendency of degree of association and cooperation specific to agricultural production.

### **RESULTS AND DISCUSSION**

The association and cooperation relations are diversified by the variety of links that are established between agriculture and other sectors of national economy and within agriculture, among the economic producers of agricultural production means (seeds and planting material, livestock production etc.) and storage facilities, processing and sale of agricultural products (Brezuleanu, 2004).

The concentration of production on farms of optimal size and diversification and specialization of agricultural production are closely related to the development of relations of

association and cooperation along the technological production flow of agricultural raw materials, but also on the processing and use of agricultural products (Ciurea *et al.*, 2005).

Due to excessive parcelling of private property and agricultural land, the high enough agricultural potential of the counties cannot be capitalized at a level that reflects the true possibilities. Regarding ownership, the total area under private ownership is over 90% of the total agricultural land, significant being the difference between arable land owned by private producers (89%) and poor technical equipment, compared with the surface owned by agricultural companies that have appropriate agricultural park.

In Iasi County, in the majority private sector, the largest agricultural areas are owned by private companies, about 47%, the private agricultural associations holding only 9.7% (Fig. 1).

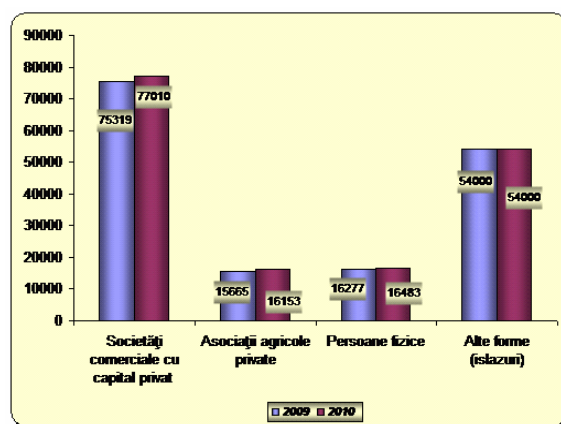


Fig 1. Situation of private associations operating land in Iasi County

In the majority state sector, the number of associations working the land stayed the same in 2010 compared with the previous year, but the cultivated area has decreased by 74 ha. A greater decrease can be observed in areas cultivated with vines and pasture (Fig 2).

The total area cultivated by companies in 2009 was 12,238 hectares, in 2010 reaching 12,020 ha with a decrease of 218 ha, mainly reflected in the absence of Agroind Holboca Company.

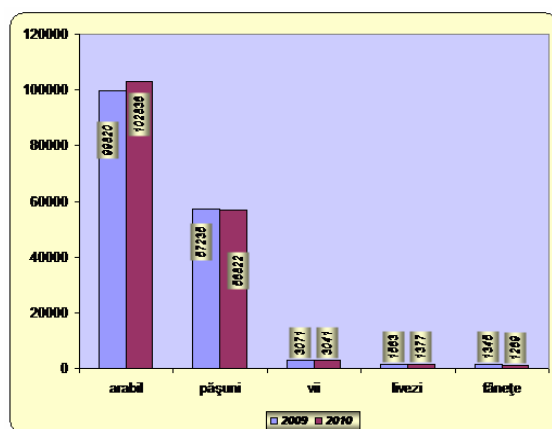


Fig. 2 Land working, on categories of use by associative forms in Iasi County, 2009-2010

In 2009, the largest acreage was owned by Agrocom Strunga company, with a total of 3249 hectares, followed by Cotnari SA 2533 ha and Agricola Târgu Frumos with 1698 ha (Tab. 1).

Tab. 1

Structure of cultures in companies - June 2010

Nr crt.	Name of farm	Agricultural area -ha-	Of which:				
			arable	vines	orchards	grassland	meadow
1	VINI-COM COPOU	30	-	30	-	-	-
2	VINIFRUCT COPOU	990	938	-	52	-	-
3	AGROIND BUCIUM	192	107	64	-	21	-
4	PODGORIA COPOU	350	137	41	69	46	57
5	AGRICOLA TG.FRUMOS	1698	1449	-	-	209	40
6	AGRAL MIXT SA	1350	1215	-	-	122	13
7	COTNARI S.A.	2533	639	1801	-	27	66
8	AGROIND SERV. HOLBOCA	546	546	-	-	-	-
9	AGROFRUCT PLUGARI	753	475		153	95	30
10	AGROMIXT	547	217	25	24	254	27
11	AGROCOM STRUNGA	3249	2689	2	325	151	82
12	AGROIND HOLBOCA	180	180	-	-	-	-
TOTAL		12238	8412	1963	623	925	315

In 2010, the hierarchy of the four companies maintains, with small changes in the areas held by each company. In terms of categories of use, most areas are arable (68% of the total in 2009 and about 70% of the total in 2010), followed by vineyards, pastures, orchards and meadows (Fig. 3).

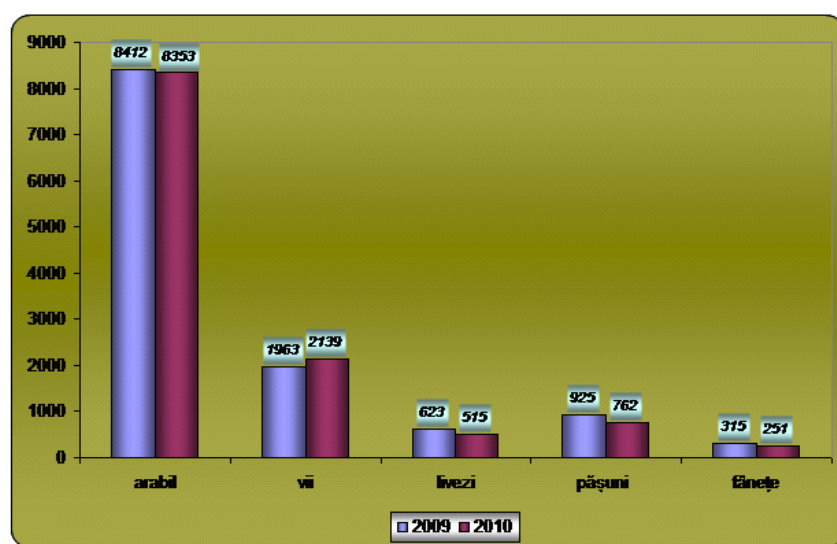


Fig. 3. Evolution of cultivated land of former state farms, by categories of use, 2009-2010

As regards the private agricultural associations, they were 27 in 2009 and declined to 25 in 2010 and the total area cultivated by these companies knew some decline in 2010 from 15,665 ha in 2009 to 15534 ha.

The largest areas are owned by Moldova Țigănași, Ipatele and Bivolari 1 companies, both in 2009 and in 2010. Most of the area is arable land.

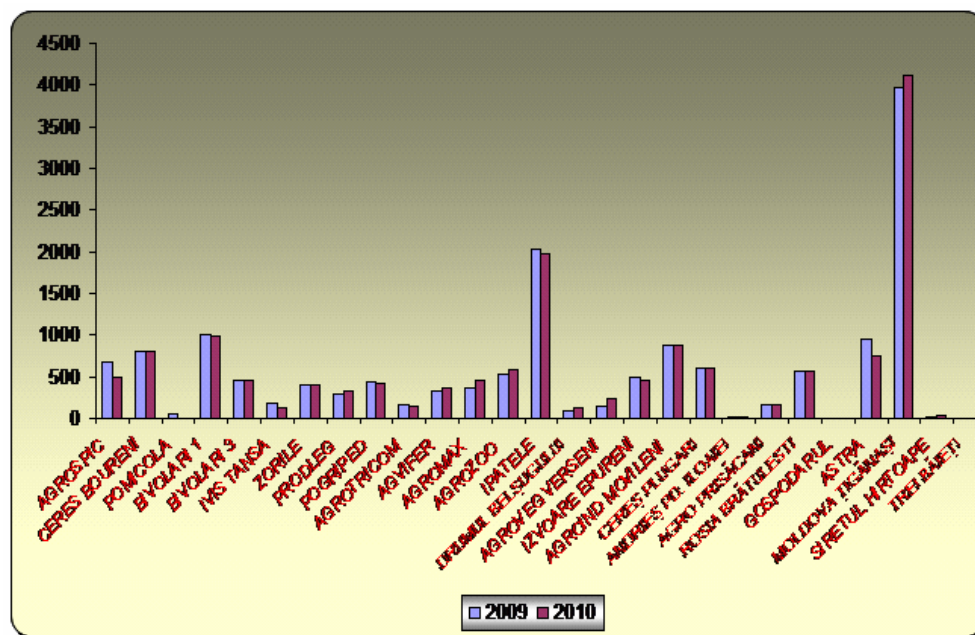


Fig. 4. Evolution of farmland owned by private agricultural associations between 2009 and 2010 (ha)

The agriculture of Vaslui County has an agricultural potential of 401,015 hectares, of which 355,376 hectares in the private sector (88.6%) and 45,639 hectares in the state sector (11.4%). As for the structure of land on categories of use, of the area of 401,015 hectares of agricultural land, 291,574 hectares is occupied by arable land, 95,586 hectares of pastures and meadows, 11,493 hectares with vineyards and 2.362 hectares by orchards.

The share of crops is represented by the grain cereals, occupying 54.4% of arable land, followed by oleaginous plants – 19.1%, fodder plants - 11.3% and 5.9% vegetables, potatoes and other crops.

As type of organizing agriculture in the county there are about 300 commercial farms, producing for the market and having different organizational forms, such as companies, agricultural companies, associations and individual freelancers. The area worked by the farms (as a form of organization) of the type: companies, agricultural companies, associations and individuals authorized individual companies (Brezuleanu S., 2008).

Compared with 2009, in 2010 the associative forms in the majority private sector grew to 1612 ha. In 2009, the largest share of farmland is occupied by arable land (81% of total), followed by pasture (13%), vineyards, orchards and meadows (Tab. 2).

Tab. 2

Situation of associative forms in Vaslui County working the land on 15<sup>th</sup> June, 2010

Nr. crt.	Specification	Agricultural area -ha-	Of which:				
			arable	vines	orchards	grassland	meadow
I.	Majority private sector	356988	287991	11087	1696	47307	8907
	- Companies with private capital (L.31/90)	5732	5132	121	29	450	0
	- Private agricultural associations (L.36/91)	2385	2213	13	11	118	30
	- Freelancers (I.I., I.F., P.F.A., P.F., A.F.)	348871	280646	10953	1656	46739	8877
II.	Majority state-owned sector	45622	3628	488	689	40230	587
TOTAL COUNTY		402610	291619	11575	2385	87537	9494

Of the majority private sector, the largest agricultural land are owned by individuals, about 98%, the private companies owning only 1.6%.

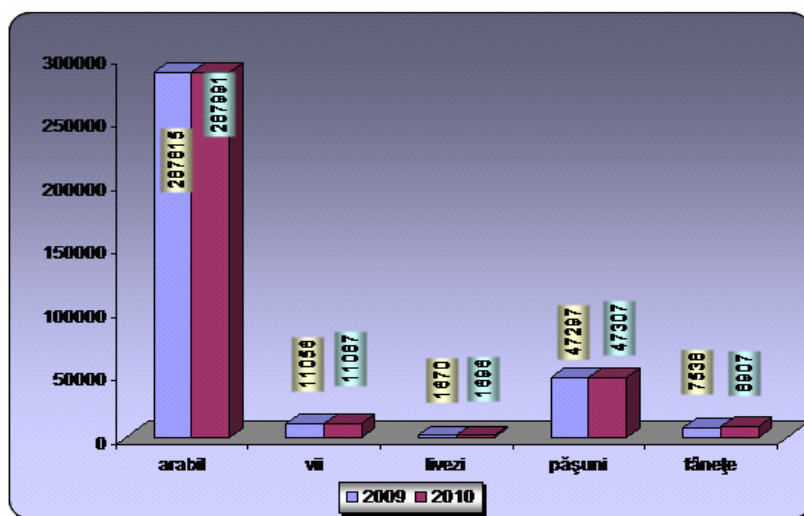


Fig.5. Evolution of farmland, by categories of use in private associative forms in 2009-2010

In the majority state sector, the total agricultural area slightly decreased, by 17 ha. In the majority state sector the largest share is held by pastures (88% in 2009 and 2010 respectively), followed by arable areas (8% in 2009 and 2010).

## CONCLUSIONS

In Iasi and Vaslui counties, the process of restitution of agricultural land to private ownership began in 1991 and continued in successive stages so that by 2009, it has been returned over 96% of the total agricultural land owned by state farms.

Compared with 2009, in 2010 the associative forms from the majority private sector in Iasi County experienced a decrease in number from 584 to 563, however, the agricultural land increased by 2311 ha. In 2009, the largest share of farmland is occupied by arable land (61% of total), followed by pasture (35%), vineyards, orchards and meadows.

In the majority private sector, the largest agricultural areas are owned by companies with private capital, about 47%, the private agricultural associations holding only 9.7%.

The selection of the association form by the landowners for business is determined by the low individual possibilities of capitalization of their own family farm, which does not facilitate to provide all the means necessary to carry out its activities. By association, especially if some associations have material resources, it can act for neutralizing the undesirable effects of lack of capital.

The difficulties the small farmers have to face in Iasi and Vaslui counties that justify the need for association are determined by difficult cooperation with service units, especially when the land is reduced, and the lack or poor development of marketing structures. Since the market economy creates tough competition, farmers association and cooperation is a measure to improve competitiveness of farmers organized in cooperatives or partners.

Typically, the farmers also associate and cooperate to sell products produced on the farm at better prices or to buy materials, agricultural machinery and equipment at affordable prices.

Individual farmers with small areas are in an unfavourable position on the agricultural market, because the productions are small and lack the sufficient information to meet market requirements. Small farmers cannot influence the supply and demand in conditions of a saturated market dominated by competitive producers.

Association and cooperation orientates the agricultural market, protects competition and affects prices of agricultural products and services, which small isolated farmers cannot do.

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