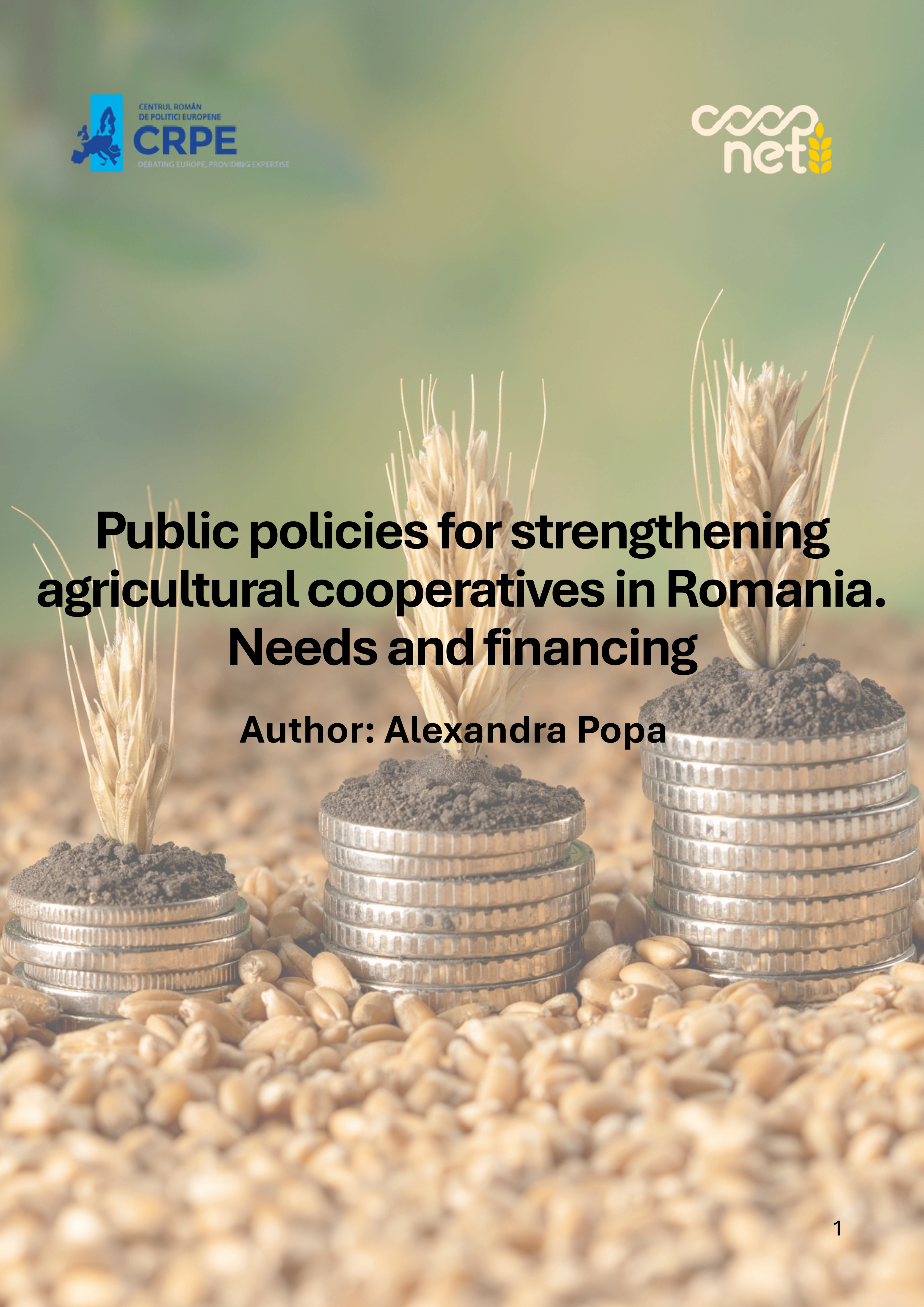

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Public policies for strengthening agricultural cooperatives in Romania. Needs and financing

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Table of contents

1. Introduction

Agricultural cooperatives can play an essential role in the development of agriculture and villages in Romania. International studies[1] show that so-called "medium-sized" agriculture is the only truly strategic area for the socio-economic balanced development of this sector, as it is large enough for economic efficiency, but small enough to remain connected to rural communities and ensure the economic well-being of farmers, as well as ecological resilience and food security.

The consolidation of "medium-sized agriculture" in Romania – understood as the segment of medium-sized commercial family farms that are relatively well equipped and have economic potential – has evolved since Romania's accession to the European Union in 2007, but the figures show that this evolution has been slow, fragmented, and unbalanced.

Even though some small farms have grown in size through leasing or purchasing land, and farms of 20–50 ha and 50–100 ha have also increased in number and share of the total area used, agriculture in Romania remains fragmented and polarized (many very small farms <5 ha, large >500 ha, and very large >3000 ha) and far from reaching its economic or social potential. Although European funds for agriculture and rural development after 2007 have supported investments in machinery, processing, and diversification, and measures aimed at semi- subsistence farms, young farmers, and the modernization of agricultural holdings have helped many households to switch to a semi-commercial or commercial form, medium-sized agriculture has not become the backbone of the sector, as has happened in countries such as Poland or France.

Thus, in an agricultural sector where, according to the latest Agricultural Census, over 75% of farms are less than 5 ha in size, over 95% are registered as individuals, and large farms are relatively few (in the tens of thousands) but control most of the land, the cooperative is one of the main legal forms of association that can aggregate the resources of small and medium-sized farms and enable them to efficiently capitalize on their production, increase their income, integrate into short supply chains, access large commercial networks through collective contract negotiations, and modernize and adapt to climate change, while mitigating the effects of crises (pandemic, war) on individual farmers.

In the last decade in particular, the agricultural cooperative sector has experienced significant expansion, especially in terms of numbers, largely supported by a public policy framework that has provided support for farmers' associations. **However, recent analyses indicate a risk of stagnation or even regression in the absence of continuity in supporting existing cooperatives and in the absence of effective mechanisms to stimulate the emergence of new cooperatives.**

[1] Chenchen Ren et al. (2024) Trade-offs in agricultural outcomes across farm sizes

A significant proportion of registered cooperatives remain inactive or are set up solely to access European funds or obtain tax breaks, without any real economic activity. At the same time, Romania has a relatively small number of mature, well-capitalized cooperatives with active and successful farmer members, while small and emerging structures, which would most need support, remain fragile and underrepresented.

However, the need for association remains significant: for Romanian farmers to produce more efficiently, profitably, andsustainably, a functional and dynamic cooperative market is necessary. Both the consolidation of existing structures and the stimulation of new cooperatives require adequate financing instruments and coherent public policies. Support must come from both non-reimbursable European funds and private financing, through a range of credit products tailored to the specific nature of cooperatives, which also recognize their social and community dimension.

This report aims to analyze these challenges and opportunities.

The study is mainly based on quantitative research carried out by CRPE, which aimed to assess the financing needs and market access of agricultural cooperatives in Romania, with a focus on start-ups established in the last 5 years (over 40% of the total).

The research involved cooperative representatives completing a structured questionnaire. In the first stage, the questionnaire was distributed by email to a database obtained from the National Trade Register Office, but the response rate was extremely low, which required a change in the methodological approach. Thus, data collection was also carried out by telephone, with the support of an interview operator. We obtained 50 responses after making over 400 phone calls, of which: 19 cooperatives were dissolved/in the process of dissolution/no longer active, 63 telephone numbers were non-functional or not associated with the cooperative, 249 calls were not answered despite repeated attempts, and 62 respondents refused to participate in the research.

The quantitative component was supplemented by qualitative research, consisting of five interviews with the main banks and non-bank financial institutions active in the agricultural credit market in Romania and an interview with a representative of one of the main representative organizations of the agricultural cooperative sector in Romania. The study also includes official data provided by state institutions on agricultural cooperatives' access to European funds for agriculture and rural development, as well as information included in other strategies, programs, and official documents or research relevant to the topic of financing agriculture and agricultural cooperatives.

Thus, the report reviews the public policies relevant to supporting agricultural cooperatives in the post-accession period (after 2007), highlights their effects on the dynamics of the sector and, based on data collected directly from cooperatives, investigates the main needs in terms of financing this type of collective economic entity. Finally, the report provides recommendations for the future multiannual financial framework of the European Union, with the aim of strengthening the role of agricultural cooperatives in the modernization of Romanian agriculture.

2. Brief history of public policies that have supported the development of agricultural cooperatives since 2007

Over the last 18 years, farmers' associations in Romania have been supported as follows:
The 2007–2013 National Rural Development Program (PNDR) indirectly targeted only the development of agricultural cooperatives. The only incentive for association was Measure 142 – Support for the establishment of producer groups,which granted a lump sum to farmer groups already established and recognized under the legislation in force. By the end of the program, only 32.12% of the amount allocated to the measure – approximately €9.2 million – had been contracted, accessed by 53 producer groups, totaling only 3,016 members[2]. According to the annual progress report on the implementation of the NRDP in 2013, of the 2,111 semi-subsistence farms that should have entered the market as a result of joining producer groups supported by measure 142, only 84 small farms (4%) actually benefited from this incentive.Thus, there was no support for facilitating the establishment of new groups, associations, and especially agricultural cooperatives, which require processes of informing farmer groups, counseling, strengthening social capital in communities, developing business plans for collective entities, and practicing internal procedures for governance, management, and expansion. The ministry's own assessment mentions that one reason for the low interest among potential beneficiaries was the lack of an initial phase of counseling, training, and information on community support.
The subsequent program, PNDR 2014-2020, largely addressed these issues. A significant contribution to the public consultations that prepared the new rural development program was made by the documentation of the first years ofimplementation of the pilot program for the establishment of new cooperatives supported by the Romanian-American Foundation, which highlighted the need for community facilitation and business assistance in preparing farmer associations that would truly work together and, above all, that would stand the test of time.
Measure 2 - Advisory services, farm management services, and farm replacement services aimed, among other things, to explicitly support the establishment of agricultural cooperatives in the 2014-2020 NRDP and advised farmers on developing forms of association, including through the preparation of business plans. According to MADR, following the implementation of this measure, 301 cooperatives and 32 producer groups were established and 10,032 farmers were advised[5]. There is currently no data on the quality of the assistance provided, the survival rate of these cooperatives and producer groups, their economic performance, or the impact of this measure on rural communities. However, representatives of the agricultural association sector complain that the implementation of this measure without the involvement of branch unions and/or organizations with expertise in the field of agricultural cooperatives has meant that very few forms of association with an economic role have become successful and have maintained and continued their activity to the present day.

[2] Ministry of Agriculture and Rural Development (MADR) (2013) PNDR 2013 Annual Progress Report, p. 64.
[3] Idem, p. 61
[4] CRPE (2013) CRPE proposal - measure "Association assistance" PDR 2014-2020.
[5] MADR letter no. 281375/28.06.2024 in response to the question from Mr. Nagy Vasile, Member of Parliament, registered with the Chamber of Deputies under no. 13061A/2024, with the subject "Clarifications regarding support for agricultural cooperatives in Romania"

Furthermore, the 2014-2020 NRDP prioritized, within the atypical measures under the LEADER axis (through Local Action Groups), projects to establish and develop agricultural cooperatives, with agricultural cooperatives being eligible beneficiaries for innovative partnerships and the establishment of short supply chains at the LAG level. Measures 16.4/16.4a – Cooperation for short supply chains also provided (indirect) support for the establishment of agricultural cooperatives by financing short supply chain projects implemented by local partnerships between farmers, cooperatives, NGOs, LAGs, etc.
Furthermore, the 2014-2020 NRDP offered cooperatives increased support for project submissions for the main investment measures in agricultural holdings and processing (4.1 and 4.2) in the 2014-2020 NRDP. According to dataprovided by the Rural Investment Financing Agency for the purposes of this study, cooperatives benefited from the 2014-2020 NRDP and the 2021-2022 Transition as follows:

Sub-measure	Number of projects	Contracted value (euro)
4.1 – Investments in agricultural holdings	67	93,982,793
4.1 – Transition 2021–2022	324	397,967,595
4.1.a – Investments in fruit farms	4	2,955,835
4.1.a – Transition 2021–2022	12	8,371,814
4.2 – Processing/marketing of agricultural products	38	49,300,611
4.2 – Transition 2021–2022	22	25,138,182
4.2a – Processing of fruit products	7	5,695,129
4.2a – Transition 2021–2022	8	5,904,892
16.1A – Fruit operational groups	1	300,146
16.4 – Agricultural supply chain	2	173,061
16.4 – EURI (agricultural sector)	10	2,239,291
16.4a – Fruit growing cooperation	1	100
16.4a – EURI (fruit growing sector)	2	366,904
Total contracted projects	498	592,496,253

The above data show that the 2014-2020 NRDP provided a substantial infusion of financial support for projects carried out by agricultural cooperatives in Romania, particularly in the area of investment in agricultural holdings and processing, at a time when another relevant set of incentives for the development of the cooperative sector was being implemented: tax legislation.

Law 164/2016 amended and supplemented Law 566/2004 on agricultural cooperatives by introducing tax breaks for cooperatives, which were only clarified in 2019, through Law 21/2019, with the involvement of professional organizations of agricultural cooperatives.

These stipulated:

- exemption from income tax for agricultural cooperatives that process agricultural products and/or produce/market genetic material and/or are involved in breeding and/or reproduction, as follows: for the first 5 years from the start of activity in the case of newly established cooperatives and for a period of 5 years for those already established, which have achieved an annual net turnover of up to EUR 10,000,000;
- exemption of members from paying income tax in the case of micro-enterprise legal entities and from paying income tax in the case of natural persons, namely authorized natural persons, sole proprietorships, and family businesses;
- exemption of cooperative members and agricultural cooperatives from paying tax on buildings and land used for production marketed by/through the agricultural cooperative, including for assets belonging to authorized individuals, sole proprietorships, and family businesses;
- exemption of members of agricultural cooperatives from paying rent tax in the case of land leased by agricultural cooperatives from them.

In order to benefit from these tax breaks, cooperative members must prove that they have sold at least 50% of the production obtained through/by agricultural cooperatives in the year prior to the one for which the taxes are due.

The 2023-2027 National Strategic Plan continues along the lines of the 2014-2020 PNDR by awarding additional points to associations when accessing various interventions, as follows:

Interventions in the PNS 2023–2027 that support agricultural cooperatives [6]

Intervention Code	Intervention Name	Eligible Cooperative	Additional Points
DR-13	Investments in agricultural holdings	Yes	Yes
DR-14	Investments in the livestock sector	Yes	Yes
DR-15	Investments in fruit farms	Yes	Yes
DR-20	Investment in conditioning, storage, and processing facilities	Yes	Yes
DR-22	Establishment/conversion of fruit plantations	Yes	Yes
DR-26	Establishment of producer groups and organizations	Yes (associative forms)	—
DR-30	Setting up young farmers (members of cooperatives)	Indirectly	Yes
DR-38	LEADER – LAGs (through SDL)	Yes	Variable

Unfortunately, intervention DR-35 – Development of cooperation within the value chain (the "new" measure 16.4 of the 2014-2020 NRDP), which aimed to facilitate cooperation at the local level between farmers – especially in the form of associations – for the development of short supply chains, was removed (without being launched) from the program in 2024 by MADR, with the €20 million initially allocated being transferred to DR 22, the measure that finances processing. Thus, in the current programming period, small farmers are disadvantaged – agricultural cooperatives do not benefit from this measure, which would have helped functional associations that want to expand, innovate, or collaborate with other actors to develop local value chains.

In conclusion, we can interpret the significant numerical growth of the agricultural cooperative sector after 2020 in light of the aggregate effects of these sets of incentives—PNDR 2014-2020 and favorable tax legislation.

[6] Data processing using chatgpt, verified by the author

According to CRPE research from 2023-2024[7], in 2023 there were 2,620 agricultural cooperatives registered with the ONRC, up 70% from 2020 and 163% more than in 2017. However, almost half of the cooperatives existed only "on paper" – they had not submitted their financial statements a year earlier.

Furthermore, according to the results of research conducted at the time by CRPE among 153 new agricultural cooperatives, representatives of more than 80% of the cooperatives stated that they had been set up to access European funds, and half of them said they were set up to benefit from the tax exemptions granted to agricultural cooperatives, but also to sell more/better together and streamline their activities. These responses indicate the prevalence of extrinsic motivations in the process of establishing cooperatives, but do not exclude a focus on legitimate economic objectives: the desire to sell moreefficiently, to increase bargaining power, and to jointly exploit existing resources.

At the same time, 54% of the 153 cooperatives participating in the CRPE research last year identified the main challenge they face as the difficulty in accessing non-reimbursable financing/bank loans for development.

Therefore, even though some of the new cooperatives were established under the impetus of external incentives, they still express a genuine aspiration for collective development and economic performance. In a favorable environment—where public policies ensure access to knowledge, continuous training, models of good practice, and adequate financing—these entities could contribute significantly to the qualitative transformation of the sector. In this context, an in-depth analysis of the challenges related to agricultural cooperatives' access to financing becomes essential, a topic to which the following section is dedicated.

3. The financing needs of agriculture cooperatives – quantitative research results

Between February and May 2025, CRPE conducted research among agricultural cooperatives with the aim of assessing their financing needs and perceptions of issues related to market access.

A first conclusion that can be drawn from this exercise is that, in this sample, a large proportion of formally registered agricultural cooperatives are not active or are not easy to contact, which raises questions about their actual level of operation and the quality of the existing database.

Moving on to the responses of the 50 cooperatives, the main results of the research (available in full on the CRPE website[8]) are:

[7] CRPE (2024) The status of agricultural cooperatives in Romania

[8] CRPE (2025) The needs of agricultural cooperatives in Romania in terms of access to finance and markets

3.1 Sources of financing used by agricultural cooperatives

The research shows that self-financing, through profit reinvestment, remains the main source of support for the activities of cooperatives: 50% of respondents mentioned this form of financing. Direct contributions from cooperative members are another significant resource, used by 44% of cooperatives.
Non-reimbursable European funds are accessed by 40% of the cooperatives interviewed, confirming their importance for the development of cooperatives. In contrast, only 25% of cooperatives mentioned accessing bank loans (with lower interest rates), and another 12% managed to obtain loans from non-bank financial institutions (NBFI).

3.2 Access to european funds

Of the cooperatives that benefited from European funds (20 of the 50 analyzed), 80% obtained funding through the National Rural Development Program (PNDR) 2014–2020, while 25% accessed funds through the National Strategic Plan (PNS) 2023–2027, which is still in its early stages of implementation.
In addition, 42% of cooperatives indicated that their members had accessed European funds individually, and that theinvestments obtained in this way were sometimes used by other members of the cooperative for the collective benefit. The responses provided by cooperatives show that the decision to apply individually for European funds rather than through the cooperative was influenced by several factors. These include:

- easier access to funds individually/before the cooperative was established or in the case of young farmers,
- the perception that application procedures through cooperatives are more complicated, more bureaucratic, and slowerthan individual ones, especially for modernization projects or equipment purchases.
- lack of confidence in the cooperative's managerial capacity and transparency of decisions, or lack of these functions.

3.3 Main obstacles to accessing finance

The most frequently mentioned barrier is excessive bureaucracy, identified as a major obstacle by 72% of cooperatives. In addition, high borrowing costs (interest and fees) are a problem for 44% of respondents, while co-financing conditions are considered difficult by 40%, signaling problems in mobilizing the own resources needed to access non-reimbursable support.
Furthermore, 40% of cooperatives consider that the funds allocated by the state to support cooperatives are insufficient.
Restrictive eligibility requirements affect 30% of cooperatives, and administrative bottlenecks at the county level, during the project evaluation or implementation stage, are reported by 22%.

Poor access to information about available support programs is a problem mentioned by 20% of cooperatives. In addition to external difficulties, cooperatives also face internal challenges. These include reluctance to take out loans, generated by uncertainties about repayment in the context of fluctuating incomes and frequent delays in receiving payments. Anotherissue highlighted by respondents is the lack of financial products tailored to the specific needs of agricultural cooperatives, suggesting that, beyond administrative or financial barriers, the financial market does not yet offer solutions tailored to this form of organization.

3.4 Types of investments targeted by cooperatives

Most of the participating cooperatives (88%) want to access financing for productive investments, particularly for the purchase of equipment and modernization. A key objective is also the development of storage capacities (mentioned by 56% of respondents), indicating a concern for reducing post-harvest losses and improving product quality.

- Other areas of interest include:
- marketing and promotion – 42%, working capital – 34%,
- purchase of agricultural land – 28%,
- modern agricultural technologies – 22%, investments in renewable energy – 18%,
- purchase of livestock – 14%.

3.5. Preferences regarding credit terms

Most cooperatives prefer extended repayment periods:

- 42% prefer loans of 6–10 years,
- 28% prefer 3–5 years,
- only 8% would accept terms of less than 3 years.

This preference reflects a real need for financial flexibility, linked to long investment recovery cycles. In addition, 64% of cooperatives request a grace period for investment loans, indicating difficulties in starting repayment immediately after obtaining financing.

3.6 Difficult access to finance: obstacles related to collateral

One of the most common and constraining barriers is the requirement for disproportionate collateral. Respondents mention cases of:

- requests for collateral (real estate, machinery, land) of up to 250% of the loan value;
- bank guarantee letters that are very difficult and expensive to obtain;
- requests for personal guarantees, in a context where cooperatives do not have significant assets of their own.

In addition, the management of real estate collateral is often problematic: cooperatives do not have title to the assets (only the right to use them), and their valuation and registration involves additional costs and efforts. This context creates a vicious circle: cooperatives cannot access financing because they do not have assets, but they cannot acquire assets because they cannot access financing. Almost one-third of the cooperatives surveyed said they had given up on financing because they were unable to provide the collateral required by the bank or non-bank financial institution, which shows that young cooperatives with limited assets in particular have little chance of making collective investments in the absence of non-repayable financing.

4. Financing agricultural cooperatives – the perspective of credit institutions

Agriculture is and has always been a risky sector for financing by credit institutions.
In 2022, agriculture in Romania had the largest financing gap in the entire European Union, according to the study "Financing gap in the agriculture and agri-food sectors in the EU"[9].
The previous fi-compass study, published in 2020, shows that less than 5% of Romanian farmers surveyed applied for a loan in 2017, and private loans from family or friends have become an important source of financing. The situation is completely different in France, Denmark, Belgium, and other Western countries, where almost half of farmers have obtained a bank loan at least once.

In this general context, the situation of agricultural cooperatives, new collective entities on the Romanian financing market, with a status that is still unclear from an institutional and legal perspective—sometimes treated as NGOs, sometimes as companies—cannot be simpler.

According to the National Strategic Plan 2023-2027[10], "capitalization remains the most difficult barrier to overcome for associative forms, with a predilection for cooperatives, in a context where most cooperatives have insufficient material resources and only hold share capital. In addition, cooperative members themselves need capitalization for their current businesses, which leads to a lack of liquidity for cooperative investments, as they remain captive in the paradigm of traders/dealers of members' production/inputs." The PNS also mentions that these forms of association have a capitalization rate of only 7.9%, which means that, on average, only 7.9% of their total assets are financed from their own sources (equity capital), which indicates very weak financial autonomy. The fi-compass study (2023): "Financial needs in the agriculture and agri-food sectors in Romania" identifies the lack of guarantees, informal organization, and lack of specific financial products as the causes of this weak capitalization of agricultural cooperatives in Romania.

[9] FI-Compass (2023) Financing gap in EU agricultural and agri-food sectors, pagina 12.
[10] European Commission (n.d.) CAP strategic plans – Romania

Indeed, according to interviews conducted for this study with banks and microcredit institutions, cooperatives are seen as unstable structures, sometimes operating formally but without real economic activity.
Banks and IFNs complain that many cooperatives have no financial history, bankable assets (with which to guarantee) or predictable cash flows. Real guarantees (land, equipment) belong to the members, not the cooperative – which reduces the guarantee capacity. Furthermore, private financing institutions say that in their interaction with agricultural cooperatives, they often find that they do not have the basic documentation in order – statutes, articles of association – and that member turnover is so high that the basic conditions for formalizing a credit agreement are not met.

Nevertheless, agriculture in Romania, including agricultural cooperatives, has benefited in recent years from various financial instruments that have supported farmers' and associations' access to finance:
Some of these have been financed, alongside individual producers, by the Common Agricultural Policy (CAP), in particular through Pillar II (rural development), through the following financial instruments:

- Co-financing loans or stand-alone loans, guarantees offered under PNDR sub-measures such as sM 4.1/4.1a (investments in agricultural/fruit farms), sM 4.2/4.2a (processing/marketing) and sM 6.4 (non-agricultural diversification),
- Risk-sharing loans, in which financial institutions grant loans with a subsidized interest rate of 3-4% instead of 10%, the difference being covered by a public or international fund - e.g. the European Investment Fund (EIF)
- Guarantees from European funds (e.g., EIF, InvestEU) or national funds (Rural Credit Guarantee Fund), which partially cover the risk of the bank or IFN if the farmer/cooperative fails to repay. As a result, the financial institution can accept higher risks (e.g., cooperatives with no track record), no longer require collateral, or offer lower interest rates

One category that may be very relevant for agricultural cooperatives is the so-called "blended" instruments, which include both business development advisory services for farmers/cooperatives (entrepreneurial education, planning, simplified accounting) and subsidized interest rates. The EU Blending Facility program combines guarantees, subsidies, and technical support. Thus, it can be demonstrated that in recent years, the financial market in Romania has been supplemented with a series of public support instruments, financed from European and national funds, which in theorycould facilitate agricultural cooperatives' access to finance. **However, these instruments have been used in Romania primarily to support individual producers.**

Most of the banks and IFNs interviewed for this report have accessed these financial instruments designed to channel loans to farmers and cooperatives on more favorable terms, or are still involved in such programs, but without having dedicated products for cooperatives. As a result, the cumulative number of loans actually granted to agricultural cooperatives is in the tens, not hundreds or thousands. Non-bank financial institutions in particular mentioned that in the current context of professionalization of the sector, they prefer to offer loans to cooperative members, thus confirming
the fact that they do not have dedicated products or risk appetite for this category of customers.

5. Examples of European good practice in the field of financing agricultural cooperatives

In several European countries, agricultural cooperatives benefit from dedicated financial mechanisms.
A relevant example comes from France, where agricultural cooperatives can access guarantees through SIAGI[11] – a state-supported mutual guarantee company that collaborates with central cooperatives. This model allows guarantees to be granted not only on the basis of financial creditworthiness, but also on the basis of the collective development plan, integrating the principle of mutual solidarity. SIAGI covers a substantial part of the risk and facilitates investment loans granted by commercial banks to cooperatives active in processing, logistics, or marketing.
In Italy, Cooperfidi Italia[12], a mutual financial institution created by the cooperative movement, plays an essential role, providing both guarantees and direct microcredit for cooperatives. The financing is supplemented by European structural funds and national public contributions. The risk is assessed on the basis of the collective business plan and the history of the cooperative, not of the individual members. **In addition, cooperatives benefit from financial advice and coaching, which is essential for smaller or newly established structures.**
Also in Italy COOPFIN is a financial instrument that has been operating in Italy for over 20 years, dedicated to supporting access to finance for cooperatives, especially small, newly established, transitioning or struggling ones. Theprogram is implemented through a partnership between the Ministry of Economic Development, regional authorities, and cooperative organizations, combining European structural funds (ERDF/ESF) with national public resources.

Through COOPFIN[13], cooperatives benefit from:

- microcredits on favorable terms, often without the need for traditional guarantees;
- technical assistance and coaching to strengthen their administrative and economic capacity;
- a particular focus on supporting small and emerging cooperatives, including in the early stages of development.

The aim of the program is to encourage financial inclusion and strengthen cooperative structures in vulnerable economic sectors, offering a viable alternative to traditional credit mechanisms, which are difficult to access for new or undercapitalized collective structures.

[11] SIAGI (n.d.) Société de caution mutuelle pour les artisans et les petites entreprises
[12] Cooperfidi Italia (n.d.) EIF Social Entrepreneurship
[13] Interreg Europe (n.d.), CoopFin - microcredit to cooperative members

In Spain, access to finance is facilitated by collaboration between cooperatives and cooperative banks (such as Cajamar[14] or Caixa Rural), which understand the specific nature of mutual organizations. These institutions offer financial products tailored to agricultural cycles and the realities of cooperatives (grace periods, seasonal repayment, subsidized interest rates), often accompanied by guarantee schemes supported by regions or European instruments such as InvestEU.

Also in Spain, one of the most significant initiatives to support agricultural cooperatives comes from BBVA[15], a bank that already works with around 40% of the country's agricultural cooperatives. The aim of this partnership is to provide financial solutions tailored to the agricultural sector, an area where incomes are often seasonal and depend on many external factors, and access to finance can be difficult.

BBVA offers a complete package of financial products and services dedicated to agricultural cooperatives and their members. First, it offers customized financing with flexible repayment terms, grace periods, and amortization plans that take into account production cycles and the seasonality of income. This means that farmers are not pressured to repay loans during periods when they have no income, but can adapt their payments to the agricultural calendar.

In addition, the "co-op plan" is a financial tool created by BBVA to manage the financial relationships between cooperatives and their members. This plan is applied in more than 1,200 cooperatives in Spain, each with a turnover of more than €1 million. In practice, this system helps to efficiently manage payments and receipts within cooperatives.

In addition, to further facilitate farmers' access to financing, BBVA has created strategic partnerships with professional agricultural organizations. For example, it has a collaboration agreement between BBVA and ASAJA Castilla-La Mancha, one of the most active farmers' organizations in the region. ASAJA informs farmers, drafts support applications, and manages the necessary documentation to access European funds under the Common Agricultural Policy (CAP). Support is available to all farmers in Castilla-La Mancha who are BBVA customers and request assistance. On the other hand, all ASAJA members benefit from this agreement, which creates an effective system of integrated institutional and banking support.

In conclusion, these models work because they are adapted to the reality on the ground. Farmers and cooperatives do not just receive a financial product, but a whole support package built around their needs.

In all these cases, the cooperative is not treated as a regular business, but as a specific form of economic organization that requires dedicated, flexible, and integrated tools. **Whether we are talking about mutual guarantees, seasonally adjustedloans, financial advice, or mixed funds, these approaches show that real access to finance for cooperatives is not just a matter of accessing European financial instruments and integrating them into the banking offer, but of political vision and connection between institutions.**

[14] Cajamar (n.d) https://www.cajamar.es
[15] BBVA (n.d.), BBVA works with 40 percent of agricultural co-ops in Spain

6. Conclusions and recommendations

Conclusions

Over the last decade, the cooperativisation of Romanian agriculture has seen significant growth in numbers, driven in particular by the fiscal and financial support measures promoted through the 2014-2020 National Rural Development Programme (PNDR) and then the 2023-2027 National Rural Development Strategy (PNS). However, analysis of the data collected in this study indicates a strong discrepancy between quantitative growth and the level of economic functionality of cooperatives. Nevertheless, the intentions expressed by the majority of respondents—88% of cooperatives want to access financing for investments in equipment and infrastructure, 56% want to develop storage spaces, and 42% seek collective promotion and marketing— indicate a real desire for economic development and consolidation through cooperation. However, this motivation is severely constrained by barriers to access to finance: 54% of respondents consider that accessing a loan or grant is the main difficulty they face.

Among the most frequently mentioned obstacles are the absence of real guarantees (in a context where assets are not usually owned by the cooperative), the requirement for disproportionate guarantees (up to 250% of the loan value), and the refusal of financial institutions to grant loans without personal or real estate guarantees. **As a result, many cooperatives are stuck in a vicious circle: they cannot invest to become viable because they do not have access to finance, and they cannot obtain finance because they are not sufficiently capitalized or do not own assets.**

Furthermore, the lack of specific financial instruments tailored to the collective governance model of cooperatives accentuates their lack of competitiveness compared to individual farmers. There are instruments such as EIF-subsidized loans or FGCR guarantees, but these are not specifically designed for cooperatives and do not systematically recognize the risks and specificities of these structures. At the same time, financial institutions either consider it easier to finance cooperative members and bypass the problems and shortcomings of a start-up cooperative in the financial analysis process, or consider that there are too few viable cooperatives on the market and that the effort to develop specific credit products is not justified.

However, examples from countries with strong (and traditional) agricultural cooperative sectors show us that these were built at the confluence of multiple institutional efforts, but also as a result of a political vision for agricultural development.

Recommendations

A. For the establishment of new agricultural cooperatives and the stimulation of farmer associations:

1. We recommend maintaining the tax incentives in the agricultural cooperation law no. 566/2004, which the government has proposed to eliminate[16]. These incentives have proven their impact on the development of the agricultural cooperative sector, which risks entering a period of decline without consistent support, including fiscal support.

2. The next National Strategic Plan for agriculture post-2027 must support the establishment of new agricultural cooperatives through community facilitation, counseling, business plan creation, and know-how support during the start-up period.

B. To strengthen existing cooperatives:

3. The next National Strategic Plan for agriculture post-2027 needs to fund a technical assistance program for cooperatives - National Fund for the Consolidation of Agricultural Cooperatives. This should combine grants for working capital and micro-investments with assistance for feasibility studies and the development of collective business plans, as well as a mandatory mentoring component for young or fragile cooperatives, based on the Coopfin model in Italy. Cooperatives need support to strengthen themselves in areas such as internal governance, adapted accounting, contractual relations, collective bargaining, and market access. Such a program could be managed by MADR, in partnership with associative structures,universities, and AKIS entities.

4. The next National Strategic Plan for agriculture post-2027 must continue to support agricultural cooperatives by awarding additional points to investment measures and by setting up an investment measure with a budget dedicated exclusively to agricultural cooperatives. The Program must also introduce a measure aimed at developing short supply chains, in which the main eligible beneficiaries are agricultural cooperatives and food hub-type associations that want toexpand, innovate, or collaborate with other actors to develop local value chains.

5. We also propose adding to the list of eligible beneficiaries in the INVESTALIM National Food Industry Development and Support Program for the period 2023-2026, the methods of granting, the quantitative and qualitative indicators of the investment, as well as the criteria for establishing the score for applicant enterprises, approved by Government Decision No. 844/2023, with agricultural cooperatives established by Law No. 566/2004 and their prioritization in accessing the next project sessions.

[16] Ministry of Finance (2025), Draft law on RP recovery and efficiency

6. Financial products and guarantees need to be adapted to the collective business model. Creditworthiness assessments must take into account the business plan of the cooperative as an economic entity, not just the financial history of its founding members. Flexible guarantee instruments are needed, including recognition of members' rights to use assets, mutual guarantees, or risk-sharing funds between the state and the banking sector.
We propose adopting European best practices—examples such as COOPFIN in Italy (microloans without traditional guarantees and coaching for small cooperatives) or SIAGI in France (public mutual guarantees for cooperatives) could inspire the adaptation of similar mechanisms in Romania, in the form of dedicated instruments within the Common Agricultural Policy.

7. A classification system for active cooperatives needs to be created A national mechanism for validating and monitoring functional cooperatives would allow financial support to be efficiently directed to entities with real economic activity. This system could become an eligibility criterion or scoring system in future European calls for projects. Inactive cooperativesshould be marked as such in the National Register of Cooperatives (managed by MADR) and at ONRC.

8. The economic and social performance of cooperatives should also be encouraged, as should the formation of third-degreecooperatives that make strategic investments at regional and national level. The public policy framework must propose solutions to encourage and stimulate the merger of cooperatives, so that they can improve their economic, financial, social, and environmental indicators for the benefit of their members.

In conclusion, the cooperativisation of Romanian agriculture has entered a stage of adolescence - maturation, butfragile in terms of quality and finance. The future of this sector depends on the creation of a financing ecosystem adapted to the specific nature of cooperatives and on the existence of a predictable political and institutional framework that encourages the consolidation of viable structures and the establishment of new, functional, competitive, and sustainable ones.

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This material was developed as part of the project "CoopNet 3.0 - Increasing the capacity of small farmers' cooperatives", a project implemented between May 2023 and December 2025 by the Civitas Foundation for Civil Society Cluj, in collaboration with its partners, the Center for Mediation and Community Security Foundation (CMSC) and the Romanian Center for European Policies Association (CRPE), funded by the Romanian-American Foundation (RAF). In 2017, they initiated and continue to support the CoopNet network, an informal group of small and medium-sized agricultural cooperatives in Romania that are economically active and willing to engage in learning activities.

The information contained in this publication does not reflect the official position of the Romanian-American Foundation.

"CoopNet 3.0 – Creștem capacitatea cooperativelor micilor fermieri"