

PNL Government programme, chapter related to agriculture and rural development

With the withdrawal of Great Britain from the European Union, Romania will become the fifth largest agricultural power in Europe, but will also have the highest share of the population employed in agriculture: 23% of the total employees. These realities must be dealt with in the light of increased productivity and added value in agriculture and the food industry, in the context of environmental constraints, food security and climate change.

Despite the successes announced by the PSD (former) government, according to the data published by the National Institute of Statistics, during 2019 Romania has registered the largest trade balance deficit since 2015 to date. This trade deficit is caused exclusively by the export of subsidized raw materials (cereals) and the import of value-added products (meat and processed meat products, bakery products, frozen dough, etc.). Eloquent is the situation in which pig breeding sector is in, against the background of the evolution of African swine fever during 2018, when the Romanian state had to kill about 400,000 pigs. In Romania, almost 800,000 tonnes of pork are consumed and only 330,000 tonnes are produced internally, according to data provided by the National Institute of Statistics. This means that the cereals with which the animals should be fed are exported with the subsidy from the European Union. Also, almost all soybean production is exported, while 700,000 tons of soybeans for animal feed are imported from South America.

The state of agriculture and food industry in Romania is caused by the poor representation of the middle class. The development of the middle class can be done by supporting the family mixed farms, having an economically viable area.

It is known that the main source of financing of the agricultural sector is represented by the Common Agricultural Policy through its two pillars, direct payments per hectare and rural development. Improving and simplifying the procedures for direct payments that support farmers' incomes, guarantee the sustainability of agriculture and a viable agri-food production, which plays an important role in ensuring healthy nutrition, are all essential. Although direct payments can be enlarged, they should not reduce the resources dedicated to rural development. They should be focused, so that areas with natural constraints can ensure a civilized standard of living and ensure easy access to the market for producers, but also reasonable prices for consumers. Romania is experiencing a substantial decrease in the allocation of funds on pillar 2, EAFRD, by 15.3%, respectively 6.7 billion euros in total in the financial year 2021-2027, which means that, in the next financial period, the amounts destined to investments in Pillar 2 will have to be directed mainly to the agri sectors that will contribute to obtaining value added products.

Another priority of Romania is to support young generations of farmers in order to maintain an active, sustainable rural environment, through financing granted to young farmers to develop business in agriculture.

Regarding the priorities related to the European Union, an important objective of the negotiations that will be carried out by the National Liberal Party will be to eliminate the gap between the subsidies of Romanian farmers and farmers in other MS and/or the establishment of compensatory measures. In Romania, in 2019, the average subsidy is 195 euros/ha, and the average in the European Union is 266 euros/ha.

For the National Liberal Party, the **priorities** in the field of agriculture and food industry are: the industrialization, the support of processing activities and increasing the market access to of Romanian products to the internal and external market.

Taking into account the particularities of this sector, which relate to economic, environmental and public health constraints, natural risks and high competition, the Governance Programme contains both short-term **measures**, designed not to distort the producer/market balance, as well as some initiatives meant to prepare future public policies (post-2020):

1. Continuation of the on-going national support programmes for farmers, approved by legislation adopted by the Romanian Parliament, with the consent of the European Commission;

2. The reform of the two paying agencies for agriculture: the Paying and Intervention Agency for Agriculture and the Agency for Rural Investment Financing, with a focus on the de-bureaucratization of procedures in order to accelerate the absorption of European funds;
3. Modification of the programme for growing tomatoes in protected areas, with a de minimis scheme through which we will subsidize 10% of the invoice value of *all vegetables* delivered for sale;
4. Developing a national strategic plan to relaunch the pig sector in Romania, alongside with measures for the eradication of African swine fever. In the next 5 years, we want to increase production, so as to ensure pork self-sufficiency;
5. Implementation of law 150/2016 on the marketing of food products by transposing the Directive of the European Parliament and of the Council of 17.04.2019 on unfair practices between enterprises within the agricultural and food supply chain, in order to encourage the consumption of Romanian products in Romania;
6. Start the process for implementing the law on Agricultural Chambers in order to strengthen the active role of the farmers' associations;
7. The prompt preparation of the National Strategic Programme of Romania, based on the real needs of the Romanian agriculture and villages, resulted from a real consultation with the farmers and their representatives, which will include special measures for the processing of raw materials and the encouragement of the livestock sector.
8. The Ministry of Agriculture and Rural Development sets as number-one priority the elaboration of the National Strategic Programme by which Romanian farmers and villages will benefit from a financing of over 20 billion euros in the next financial period 2021-2027. The National Strategic Programme will focus on creating support programmes to stimulate the organization of agricultural producers and increase product quality:
 - a. Granting a financial advantages, depending on the size of the company, to producers who deliver goods to the large commercial network, individually and/or through a cooperative organization;
 - b. Providing financial support for investments (storage, sorting, packaging, labeling, own means of transport, etc.), through pillar II, to cooperative organizations, as well as financial support for operational expenses (accounting, auditing, personnel expenses, marketing , etc.);
 - c. Granting subsidies for digitizing the production and for the marketing of products along the product chain;
 - d. Encourage, through financial support, the investments to set up new operators and processors in areas that have the capacity to develop domestic freshwater fish production;
 - e. Measures to stimulate the production of domestic fish through the additional financial stimulation of water area owners to change from sport fishing or random/extensive production to fish breeding systems for commercial purposes;
 - f. Granting subsidies to agricultural producers that integrate themselves into the circular economy by delivering plant/forestry waste to cogeneration energy production plants, which are in turn supported by pillar II;
9. Start consultations for the elaboration of the medium and long term Strategic Plan for Stopping the Phenomenon of Desertification and Ensuring Food Security. The draft Strategic Plan will be subject to the public debate of professional associations and the academic environment.
10. Re-enhance agricultural and livestock scientific research, as well as the development of dual education in agriculture.

Source: <http://www.euractiv.ro/documente/PROGRAM-DE-GUVERNARE-PNL-2019.doc> (in RO)