

STRENGTHENING THE MARKET OF AGRICULTURAL ADVICE AND EXTENSION IN ROMANIA: NEW ACTORS INVOLVED

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ABSTRACT

Delivery of adequate guidance and advice to farmers is one of the key elements for a successful implementation in Romania of the Common Agricultural Policy post-2013 program. After the decentralization of the governmental advisory and extension system, the former network continues to perform as Chambers of Agriculture subordinated to the local public administration of the County Councils, but the organization of the election process for farmers' representation in chambers still lasts. The paper focuses on the outputs of two joint World Bank and Romanian Ministry of Agriculture and Rural Development projects aiming, among other objectives, to reform, to back up and strengthen the Romanian agricultural advisory system. Within the frame of the two projects, new actors are emerging on the advisory market: (i) Integrated Agricultural Offices (designed on the model "one stop shop"), established in 4 pilot areas and (ii) Socio-Economic guidance providers established in 15 counties.

Key words: agricultural advisory system, agricultural extension, agricultural chambers.

INTRODUCTION

Many of the urgently needed reforms in addressing the key issues of food security and market development will only be effective if strong advisory institutions are in place to provide support to rural populations. Advisory or extension systems can be defined as the entire set of organizations that should facilitate the access of farmers to knowledge, information and technologies, facilitate their interaction with partners in research, education, agri-business and other relevant institutions and assist them to develop their own technical, organizational and management skills and practices (Christoplos, 2010). This set of organizations may include governmental agencies, private extension service companies, private extension advisors, NGOs, universities, farmers' associations, research institutes and input suppliers.

Countries like the United States of America, Canada, Australia and Denmark, which have very advanced agriculture, have always enjoyed strong advisory/extension services, first public, and now public and/or private (Qamar, 2005). Today, in EU countries, both public extension workers and private-sector firms, in responding to specific farmer inquiries about particular production problems, commonly use the term advisory services; while United States and Canada still use the term extension services to describe their non-formal education programs, many European countries use the term advisory services to describe their respective extension programs and activities (Swanson and Rajalahti, 2010). Nevertheless, the concept of extension has changed over the time: originally it was conceived as a mere extend of the research based knowledge ("top down" approach), whilst today it focuses on assistance to farmers to deal with a wide set of service providers; thus, instead of "extension", the use the term of "advisory services" is preferred by many (Davis, 2008).

In Europe there are different approaches of the advisory systems. In France, Austria and Northern Germany extension and complementary services have been outsourced to farmer-managed Agricultural Chambers. In Southern Germany agricultural consultancy is partly a government service, with private

consultants offering complementary, highly specialized advice – financed mostly by EU and state subsidies. Less specialized consultancy is offered as part of an integrated service package supplied by local bureaus (“one stop shops”), staffed with civil servants. In England, the public extension service has evolved over time into a private consulting practice. The positive result is enhanced efficiency of staff, and the negative effect is the deprivation of small farmers of extension services, as the result of their inability or unwillingness to pay. It is also said that the government has taken over some previously privatized advisory functions because of dissatisfaction with the private sector (Qamar, 2005). In the Netherlands agricultural consultancy has been fully privatized, with part of the business consisting of government contracts, whereas in Denmark agricultural consultancy has traditionally been provided by farmer cooperatives and associations (Doorman and Eissen, 2006). Of particular relevance are experiences of recent entrants to the EU, notably Poland. Poland has developed, along parallel paths, Chambers of Agriculture (of which all farmers have obligatory membership) and a state-managed agricultural extension service. Estonia has both a public extension advisory service for poor farmers and a private service for better-off farmers.

Agriculture advice/extension is among the major challenges in rural development and a great opportunity. Along with farmers’ association and agricultural activities taxation, delivery of guidance and advice to farmers is one of the key elements for a successful implementation in Romania of the Common Agricultural Policy post-2013 program. With the EU accession, agricultural advice, extension or consultancy cannot remain limited to the traditional tasks of supplying information, knowledge and training to improve farming and farm incomes. Specific assistance is required in assuring full compliance with the EC rules and regulations that farmers have to meet to be eligible for subsidies, under the different axis of income generation-investments, environmental measures, rural development-diversification and social and economic measures to ensure livelihoods.

Recognizing the need for high quality agricultural services to facilitate compliance with the obligations of EU membership, the International Bank for Reconstruction and Development (IBRD) was involved in continuation of assisting Romania to set up a modern agricultural knowledge and information system, the aim being not only to establish an EU compliant system, but also to develop national institutional capacity for implementing the new requirements and to improve the flow of information on EU requirements and standards related to production. Specific components of two projects “*Modernizing the Agricultural Knowledge and Information Systems-MAKIS*” and “*Complementing EU Support for Agricultural Restructuring*” Project-CESAR”), jointly coordinated by the World Bank and the Ministry of Agriculture and Rural Development, are on ongoing implementation and have, among other objectives, particular tasks in backing up and strengthening the existing advisory system in Romania.

OVERVIEW OF THE FORMER AND PRESENT ROMANIAN PUBLIC AGRICULTURE ADVISORY SYSTEM

The former Romanian public advisory and extension system was conceived as a centralized system, under the authority of the Ministry of Agriculture and consisted of a National Agency for Agricultural Consulting (ANCA), with headquarters in Bucharest, and its network of County Centres for Agricultural Consulting (OJCA) established in Romania’s 41 county capitals and Local Centres for Agricultural Consulting (CLCA). The ANCA system was created in 1998 within the framework of an EU-financed project under the PHARE program, with the aim to initiate the provision of agricultural consultancy services to Romanian farmers.

In 2001, the public agriculture extension system was decentralized. Concerning the administrative and financial aspects, the OJCA and the CLCA were put under the local authorities of the counties and the local communities. Concerning the technical aspects, the ANCA kept a role of coordination, especially for the information and the training of farmers. Under the changed circumstances, the quality of the advice work for farmers was questionable, due to the large-scale use of OJCA and CLCA extension staff to undertake non-extension activities.

In 2004, the system was centralized again and the OJCA and the CLCA were re-transferred under the authority of the ANCA and the Ministry of Agriculture. Six years later, in September 2010, the process was reversed once again through the “*Law on Decentralization of Selected Institutions under the Sub-Ordination of the Ministry of Agriculture, Forests, and Rural Development through the Reorganization of Agricultural Directorates for Agriculture and Rural Development and Setting-up of Agricultural*

Chambers". This Law detached the National Agency for Agricultural Consulting (ANCA) from the OJCA and CLCA, the last two being incorporated for the second time under the regional councils (county and local administration). ANCA's role had thus transferred to a purely technical advisory rather than an operational one and finally the agency was completely dismantled. Few of its former staff is now still working within a small "Compartment of consultancy, extension and training" in the Ministry of Agriculture, under the Department of Agricultural Policies.

Late 2010, the Romanian Parliament adopted the "*Law for Agricultural Chambers for agriculture, forestry and rural development*" (Law no. 283/28 December 2010), giving green light (since the concept of Agricultural Chambers implies farmer-managed organizations), to the organization of the election process for farmers' representation. The process still lasts (and quite long so), to be launched. However, when this will happen, at the beginning it will be difficult for the farmers' representatives to play coherently their part. It requires a certain period of time to learn how to take into account the collective interest, to deal with the politicians and the administration, to manage an agricultural chamber (Szlezak and Mazens, 2006). It takes a certain time for these structures to develop sufficiently through organic growth and evolution and to be able to carry out a range of complex executive functions. Forcing this process would carry a major risk of agricultural chambers coming to be controlled and possibly abused by small but economically and politically powerful interest groups instead of representing and serving the interests of Romania's farmers (Doorman and Eissen, 2006).

To date, the former county OJCA and local level CLCA network continue to perform as Chambers of Agriculture subordinated to the local public administration of the County Councils (and under the technical and methodological coordination of the Ministry of Agriculture), although the present usage of the term agricultural chamber does not correspond with its original meaning and is therefore, not in line with common usage in the EU. The county level chambers' human resources comprise, in all 41 county offices, a number of 360 staff with an average of 7-9 staff/county office. At local (village) level, there are 500 offices with 1 staff/office. The ratio number consultant/beneficiary is 1/4700 (including subsistence farms) or 1/1764 (taking into account only the farms registered into the National Farm Registry). Quantitatively, it is obvious that the advisory staffs are inadequate to cover even a minor proportion of Romania's farmers. Experience elsewhere in Europe has shown that coverage of between 1 and 1.5 full time equivalents (FTE) of professional expertise is required to adequately serve 100 farmers – i.e., one consultant for between 65 and 100 farmers (Doorman and Eissen, 2006).

OTHER ADVICE PROVIDERS

In terms of private agricultural advice, along with the very active input suppliers, there are many independent bodies providing mostly specialized consultancy in more or less narrow fields. On a continuous changing advisory market, there are a few quite successful stories of some private companies (e.g. RGIC, Romactiv, Romair, etc). A recent assessment of the current supply and demand for advisory services to the agricultural population in some regions in Romania (OSC, IRES, 2010), identified three major demanded advice areas such as (i) backing up the farmers to access EU Rural Development Program funds by identifying the issue, writing up the proposal and take care of the bureaucratic procedures of the application's submission, (ii) technological crop production and livestock keeping advice (carried mostly by the input supply firms) and (iii) consultancy for juridical, cadastre issues, feasibility studies, marketing, management (farm and assets), training etc.

Another group of advice and extension providers consist of the qualified staff in the agricultural research institutes but the topics are focused and specialized in the field connected with the research area of each institute. Some of the research institutes have organized special extension compartments (e.g. in the Agricultural Research and Development Institute Fundulea, the Animal Biology and Nutrition Institute Balotesti, the National Research and Development Institute for Soil Science, Agro-chemistry and Environment Protection Bucharest etc.). Sometimes the advice and extension work is carried as activities scheduled within the frame of research grants and projects (particularly the work packages of training and dissemination), often as special activities such as field days on specific commodities, and very rarely on a fee basis at farmers' request. Applied research institutions need strong extension services to work in a field problems-oriented mode, and the extension services need the backstopping of strong applied agricultural research institutions to effectively serve the farming communities (Qamar, 2005).

Regarding the presence of the agricultural universities on the extension market, the MAKIS Project, through the component “*Support for Advisory and Information Systems*”, has successfully set up Training and Information Centers (TIC) in the main regions in Romania (universities embedded), as knowledge resource bases for improvement and updating the professional capacity of the extension, food safety and research specialists to better serve the needs of farmers’ knowledge and technologies related to production, quality control, food safety processing and marketing, in order to permanently know, adapt and meet EU requirements (Ștefănescu et al., 2011).

NEW PLAYERS ON THE ADVISORY MARKET

In 2006, a consulting foreign mission (two experts from Netherlands and Germany), draw a set of proposals for a medium term strategy to better attune Romanian extension to the needs of farmers and the requirements of the EU Common Agricultural Policy. The report noticed the proposals developed to have integrated service supply delivered by to-be-formed Agricultural Chambers (Doorman and Eissen, 2006). The concept of integrated service supply was in line with EU policy; however, the use of the term Agricultural Chamber for a service organization diverged at that time from the common EU practice (and still is, since the concept of Agricultural Chambers as used elsewhere in Europe implies farmer-managed organizations, task not accomplished yet in Romania).

The experts proposed separate paths for developing farmer organizations—agricultural chambers and for developing service supply. Developing farmer organizations, including agricultural chambers, was to take place gradually and “organically” in the medium and long term. Service reform was urgent and therefore, on short term. However, it should be noted that in spite of these separate paths, public service reform should aim at introducing farmer participation and representation in determining policy and strategy for service supply. The preferred model for the development of agricultural support services was that of a “one-stop shop” for services and overall farmer – state – EC interaction, including consultancy and control functions.

Following the foreign consultants’ proposals, the concept of “Integrated Agricultural Offices” (IAO) was considered by key experts from the Ministry of Agriculture and the World Bank, the most appropriate model for meeting the needs of the farmers in the new EU CAP environment. The MAKIS Project consequently funded the establishment of four pilot IAOs (in Tecuci/Galați, Medias/Sibiu, Pucioasa/Dâmbovița and Trușești/Botoșani), representing local “one stop service centers” that bring together, under a single roof, agricultural advisory and administration services. The IAOs notably contribute (through close collaboration of concerned officers/advisers) to a significant reduction of procedural barriers, to expedite administration process, and thus, to a reduction of the related administrative costs. All pilot IAOs have established Consultative Councils with adequate local stakeholder and farmer representation, in order to ensure that all have a voice in determining policy and strategy for service supply chain and facilitate the establishment of Agricultural Chambers. In March 2012, the “Compartment of consultancy, extension and training” in the Ministry of Agriculture has started to explore the possibility of the establishment of additional IAOs in other counties.

An entirely new concept on the advisory market in Romania is the socio-economic guidance. One of the CESAR Project components (“*Socio-Economic Guidance Services to the Agricultural Population - SEGPs*”), seeks to increase the ability of the agricultural population to sustainably manage its income and assets under consideration of national and EU support programs. The socio-economic guidance service capacities and mechanisms established under the project facilitate access to information and advice relevant for the agricultural population to find solutions to problems or adaptation challenges in agricultural production, household, family and social economic relations beyond the farm itself.

An initial “*Assessment of Supply and Demand for Rural Advisory Services*”, was completed within the frame of the Project in September 2010, providing a baseline of types and quantities of advisory service needs in the project regions. The elaboration of a *Handbook on Socio-Economic Advice* was finalized in June 2011, and its three volumes serve as case and reference guide for Socio-Economic Guidance Providers, but may also be provided to interested consultants outside of the project context. The actual provision of socio-economic guidance services to the agricultural population through contracted SEGPs has meanwhile started in the counties of Alba, Dolj, Olt, Timiș, Bihor, Argeș, Dâmbovița, Brașov, Călărași, Mureș, Galați, Harghita, Cluj, Suceava and Teleorman.

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