

Voluntary Report – Voluntary - Public Distribution

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Report Name: Romania Approves COVID Subsidies for Farmers

Country: Romania

Post: Bucharest

Report Category: Agricultural Situation, Agriculture in the News, Dairy and Products, Livestock and Products, Poultry and Products, Vegetables

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Report Highlights:

The Government of Romania (GOR) recently approved direct payments for farmers to compensate for COVID-19 losses, particularly in the livestock and horticultural sectors. Funded by both national and European Union (EU) budgets, the subsidies will vary according to the farm size and type.

Background

In mid-March 2020, the novel coronavirus prompted the GOR to enforce national restrictions through mid-May. These restrictions, as well as social changes away from the hotel, restaurant, and institutional (HRI) sectors, have changed consumer demand and consumption patterns for many food and agricultural products. The daily number of positive COVID-19 cases are generally increasing, and Romania remains under an official 'state of alert'. As a result, social distancing measures will likely remain in place during the upcoming months. National and local movement restrictions, school closures, a sharp decline in demand for HRI services, and some supply chain disruptions have raised stocks for some agricultural commodities. For example, dairy sales to retailers declined 23 percent during the first two months of the pandemic. Also according to GOR analysis, vegetable sales during March-May 2020 declined 55 percent from the same period in 2019. Additionally, production costs increased as farmers adopted measures to protect their employees and farms.

National Budget-funded Measures

In September 2020, the European Commission (EC) approved a Romanian program to support private bovine breeders negatively affected by the novel coronavirus outbreak, valued at roughly \$8.7 million (approximately RON 35.7 million). The program targets micro, small and medium-sized enterprises (SMEs) as well as large enterprises active in the Romanian cattle breeding sector. Applicants must own over 91 adult female bovine animals. The value of the support is \$118 per cow and maximum payouts to a single farmer cannot exceed \$118,000. More information about the program may be found [here](#).

The EC approved a similar subsidy program for the swine sector with an estimated budget of \$29.2 million (approximately RON 119.5 million). Payouts are based on \$118 per livestock unit, at a conversion rate of 0.3 livestock units for a fattening pig and 0.5 livestock units for a breeding sow. The maximum payout to a single farmer cannot exceed \$118,000. More information about the program may be found [here](#).

Per the GOR's request, in September 2020, the EC also approved a similar subsidy program for the poultry sector. The value of the support is \$118 per livestock unit, at a conversion rate of 0.03 livestock units per broiler, turkey, and hatched chick, and 0.014 livestock units for laying hens and heavy breeds. Similar to the abovementioned programs, the maximum payout to a single farmer cannot exceed \$118,000. The estimated total budget of the measure is \$26.8 million (about RON 109.8 million). More information about the EU approval may be found [here](#).

EU Budget-funded Measures

Unlike the abovementioned programs funded under the Romanian national budget, other activities for certain categories of agricultural producers are funded under the EU. Romania was approved to use nearly \$180 million from the European Agricultural Fund for Rural Development (EAFRD) for these programs. These funds were distributed via Measure 21, an instrument granting exceptional temporary support for farmers and SMEs particularly affected by the COVID-19 crisis. This temporary support aims to alleviate COVID-related liquidity problems, particularly among livestock producers, as well as vegetable, fruit, and potato growers. It will be disbursed as a lump-sum payment based on farm size. For cattle farmers, eligible farms must have 5-90 adult female bovine animals. Cattle farmers are eligible to receive up to \$1,180 per farm with 5-10 head, and up to approximately \$8,300 per farm with 61-90 heads. For sheep and goat farmers, eligible farms must have at least 50 adult female sheep or goats at least 12 months old. Minimum eligibility requirements are also established for horticulture

producers based on area. Subsidies for horticultural producers vary from \$828 per holding to nearly \$6,000 per holding. More information about this type of support is available [here](#) (Romanian language).

Romania's wine sector was heavily affected by COVID-19. In August 2020, the GOR approved a new COVID-related measure under the national wine program to support vintners. Under the program, subsidies can be paid to vintners willing to produce alcohol-based disinfectants, or for the pharmaceutical or energy sectors. The production minimum for eligibility by volume is 10 hectoliters of 82 percent alcohol by volume. Vintners eligible under the program received funding based on the wines produced, chiefly \$0.89 per liter for varietal wines and up to \$1.13 per liter in case of protected designation of origin and protected geographical indications wines. This program is fully funded under the European Agricultural Guarantee Fund. More information about this program is provided by [Order 240/2020 regarding the eligibility criteria](#) (Romanian language).

Attachments:

No Attachments.