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ENABLING FACTORS AND POLICIES FOR THE DEVELOPMENT OF AGRICULTURAL COOPERATIVES, PRODUCER GROUPS AND PRODUCER ORGANISATIONS IN ROMANIA

ABSTRACT

The transformations of the agri-food system in the context of multiple interconnected crises, as well as those that the economy and society must undertake towards a sustainable future, require collective action, with an important role played by producer organisations, agricultural cooperatives and producer groups.

The legal framework for establishing modern agricultural cooperatives in Romania was set by Law no. 566 of 2004. The annual registrations of agricultural cooperatives at the National Trade Registry Office have varied quite a lot, being influenced, first of all, by public policies with an impact on their development. Of these, the most important have proven to be those regulating the fiscal facilities that agricultural cooperatives and their members can benefit from. Nowadays, agricultural cooperatives play an important role in the agri-food system in Romania, holding almost one third of primary agricultural production and a quarter of the distribution and valorisation of agri-food products, making it imperative to maintain those public policies favourable to their future development.

Key words: agricultural cooperatives, producer organisations, public policies, fiscal facilities.

JEL Classification: Q13, Q18.

1. INTRODUCTION

Established under Law no. 566/2004, as subsequently amended and supplemented, the agricultural cooperative is an autonomous association with an unlimited number of members, with variable capital, which carries out an economic, technical and social activity in the private interest of its members. The agricultural cooperative is established and operates with a minimum number of 5 people, and the share capital is made up of shares of equal value.

There are three types of agricultural cooperatives in Romania:

- Grade 1 – consisting of, as the case may be, natural persons, authorised natural persons, individual enterprises and/or family enterprises;

- Grade II – consisting of legal entities and/or natural persons, authorised natural persons, individual enterprises and family enterprises, for the purpose of horizontal and vertical integration of the economic activity carried out by them;
- Grade III – consisting of agricultural cooperatives of grade II that carry out joint investments in compliance with cooperative principles: free and voluntary association, economic democracy, autonomy, transparency, solidarity, cooperation between cooperatives, concern for the community.

The peasant household can also become an associated cooperative member in agricultural cooperatives since 2020.

Legal entities that associate in agricultural cooperatives must be active farmers or have a NACE¹ code authorised for operation in section A «Agriculture, forestry and fishing», division 01 or section C «Manufacturing industry», division 10, 11, 12 or section H «Transport and storage», division 52.

Agricultural cooperatives can be organised for: services; purchases and sales; processing of agricultural products; manufacturing and small industry in agriculture; exploitation and management of agricultural, forestry, fishery land and livestock; integration, under the terms of the law, of primary agricultural production resulting from the holdings of members with the processing and/or marketing, as well as joint use of machinery and buildings belonging to agricultural cooperatives; mutual assistance and agricultural insurance; agricultural cooperative societies.

According to Law no. 265/2020 on amending and supplementing the Law on Agricultural Cooperatives no. 566/2004, for an agricultural cooperative to be considered active it must have had turnover or employees at any time during the reference period; the National Register of Agricultural Cooperatives (NRCA) is created, updated, administered and published by the Ministry of Agriculture and Rural Development (MARD) on the institution's website, based on data provided by the National Trade Register Office (NTRO).

The producer group is an association of agricultural producers (union) that aims to identify markets, adapt production and capitalise on it according to market needs, aiming to ensure product quality, concentrate supply and rhythmic market supply. Producer groups and producer organisations are established on the basis of Government Ordinance no. 37/2005 on the recognition and operation of producer groups and organisations, for the marketing of agricultural products, with subsequent additions and amendments and MARD Order no. 406/2017 for the approval of the Norms on the recognition of producer organisations and other associative forms in the fruit and vegetable sector. Producer groups operate and can be recognised for one or more product groups, which are established by the implementing rules of Government Ordinance no. 37/2005. In order to obtain

¹ NACE is the acronym for “Nomenclature statistique des activités économiques dans la Communauté européenne” and is the “statistical classification of economic activities in the European Community”.

recognition, they must meet the following conditions: be made up of at least 5 members; prove a value of marketed production of at least 1,000,000 RON achieved in a period of maximum 12 months.

Agricultural cooperatives, producer groups and producer organisations have become increasingly important in the agri-food system in Romania, and their recent dynamics confirm that through appropriate public policies one can also boost their future development.

2. STATE OF KNOWLEDGE

In Romania, the areas in which most agricultural cooperatives that register significant turnover and profit generally operate are: cultivation of cereals, legumes and oilseeds; wholesale of cereals, seeds, feed and unprocessed tobacco; wholesale of fruit and vegetables; activities in mixed farms (combined crop cultivation with animal husbandry) (Dobay, 2022).

Emerging at the end of 2019, the COVID-19 (SARS-CoV-2) pandemic exposed the global economy to unusual pressures and challenges, with agricultural markets and supply chains being, in turn, quite strongly affected. The degree to which the operation of supply chains was disrupted varied depending on: products, degree of supply organisation, perishability of products, characteristics of agri-food chains, storage capacities, degree of producer integration in the value chains etc. There were sectors that felt the shocks more strongly, with value creation not being ensured through contracts with retailers or processing plants, like in the case of the fruit and vegetable sector (Alexandri, 2020). However, in this sector and not only, some of the highest profits obtained by agricultural cooperatives were also recorded, being a clear proof of the fact that they can represent a way to ensure the resilience of the agri-food system and farms in times of crisis, as they can ensure a more efficient organisation of production, increase bargaining power and improve the positioning of farmers in the value chain (Dobay, 2022).

The current complex macro-economic situation with multiple interconnected crises, namely the “4 Cs” – Climate, Covid, Conflict and Costs, highlights the bottlenecks in the agri-food system (Riemer *et al.*, 2023). In order to identify the particularities regarding the mutations in the cooperative system in Romania, in response to unforeseen shocks in the agri-food system, the evolution of agricultural cooperatives before and after the COVID-19 pandemic was analysed, as well as the changes in the areas of activity with significant turnover (Dobay, 2023). The data revealed a trend of greater involvement of agricultural cooperatives in the activities of marketing agri-food production and in primary production. Thus, it resulted that the number of cooperatives has increased significantly in the following areas: valorisation of cereals, live animals, dairy products, eggs, edible oils and fats, fruit and vegetables, meat and meat products; manufacture of bread, manufacture of

cakes and fresh pastry products; wholesale trade of beverages; cultivation of pome and stone fruits; cultivation of vegetables and melons, root crops and tubers, etc. With market segments ranging from 1% to 10% separately by field of activity, agricultural cooperatives have managed to hold almost one third of primary agricultural production and a quarter of the distribution and valorisation of agri-food products (Dobay, 2023).

There are currently over 3,000 agricultural cooperatives established in Romania after 2005. The dynamics of registrations at ONRC has varied greatly, with a record number of newly established agricultural cooperatives registered in 2021 (737). In this paper, we shall analyse the possible causes of these fluctuations in the registrations of agricultural cooperatives, and the present status of producer groups and producer organisations.

Finally we shall present a case study relevant for the way in which, by working together, networks of local organisations (such as businesses, consultants, banks, and governments) can solve credit facilitation problems for agricultural and rural businesses.

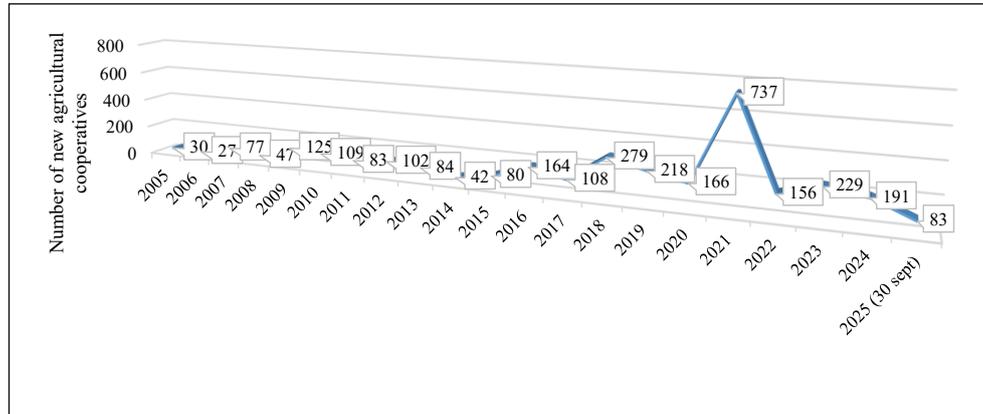
3. MATERIAL AND METHOD

Data on the activity of agricultural cooperatives in Romania were consulted, extracted and processed from the National Register of Agricultural Cooperatives (NRAC), from the website of the Ministry of Agriculture and Rural Development (MARD). For the registrations of agricultural cooperatives, data were extracted from the website of the National Trade Register Office (NTRO). Data on producer organisations and the financial support they benefited from were processed according to the annual reports of the Payments and Intervention Agency for Agriculture (APIA). The documentation aimed at analysing the legislation on the establishment and operation of agricultural cooperatives and producer groups, as well as the regulations that have boosted their development.

Information regarding the case study were extracted from the USAID reports, from the Rural Finance Leader Development Program (RFLD) project data base and from other reports.

4. RESULTS AND DISCUSSIONS

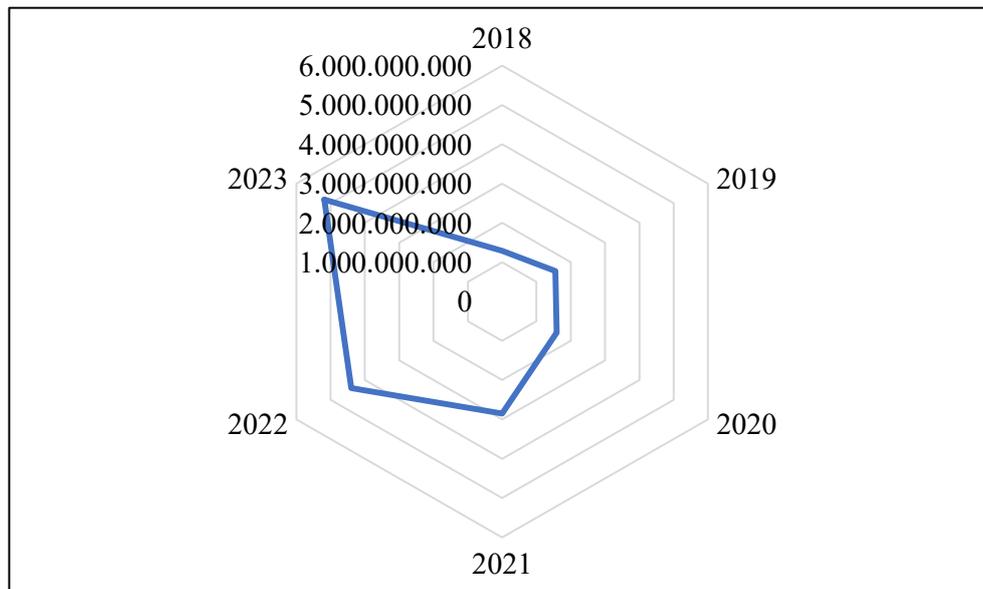
Between 2005 and 2025 (September), 3,137 agricultural cooperatives were registered with NTRO. Of these, 737 were registered in 2021 (Figure 1).



Source: Author’s calculations based on the National Trade Register Office statistics.

Figure 1. Registrations of agricultural cooperatives between 2005 and 2025 (30th September).

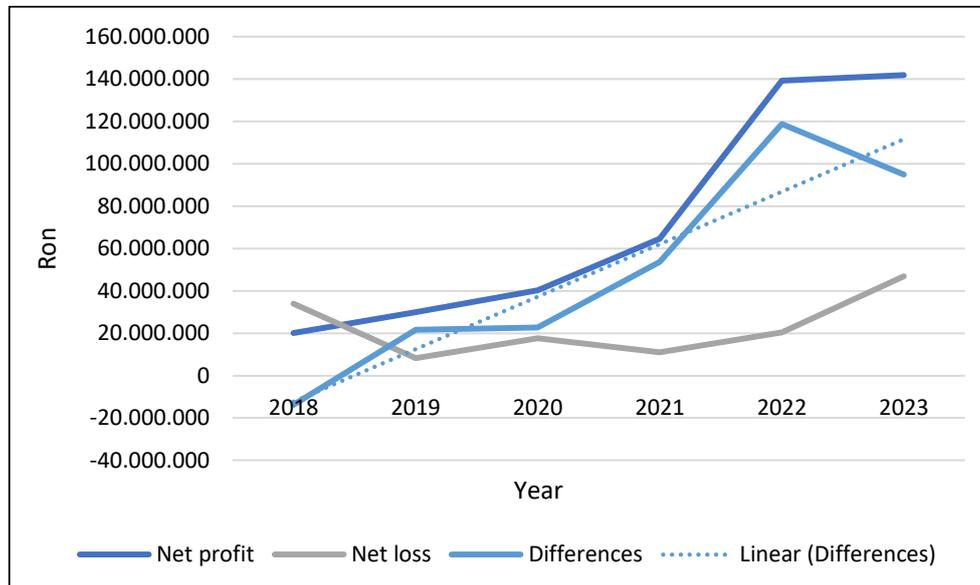
Regarding the economic results of agricultural cooperatives, it can be noted that turnover has constantly increased from over 1 billion RON to over 5 billion RON in the period 2018–2023 (Figure 2).



Source: Author’s calculations based on the National Register of Agricultural Cooperatives statistics.

Figure 2. Turnover reported by the agricultural cooperatives between 2018 and 2023.

Starting with 2019, the net profits recorded by agricultural cooperatives overall are higher than the losses generated (Figure 3).



Source: Author's calculations based on the National Register of Agricultural Cooperatives statistics.

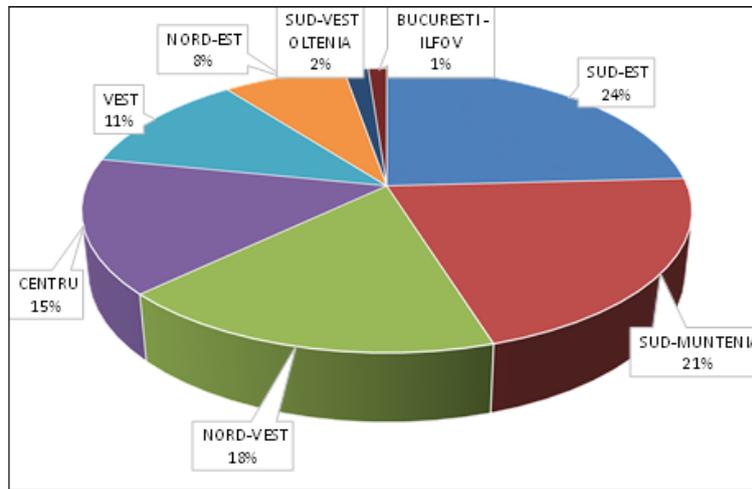
Figure 3. Net profit versus net loss.

Among the causes of this dynamization of the cooperative system's activity, we believe that we can list the following:

- tax facilities granted since 2016, the most important of which were:
 - in the case of accessing funds from the state budget or European funds, intended for direct payment schemes, transitional national aids and compensatory rural development measures applicable to agricultural land, provided for in the National Rural Development Programme 2014–2020, by agricultural cooperatives, the funds can be distributed accordingly to cooperative members, as they are not tax-paying;
 - exemption from paying profit tax for the first 5 years for agricultural cooperatives that process agricultural products;
 - exemption from paying profit tax for 5 years for agricultural cooperatives that have a net annual turnover of up to 2,000,000 euros (respectively 3,000,000 in 2019 and 10,000,000 euros from 2020);
 - exemption of members from paying income tax in the case of legal entities that are micro-enterprises and from paying income tax in the case of individuals, namely natural persons, authorised natural persons, individual enterprises, family enterprises, for production capitalised through/to the agricultural cooperative;

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- in the case of micro-enterprise cooperatives, they pay profit tax and are exempted from paying income tax;
 - exemption from property tax on real estate of cooperative members related to production capitalised through the agricultural cooperative;
 - exemption of cooperative members from paying rent tax in the case of land leased by cooperatives from them;
 - forms of financial support from the state budget or European funds are granted to agricultural cooperatives that have not fragmented their holdings, respectively have not established holdings from fragmentations;
- recognition of agricultural cooperatives as producer groups in order to benefit from all the rights provided for by the legislation in force (carried out by the Ministry of Agriculture and Rural Development);
- harmonisation of the application of tax provisions:
- the Ministry of Public Finance, National Agency for Fiscal Administration, the General Directorate for Taxpayer Assistance, issued an internal circular in 2018 for the uniform application of the tax provisions of Law 566/2004 with subsequent amendments and completions (internal circular no. 700/26.03.2018);
 - the Ministry of Regional Development and Public Administration, Deputy Prime Minister's Office, sent a Radiogram in 2018 (No. MDRAPFE – 51.471/DPFBL – 20.932/4.06.2018) to all prefectures in the country regarding the application of tax facilities for the agricultural cooperatives (*“Given that Law no. 566/2004 has a special character in relation to the provisions of Law no. 227/2015 on the Fiscal Code, with subsequent amendments and completions, this special norm applies with priority in relation to the Fiscal Code. Also, Law no. 164/2016 being subsequent in relation to the Fiscal Code, in the event of a conflict between the two normative acts, the more recent law takes precedence over the older law”*).

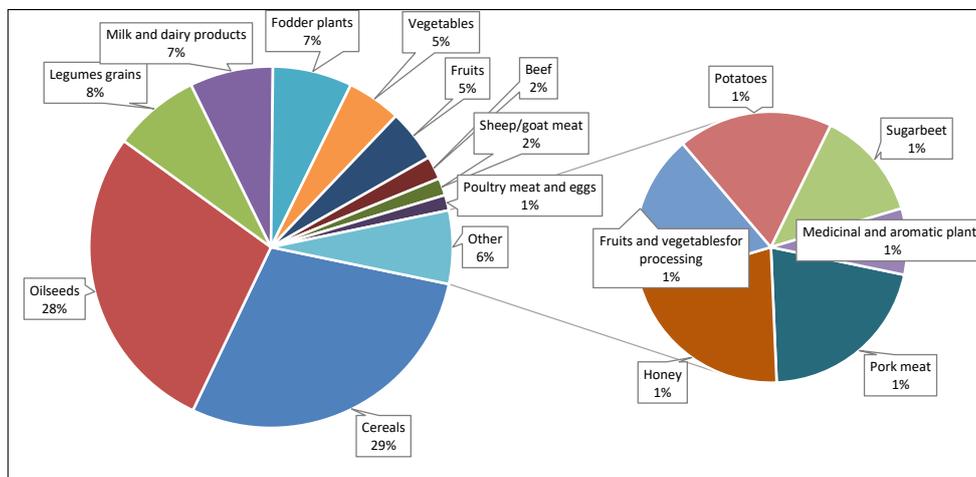
At the end of 2024, there were 280 recognised and functional producer groups and producer organisations in the fruit and vegetable sector, most of which in the Sud-Est and Sud-Muntenia Regions (Figure 4).



Source: Processing based on <https://www.madr.ro/grupurile-de-producatori-si-organizatiile-recunoscute-in-romania.html>.

Figure 4. Recognised and functional producer groups and producer organisations in the fruit and vegetable sector in 2024, by regions.

Most producer groups have achieved recognition for cereals and oilseeds (Figure 5).



Source: Processing based on <https://www.madr.ro/grupurile-de-producatori-si-organizatiile-recunoscute-in-romania.html>.

Figure 5. Producer groups and producer organisations in 2024, by product categories.

According to Government Ordinance no. 37/2005, producer groups may benefit from financial support from the state budget through the MARD budget and may request its release on behalf of their members, with their written consent. At

the same time, producer groups may benefit from investment credits granted from the state budget, based on financing programs, according to the legislation in force. When accessing investment financing programs, the producer group may benefit from the cumulation of the maximum ceilings for each member, as follows:

- a) in full, if it has up to 10 members;
- b) 70% of the fund for the total number of members, if it has between 10 and 20 members;
- c) 50% of the fund for the total number of members, if it has between 20 and 50 members;
- d) 25% of the fund for the total number of members, if it has over 50 members.

Financial support for producer groups in the fruit and vegetable sector results in the concentration of production, higher value added and the creation of optimal conditions between production and the environment and is achieved by associating individual producers. The producer group has as its ultimate objective the transformation into a producer organisation.

Financial support for financing the operational programmes of producer organisations in the fruit and vegetable sector aims to improve the market orientation and competitiveness of producers and balance the relationship between supply and demand.

In the period 2017-2024, the total amount authorised for payment as financial support granted to producer organisations in the fruit and vegetable sector increased from 2,070,000 RON to 11,440,742 RON (Table 1).

Table 1

Financial support granted through operational programmes to producer organisations
in the fruit and vegetable sector

	2017	2018	2019	2020	2021	2022	2023	2024
Total amount authorised for payment (thou RON)	2,070	3,780	5,247	5,786	3,864	8,726	7,104	11,441
Number of requests authorised for payment	7	3	4	5	5	5	5	5

Source: processing of the APIA Annual Reports ([https://apia.org.ro/despre-apia/rapoarte /](https://apia.org.ro/despre-apia/rapoarte/)).

The establishment of producer groups is (also) facilitated by the financial allocations granted through the National Rural Development Programme 2014–2020. Under sub-measure 9.1, 103 authorised applications worth 32,217,242 euros (compared to 144 applications submitted worth 54,031,748 euros) (<https://www.madr.ro/pndr-2014-2020/implementare-pndr-2014-2020/situatia-proiectelor-depuse-2014-2020.html>, situation as of 21.08.2025), respectively through the European Agricultural Fund for Rural Development, within the CAP Strategic Plan 2023–2027, DR-33, 28 selected applications worth 11,669,664 euros (compared to 38 applications submitted worth 15,450,784 euros) (<https://www.madr.ro/planul-national-strategic-pac-post-2020/>

implementare-ps-pac-2023-2027/situatia-proiectelor-depuse-ps-pac-2023-2027.html, situation as of 21.08.2025).

The higher number of applications submitted than those authorised denotes the increased interest in these forms of support for the establishment of producer groups.

As we found out by analysing the evolution of various formal and informal groups in Iași county over time, the association and collaboration in agriculture, and generally in the rural area, is based on kinship, friendship or neighbourhood relationships and is boosted by existing tax facilities and other financial opportunities (Agarwal *et al.*, 2021).

Other factors that contributed to the impetus for the establishment of new agricultural cooperatives were (Dobay, 2022; Dobay, 2023):

- the experience gained with the implementation of projects that stimulated the establishment and development of cooperatives (Agricoop, Coopnet, etc.);
- the clear definition of the active agricultural cooperative (agricultural cooperative that had turnover or employees at any time during the reference period according to the Law no. 265/2020 on the amending and completing the Agricultural Cooperative Law No. 566/2004, also with the provisions regarding the inclusion of new NACE domains, widening the range of activities, the possibility of the peasant household entering as a member, the period of concluding contracts between the cooperative and the members for minimum 3 years etc);
- the support provided by the Local Action Groups;
- the COVID-19 pandemic etc.

According to the latest CRPE studies (Ganea, 2025; Popa 2025), bank loans remain difficult to access due to non-fulfilment of the conditions required by financial institutions, lack of dedicated financial instruments, and the ability of cooperatives to repay loans.

OECD experts believe that improving access to financing through guaranteed loans for agricultural owners could be ensured by fully registering land titles and completing the national land cadastre (OECD, 2024).

In order to figure out what we might do in order to facilitate the access to the financial instruments, we shall present a case study.

CASE STUDY:

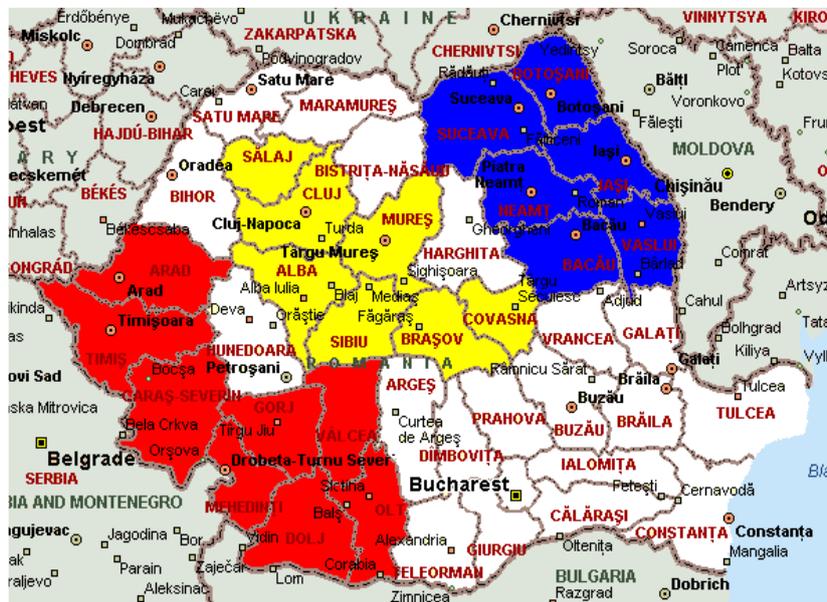
RURAL FINANCE AND LEADER DEVELOPMENT PROGRAMME

The Rural Finance and Leader Development Programme (RFLD) was managed through the U.S. Department of Agriculture's Agribusiness Development and Policy Support Project (USDA, ADAPS) and financed by the U.S. Agency for International Development (USAID) between May 2003 and September 2007. Iowa State University worked with USDA to design and implement the RFLD

program for Romania (USAID, 2007). RFLD was active in 21 counties in Romania (Figure 6).

RFLD aimed to (USAID, 2007):

- “Provide small rural and agricultural enterprises with the tools to access credit, including an understanding of the commercial loan process and business and financial planning, as well as increasing information about existing programmes (*i.e.* SAPARD) designed to assist agricultural enterprises;
- Build the capacity of private and government consultants on how to develop business plans for small agribusinesses;
- Form relationships with local banks to better understand the changes taking place in the sector and the credit products available to farmers and agribusinesses”.



Source: CEED, 2007a.

Figure 6. RFLD Coverage 21 Counties.

The RFLD goals were the following (USAID, 2007):

1. “Assist in the financing of new projects in the pilot regions.
2. Develop a record keeping system for Romanian farm enterprise managers that will assist them in designing a logical, transparent business plan.
3. Train current leadership in developing viable business plans for rural finance.
4. Monitor and address the issues that prevent rural inhabitants from access to the credit they need”.

The country manager of the RFLD was Mr. Ron Prescott. He was the Assistant Director for the Center for International Agricultural Finance at Iowa State University

in Ames, Iowa. Since 1994 he has provided technical assistance in the area of Agricultural Credit to professionals representing over twenty-three countries. His background as a former President of a Community Commercial Bank in Iowa and his years of experience as an Agricultural Loan officer has brought an element of practicality to the RFLD program training model. Growing up on a Northern Iowa farm producing swine, corn and soybeans has enhanced his credibility with rural producers and allowed him to deliver workshops in a very “hands on” fashion (CEED, 2007a).

The RFLD model was based on the belief that by working together, networks of local organisations (such as businesses, consultants, banks, and governments) can solve credit facilitation problems for agricultural and rural businesses (Figure 7). The participation of local stakeholders ensured that the programme would reflect local needs and realities and adjust quickly to changes in the local business environment (USAID, 2007).



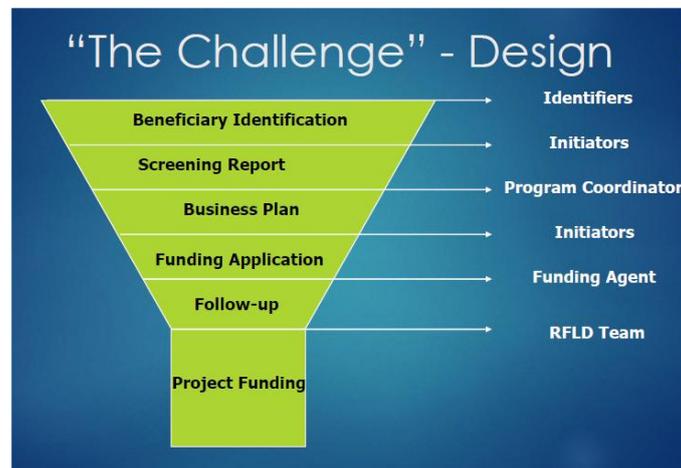
Source: CEED, 2007b.

Figure 7. RFLD team members by categories

The funnel illustrated that not all projects make it through the entire process to funding for various reasons (Figure 8). The programme started with a team assignment going to the identifiers to begin to identify potential credit clients in the rural areas. That list of names was given to an initiator selected by either the beneficiary or RFLD team member. The initiator completed a screening report that functioned as a preliminary business plan to ensure that the beneficiary was serious about their plan. Once the screening report was reviewed and accepted into the programme, the full business plan was completed by the initiator.

A funding application was completed to the funding agent either involving micro credit, leasing or a bank loan with a SAPARD, Rural Credit Guarantee Fund

or other forms of guarantee. Once submitted, the RFLD team monthly followed-up with the initiator to track any problems that they had with various funding agents.



Source: Prescott, 2004.

Figure 8. The RFLD model.

A credit kit was developed that worked like a production record book for a small to medium sized farmer (5 to 200 hectares). It included a cash flow projection budget to assist in developing a plan for the loan needs and scheduling of market sales. Worksheets were included to help keep track of income and expenses for the operation which further help to develop the following year loan requests (Figure 9).



Source: RFLD.

Figure 9. RFLD Credit Kit.

Two basic documents are required by every Agricultural Bank in the World: a balance sheet showing the net worth and an income statement showing the gross income for this record year. This kit, completed for each production year, helped in production planning, development of future business plans and assisting in communicating farmers' needs in "loan officer" terminology (Prescott, 2004).

Public consultants from the Agricultural Chambers were trained for using the credit kit. Also the Screening report was used as filter for the project ideas initiated by farmers, selecting the mature project ideas more easily (Photos 1–2).



Source: RFLD.

Photos 1–2. RFLD in the Nord-Est Region training extension specialist.

It was also identified during the pilot programme that a workshop would benefit the initiators developing agricultural business plans. A four-day workshop was developed bringing together 36 beneficiaries, Identifiers and Initiators to produce a business plan at Băile Herculane in 2004. The workshop participants were divided into 6 teams of 6 members each. As a team they developed a business plan that was presented to a group of bankers forming a credit review panel (Prescott, 2004). In 2005, a similar workshop was organised for the consultants from the Nord-Est Region (Photos 3–4).



Source: RFLD.

Photos 3–4. RFLD workshops.

Specific RFLD objectives included (USAID, 2007):

- “increase the number of loans, in the range of \$50,000 to \$500,000, being approved by local banks for agribusinesses;
- encourage business owners to overcome their mistrust of commercial banks and private consultants;
- illustrate to commercial banks the profit potential of working with the agricultural sector; and
- provide business planning, record keeping and financial analysis training to team members, as needed.”

RFLD facilitated a great deal of SAPARD funding, which was funding provided by the European Commission for agricultural projects in support of Romania’s steps towards accession to the EU. This programme had as requirements for borrowers to present a business plan and obtain matching funds from a commercial source. “RFLD was instrumental in navigating potential borrowers through this process as well as building capacity of local consultants to deliver this assistance” (USAID, 2007).

RFLD also encouraged banks to lend to agricultural SMEs and to create new instruments and products. “RFLD has shown financial institutions that rural and agricultural finance can be a safe and profitable business. When RFLD began its pilot project in 2003, the team hoped to facilitate five loans in Oltenia and Banat. RFLD far exceeded this goal, achieving seven loans in year one and more than 140 loans by project end. The number of commercial banks participating in this programme increased significantly from 2 (two), funding a total of 7 projects in 2004, to 10 (ten) institutions funding 95 projects in 2006” (USAID, 2007). Overall, 284 projects were assisted to access SAPARD and commercial loans in total value of 55,922,898 euros (CEED, 2007a).

In the Nord-Est Region the RFLD team consisted of 92 people: 1 Regional Director; 14 private consultants (10 consulting companies); 7 public consultants (OJCA of Iași, Botoșani, Neamț and Vaslui); and 70 representatives of financial-banking institutions of the 6 counties of the region.

A number of 156 Screening Reports were submitted, out of which 113 project ideas were funded with almost 19 million euros (Table 2).

Table 2

RFLD results in the Nord-Est Region

Results in the Nord-Est Region: 156 total Screening Reports out of which 113 project ideas were funded		
	Cumulative Project results	
	Number	Amount €
SAPARD (Self-funded)	14	1,096,460
SAPARD (Bank Co financing)	86	17,396,970
Direct Bank Financing	7	49,032
Self Funded Projects	6	378,823
Total	113	18,921,285

Source: RFLD database.

A number of 93 projects were bank funded (Table 3).

Table 3

Bank funded projects in the Nord-Est Region, facilitated by RFLD

Bank funded projects		
BCR	24	4,719,726
Procredit	6	24,032
Unicredit	1	621,480
Banca Carpatica	4	551,250
Raiffeisen	2	34,702
BRD	52	9,311,223
Tiriac	1	1,864,357
CEC	3	319,232
Domenia Credit	1	113,700
	93	17,446,002

Source: RFLD database.

What were the results beyond the figures?

1. The change in the behaviour of the Romanian commercial banks that at one time said there was no money to be made in financing agriculture. We started to have Romanian banks designing specific loan products for agriculture – Procredit, Carpatica etc.
2. More and more farmers started to see their activity as a business.
3. Financing climate gradually improved in the rural area.
4. The team members built their own networks that enabled them to train future clients and develop bank contacts that enhanced their professional results.
5. OJCA (the county office for agricultural consultancy) became a true extension service in providing timely information and practical solutions to the thousands of business people that passed through their offices each month.

“One key to RFLD’s success was the strategy to partner and leverage resources from other sources. The RFLD team recognised that, with a budget of \$970,000, the program could not directly finance or assist the enterprises, but by training a network of consultants, partnering with SAPARD, and encouraging banks to lend to rural and agricultural enterprises, the target beneficiaries would receive the financial and technical assistance they needed. RFLD’s approach was well received by the rural private sector, government and donor stakeholders and is attributed to the programme’s success. By considering the rural and agricultural enterprises’ specific needs and circumstances when designing programme activities, RFLD ensured that the activities would lead to concrete results” (USAID, 2007).

Within the programme, collaboration was achieved between potential beneficiaries, public and private consultants, and representatives of the banking system by training teams of Romanian specialists to develop, analyse and present lending opportunities for rural businesses and by guiding each category to its best potential (Apetroaie & Dobay, 2020). The Credit Tool Kit and financial directory were especially valuable contributions of RFLD. For example, with training in the credit tool, OJCA consultants taught farmers how to use the tool and went with the farmers to banks, and worked with banks to use the tool in the assessment of loan applications (USAID, 2007). Thus, farmers learned how to better understand the language of banks, the consultants learned to write better business plans for agribusiness and the financial specialist learned to understand better their potential clients regarding the specificities of the agricultural sector.

Above all, the belief that “There are many Romanian people in the rural area who, when given the opportunity and professional assistance, will change their way of thinking and perform like any of their peers in Western Europe” - Ron Prescott, the country manager (CEED, 2007) – was at the core of this project (Photos 5–14).



Source: CEED, 2007b.

Photos 5–14. RFLD beneficiaries in the Nord-Est Region of Romania.

5. CONCLUSIONS

Public policies are very important for ensuring the functionality of the agri-food system, including agricultural cooperatives and producer groups. From this point of view, essential are the policies that ensure the legal framework necessary for the organisation and functioning of associative forms, as well as the fiscal facilities that allow achieving their dual purpose, economic and social.

The simple existence of the fiscal facilities is not enough if there are no right communication channels and clarification between different entities regarding how laws and regulations should be implemented.

In this paper we also presented how working together through different networks of local organisations (such as businesses, consultants, banks, and governments) can solve credit facilitation problems for agricultural and rural businesses. The model might be replicated with success in order to also facilitate the access to credit for agricultural cooperatives.

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