

Overcoming Difficulties of the New Members States in Order to Reach the Level of Development of the Old Member States of the EU

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Abstract

In May 2004, 10 states were joining the European Union, a premiere in the EU's history. Consequently the EU enlarges its rural area accordingly, with great dimensions – 130.000.000 ha, which means a 30% growth, while production increases only with 10-20%, due to a low productivity.

The same way Romania benefits nowadays from some measurements, so did those states at that time: direct payments to the farmers - introduced one at a time during a ten year period, sustaining the market (intervention prices, export subventions), instruments which encouraged investing and restructuring within the rural development programmes. These development programmes were sustained by structural funds direct payments were divided throughout a ten year period. The low level of direct payments to the farmers didn't have an impact on the price and quality of the production, but in the long run it will affect their investment capacity. Until 2013 the direct payments to the farmers will be the same as those of the older member states. For those countries, which adopted SAPS, as well as for those; which adopted CAP (Malta and Slovenia), direct aids are paid throughout a growing quantum.

In Hungary the agricultural incomes have grown constantly, compared to the pre-accession period, the incentives used by the agricultural and food-industry producers were very strong, banks have become more flexible as regards to granting credit for agricultural purposes. In Hungary the impact of the accession over certain markets was not entirely positive. A disadvantage in distributing wheat and corn on the market represented the big expenses with transport. Structural problems and lack of capital, in spite of big supplies of wheat, have lead to a decrease in production in the zoo technical area.

It is expected that prices on the wheat market in Hungary, will remain under pressure in the following years.

Key words: structural funds, accession, agriculture

sa2008_a0202