



Summary report

Small scale farming in the Pogány-havas Region of Transylvania

Farming statistics
Agricultural subsidies
The future of farming



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Authors:

Sólyom Andrea	SAPIENTIA Hungarian University of Transylvania, Csíkszereda
Barbara Knowles	Senior science policy advisor, Society of Biology, London Partner and supporter of the Pogány-havas Regional Association
Bogdán Janka	Freelance sociologist
Rodics Gergely	Director, Pogány-havas Regional Association
Biró Róbert	Project manager, Pogány-havas Regional Association
Nyírő Gergely	Agricultural referent, Pogány-havas Regional Association
Alex Heron	Editing

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Executive summary

The present report is based on a multi-faceted social research project carried out by the Pogány-havas Association in 2011. The main aim is to gain a comprehensive and evidence based picture about the family-farming system of the area, the farmers' main concerns, problems and future plans, which provides data to work out proper interventions on local, regional, national and EU level. Therefore this study is also a reference for developing proposals to national and EU policy makers.

Findings

The statistical analysis of our villages is presented in section 3. Most of the land is pasture or hay meadow. Arable is very limited, from 3-25%, depending on the terrain. Arable crops are cereals, potatoes and forage supplemented by domestic scale vegetable production in gardens.

In terms of livestock, sheep and poultry are the most numerous. Cattle, pigs and horses are also kept. Per village, 7-19% of all animals are cattle.

From the perspective of environmental protection of the biodiverse mountain hay meadows, the most relevant figures are the 31% overall increase in sheep numbers and the 12% decrease in cattle numbers between 2006-2010. Sheep grazing degrades the meadows, whilst mowing preserves them.

We questioned 98 farmers who keep cows in Csíkpálfalva. The data suggests an ageing population. Respondents cited economic factors - markets for their products and subsidies - as being the most important in encouraging younger people to continue farming.

In European terms land holdings are extremely small. On average, the 98 families questioned in section 4.2 own 3,8 ha of land, divided into a number of plots. Many farmers do not qualify for subsidies due to the size of their holdings.

29% of respondents have stopped using a portion of their land. In most cases it is the outer meadow, mainly because they don't need the hay from these remoter meadows for the decreasing no. of cows. Recent research (Nov-Dec 2011) shows an alarming scale of abandonment: only 14% of outer hay meadow land was mown in five municipalities in 2011. 86% was neglected.

Most farmers have 1 or 2 cows (60%). Although they are all cow keepers, only 54% have a milk quota. The others said they don't sell milk at all, which means they use it at home or sell directly to the consumer. Milk prices vary between 0.15-0.58 € cents/litre.

Besides milk, other products they sell are animals (34%) and potatoes (15%) on a small scale.

Data about the current subsidy system is presented in section 4. About half of all households get subsidy in the region. Farmers are mainly satisfied with the subsidy system; however, certain types of problem cause a decrease in the absorption of available subsidies. There are wide variations between municipalities which we ascribe in part to the skills and enthusiasm of local agents. In Csíkpálfalva subsidies provide 17% of the income for the average cow-keeping family. This compares with 22% for produce sales. Many have another, non-agricultural job. The most frequent problems with subsidies are the late payments and that farmers with 1-2 cows don't get animal based payments. In general, farmers would prefer to get a good price for their produce rather than subsidies.

In the focus group discussions farmers said that their biggest problem is the lack of markets for their products and that the high value of their ecological products is not adequately rewarded. Another big problem is bureaucracy. Farmers as well as experts in the focus groups find the subsidies good in general, however they had issues with the payments system, changes to the rules and information flow. They said that without subsidies this kind of farming would already have been extinct. There are too few young farmers. Farmers are reliant on traditional knowledge. Whilst seeking to preserve this, some recognise the value of developing a more entrepreneurial approach. Uptake of agri-environment subsidy 2 would be increased if small mowing machines were allowed, and the prescribed mowing dates were more flexible.

Recommendations for policy makers

1. Local, national and European policy makers should create conditions in which small-scale family farmers can continue their work and thrive.
2. Urgent action is needed to protect the most environmentally important mountain hay meadows from abandonment or overgrazing. A very high proportion (86%) were not mown in 2011 in our study area (60 km², Csík mountains – Muntii Ciucului).

Proposed interventions

- Stimulating a market for milk and other products of local cattle farming, including beef;
- Removing barriers to production and marketing
- Creating new markets for hay
- We recommend that each municipality analyses this report to identify how to optimise the local uptake of agricultural subsidy.
- Introducing a separate hay meadow package and mountain hay meadow supplement in the agri-environment schemes which reflect the higher nature value, ecosystem services and management costs of this important and threatened land use type.

- Improving agri-environment schemes to increase their effectiveness and uptake.
- We recommend the abolition/moving forwards of the 1 July mowing date
- Small two-wheeled mowing machines should be allowed within agri-environment package two.



- Policies and subsidies should be adjusted to local conditions and to farmers' needs, through regional packages.
- Subsidies for all cattle owners.
- 'Reference year' system to be abolished. Subsidies to be paid on the basis of regularly updated information.

1. Introduction

The present report is based on a multi-faceted social research project carried out by the Pogány-havas Association in 2011. **The main aim is to gain a comprehensive and evidence based picture about the family-farming system of the area together with the farmers' main concerns, problems and future plans, thus providing data to inform proper interventions at local, regional, national and EU level.** Therefore this study is also a reference for developing proposals to national and EU policy makers.

Aims

This investigation has two principal strands:

Agricultural/social

We sought to better understand the nature, practices, needs and aspirations of the traditional village-based farming communities in our area, with a view to informing policy at local, regional, national and European levels.

Environmental

The mountain hay-meadows in our region have been identified as some of the most biodiverse meadow areas in Europe and are home to exceptional numbers of plants and butterflies. We sought to establish the extent to which changing patterns of agriculture are threatening these habitats and to make recommendations accordingly.

Methodology

- Analysis of statistical data obtained from local government offices
- Detailed questionnaires at farm/village level
- Focus group interviews with farmers and other professionals
- Analysis of relevant data from previously published sources

The small scale farming system in this area offers extraordinary **ecological** values and services. There is a need for data concerning the knowledge and methods of traditional farming, which offers one of the best examples of sustainability in Europe, having existed in the area for 800 years. New social and economic pressures due to globalisation and Romania's accession to the European Union in 2007 have opened the region to competition with mass producers of the world market, whilst imposing stringent regulations on producers.

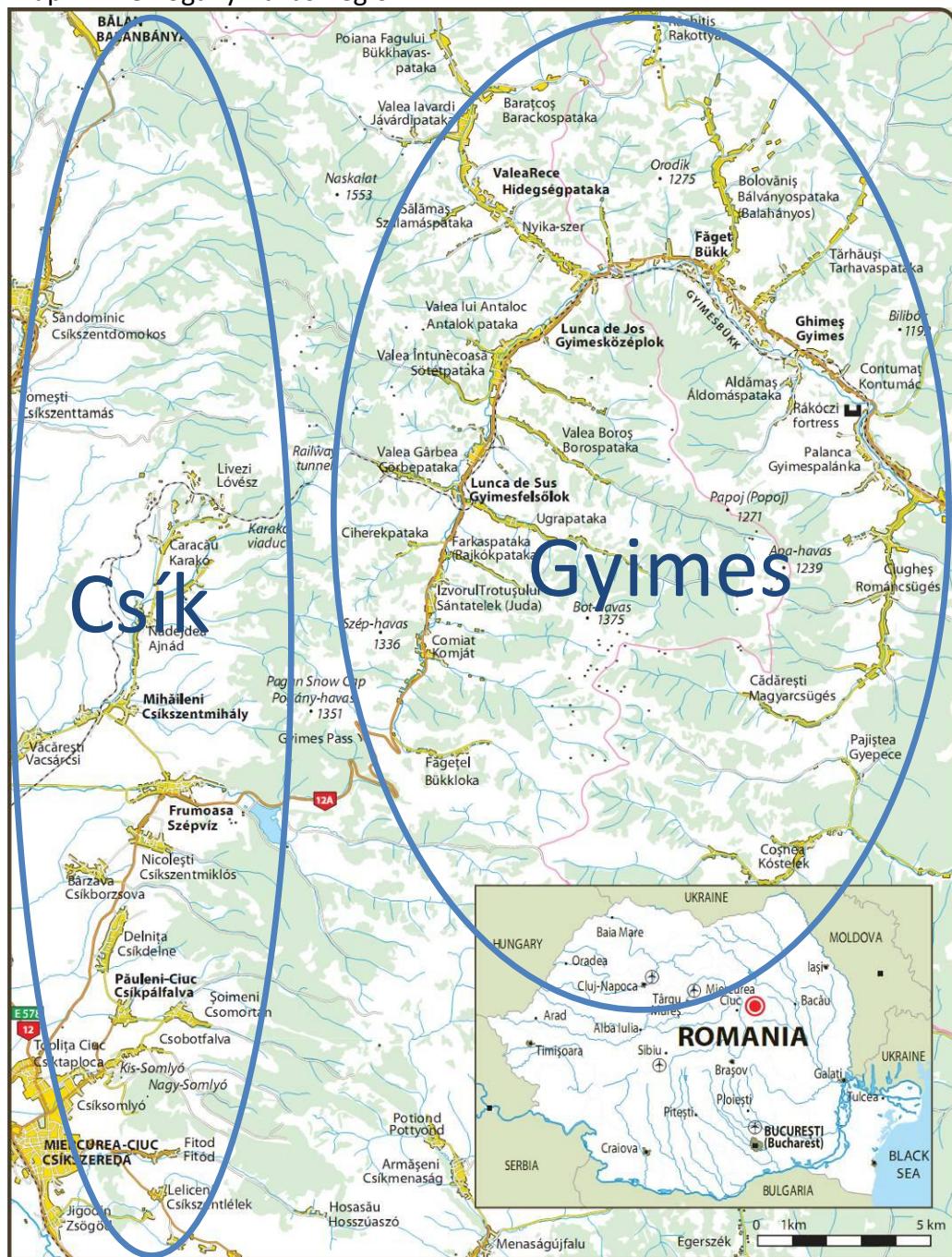
This research seeks to provide detailed and reliable information to policy makers at European, national and local levels and to help them to influence agricultural policies and support schemes in favour of the most environmentally and socially beneficial (semi-subsistence) farmers. In addition to the many ecosystem services provided by traditional extensive agriculture, these farmers provide food, social stability and meaningful work for their families and communities.

The sections of this report describe positive aspects of and problems with the existing agricultural subsidy schemes and formulates some proposals on how to improve them.

1.1. About Pogány-havas Regional Association

Pogány-havas Regional Association is a regional development organisation in the Eastern Carpathians of Transylvania, Romania. The Association was founded in 1999 by Hargita County Council and the local councils of six municipalities as well as local NGOs and entrepreneurs. It works on a range of projects to increase local incomes, preserve the region's cultural heritage, develop tourism and conserve the natural environment.

Map 1: The Pogány-havas Region



1.2. Landscape and farming in Csík and Gyimes

The environment of the Pogány-havas Region is shaped by its varied geology and landscapes created by a thousand years of traditional agriculture. Traditional farming knowledge still survives here, and has much to teach us about sustainable agriculture.

The region consists of two major landscapes: part of the Csík basin and Gyimes. Csík is a mountain basin characterised by a wide, open landscape while Gyimes is a mountain area with deep and narrow valleys. The two distinctive landscapes lead to different traditional agricultural techniques and also host two Hungarian cultural minorities, the Székely in Csík and the Csángó in Gyimes.

The two landscapes share common features too, such as large forest areas scattered with widespread meadows and pastures. Local traditional agriculture based on cattle farming maintains productive meadows extremely rich in wild flowers. The higher altitude hay meadows in particular have an outstanding richness of plant species. Each village in Csík has large common forest and pasture areas managed by an elected management organisation, or 'composseccorate'. For historical reasons this system doesn't exist in Gyimes.

General characteristics of agriculture

- Tractors are widespread, but horses are also used extensively for ploughing and for transport of hay, timber and other produce.
- During the summer, the herds of Csík of cattle from each village are taken on a daily basis to common pastures on the hillsides. A monthly payment is made per cow for this service.
- In Gyimes, most families have their own mountain pastures or 3-5 families share their private pastures and take turns in taking care of the animals. In such cases the whole milk production of all animals belong to the family for the agreed period they spend with the animals.
- At night, and during winter, the cattle live in byres on the family homestead or mountain stable. This is where they are milked. In most cases, milking is still done by hand.
- Horses and cattle are traditionally fed on hay.
- The hay is stored for winter use in traditional large wooden barns. The winter is very cold and long, so a lot of hay is needed.
- Hay is mown using hand-scythes and, increasingly, small mowing machines and on the flat lands also with tractors.
- Sheep are pastured all summer long on the high mountain pastures. Shepherds camp with them there and milk them. Each family receives cheese in proportion to the milk yield of their sheep.
- Families help each other reciprocally at busy times e.g. potato harvest.

1.3. General context of our research

The topic of the research is small scale family farming after EU accession, its requirements in terms of human, physical and financial resources, and the role of farming support schemes on its economy. The research area consists of the six municipalities of the Pogány-havas region. The area is populated by 98% Hungarians, therefore we use the Hungarian names in the study, which are: Csíkpálfalva, Csíkszépvíz, Csíkszentmihály, Gyimesfelsőlok, Gyimesközéplök, Gyimesbükk (Romanian names respectively: Pauleni Ciuc, Frumoasa, Mihaileni, Lunca de Sus, Lunca de Jos, Ghimes Faget). The six municipalities comprise 33 villages altogether; their overall population was 22.159 in 2011.

1.3.1. The agricultural sector in Romania

Of all countries in the EU Romania has the highest proportion of the population engaged in agriculture, whilst average farm sizes are the smallest. Romania has 29% of the EU's agricultural holdings. It has 20% of Europe's agricultural workers, however only 8% of the agricultural area.

The majority of farmers in Romania produce in a subsistence (no income) or semi-subsistence way. Their production serves family needs, and there are only modest surpluses (if any) to be sold on the market. More than one third (36%) of farmers have another job, which shows that the sector provides limited livelihood. However, the sector's contribution to GDP is over three times more than the European average. If one takes into account the 'hidden' value of domestic food production as well, one can see the importance of the sector to the national economy.

As we see it, the main challenges for Romania's agriculture are the following:

- low income levels
- high proportion of old people and women in the local population
- high unemployment rate in rural areas
- low educational level
- lack of knowledge and education in the fields of agriculture and food processing
- lack of opportunities for women and young people in rural areas
- inconsequent national agricultural policies
- very small sized holdings
- poor connections between agriculture and food processing, lack of small scale processing units, lack of slaughterhouses
- lack of access to markets for smaller producers
- low prices for farm produce
- bureaucracy that can be complicated and time-consuming

During the last twenty years many changes have happened. The communist collective farms were disbanded and land re-allocated to former owners or their descendants. This helps to account for the small size of holdings. There has been some specialisation (for instance into milk production), marketing organisations have been set up (Oláh, 2011) and in recent years European subsidies and grant programmes and regulations have been introduced.

2. Methodology, sources of information

This research was executed during summer and autumn 2011. Both quantitative and qualitative methods were used.

2.1. Data collection.

- From the six municipalities belonging to the Pogány-havas Regional Association, data was collected about the population, households, animals, and land usage from the year 2011.
- Data from the Hargita County Agency for Agricultural Interventions and Payments concerns the no. and total area (ha) of requests for agricultural payments (single area payments and agri-environmental packages) in the five municipalities of our region belonging to the county, for the period between 2007 and 2011.
- The Hargita County Veterinary Office as well as the Hargita County Agricultural Directorate also provided data about the number of animals for the same 5-year period.
- Data about the sixth municipality, Gyimesbükk (Ghimes Faget), should have come from the county offices of Bacau County but they were not willing to provide data.

2.2. Questionnaires

We implemented a questionnaire among the cow keepers of the municipality Csíkpálfalva (Pauleni Ciuc) in September 2011. Altogether there are 110 cow keepers in the three villages belonging to this municipality. This represents 1 in 7 or 14% of the 775 households. The six agents managed to fill in the questionnaire with 98 of them (89%) within the time frame of one week.

2.3. Focus group interviews.

Besides the quantitative methods we wanted to execute qualitative research to gain deeper, more detailed information. We organised three focus group discussions during September 2011. The first comprised 8 farmers from the Csík area; the second 6 farmers from the Gyimes area; the third 9 experts from county level organisations dealing with agriculture and rural development as well as the Secretary of State for Agriculture and Rural Development.

During these discussions we wanted to find out what farmers, experts and decision makers think about the present circumstances and future trends of farming in the area as well as the advantages and disadvantages of agricultural support schemes with regard to local conditions.

3. Farming in the Pogány-havas region

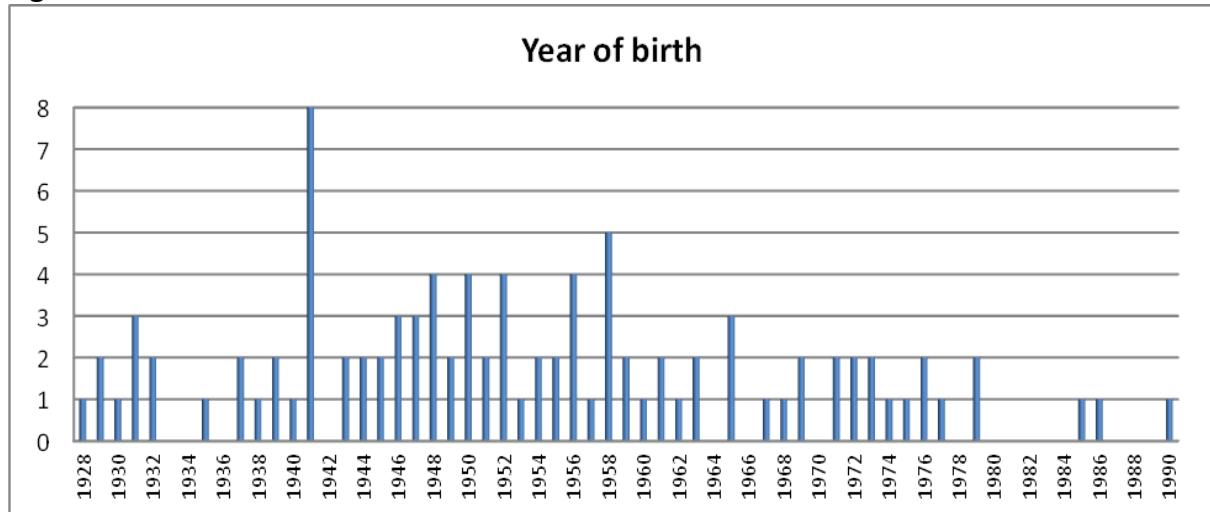
3.1. Demographics

The overall population of the area is 22.159. The total number of households is 9.387. Across the six municipalities then, the average household comprises 2.36 persons.

The number of households receiving social assistance represents 1.93% of the total across all the villages. This is a very low value despite the fact, that many families don't have a regular income. This can be explained by the very long term unemployment and by the fact that most of the younger people work in seasonal jobs abroad, which make them ineligible for social aid.

3.1.1. *The range of interviewed farmers*

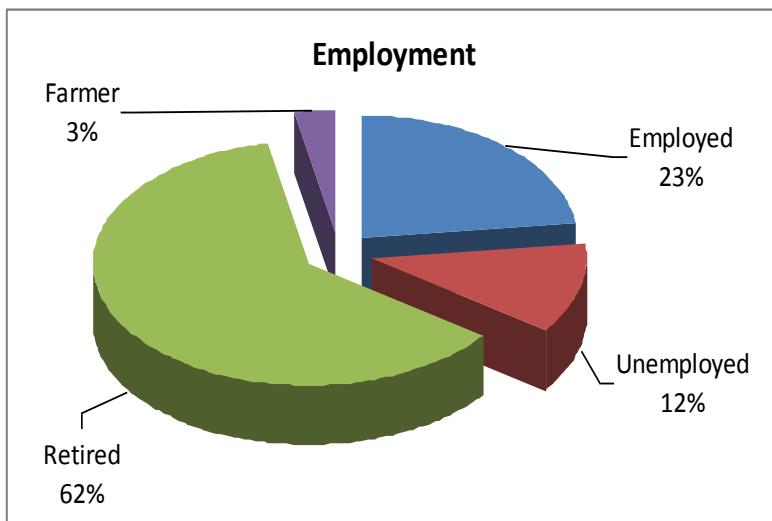
Figure 1



Source: questionnaire survey, Csíkpálfalva, 2011

One-third of the Csíkpálfalva sample are over 65 years old. Young farmers (40 and under) comprise just 16% of the sample. The oldest is 83, the youngest is 21 years old. The average age is 58.5. On average three people live in each household, from 2 generations. The largest household (one house on the property) comprises eight people, however on one property there are often 2 houses with one more generation, the grandparents.

Figure 2

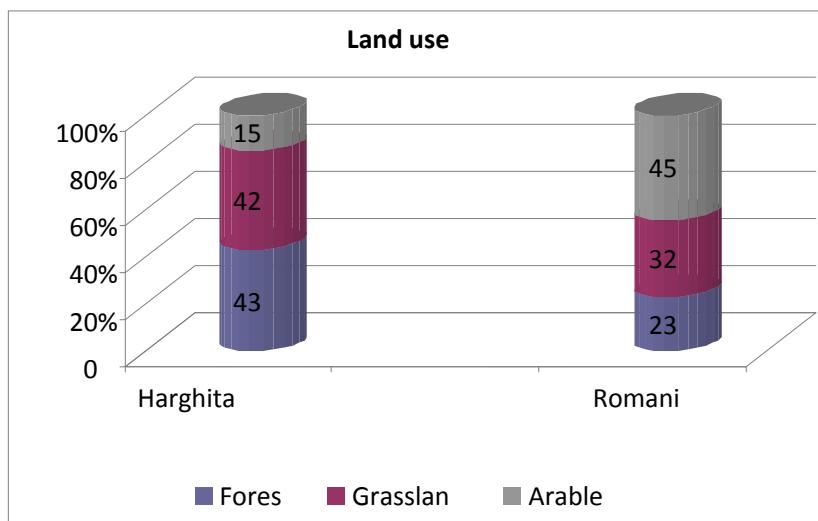


Source: questionnaire survey, Csíkpálfalva, 2011

The vast majority of cattle farmers from Csíkpálfalva (85%) have an additional income to farming. Their self-classification by economic activity shows that their primary activity is not farming. This may be atypical due to the proximity (5-10 km) of the nearby county town. Three-fifths of the farmers are retired but this is similar across Romania. Most farmers who have a full-time job work in some non-agricultural kind of workplace.

3.2. Land use

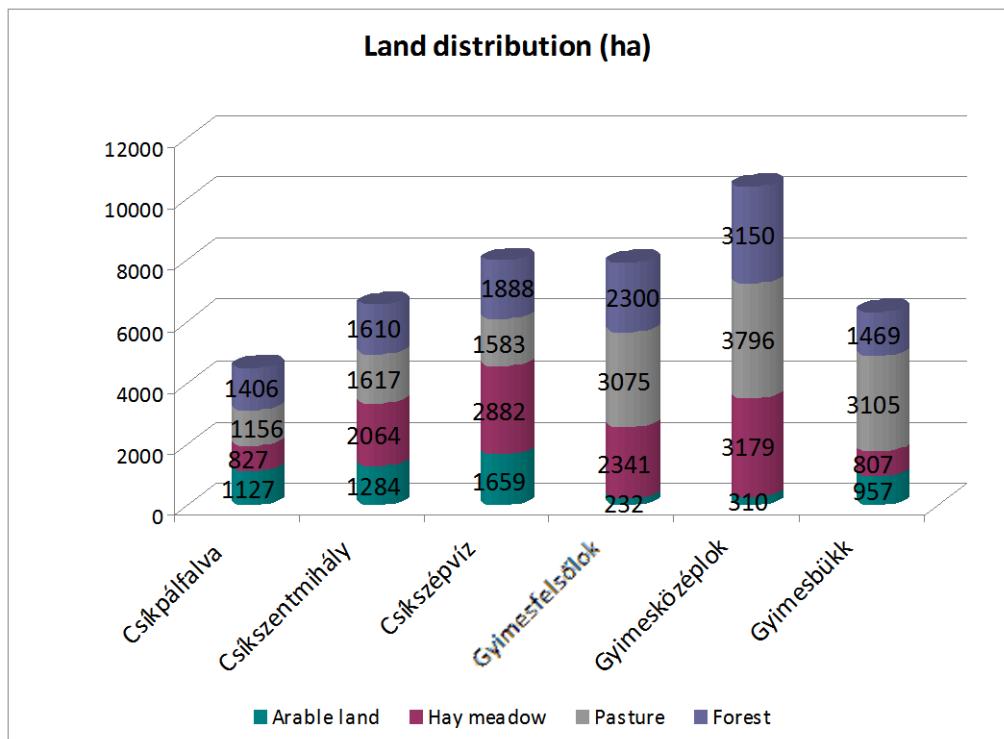
Figure 3



Source: National Statistical Office, 2010

Agricultural land use in the micro-region differs from the national average, and is similar to the Hargita county average. As seen in Figure 3 the proportion of arable land in Hargita County is one-third of the national average. The forest areas are almost twice the national distribution. The grasslands are also above the national distribution.

Figure 4



Source: the 6 village's mayor's offices

Figures from Csíkszentmihály are from 1985, the others are from 2010

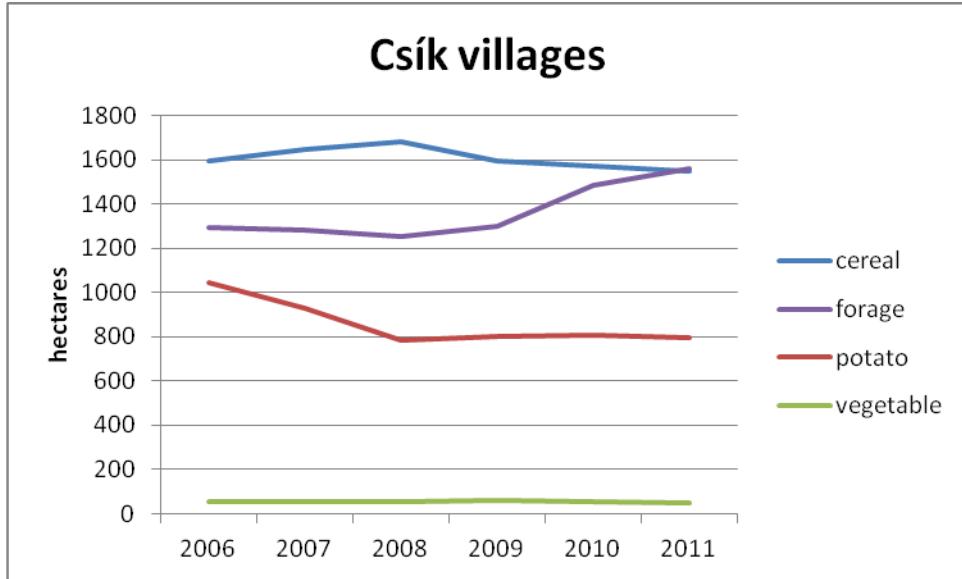
The agriculturally utilized areas are roughly proportional to the population numbers or to the number of households. The smaller amount of arable land around Gyimesfelsőlok and Gyimesközéplök is because these municipalities are in the most mountainous part of the region, where steep slopes are unsuited to arable cultivation. In all cases, grassland (hay meadow and pasture) is the predominant landscape surrounding the villages.

3.2.1. Arable land

The main cereals in almost every community are wheat and barley. There are moderate annual variations in the respective areas grown. Winter barley, rye and triticale comprise a small percentage of the crop.

In the Gyimes valley, perhaps because of the limited area available for arable farming, potatoes are the most important crop. In the Csík basin, where there is more level land, cereals and forage crops such as lucernes (alfalfa), clover and silage maize predominate.

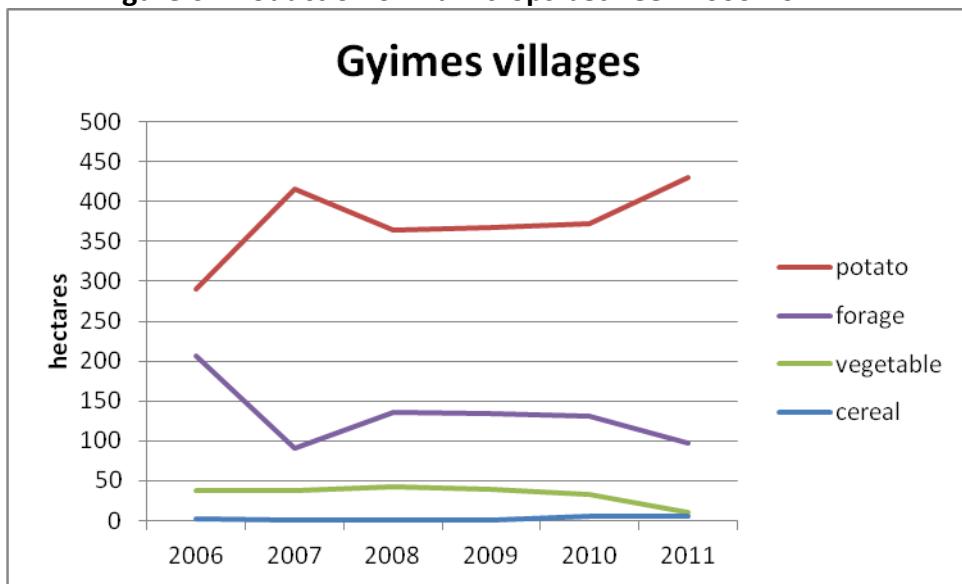
Figure 5: Production of main crops between 2006-2011



Source: Board of Agriculture, Hargita County

The area of land given over to fodder has increased, while potatoes and cereals were reduced (figure 5). The increase in forage can be explained by the trend, that farmers give up mountain hay meadows as well as potato production. The livestock therefore can be fed on forage produced on ploughland, which is more efficient and less work intensive. Giving up potato production relates to the low price of potatoes, which was the main crop for the past 15 years but since the EU accession of Romania cheap import killed the national market for Csík potatoes. Cereals are mainly produced for own consumption (human and animal) therefore its importance nowadays is similar to 2006.

Figure 6: Production of main crops between 2006-2011



Source: Board of Agriculture, Hargita County

The opposite trend of potato field side can be explained by the fact, that whereas Csík farmers produce potatoes for sale, in Gyimes it covers mainly own consumption. Forage field areas slightly decreased because of less cows and slightly more commercial inputs. And the

fact that in Gyimes all farming happens on hillsides and narrow valleys explains the minimal size of cereal fields.

3.2.2. *Land ownership in Csíkpálfalva*

Of the 98 farming families surveyed, four own no land, and a further nine own less than 1 ha (the minimum to qualify for subsidies). Only two farmers own forest and only 10 own pasture. It should be noted that in this region most cows are pastured on common land managed by the village compossessorates (the organizations that manage common pastures and forests for each village).

Table 2. Land cultivated by questionnaire respondents in Csíkpálfalva

	Inner Meadow	Outer meadow	Arable	Pasture	Forest	Total
Owned	186 ha	49 ha	107 ha	31 ha	3 ha	376 ha
Rented	57 ha	6 ha	22 ha	-	-	85 ha
Total	243 ha	55 ha	129 ha	31 ha	3 ha	461 ha

Source: questionnaire survey, Csíkpálfalva, 2011

Adding rented land, the average family farms 4.7 ha, comprising 2.5 ha inner meadow, 0.6 ha outer meadow, 1.3 ha arable, 0.3 ha pasture, and 0.03 ha forest. land owned by each family is usually scattered geographically, on average in six plots: the maximum number is 15, the minimum is 1 plot. The average plot size is 0.66 ha.

9% of our sample said they are not eligible for subsidy, probably because they have less than the required 1 ha of land in parcels of at least 0.3 ha.

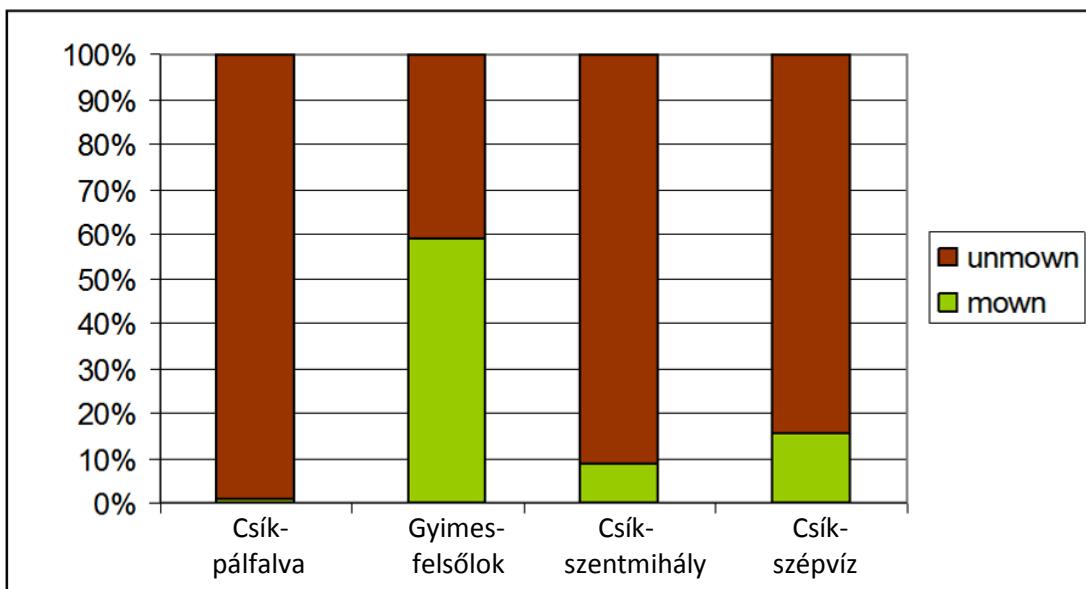
3.3. Hay meadows

We distinguish between the inner hay meadow – the one that is closer to the household – and the outer hay meadow which is far from the household, usually in the mountains. This distinction has ecological relevance since the outer meadows are unlikely to be manured and are more biodiverse.

These outer meadows are the most biodiverse and therefore environmentally important farmlands in the region. Indeed, mountain hay meadows in our region are amongst the three most biodiverse in Europe and are home to exceptional numbers of diverse plants and butterflies.

The environmental strand to this report focuses on the extent to which the mountain hay meadows are being abandoned, the reasons for this abandonment and consequent recommendations for agri-environment policy.

Figure 7. Share of mown and unmown mountain hay meadows in four municipalities



Source: survey for EFNCP, Demeter & Kelemen, 2011.

Demeter and Kelemen (2011) show an alarming scale of abandonment. 34.5 km² of hay meadows were mapped, of which only 14% (4.3 km²) had been mown in 2011. Csíkpálfalva commune has the smallest amount of mown meadows (only 1% of the meadows) while Gyimesfelsőlok has the largest. This implies that in the Csík basin, where people are less reliant on animal husbandry than in Gyimes, most of the mountain hay meadows are already out of use.

Member States are required by EU legislation to make sure the ratio of permanent pasture to total agricultural area from 2003 is maintained. (Permanent pasture is defined as land that has been under grass for at least five years and has not been ploughed for other crops in that time, i.e. including these hay meadows.) **The Romanian government therefore has a legal obligation** to encourage the use of these high nature value grasslands (but not to protect them from grazing).

That a very high proportion of the mountain meadows have been abandoned despite the existence of an agri-environment subsidy designed to protect them suggests that further measures are urgently required.

3.3.1. Hay meadows in Csíkpálfalva

As indicated above, on average farmers own 2.5 ha of inner meadow and 0.6 ha of outer meadow. Four farmers in our sample own no inner hay meadows, and 68 (69%) own no outer hay meadow.

Rentals: inner hay meadows were rented by 23 families, in total 57.19 ha, outer hay meadows by 4 families, total 5.91 ha, arable field by 14 families, total 22.35 ha .

Table 3. Abandoned areas in total, by categories, in Csíkpálfalva

Inner Meadow	Outer meadow	Arable	Pasture	Total
4,33 ha	39 ha	0,60 ha	0,90 ha	44,83 ha

Source: questionnaire survey, Csíkpálfalva, 2011

29% of respondents have stopped cultivating a portion of their land, in 86% of cases it is the outer meadows which are abandoned (table 3). In total 27 plots are abandoned, generally one plot per family. The most common reason why they are abandoning the outer meadows is because they are too far away and they do not need the hay.

Table 4. Reasons for abandoning hay meadows

We don't need the hay	9
It's too far from the village	8
They graze sheep on them	4
We got old, nobody wants to do it from the family	3
It burned down	1
The state took it	1

Source: questionnaire survey, Csíkpálfalva, 2011

'We don't need the hay' either means they have fewer animals (see figure 8) or that they are using other feeds instead (see table 6).

The difference between the above results of the questionnaire and the data presented in figure 8 can be explained by the fact that it is only cow keepers who were questioned. They are the last ones who still use their mountain hay meadows. The rest of the village residents in Csíkpálfalva may own meadows but don't make hay anymore, which increases the rate of abandonment.

Focus group respondents made the following points: The mountain meadows are not used in the Csík area (according to our expert interviewee only 1% is used). The inner meadows cover the needs of the livestock. The mountain meadows are harder to approach. The ground is often steep. Mowing is hard work. People do not know how valuable these meadows are.

3.3.2. Mowing methods

Nowadays, most farmers (76%) mow using small mowing machines. 43% use hand scythes, and 20% use big mowing machines (tractor driven circular cutters). In most cases families use two methods at once: small mowing machine and hand scythe.

Agri-environment package two is available to farmers who use a hand scythe only (just 9% of our respondents). *If small mowing machines were also included in this package, an additional 70% of our sample would become eligible. A change in the eligibility criteria might encourage a considerable number of farmers to continue mowing with environmentally friendly methods.*

Mowing is done in 93% of cases by the family; 4% hire day labourers and 3% mow in kaláka (a traditional way for friends and neighbours to help each other by unpaid assistance, but this term can also refer to a community working party).

Farmers mow the inner hay meadows twice, in June-July and September; but the outer hay meadows only once, mainly in August. 44 respondents (45%) begin to mow before 1 July. The traditional start of mowing in the region is St John's day, 24 June. Farmers receiving agri-environment subsidy must undertake to mow only after 1 July, a date which in our opinion gives no environmental benefits and adversely affects some protected species e.g. white storks. Indeed, **by limiting the uptake of agri-environment payments we hypothesise that this mowing date could be harmful to the environment.**

3.4. Cattle farming

3.4.1. *Numbers of animals in the 5 municipalities*

Table 5. No. of animals in 2010.

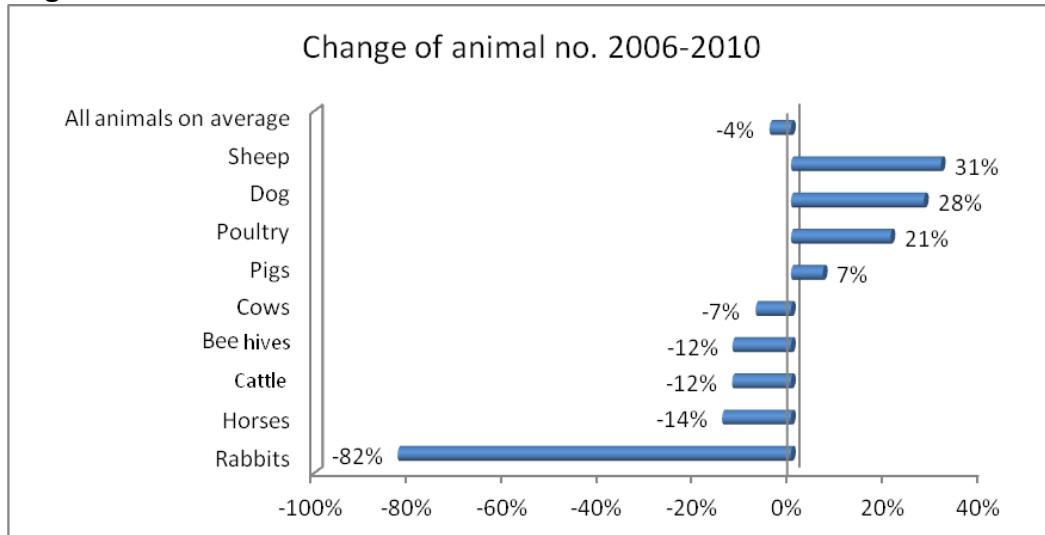
	Csíkszépvíz	Csíkpálfalva	Csík-szentmihály	Gyimes-felsőlok	Gyimes-középlok	Total
Cattle	1000	482	1158	2045	2631	7316
Cows	690	379	851	1326	1661	4907
Horses	310	170	230	349	795	1854
Sheep	3306	2354	2789	2019	1016	11484
Pigs	953	471	594	903	1933	4854
Poultry	4250	2191	5212	3620	4973	20246
Rabbits	500	207	675	286	36	1704
Bee families	82	250	85	58	47	522

Source: Animal Health Directorate, Hargita County

Per head, sheep (7-34% of the total no. of animals in each municipality) and poultry (31-42%) are the most numerous animals. Cattle vary between 7-19%, pigs between 7-14%.

In the five Hargita municipalities over 4 years 2006-2010, (spanning the year of EU accession in 2007) data from the Animal Health Directorate show the following changes:

Figure 8



Source: Animal Health Directorate, Hargita County

There may be some inaccuracies due to farmers failing to report. According to local perception, cow numbers have dropped by more than these figures would suggest (See section 4.4.2). The dramatic decline in rabbit numbers can be ascribed to a virus that infected the population in 2009.

From the perspective of environmental protection of the biodiverse mountain hay meadows, the most relevant figures here are the 31% increase in sheep numbers and the 12% decrease in cattle. Sheep graze in the summer on the highest mountain pastures, and as their numbers increase it is more likely that they will come lower and feed on the outer hay meadows. Grazing significantly decreases the plant diversity of these grasslands compared to mowing (Csergő and Demeter).

The decrease in cattle numbers plus an increase in the cultivation of fodder plants leads to a lower demand for hay and therefore an increasing likelihood that the outer hay meadows will be abandoned or converted to sheep pasture (see section 3.2.3).

3.4.2. Cattle numbers in Csíkpálfalva

Farmers in our sample have in total 376 cows. One farmer owns 130 cows; these do not go out to pasture with the village herd, but are kept indoors. Excluding this exceptionally large farm, farmers in the municipality have 246 cows, 2.5 on average and in most cases (60%) 1 or 2 per farmer.

83% of cow keeping farmers send their cows daily to pasture with the common herd during the summer months, meaning that the cows leave every morning to the pastures and return home in the evening; 4% of farmers keep their cows on distant pastures whereas 13% keep their cows at home all year long.

Table 6: Feed supplements in addition to hay

Silage	Lucerne	Brewing malt	Bran/forage	Grain
9%	29%	9%	17%	12%

Source: survey, Csíkpálfalva, 2011

40% of farmers feed their cows on hay only. 60% of farmers feed their cows with hay and some fodder other than hay. This is in most cases lucerne. Other types of fodder and their ratio is presented in table 6 above.

3.4.3. Decline in cattle numbers

Excerpts from the focus group interviews illustrate the extent to which cattle stock has decreased in local communities:

- *"In Pálfalva there is no farmers' association, no information, there are only few cattle. The farmers are old. They don't count their animals, because they don't know that it is compulsory."* (middle-aged woman, Pálfalva)
- *"Three years ago there were 500 litres of milk in Pálfalva village, now there are only 100 litres of milk in Pálfalva and Csomortán."* (older woman, Pálfalva) – this data excludes the

big farmer with 130 cows. The serious decrease was very much influenced by the abolition of the milk subsidy given by the state.

- *"In Csíkszentmihály there are three farmers who keep cows, the stock has decreased from 180 to 35 cows, and the quality is very poor."* (young man, Csíkszentmihály)
- *"One cannot buy cows, heifers, heifers with calves; within five years only those who breed them or buy from abroad will have them."* (stock-breeder expert)
- Keeping animals in herds is hindered by the distance of the village from the pastures. The rocky road is 2-3 km long. The distance must be covered in the morning and in the evening, which reduces the quantity of the milk.
- There is no subsidy which would pay for modern stabling outside the village with electricity, milking machinery etc. - it would be too expensive. The only alternative is to keep cows in the village in the traditional way.

3.4.4. Milk sales in Csíkpálfalva

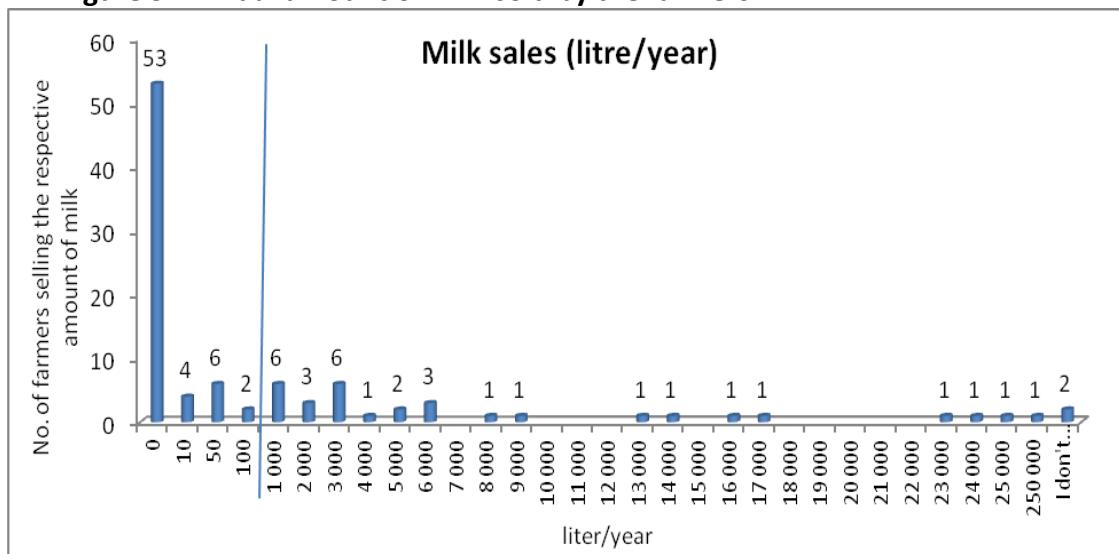
Table 7: Distribution of milk quota

Has milk quota at present	Had milk quota in the past (2001-2010) ¹	Would buy milk quota in the future
54%	71%	10%

Source: survey, Csíkpálfalva, 2011

Farmers are only allowed to sell milk on the market legally if they have a milk quota. Milk can be sold to friends and family without a quota. 54% of farmers have a milk quota. In the past 71% had a quota. On average, farmers had a milk quota of 3157 kg/year. In future only 10% would buy a milk quota - if the milk could be sold at a higher price or if they took it over from another farmer. Out of these families 6 don't have a milk quota at present. 3 do, and would buy one in the future too.

Figure 9. Annual amount of milk sold by the farmers

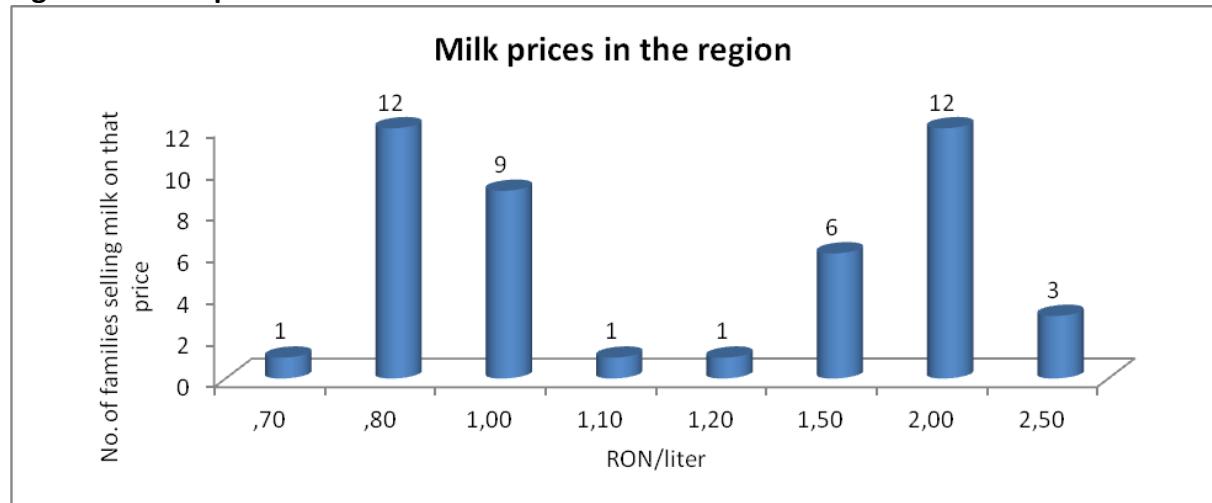


Source: questionnaire survey, Csíkpálfalva, 2011

¹ 47 farmers replied to this question: 9 had milk quota until 2011, 11 until 2010, 7 until 2009, 6 until 2008, 5 until 2007 and the rest 2001-2006.

The high number of farmers not officially selling milk at all can be explained by the high number who own only 1-2 cows. Many of them use their milk in the household; they feed it to their calves or sell in the neighbourhood or on the black market. Black market means filling the milk into plastic bottles and sending it to the town, a common practice in villages close to the town.

Figure 10. Milk prices



Source: questionnaire survey, Csíkpálfalva, 2011

If milk is sold to the milk collecting point then in most cases the farmer is paid 0.8 RON per litre, whereas if the milk is sold to neighbours/acquaintances the farmer receives up to 2.5 RON per litre. (0.15-0.58 € cents)

3.5. Other produce

Table 8: How much produce is sold on average and no. of farmers

Product	Average	No. of farmers
Milk	2219 l/month; 26628 l/year	45
Hay	3000 kg/year	2
Eggs	142 eggs/ month; 1704 eggs/ year	5
Cheese	400 kg/ year	1
Vegetables	10 kg/ year	1
Grain	1700 kg/ year	3
Potatoes	3266 kg/ year	15
Bread	50 kg/ year	1 farmer

Source: survey, Csíkpálfalva, 2011

Table 9: Animals sold on average per year

Type of animal	Average	No. of farmers
Calves	1-2 calves/year	23
Pigs	2 pigs/ year	6
Ducks	10/ year	1

Source: survey, Csíkpálfalva, 2011

Besides milk, animals are the most common product that farmers sell as shown in the tables above. Three quarters of all farm produce comes from livestock. Potatoes are sold by 15% of farmers, in most cases to Romanian buyers from the neighbouring counties.

4. Subsidies

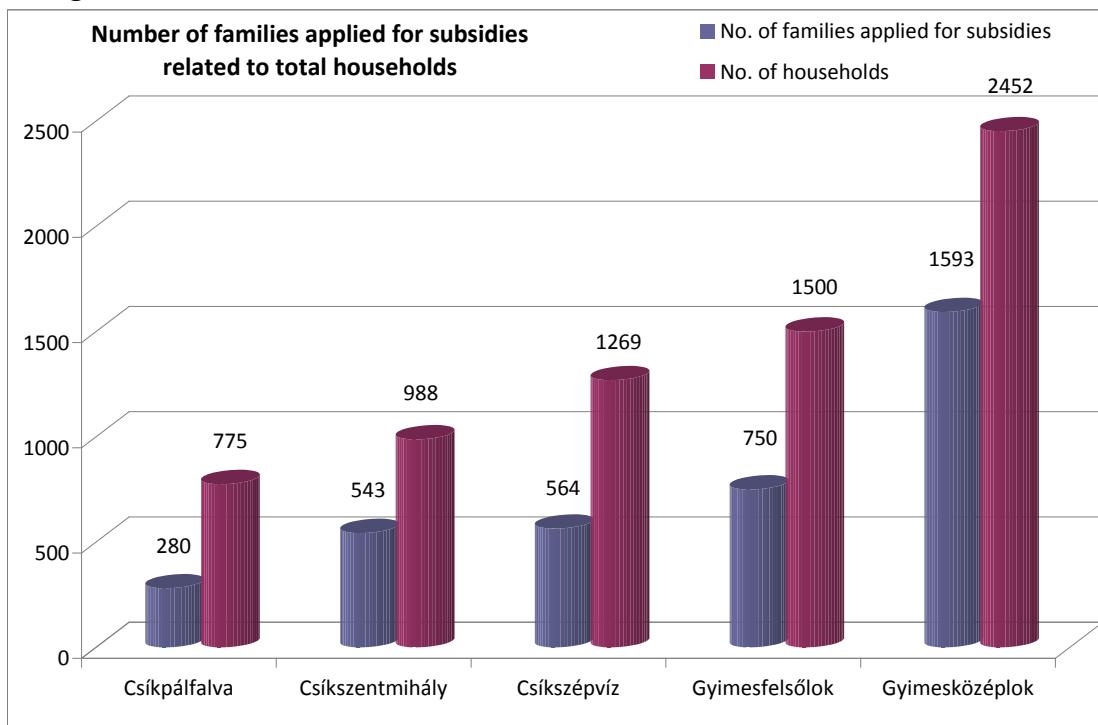
Data was gathered about the current system of subsidies from multiple sources: Hargita County Agency for Agricultural Interventions and Payments, local councils and the survey and focus group interviews made with farmers. In section 4.1 we present the quantitative data and in 4.2 the comments from the focus groups.

4.1. Subsidies – quantitative data

According to the Hargita County Agency for Agricultural Interventions and Payments in 2010 a total of 5.2 million Euros was paid in agricultural subsidies to the 5 municipalities featured in this survey. (This exceeds the total of 4.3 million Euros spent on the annual budget for the municipalities).

From this, a total of 1 million Euros was paid for subsidizing arable fields, 1.5 million Euros for grassland through agri-environment Package 1² and 620.000 Euros through Package 2³.

Figure 11



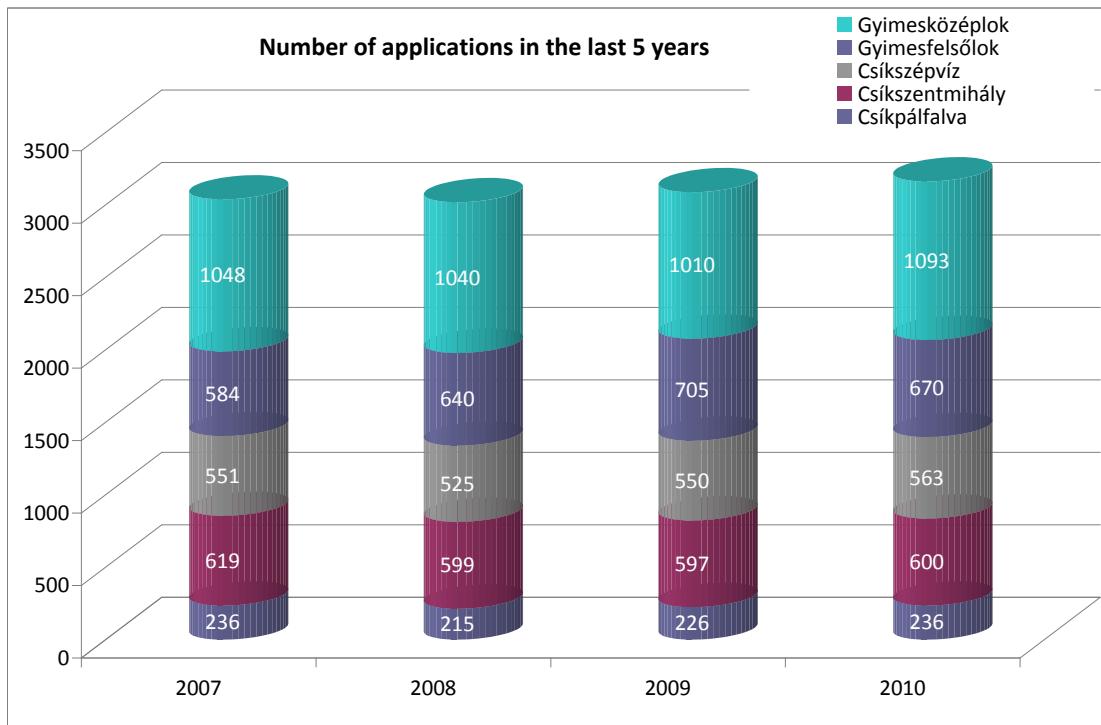
Source: 5 local councils, 2011

² P1: In the 1st package of the Agri Environmental Scheme farmers have to follow certain prescriptions of environmentally friendly farming on their High Nature Value Areas.

³ P2: If farmers apply the 2nd package of the Agri Environmental Scheme they are allowed to use only tools driven by human or animal power. To get P2 subsidy, farmers have to apply P1 too.

In the second largest municipality of the Pogány-havas region about two-thirds of families applied for land based subsidy, in the other municipalities about half. The lowest number of applications in 2011 was found in Csíkpálfalva municipality, where about one third of the households applied. Csíkpálfalva and Csíkszépvíz are popular locations for town dwellers to move to. Here many people don't own land or apply for subsidies.

Figure 12



Source: Hargita County Agency for Agricultural Interventions and Payments

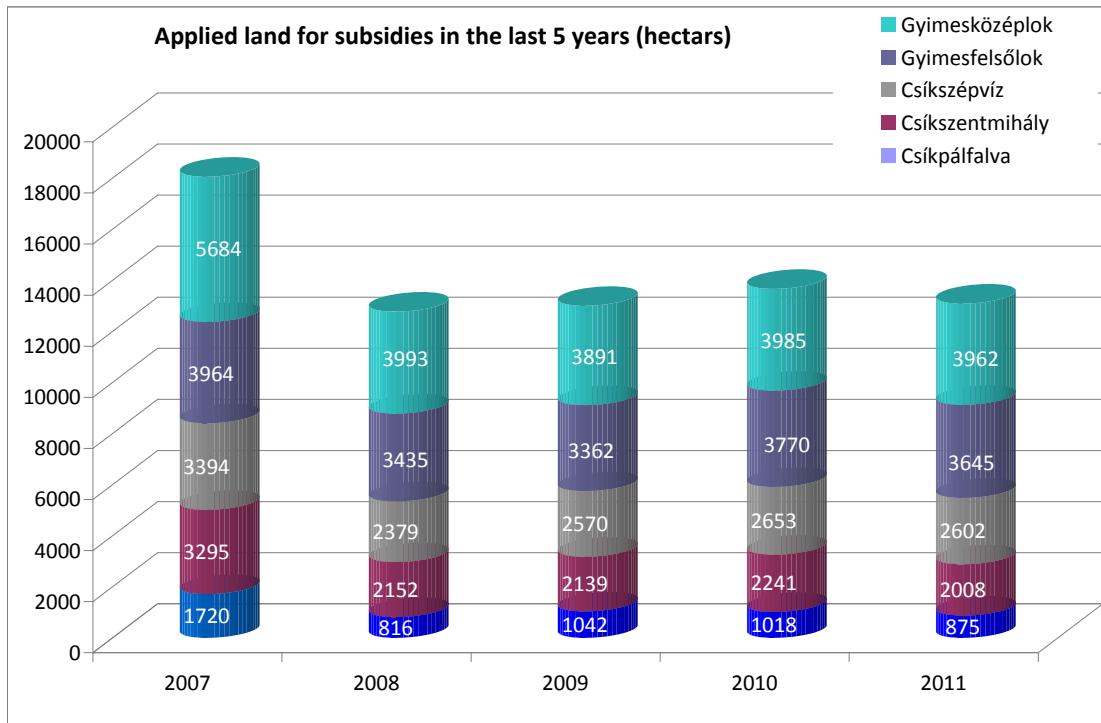
The number of applications has remained constant over the past five years.

However, between 2007 and 2010, there has been a decline in the size of areas designated for support. This could be due to the lack of information in the first year of the EU accession, meaning that back then farmers and administrators were not fully aware of all the rules that have to be taken into consideration.

This is supported by one of our focus group interviewees too: *"In the first year we started with the land based subsidy [SAPS]. People came from the County Council and we were told that everybody should look at the maps and where there is a bit of land that should be put on an association's or somebody's name, because this is the quota year. In the EU this is final; it will be just like the milk quota, in the next year nobody can claim for more. The land has to be on somebody's name. So we tried to do it. But what happens now is that they want all the money back, even from 2007. Because they started a program and nobody had any idea how it works, neither APIA (Hargita County Agency for Agricultural Interventions and Payments), nor the ministry. A program came, everybody's name is put in the system, maps installed and the software just throws them out. And I believe that it's not the farmers fault, because they weren't enlightened about all the consequences. Now subsequently everybody has to pay*

back the money, there's nothing you can do, EU giveth, EU taketh away. You have to pay it back.” young man, Gyimesfelsőlok)

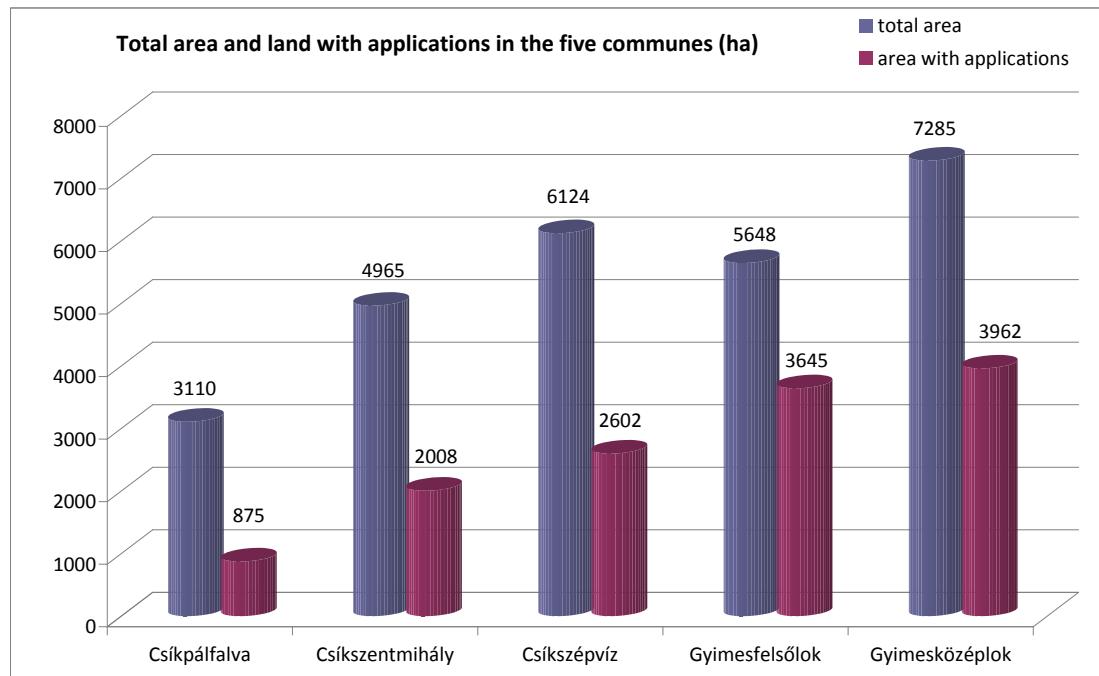
Figure 13



Source: Hargita County Agency for Agricultural Interventions and Payments

After 2007 the amount of subsidized land in all municipalities decreased. The biggest decrease was found in Csíkpálfalva where the amount of subsidized land was halved.

Figure 14



Source: Hargita County Agency for Agricultural Interventions and Payments, 5 local councils

In figure 15 the total amount of arable, pasture and meadow land is compared with the amount of subsidized land. In Gyimesfelsőlok applications were made for 65% of the total land, in Csíkszépvíz and Csíkszentmihály 42% and 40%, in Csíkpálfalva only for 20%.

We believe that besides different geographical features (e.g. characteristic fragmented land structure) the agricultural secretaries and cow keeper's associations play the biggest role in the utilization of subsidies; the chances of getting the subsidy can be improved a lot through the abilities, motivation and awareness of local actors.

For example, subsidy for cows in 2011 was requested by 380 (25% of total) families in Gyimesfelsőlok but only 25 (2.5%) in Csíkszentmihály.

We recommend that each municipality analyses this report to identify how to optimise the local uptake of agricultural subsidy.

4.1.1. Use of agricultural subsidies in Csíkpálfalva municipality

- The most common subsidy applied for is the land-based subsidy; four-fifths of farmers request it. Those who don't do not fulfil the eligibility criteria they own less than 1 ha of land and/or it is in smaller parcels than 0.30 ha.
- The second most popular subsidy is the animal subsidy, applied for by two-thirds of the farmers. ***If all cattle owners in the region were entitled to apply this would help to incentivise those with small land holdings and only one or two cows.***
- The agri-environment subsidy is requested by less than two-fifths of farmers. ***We recommend a number of improvements to this scheme in order to increase its uptake.***

Table 10: Types of subsidies applied for

Land based (SAPS)	Agri-environment	Animal based	Young farmers	Life annuity	Semi-subsistence	Other, mechanization
80%	38%	64%	-	-	5%	1%

Source: survey, Csíkpálfalva, 2011

Nobody applied for the young farmers' grant or life annuity in our survey sample. Three-fifths of farmers will continue applying for subsidies or grants in the future. Most of them (80%) would apply for the same as in the past.

⁴ SAPS (Single Area Payment Scheme) 91,2 €/ha

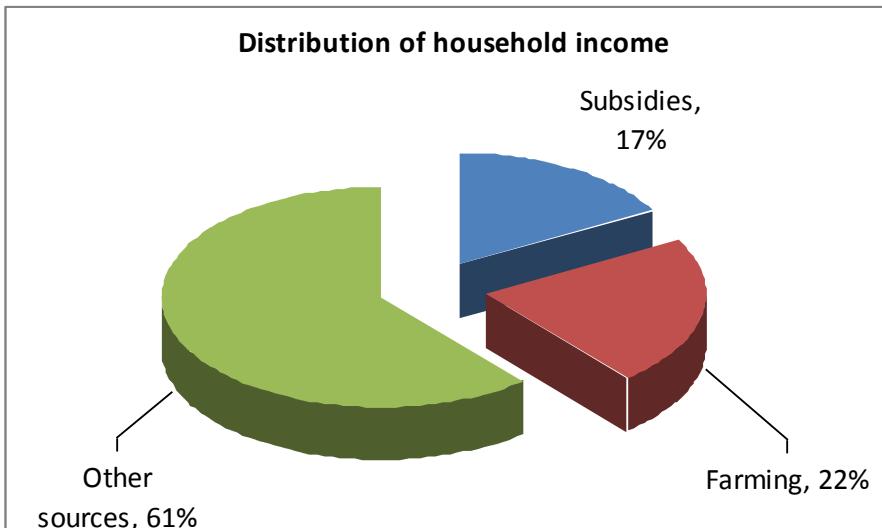
LFA (Less Favoured Area) payment for grasslands and plough lands (applicable in our area): 107 €/ha

National topup package one for plough land (applicable in our area): 32,42 €/ha

Agri environment package one for HNV grasslands (applicable in our area): 124 €/ha

Agri environment package two for unmechanized farming (applicable in our area): 58 €/ha

Figure 15



Source: survey, Csíkpálfalva, 2011

The proceeds from selling farm produce plus subsidies only comprise 39% of the average total income in the sample interviewed. There is, however, considerable variation. It is worth bearing in mind that over half the sample studied are pensioners.

4.1.2. *Advantages and disadvantages of subsidies and grants:*

Advantages: 75% of farmers answered this question. They say, the main advantage of subsidies is that they help sustain the farm.

Disadvantages: 71% of farmers responded and they emphasized that:

- subsidies are paid late (21% of the 70 who responded), which makes yearly cash flow planning impossible,
- farmers with one or two cows don't get animal subsidies
- applying involves too much paperwork and bureaucracy (16%). (see 4.2.4.)
- farmers believe that they should be paid more (11%).
- 10% of these respondents thought that subsidies have no disadvantages.

Some also formulated suggestions to improve the current system of subsidies. (this wasn't compulsory and farmers didn't choose from a prepared list):

- Farmers who own only one or two cows should also receive subsidy and the land based subsidy should be extended to smaller parcels too (17%).
- If a farmer has 1 ha of land, but in smaller parcels than 0.30 ha, he/she should receive the payment.

- The subsidy shouldn't be paid to the owner of the land, but to the person who manages it (3%).
- The requirements should be made easier (as an entrepreneur said: "*expectations are high, there's too much risk involved*")

4.2. Comments on subsidies from focus groups

It is important to note that opinions and suggestions below came from the participants in the focus groups and are not necessarily endorsed by the authors of this report.

The consensus was that in general the subsidy system works well, and the advantages are more significant than the disadvantages. Specific advantages mentioned were:

- Subsidies represent tangible income.
- Without subsidies the number of livestock would diminish and there would be wider areas of uncultivated land.
- Subsidies contribute significantly to the usage of hay meadows.
- Recipients do not need to account for how they spend it.
- They only have to render an account of money received from EU funded projects on an annual basis, not every three months.
- They enable the establishment of agricultural co-operatives and associations.

However, most farmers do not like subsidies. They mistrust them and would prefer to be able to generate adequate income from product sales. Issues/dissatisfaction with the current system we have summarised in the sections below:

4.2.1. Payments, regulations and eligibility

- The **timing of payments** is unpredictable. They are frequently late. For those on a tight budget or who do not have any other source of income it is very important to know when their money can be expected.
- Payments and sanctions are **poorly identified**. It is very difficult to follow what amount of money comes from which subsidy. The money arrives in several instalments, each instalment having the same identification code.
- If someone receives less subsidy, farmers don't know the reason for it.
- Subsidies are also given to people who '**do not deserve it**'; they do not use the land, and in some cases they do not even know where their lands are.
- Those farmers who only have **one or two cows**, or produce only a small amount of milk, do not receive animal subsidies.
- Both cattle farmers and the experts who have to deal with the payment and control of cattle subsidies disapprove of the fact that payments made are based on the **2008 reference year** - regardless of whether the number of livestock has increased or decreased in the meantime. A yearly follow up of cattle number is done anyway, therefore it would be rather easy to do payments based on this.

- Some farmers do not apply for some types of subsidies, because of **tax and social insurance** requirements.
- In case of Measure 141 – for semi-subsistent farms many farmers are ineligible because they **do not have enough land to qualify**.
- Where tenants are involved **subsidy is not given to the man who cultivates the land**, and the benefit to each party is decided as a result of an informal bargain with the owner.
- Farmers are aware of disadvantages that were caused by the bargaining position during Romanian EU accession negotiations: *“Compared to a western state we only get the quarter of the SAPS subsidies. As far as I know in Germany farmers receive between 400-500 Euros for a hectare, we receive 100-150 Euros. ”* (young man, Csobotfalva)

4.2.2. Agri-environment payments

- Both the farmers and the experts agreed that the prescribed date of **1st July for hay-making is not appropriate** in case of the agri-environmental payments – this regulation is too severe and it has several disadvantages for the land users. Several suggestions were made during the discussions: altering of the hay-making date to 15th June; or flexible adaptation to local circumstances (decisions regarding the date of hay-making to be made locally and not in Bucharest).
- There was wide consensus that the regulation which says that the P2 agri-environmental payment applicants are not allowed to use small mowing machines should be altered. It was stated that from an environmental point of view **a small mowing machine does not have any disadvantage compared to the hand scythe**.

4.2.3. Administration and monitoring

- **Meadow burning:** there are some farmers who leave their meadows uncultivated, then they burn them, outwitting the controlling authorities. They still receive the subsidy.
- Those in the expert group said that both individuals and compossessorates try to rationalize the regulations of the subsidies in a way which requires as little financial investment as possible. Hay **meadows have been grazed as pastures**, because it is more advantageous: they do not have to mow and they receive the same amount of subsidy.
- The farmers we interviewed in Gyimes think that controls and sanctions are less frequent in the neighbouring Bákó (Bacău) county, and they incline to view this **problem as an ethnic one**. *“...with the disadvantaged areas and with the P1-2 packages really a lot of money came to these territories. So we have only little representation in Bucharest compared to other regions, but compared to the farmer from Bărăgan we get more, three times more per hectare. And so they try to reduce this, they try to hold Hargita county back, this is their policy...”* (young man from Gyimesfelsőlok.) *“...The Union enacts a law, in Bákó county they don’t even think*

about it, no one cares about it, but in Hargita county they are already watching and controlling you.” (young man from Gyimesközéplök.)

4.2.4. Suggestions for the modification of subsidies

- The subsidy **amount** of 1500 Euros **should be raised** in the 141 project system for semi-subsistent farms.
- **More money** should be (re)allocated to the most popular schemes / packages.
- The **Natura 2000** payments should start **now**.
- **Application for projects should be simplified**, e.g. in case of developments for manure storage and usage (building tank, buying pumps).
- Many participants felt that if decision-makers want as few fallow areas as possible the **minimum plot size** to which subsidies are granted **should be reduced to 0.3 ha**. However, if the long-term goal is the stimulation of land consolidation, then it is inexpedient to reduce the size of subsidized areas: *“If the area of the subsidized land was gradually increased, then this would encourage the farmers to try and make a living from the land, and not from the subsidy. The subsidy is an obstacle in the formation of bigger, more viable areas.”* (Secretary of State for Agriculture)
- **Shift from meadow to pasture**: although in the short-term it is advantageous that pastures and meadows belong to the same subsidy category, in the long-term this does not lead to sustainable land management. Farmers have to be further encouraged to use their lands as meadows again. (In some places it is already too late for this according to one of our interviewees from Csíkszentmihály, who also gave examples of such abandoned areas: Récéd, Lapos-havas, Barakasza.)
- In certain settlements of Hargita County the agricultural executive, the cattle keeping associations and the micro-regional associations help farmers in an organized way to apply for subsidies. It would also be good **if APIA had outreach offices every 50 kilometres**.
- In the elaboration of the post-2013 subsidies more emphasis should be placed on **regional differences**. Subsidies should be adjusted to local conditions. According to the farmers there is no need to import foreign examples, but there is a need to create local models. To do this it is also necessary that the policy makers know the character of the terrain. *“It is not a solution that they come up with something in Brussels and then they give it to us as a kind of help, but then at the end of the year they say that, ‘well, you had many millions of euros and you did not spend it.’ We cannot spend it, because they come up with rules which cannot be applied in our case, and we cannot spend it. We would like to ask our politicians to drop by once in a while, not only in campaign times. They should really talk with one or two farmers to see what are their problems, how they see the problems, what would help them. They should take these into consideration and try to help them.”* (young man, Gyimesfelsőlok)
- In order to enrich the experience of politicians and in order for them to take into account the needs and demands of those affected, there were proposals according to which **study tours should be organised for politicians** to the valley of Gyimes, for example. There they would see how the subsidy applicants live, how they scythe, etc.
- The Secretary of State for Agriculture favours strict controls: *“The uncultivated lands are one of the biggest problems of the region. In these cases the only solution is using*

very-very severe and restrictive measures. In the case in which on the one side there is an attractive financial subsidy, then on the other side APIA and the County Environmental Guard have to introduce very strict, very restrictive measures in case of lands which are uncultivated but subsidies were asked for them."

4.2.5. Suggestions for the modification of EU and national regulations

- *Reference year*

Both farmers and experts were of the opinion that the reference year system is disadvantageous. There are people who, despite the fact that they do not farm anymore, still receive large amounts of money because they had some livestock in the reference year. Suggestion: **the reference year and the average reference production should be discontinued** for both livestock breeding and plant cultivation.

- *Local conditions*

Participants felt that national policy-makers should take local conditions into consideration to a greater extent, and based on these they should develop **local economic regulations** with Romanian laws, rather than under EU directions.

- *Slaughterhouses*

In 2000 a meat processor was established in the valley of Gyimes. Back then the slaughtering and selling functioned well. Following EU accession the regulations changed, and because of the too severe rules **small slaughterhouses and processors** could not stay alive and function. Now the rules have been modified and allow the establishment of small slaughterhouses, but from the previously functioning 16 slaughterhouses of the county none has started functioning again. In theory it would be possible to open small meat processors, but no-one wants to do it because (a) the slaughterhouses have lost their customers, and (b) meat imported from abroad is so cheap that the meat produced locally could not compete in price. It seems that resuming the operation of the slaughterhouses proves to be more difficult than if their activities had not been interrupted.

- *Pasture utilization*

According to the farmers since the subsidies are the same for the utilization of pastures and meadows as well, it is much easier to use pastures than meadows, but this does not mean that in case of the pastures there is no need for maintenance work. "If we don't have enough animals than at least we should clean the pastures in the spring and autumn." (agricultural expert)

5. Young people in agriculture, the future of farming

5.1.1. What would encourage young people to continue farming?

The majority of the farmers in Csíkpálfalva consider that there are two main motivational factors:

- they need better access to markets and better prices for their products,
- young people should be given more subsidies, because from a financial point of view it is not worth farming.

10% of respondents think that the young people do not want to run a farm. For them other values are important. Farming is a difficult way of life with lots of constraints, and keeping cows and animals in general is not a clean job either.

5.1.2. *What would help your own farming the most?*

- 92% of the farmers from Csíkpálfalva think that if the price per litre of milk were higher, then this would be conducive to farming.
- if they could sell other products at a higher price (85%)
- if the subsidies were higher (73%)
- to have someone who could offer professional advice if needed (20%)
- to have other types of incomes as well (15%)

5.1.3. *Future plans of the farmers from Csíkpálfalva*

71 % of those interviewed do not plan to give up farming in the coming 5 years. However one should note, that this high proportion comes out from a survey among farmers, who didn't give up during the last 20 years, i.e. the most committed ones.

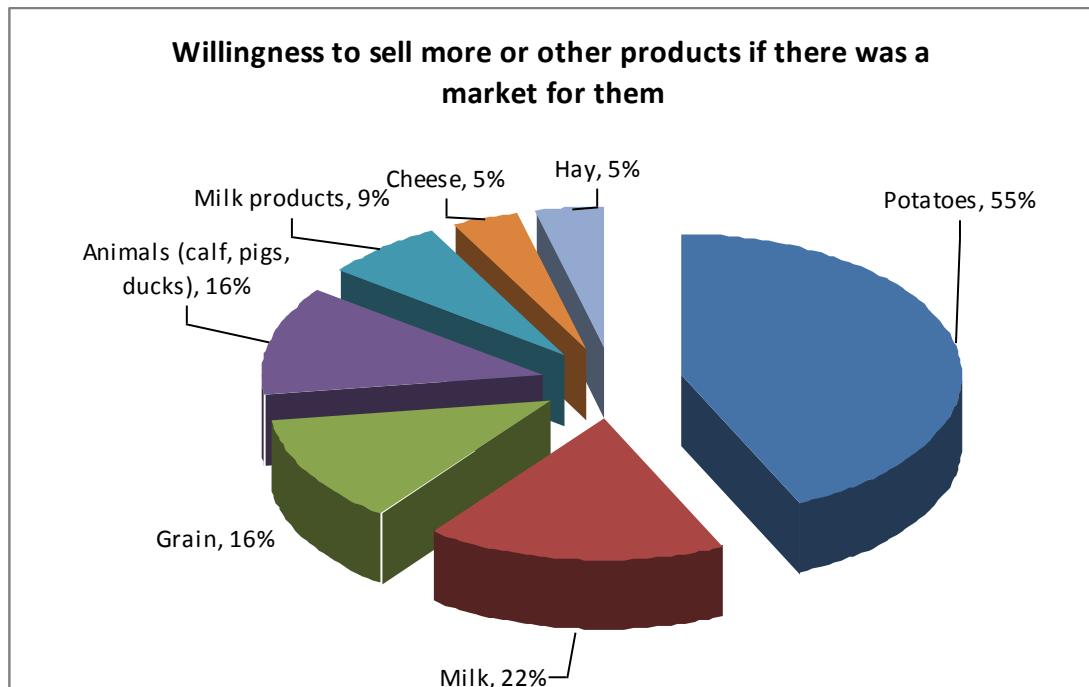
Among those who would like to quit farming the most common reason for this is age, or bad health. Other reasons were cited:

- the low price of milk
- the lack of demand for their products
- they could sell the land for a good price
- the demands of the European Union
- low subsidies
- state interference or law.

Eighty-six percent (86%) of those interviewed think they or a member of their family will practice farming in the future as well. The most common reason they give is to supplement their income. The second most common reason is habit. They often think that it is not worth farming, but they "must", as it would be a shame to leave the land uncultivated.

88% of those interviewed do not plan increase their number of cows in the future. The remaining 12% would like to buy more cows only if the purchase price of milk was higher and if dairy products sold better.

Figure 16. Willingness to sell other products



Source: survey, Csíkpálfalva, 2011

55% of those interviewed would like to sell more / other types of products. Most of these (55%) would like to sell potatoes, but 40% would also like to sell other products if there were a market for them. The chart shows an obvious similarity with the sales habits of the last 10-20 years. Potato, raw milk, grain were and are the main income generating products, whereas calf is less successful, and cheese would rather be an innovative product for sale.

Out of those interviewed 64% would not like to get the status of organic farmer, the most common reasons for this being old age, low mechanization and that they do not grow goods for sale, only for the family. We should also note, that conversion and control are far too expensive for such small farms with low incomes.

Those who would like to get the status of organic grower have the following reasons: they grow their fruits and vegetables organically anyhow (“we do not use chemicals”), and they could sell their products for a better price. Those who would like to sell more/different types of products would more likely want to get the status of organic grower, there being a significant relationship between the two variables.

5.1.4. *Comments from focus groups:*

Most focus group interviewees were pessimistic about the future of farming, they do not really believe that all the difficulties can be resolved in the foreseeable future.

Both the farmers and the experts believe that lack of recruitment is a major factor. Respondents identified the following reasons why insufficient numbers of young people are continuing the farming traditions of the area:

- Many young people try to find work abroad⁵ Migrant work, as a strategy, proves to work. Wages are much higher than at home. They can gather significant start-up capital for a home or business, or simply buy consumer durables.
- In family socialization agricultural work appears as a 'fall-back position' for those who do not succeed in the school system. It has low social status.
- Farming is also very time-consuming. Milk producers for example, have no days off, if they do not have an outsider to help them.
- Traditional farming offers very little financial reward.

All these factors are conditions which keep the young away from farming. Only those will decide in favour of farming:

- for whom the symbolic importance of farming is a priority, mainly more educated people
- who have a certain amount of start-up capital (human⁶, equipment, financial) who have no other chance as they cannot see any other alternatives.

5.1.5. *Focus groups' ideas on sales and marketing*

There was a discussion of how cheap food imports damage the domestic market. The lower level of arable land subsidies compared to old Member States (defined by the bargaining position arrived at during the EU accession negotiations) make it hard to compete.

Some participants felt that by the pursuit of quantity we 'lose the essence of things'. Too often customers make their decisions based on price and not on quality. By traditional production one cannot achieve high yields, so they envisaged a co-operative which would promote a demand for quality products.

The monthly traditional products market (in Csíkszereda / Miercurea Ciuc) is popular and should be organized more frequently, because it brings together rural producers and urban consumers. "*It could be organized fortnightly or weekly*" (middle-aged man, Gyimesfelsőlok).

This successful initiative is also intended to stimulate the processing of higher value agricultural products. Milk, for example, is not sold as raw material, but as cheese, curds, etc. It also stimulates meat processing. The market helps farmers sell directly to a circle of loyal customers.

Thanks to the subsidies the hay meadows are more used, but there is little demand for hay; so it does not have a proper price. A solution to the alternative use of hay could be the setting up of briquette manufacturing companies.

⁵ Since the recession that started in 2008 this practice is becoming more frequent every day.

⁶ Under human capital we understand the inherited or gained knowledge, resource and market knowledge, all of which are necessary for processing and selling goods.

6. Conclusions - Key findings and recommendations for policy-makers

Small-scale family farming remains a central part of the life and economy of the Pogány-havas Region, and Romania as a whole. These farmers provide food, social stability, an economic safety net and meaningful work for their families and communities, and have created and maintain cultural landscapes, outstanding biodiversity and many ecosystem services. Far from being inefficient, this farming system has provided social, economic and environmental resilience over hundreds of years of change, and continues to do so. The state could not afford to pay for the free goods and services provided by its over 3 million small-scale farmers. We have much to learn from these farmers about sustainability.

It is therefore essential for local, national and European policy makers to create conditions in which small-scale family farmers can continue their important work.

Like farmers in the rest of Europe, those in the Pogány-havas region rely on jobs outside agriculture to supplement their farming income. Subsidies provide additional income for most farmers (but only 17% of household budgets in our sample).

An overwhelming majority believe that the biggest incentive to continue farming would be higher prices for their produce. Higher subventions, improvements to the subsidy system, less bureaucracy, and better professional advice and information would also help, but are seen as less important by the farmers than better markets.

Abandonment of the highest nature value meadows

Our research has also demonstrated that **urgent action is needed to protect the most valuable mountain hay meadows** from abandonment and grazing. An alarming 86% were not mown in 2011 in our study area.

The abandonment of mountain hay meadows has significance for agri-environment policy because these are the most biodiverse and therefore environmentally important farmlands in the region. Indeed, mountain hay meadows in our region are significant at the European scale: they are amongst the top most biodiverse meadow areas in Europe and are home to exceptional numbers of plants and butterflies.

From 2006-2010, cattle numbers decreased by 12%, while sheep increased by 31%. Sheep graze on the highest mountain pastures, and as their numbers increase they come lower and feed on the outer hay meadows. The subsidy system also perversely incentivises conversion of meadows to pasture. Grazing significantly decreases the plant diversity of these grasslands compared to mowing.

At the same time, the decrease in cattle numbers has led to a lower demand for hay and therefore an increasing risk that the hay meadows will be abandoned or converted to pasture.

The most common reason why farmers say they are abandoning the outer meadows is because they are too far away and they do not need the hay. 44% of them would like to cultivate their lands, if they had support, or if they needed more hay. Creating markets for hay, and high value milk and meat products is the best long-term strategy for their protection.

In addition, Member States are required by EU legislation to make sure the ratio of permanent pasture (including meadow) to total agricultural area is maintained. The Romanian government therefore has a legal obligation to protect these high nature value grasslands.

That such a huge percentage of these meadows have been abandoned despite the existence of an agri-environment subsidy designed to protect them suggests that strong further measures are urgently required.

Our policy recommendations:

- stimulating a market for milk and other products of local cattle farming, including beef
- creating new markets for hay
- removing the barriers to such production and marketing
- introducing a separate hay meadow package and mountain hay meadow supplement which reflects the higher nature value, ecosystem services and management costs of this important and threatened use type
- improving agri-environment schemes to increase their effectiveness and uptake.

Improving agri-environment schemes

Mowing methods

Most farmers mow using small mowing machines (76%). Agri-environment package two is available for farmers who use a hand scythe only: just 10% of our respondents. If small mowing machines were also included in this package, an additional 70% of the sample would become eligible. Small mowing machines are no more harmful for plants and animals than a scythe, and allow at least 10 times more area to be mown in a given time. A change in the eligibility criteria would encourage a considerable number of farmers to continue mowing with environmentally friendly methods.

We recommend that small mowing machines should be allowed within agri-environment package two.

Mowing date

Farmers mow the inner hay meadows twice, in June-July and September, but only once on the outer hay meadow, mainly in August. 45% of respondents begin to mow before 1 July. Farmers receiving agri-environment subsidy must undertake to mow only after 1 July, a date which in our opinion gives no environmental benefits. Indeed, by limiting the uptake of agri-environment payments we hypothesise that this mowing date is positively harmful to the environment.

Some protected species, for example for the white stork, rely on early mowing because they need short grass to find food for their young. Traditional mowing dates have created and maintained exceptional biodiversity in this region.

We recommend the abolition of the 1 July mowing date.

Better targeting of subsidy

Increasing the subsidy for the highest nature value meadows compared to pastures would target the subsidy better to its environmental objectives.

A separate hay meadow package and mountain hay meadow supplement should be developed and implemented as soon as possible.

Other subsidy issues

Advantages and disadvantages of the subsidies

Late payments and bureaucracy were seen by the interviewed farmers as the main disadvantages of the subsidy system. Eligibility criteria, including the mowing date, and no subsidy for farmers with few animals or too little land, were also criticised.

The main advantages were contributions to the cost of farming, extra income for the family, and motivating farmers to continue farming.

Local variations in uptake

Based on the data that we collected, the amount of subsidized land in all five municipalities has decreased. However there were wide variations in uptake. We believe that besides different geographical and economic factors, the agricultural secretaries and cow keeper's associations play the biggest role in the utilization of subsidies; the chances of getting the subsidy can be improved a lot through the abilities, motivation and awareness of these local actors.

We recommend that each municipality analyses these data to identify how to optimise the uptake of agricultural subsidy.

Regionally tailored packages

In the post-2013 Rural Development Programme a bigger emphasis should be laid on regional differences: subsidies should be adjusted to local conditions and the farmers' needs. According to the farmers and experts there is no need to import foreign examples, but there is a need to create local models. To do this it is necessary that the policy makers understand local conditions.

Policies and subsidies should be adjusted to local conditions and to farmers' needs, through regional packages.

Small-scale farming

In Romania, many small-scale farmers with just one or two cows are finding it increasingly difficult to continue farming. **We recommend the extension of animal subsidies to all cattle farmers** because of the benefits to the environment and economy.

Improving incomes

Cooperation between producers, eg through **cattle keeping associations and sellers' cooperatives** such as milk collection points, improves the bargaining position of such groups compared to individual farmers. They can monitor and improve product quality, apply for grants, and motivate farmers with examples of good practice. Regional development associations can also help, through offering training, advice and grant writing services.

By traditional production one cannot achieve high yield, therefore promoting production of and demand for quality products is necessary. The monthly traditional products market in Miercurea Ciuc was praised by many respondents, who called for it to be **organized more frequently**, because it is a useful forum for rural producers to meet urban consumers.

Bureaucracy is a barrier to marketing. A lack of slaughterhouses caused by legal restrictions which have now been lifted, shows that once such businesses have been destroyed it is much harder to recreate them. None of the previously functioning 16 slaughterhouses of the county has reopened. As a result, it is almost impossible for a small producer to sell meat products legally.

Support for entrepreneurs is lacking, at an official level and within communities. The Leader programme also offers opportunities beginning in 2012 for collaboration, sale, new enterprises and professional knowledge development.

Policymakers should remove the barriers and create incentives for farming businesses to thrive.

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Pogány-havas Regional Association

Address: Ro-530203 Miercurea Ciuc, Szék útja 123. · Email: office@poganyhavas.ro
Tel: +40 266 316 035 · Mobile: +40 735 169 959 · www.poganyhavas.ro