




Agriculture business opportunity in Romania

20 October 2011, Gent

 Romania
(facts and figures)

- Romania's total area is 23.8 million ha of which the Utilisable Agricultural Area (UAA) = 14.8 million ha or 62.1% of the total.
- The EU-15 average is 40.6% and the EU-27 average 44%.
- Forestry accounts for 28.5% of Romania's surface
- Arable land represents 63.4%
- Agriculture in Romania is economically more important (contribution to the GDP) than in any other country of EU.

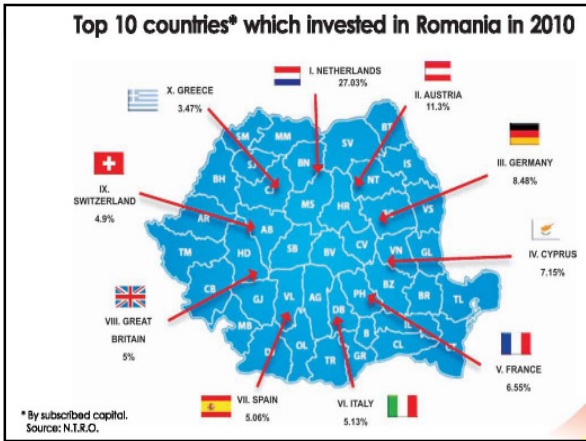


Foreign investments in Romanian agriculture

- Romania's agriculture used to be one of the country's engine before the fall of communism. In 2010, the agriculture was one of the few areas where Romania's GDP recorded growth
- The area of cultivated agriculture land in Romania is of around 9.4 million hectares and foreign investors own over 500,000 hectares, according to media estimations

Foreign investments in Romanian agriculture

- Italians and Danish are among the most active foreign buyers of Romanian agriculture land. Italians own over 300,000 hectares of agriculture land.
- Danish hold over 130,000 hectares of land in total, according to Romania media reports. Danish investors include FirstFarms and Ingleby
- Dutch investors in Romanian agriculture include Coremans Zootehnia in Arad, Dutch Dairy Farm in Giurgiu, etc.
- French also invested in Romanian agriculture – Arnaud Perrein is one of the biggest investors in agriculture in Ialomita county



- ### Investment advantages
- n large (and not expensive) arable surface available
 - n potential (including climatic conditions) for performing all kind of agriculture activities
 - n low cost and high qualified labor force
 - n access to development programs through investments with external financing (mainly Europeans)
 - n one shop stop for setting up companies according to the local rules
 - n possibilities for legal entities to buy land: need to set up a company according to the Romanian laws; not possible for physical persons to buy yet

- ### Financial support
- n Direct payments: 183 €/hectare in 2016
 - n CNDP for animal sector: sheep and goats about 10€/head; bovine – 130 €/head;
 - n State aids for: animal welfare, diesel, etc.

The most important program for supporting agricultural investments is:

**National Rural Development Programme
2007-2013**

National Rural Development Programme

2007 - 2013

Financial allocation is 10,097 Million Euro,
from which:

European Agricultural Fund for Rural
Development (EAFRD): **8,124 Million Euro**

National contribution: **1,972 Million Euro**

Type of priority investments

Accessible and applicable measures for Romania
agriculture aiming at:

- n raising the economic dynamism of rural area,
- n preserving and improving the environment,
- n increase the social dynamism and the quality of life in rural area.

Agricultural branches / investments finance

- modernization
- agro-food processing industry
- basic infrastructure (road, water, etc.)
- in agricultural and forestry infrastructure
- development of SME
- tourist activities

Investment opportunity

Axis 1

"Increasing the competitiveness of the agri-food and
forestry sectors"

The measures foreseen by the first priority will have as result:

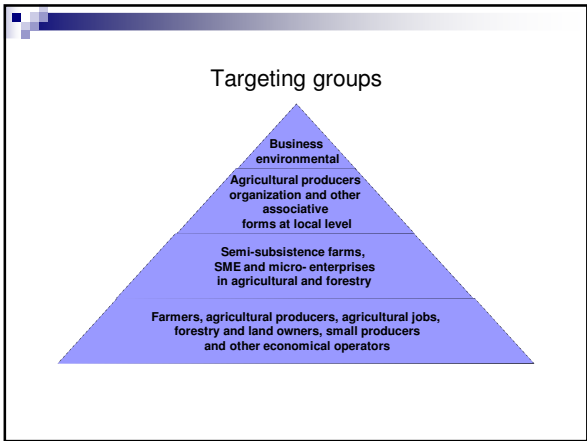
- n the creation of a modern agriculture,
 - n decreasing its dual character,
 - n raising added value,
 - n obtaining high quality products.
- The promotion of competitiveness will be performed concurrently with:
- n the process of transforming semi-subsistence farms into family holdings,
 - n the transfer of the agricultural holdings from older farmers to other farmers, especially to young ones,
 - n improving the labor force in agriculture,
 - n improving management,
 - n increasing the size of the holdings.

Axis 2
"The improvement of the environment and of the rural area"

- Support for less favored area (mountain area)
- Support for agro-environmental areas (organic farming and pasture)
- Support for first afforestation of the agriculture land

Axis 3
"Improving the quality of life in rural areas and the diversification of the rural economy "

- Investments for the development of non-agricultural activities (veterinary office, kinder-garden, etc)
- Investments for the renovation of villages (roads, buildings, heritage conservation areas)
- Investments for setting – up SME (start up investments for more than 10 employees)



Other fields or service were investments is need it

- n Biofuel
- n Integrated service in agriculture
- n Consulting services
- n Building of storage capacities for cereals, fruits and vegetable
- n Construction of cold stores
- n Supplying irrigation and fert-irrigation systems

