

Agricultural Crisis in Romania and Northern Transylvania

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Abstract: The crisis is characterized by an unusually big decline in prices of agricultural products. The causes of this decline were: overproduction, lower consumption, weak demand on the world market for raw materials, etc. In Northern Transylvania, at the confluence of the Someș Rivers, prices fared a little different. The cereals situation was more difficult for farmers, earning less than the national average. Romanian agriculture was affected both by lower prices and poor harvest of wheat. In addition to the agriculture disaster that is among the causes the world economic crisis, there were also several causes of national characteristics, which have adversely affected the economic life of Romania. Between them can be cited: high rates of CFR, disorganization and lack of credit, high export taxes, turnover tax, multiple tax bills, law speculation, reference interest of the National Bank, taxes and, especially, they collection, etc.

Keywords: lower prices; farmers; cereals; Someș

JEL Classification: O23; O24; O38

1. Introduction

When in 1929 the prices in America plummeted, it was felt immediately in all the agricultural exporting countries, including Romania. Prices have fallen so much and so suddenly that this collapse was equivalent to a catastrophe for farmers.

They could not meet their contractual commitments with the new price level. This has created a problem of farm debt, which concern all governments and parliaments from 1931 to 1934. Law of converting agricultural debt granted large facility agricultural borrowers (Ionescu-Sisești, 1939, p. 301)

Since the early fourth decade it was found that there was a period of long economic depression and all industries seeking to adapt to new conditions.

Year 1929 is characterized by an unusually big decline in prices of agricultural products. The causes of this decline were: overproduction, lower consumption, weak demand on the world market for raw materials, etc.. In Northern Transylvania, at the confluence of the Someș Rivers, prices fared a little different.

The year 1929 was considered disastrous for industry and commerce, whose crisis is believed to have peaked, which arouse hopes for 1930. No one could imagine that monetary stabilization will not have a welcome effect in the economic life for the year 1930.

Characteristics of 1930 were poverty in all social classes, especially the peasants and workers, causing the biggest crisis of consumption of economic life, after the war.

The agriculture, surprised by the Russian dumping, the competition of agricultural countries overseas and intensifying agriculture in industrialized countries of Europe, even in years of exceptional abundance, crashed. Thus more than 14 million villagers, which assure the prosperity of industry and our trade were gone from market, dragging after them the workers in industry and commerce, who became unemployed. (Labor inspection, 1931, p. 3)

2. Agriculture

Although agricultural production in 1930 did not differ at all, either quantitatively or qualitatively, to than in 1929, but its value did not reach 60% of that of 1929. And do not forget that the disaster began in 1929. The effect of this impairment was a significant decrease in industrial production and trade.

Someş County was located in northern Transylvania, at the confluence of both Someş and had an area of 3,965 km² (688,595 acres, 396,500 ha). The arable surface of Someş County (133,099 ha) represent 1% of the arable area of Romania (13.357.817), a percentage of 4.1% of Transylvania (3,268,130) and 34.16% of the arable land in Northern Transylvania (389,675). The average agricultural area, per county was: 188,138 ha in Romania, 142,093 in Transylvania and 97,419 ha in Northern Transylvania. Compared with the national average, Someş County was below average (71%) but very close to Transylvania average (93.7%).

In Romania, the average area cultivated with cereals between 1930 and 1935, was 11,151,515 hectares with a total average annual production of 106,822,474 quintiles. The average production per hectare was 9.52 quintiles per hectares, reaching a maximum of 11.0 in 1930 and a minimum of 7.7 in 1934. Someş County had arable land for 33% of the total area (131,641 ha), of which 95,252 hectares for cereals (25%). At the beginning of the crisis the area was only 125,765 ha. We have thus an increase of 5,876 ha (plus 4.67%). In Northern Transylvania the arable area was 217,542 ha. (Romanian affirmation in Someş, 1937, p. 184)

2.1 Wheat Cultures

Average area occupied by wheat during 1930-1935 was 3.171.000 ha. Meanwhile, the largest area was sown in 1931, namely 3,466,417 ha and the lowest in 1932 at 2,869,632 ha. The highest yield was obtained in 1931, namely 36,822,925 q (average production per hectare: 10.6 q), and lowest in 1932 with 15,114,766 q (average production per hectare: 5.1 q).

Wheat production has fluctuated so high not because of the cultivated area, but due to oscillation of the average production per hectare. These oscillations are primarily due to genetic defects of wheat, which is too late and not enough resistance to cold, fall, rust, etc. (Drăgoescu, 1939, p. 344)

In 1933, in Northern Transylvania were cultivated 85,775 ha, with an average per hectare of 9.3 q / ha which gave a yield of 794,759 q. In Someş County there were 30,389 ha, on which there were harvested 238,242 q, with an average of 7.8 q / ha. Cultivated areas in Someş County represent 35.43% of Northern Transylvania and 0.96% of country average. Total production was 29.98% and 0.73%. County share in the economy of the country declined, due to lower average per hectare (9.3 and 10.4 q / ha respectively).

The production, using the average price of 345 lei was estimated at 82,193,490 lei (Agricultural Statistics in 1933, Part II, 1934, p. 43)

2.2 Corn Culture

Using the statistics (average 1930-1935), corn was sown on an area of 4,826,408 ha and production was 48,859,981 q. During this time the maximum yield was reached in 1931 at 12.7 q ha, and the minimum in 1934 at 9.4 per hectare q. Corn provides food for more than 75% of the population mainly serves as food for livestock, and the amount, an average of 90,000 cars, went to export. (Drăgoescu, 1939, p. 350)

In 1933, in Northern Transylvania were cultivated 107,919 hectares, with an average per hectare of 4.0 q / ha which gave a yield of 435,836 q. In Someş County there were 44,465 ha, on which there were harvested 128,948 q, with an average of 2.9 q / ha. Cultivated areas in Someş County represent 41.2%

of Northern Transylvania and 0.92% of country average. Total production was 29.58% and 0.26%. County share in the economy of the country declined, due to catastrophic low average per hectare.

The production, using the average price of 130 lei was estimated at 58,663,020 lei. (Agricultural Statistics in 1933, Part II, 1934, p. 43)

2.3. Barley Cultivation

After wheat and corn, barley is ranked 3rd, in terms of sown area, production and export. After five years statistics, area seeded with barley (average 1930-1935) was 1,816,644 ha and production was 14,903,746 q. The highest yield was achieved in 1930, namely 12.0 and lowest in 1934 with 4.9 q. [Drăgoescu, 1939, p. 347-348).

In 1933, in Northern Transylvania were cultivated 6,560 ha, with an average per hectare of 9.3 q / ha gave a yield of 60,745 q. In Someș County there was 1,717 ha, on which there were harvested 13,144 q, with an average of 7.7 q / ha. Cultivated areas in Someș County represent 26.17% of Northern Transylvania and 0.09% of country average. Total production was 21.63%, and 0.08%, respectively. County share in the economy of the country declined, due to lower average per hectare.

The production, using the average price of 125 lei was estimated at 1,643,000 lei. (Agricultural Statistics in 1933, Part II, 1934, p. 9, 43)

2.4 Oats Cultures

The average area cultivated with oats was 867,720 ha during 1930 to 1935. Average production in this period was 7,378,099 annual quintiles, what comes to 8.6 q ha. The best production was obtained in 1930 when the average was 10.6 q ha, and the lowest in 1934, when he averaged only 6.8 q per ha.

In 1933, in Northern Transylvania were cultivated 50,722 ha, with an average per hectare of 8.9 q / ha which gave a yield of 451,254 q. In Someș County there were 14,506 ha, on which there were harvested 133,943 q, with an average of 9.2 q/ha. Cultivated areas in Someș County represent 28.6% of Northern Transylvania and 1.67% of country average. Total production was 29.68% and 1.81% respectively. County share in the country economy increased, due to higher average per hectare.

The production, using the average price of 175 lei was estimated at 23,440,025 lei. (Agricultural Statistics in 1933, Part II, 1934, p. 7, 43).

3. Prices

Price developments, the Romanian media and Someș County, shows the situation of agriculture.

Average wheat price ranged between 836 and 575 lei per hundred kg; at the end of the year, the price was with 261 lei or 31,2% less than at the beginning of the year. The highest prices were recorded in April and lowest in October.

In Northern Transylvania price fell from 805 to 560 lei (ie 245 or with 30.4%). In comparison, the maximum price was with 31 lei lower and the minimum price was with 15 lei less than the figures in the country. The situation with wheat was more difficult for farmers, earning less than the national average. In 1930 prices were the same, while the national average fell to 557lei. [xxx - Grain prices in 1929., 1931, p.270].

For corn the average prices fluctuated between 762 lei per hundred kg in May and 337 lei per hundred kg in December. The difference is 425 lei or 55.8%. In Northern Transylvania price fell from 840 to 470 lei, a difference of 370 lei (44.0%). The maximum price was with 72 lei over and the minimum

price was with 33 lei less than the national average. Amounts earned were higher than average, an advantage for manufacturers.

In spring 1930, at the confluence of the Someș Rivers, the price of corn had dropped dramatically to 335 lei, but well above the national average of 262 lei. For a product that is essential to the inhabitants, such as corn, the price developments has benefic, reducing the effects of the early crisis.

Barley sold for prices ranging between 595 and 327 lei per hundred kg. The decrease was felt from the start of the year, the difference between the maximum and minimum price was 268 lei or 45.0%.

In Northern Transylvania the maximum price 675 was and the minimum was 400, ie a difference of 275 lei (40.7%). Compared with the national average prices, they were with 80 lei higher than the maximum price and with 73 lei higher than the minimum price. In spring (1930) the price dropped to 325 lei, but well above the national average (252 lei). It was a help for the local producers.

Oats price fluctuated between 636 and 315 lei per hundred kg. The highest price was obtained in April and the lowest in December, the difference between them amounting to 321 lei or 50.5%.

In Northern Transylvania the maximum was 625 and the minimum 360 lei, a difference of 265 lei (42.4%). Compared with the national average, the prices from the confluence of the Somes Rivers were with 11 lei lower than the maximum price and with 45 lei higher than the minimum price. It was a stable price because of consumption. In early spring 1930 in Northern Transylvania price dropped to a minimum of 300 lei per hundred kg., with 39 lei above the national average (261 lei). (*Grain prices in 1929,1931*, p. 271-272)

Agriculture was more sensitive to climate changes than short term market fluctuations. This statement is supported by the comparison between small changes in areas that are sown, compared with average yields per hectare dependent on climate variation, i.e. cyclical variations.

4. Conclusions

Lasting and becoming deeper, the causes of the global crisis have sent the message that the economy is not just a cyclical crisis, but a reversal of trend

Farmers and landowners have adapted to the new economic conditions to overcome the crisis. Sale of agricultural products could be done only by lowering the prices. So they continued to cultivate the same area, accepting a lower financial income on the yield obtained per hectare. This was possible because, the small land owners meet their needs through their products (self-consumption). These households did not use pay labor. Great landlords gave their land to the small farmland owners, who paid a share of the output obtained. These transfer much of the effects of depression.

Adaptation was thus possible, in that on one hand have small farms and consumption, and on the other, for that was done a compression of production costs. I have seen thus to lower duties on strike variable cost of production: price angry work, reducing feed (cattle maintenance costs), etc..

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