THE JUSTIFICATORY IMPEDIMENT IN AGRICULTURAL COOPERATIVES' CONTRACTS - LEGAL SOLUTIONS FOR ECONOMIC RESILIENCE

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Abstract

Contracts form the foundation of the economic activities of agricultural cooperatives, yet they are exposed to unpredictable external factors that may hinder the fulfillment of contractual obligations. The justificatory impediment, including force majeure, fortuitous events, and hardship, plays a crucial role in protecting contracting parties in such situations. However, existing regulations and legal mechanisms for managing these impediments are not always adapted to the specific needs of agricultural cooperatives, which depend on unstable climatic, economic, and geopolitical factors.

The aim of this article is to analyze the impact of the justificatory impediment on the contracts of agricultural cooperatives and to propose legal solutions that enhance their economic resilience. The main objectives of the study are to identify the specific contractual vulnerabilities of agricultural cooperatives, examine the applicable legal mechanisms across different legal systems, and formulate recommendations for adapting legislation and contractual practices.

The scientific novelty of this article lies in its interdisciplinary approach to the justificatory impediment, analyzing it from both contract law and economic sustainability perspectives. The relevance of this study stems from the need to develop effective legal mechanisms that ensure contractual balance and economic stability for cooperatives in the face of external risks, thereby contributing to the strengthening of the agricultural sector and the protection of farmers' interests.

Keywords: *justificatory impediment, agricultural cooperatives, contractual adaptation, legal resilience, contractual imbalance*

DOI: https://doi.org/10.59642/EDR.3.2025.28
JEL: K12, K22, Q13, Q18 **UDC:** 347.453.1

1. Introduction

In the current context marked by recurring climate crises, geopolitical instability, and global economic volatility, the capacity of economic entities to respond to external risks has become essential to their sustainability. Agricultural cooperatives, as associative structures of producers, are deeply rooted in local specificities yet operate within global dynamics that can significantly affect their contractual performance. Commercial contracts concluded by cooperatives form the foundation of their economic relations, ensuring the production, distribution, and marketing of agricultural products. However, these contracts are vulnerable to unpredictable events such as severe droughts, supply chain blockages, embargoes, pandemics, or sudden changes in fiscal or trade policies [1, p. 15].

From a legal perspective, the concept of **justificatory impediment**—encompassing force majeure, fortuitous events, and hardship—offers a legal framework for protecting contractual

parties when performance becomes impossible or excessively onerous. The regulation of these legal institutions varies across legal systems. For example, Article 1218 of the Italian Civil Code defines force majeure as an unforeseeable event that is not attributable to the obligor, while the French Code civil, through Article 1195, codifies hardship and allows contract renegotiation in cases of unforeseen circumstances [2, p. 231]. However, the main challenge remains the **adaptation of these legal tools to the structural and operational features of agricultural cooperatives**, which face recurring and sometimes systemic risks [3, p. 89].

While legal literature extensively addresses theories of contractual risk and non-performance, relatively few studies focus specifically on agricultural cooperatives in this context. Furthermore, comparative analysis shows divergent tendencies: civil law systems often provide mechanisms for adjusting contracts, while common law jurisdictions traditionally maintain rigid interpretations of force majeure [4, p. 64]. This diversity calls for a nuanced approach that incorporates practical realities, especially in vulnerable sectors such as agri-food cooperatives.

The aim of this article is to analyse, through an interdisciplinary and comparative lens, the ways in which the justificatory impediment influences the stability of contracts concluded by agricultural cooperatives and to what extent existing legal frameworks allow for maintaining contractual balance in the face of external shocks. The study seeks to highlight the need for a **normative and practical recalibration** that offers cooperatives predictable and functional legal instruments aligned with their operational context.

The article proposes a dual structure: theoretical—through a doctrinal and comparative examination of legal provisions related to justified contractual non-performance; and practical—through a case study of the **Agro-Proviem agricultural production cooperative**, located in Baimaclia, Căușeni District, Republic of Moldova. The case illustrates how contemporary risks such as inflation, drought, and supply delays have disrupted cooperative activity and how legal instruments may respond.

The relevance of this research lies in the urgent need to enhance the legal and economic resilience of agricultural cooperatives. Building resilience is not merely a contractual issue, but a structural imperative connected to the long-term sustainability of rural economies and global food systems [5, p. 40].

2. Data and methodology

This study relies on a mixed qualitative methodology, combining doctrinal analysis, comparative legal research, and an applied case study. The choice of this methodology is grounded in the need to approach a legal issue with direct economic implications for the activity of agricultural cooperatives, in an international context marked by multiple and unpredictable risks.

First, the **doctrinal method** was used to identify and interpret the concept of justificatory impediment in the framework of contractual obligations. Particular emphasis is placed on the regulations in force in the **Republic of Moldova**, including the Civil Code and other normative acts relevant to the execution of obligations in commercial and contractual relations. In this regard, key works in civil law and scholarly articles addressing force majeure, fortuitous events, and hardship in relation to the theory of contractual balance and liability exemption were consulted [6, p. 34].

Second, the **comparative method** was applied, taking into account the relevant legal provisions from other systems—particularly from EU Member States (such as France, Italy, and

Germany), but also from the Anglo-American common law tradition, where justified. This comparison aims to highlight alternative legal solutions adopted in other jurisdictions and their degree of adaptability to the Moldovan legal system [7, p. 117]. Third, the paper includes an **empirical component**, through a case study approach. The selected case is that of the **Agro-Proviem agricultural production cooperative**, established in the village of Baimaclia, Căușeni District, Republic of Moldova. This cooperative was chosen for its relevance within the national cooperative landscape and its direct exposure to a range of external risks, such as the prolonged droughts of 2021–2023, rising prices of agricultural inputs, cereal market fluctuations, and logistical difficulties in the southeastern region. The information regarding the cooperative's development was obtained from public sources (official registries, statistical data, public reports, and agricultural press articles), as well as from the **direct experience of the author**, who is also a co-founder of the cooperative [8, p. 7].

This methodology enables not only a theoretical and normative understanding of the justificatory impediment, but also the **practical testing of its applicability** within the framework of real contracts concluded by active agricultural cooperatives in the Republic of Moldova. This dual approach offers a solid foundation for formulating **realistic recommendations** that are grounded in field realities and aimed at protecting contractual balance and supporting the economic resilience of cooperatives in the face of external risks.

3. Results obtained and discussions

3.1. Legal and economic context of the justificatory impediment

In recent decades, the law of obligations has faced new challenges generated by the rapid and often unpredictable transformations of the economic and social environment. In this context, the notion of **justificatory impediment** has acquired new dimensions, going beyond the traditional frameworks of force majeure, fortuitous events, or hardship, and requiring a deeper reflection on legal mechanisms for rebalancing contracts affected by external crises [9, p. 130].

Contracts concluded by agricultural cooperatives are characterized by a high degree of exposure to disruptive factors—be they climatic, economic, or geopolitical. These contracts, especially those for supply, collective procurement, or commercialization, depend on price stability, the proper functioning of logistics chains, and the availability of technical or human resources. Recent crises—such as the COVID-19 pandemic, the surge in global inflation, the volatility of agricultural input markets, and regional instability—have severely impacted these contractual relationships, calling into question the **pacta sunt servanda** principle and testing the limits of contractual liability [10, p. 267].

In previous works, I have argued that the justificatory impediment should be understood not merely as an exception from performance, but as a mechanism for contractual adaptation that can ensure the continuity of commercial relations in an equitable and sustainable manner. In analyzing hardship clauses in international commercial contracts, I have shown that they can act as a genuine legal safeguard in a volatile economic context without distorting the logic of contractual obligations [11, p. 129].

Thus, contract clauses that regulate unforeseeable events must be drafted flexibly and accompanied by clear procedures for notification, renegotiation, and, where appropriate, temporary suspension of performance. It is not enough to simply invoke an external event—there must be a

direct causal link between the event and the impossibility or significant difficulty of performance [12, p. 130].

For agricultural cooperatives, this adaptation is not only a legal necessity but also an economic one: the absence of clear contractual protection mechanisms can lead to financial blockages, the loss of commercial partners, or even insolvency. In this regard, a sector-based approach to the justificatory impediment—adapted to the specific characteristics of agricultural and cooperative activity—is essential for strengthening the resilience of this type of enterprise [13, p. 90].

3.2. Case study: contractual vulnerability of the agro-proviem cooperative

A conclusive example of the contractual vulnerability to justificatory impediments is offered by the Agricultural Production Cooperative Agro-Proviem, founded in 2007 in the village of Baimaclia, Căușeni district. Specializing in the cultivation and commercialization of cereals, corn, and sunflower, the cooperative operates on a market deeply affected by successive external shocks.

Its contracts for supply, distribution, and agricultural service provision have been severely impacted by the intense drought of recent years, which significantly reduced crop yields, generating major imbalances between the assumed obligations and the actual ability to fulfill them. In parallel, the armed conflict in Ukraine caused a sharp drop in cereal prices on the Moldovan market, oversaturated by imported goods, especially given that exports to the Russian Federation were effectively halted.

Overlaying this economic pressure were indirect effects of rising fuel prices, making production costs difficult to cover without appropriately adapting the contractual terms. Attempts to support agricultural producers through subsidies have proven insufficient, with rigid access criteria and limited, fragmented aid. In this climate of uncertainty, a civic initiative emerged through the Association “Forța Fermierilor”, which advocates for a fairer legislative framework and real measures of economic support.

These external constraints have had a direct impact on the financial indicators of the cooperative. According to data reported for 2023, sales revenue amounted to 6,060,840 MDL, while net profit was only 123,240 MDL, indicating a net margin of approximately 2%. Such a low margin confirms the considerable pressure of fixed and volatile costs on the sustainability of the business and highlights the cooperative’s growing dependence on credit and state support to remain operational [14].

In these circumstances, the concept of justificatory impediment becomes an essential lens for interpreting and, more importantly, adapting contractual obligations in the agricultural cooperative sector. Although the national legal framework recognizes exemption from liability in cases of force majeure or hardship, it is not sufficiently adapted to the specific nature of agricultural cooperatives, which face a combination of recurring risks. As previously argued in doctrinal analysis [10, p. 268], it is necessary to expand the regulatory framework to include flexible mechanisms of contractual renegotiation, applicable automatically in the face of such structural imbalances.

Thus, cases like Agro-Proviem clearly illustrate the need for adaptability clauses specifically tailored to agricultural contracts, enabling equitable adjustment of performances based on the evolution of the economic context and the emergence of unforeseen risks. The absence of such mechanisms leads to a rupture between the initial contractual intent and the realities of execution,

triggering a chain of negative effects: financial losses, contractual disputes, and ultimately the disappearance of small cooperative entities, which form the backbone of local agriculture in the Republic of Moldova.

3.3. Legal obstacles and the lack of contractual culture in the agricultural sector

Another essential aspect in analyzing the justificatory impediment in agricultural cooperatives' contracts is the lack of a consolidated contractual legal culture within these entities. Unlike large enterprises that benefit from internal legal departments or constant access to professional consultancy, small and medium-sized cooperatives in the Republic of Moldova often draft contracts empirically, without clear legal structuring. This practice results not only in poorly formulated force majeure or hardship clauses but also in the absence of automatic adaptation or mandatory renegotiation provisions, which could serve as genuine legal safeguards against external risks [15, p. 129].

Moreover, the lack of standardized contractual templates adapted to the agricultural sector leads to fragmented practices, increasing the risk of divergent interpretations and litigation. It is particularly relevant to note that national jurisprudence does not offer a consistent line on the application of Article 904 of the Civil Code in the context of agricultural activity, creating an area of heightened legal uncertainty. This unpredictability also undermines economic actors' confidence in existing legal mechanisms and discourages the conclusion of long-term contracts, primarily due to fear of legal rigidity in the face of economic or climatic changes [16, p. 137].

In this context, a viable solution could be the development of a national guide for agricultural and cooperative contracts, in collaboration with the Ministry of Agriculture, farmers' organizations, and academic institutions. The guide should include model clauses, risk assessment criteria, and clear procedures for activating adaptation mechanisms. Such an instrument would contribute not only to the professionalization of contractual relations but also to enhancing the resilience of the entire agricultural sector [17, p. 53].

In addition, there is a clear need to strengthen alternative dispute resolution mechanisms in the cooperative environment. Agricultural mediation, as a specialized form of ADR, could represent a fast and effective method for resolving disagreements related to non-performance caused by external events. In the absence of costly and slow judicial proceedings, parties could turn to specialists with dual competencies—legal and agricultural—capable of offering flexible, context-sensitive solutions [18, p. 148].

In conclusion, the justificatory impediment in the context of agricultural cooperatives is not merely a temporary legal exception but a structural necessity that must be integrated into contract architecture, public policies, and the legal education of stakeholders. Adapting legal norms to the dynamics of the agricultural sector and developing modern contractual tools could decisively contribute to the economic sustainability of cooperatives and the protection of a strategic sector for the economy of the Republic of Moldova [19, p. 52].

3.4. Systemic impact on the internal agricultural market

Another fundamental aspect that must be addressed in the analysis of the justificatory impediment is its systemic impact on the domestic agricultural market. In situations where a cooperative is unable to fulfill its contractual obligations due to unforeseen external factors, the

negative effects extend beyond the individual entity, affecting suppliers, distributors, processors, and even end consumers.

In the Republic of Moldova, contracts between agricultural cooperatives and their commercial partners form networks of economic interdependence. The failure to deliver—such as wheat or corn—disrupts the processing schedules of industrial mills, causes delays in logistics chains, and generates financial losses throughout the entire agri-food value chain [20, p. 15]. Furthermore, the lack of clear contractual mechanisms for adjustment in the face of justificatory impediments contributes to a climate of uncertainty in the internal market, affecting the predictability of commercial relations and mutual trust between partners. This leads to shorter contract durations, the removal of exclusivity clauses, and even refusals to enter long-term agreements—all of which hinder the sustainable development of the agricultural sector [21, p. 19].

In the medium term, this situation fragments the market and increases price volatility. Small and medium producers, constantly facing the risk of contractual imbalance, are forced to sell "from the edge of the field," without guarantees, at prices dictated by intermediaries or outside any formal contractual regulation. According to data from the Independent Analytical Center “Expert-Grup,” a significant share of cereal sales in recent years has taken place outside of a formal contractual framework [22, p. 10]. Moreover, the inability to rigorously demonstrate the existence of a justificatory impediment—as required under Article 904 of the Civil Code of the Republic of Moldova—can lead to litigation, penalties, and the deterioration of commercial relationships. As emphasized by the FAO, the resilience of agri-food supply chains largely depends on contractual predictability and the existence of legal safeguards in the face of systemic shocks [23, p. 8].

Therefore, the recognition and coherent regulation of the justificatory impediment should not be viewed merely as a form of legal protection, but as an essential instrument of economic stability. The introduction of contractual standards in the agricultural sector, including automatic adjustment clauses, could decisively contribute to the maturation of the domestic market and to increasing investor confidence in agricultural cooperativism in the Republic of Moldova [24, p. 1].

3.5. Reform perspectives and resilience solutions for agricultural cooperatives

In light of the increasingly evident contractual vulnerabilities in the agricultural sector—particularly in the context of justificatory impediments—a rethinking of the regulatory and contractual framework for agricultural cooperatives is necessary. Although the current Moldovan model includes general provisions under Article 904 of the Civil Code regarding the impossibility of performance, it does not adequately reflect the specific nature of recurring, seasonal contractual relationships that are highly dependent on climatic or geopolitical factors.

One key direction for reform involves the introduction of automatic adjustment clauses, explicitly regulated through standardized templates applicable to agricultural supply contracts. Such templates are already in use in EU member states like France and Germany, where agricultural legislation encourages the inclusion of price and delivery schedule revision clauses in the event of significant market fluctuations [25, p. 41]. In Romania, for example, Agricultural Cooperatives Law No. 566/2004, complemented by Government Ordinance 34/2017, permits the incorporation of risk-sharing contractual mechanisms, including temporary suspension of deliveries in cases of natural disasters, without incurring contractual liability [26, p. 23]. These solutions could be adapted to the Moldovan context through amendments to existing legislation or the adoption of a dedicated law on agricultural contracts.

Another example of good practice is offered by the European Code of Good Practices for Contractual Relations in Agriculture (developed by DG AGRI – European Commission), which explicitly recommends including clear procedures for notification, renegotiation, and agricultural arbitration to prevent disputes and protect vulnerable parties [27, p. 15].

At the international level, the Food and Agriculture Organization (FAO) has promoted, through its studies on the resilience of agri-food supply chains, the use of adaptable contract drafting guidelines, particularly in regions with unpredictable climates such as Eastern Europe. FAO emphasizes the importance of flexible approaches in regulating relationships between producers and distributors in order to avoid structural imbalances [28, p. 9].

Domestically, reform should also involve the creation of a digital contractual platform for agriculture, where contracts can be registered, automatically analyzed based on risk clauses, and supported by real-time access to specialized legal advice. Such a system would contribute to formalizing commercial relations, increasing transparency, and reducing the risk of non-performance due to external shocks.

In conclusion, legislative and contractual reform in the area of justificatory impediments should not be limited to doctrinal clarifications. A multidisciplinary approach is required—one that includes law, economics, technology, and public policy. Only in this way can agricultural cooperatives enhance their resilience and contractual fairness be guaranteed in an unstable and unpredictable environment.

Conclusions

The analysis carried out in this study demonstrates that the notion of justificatory impediment has become a structural element in the field of contractual law, particularly in sectors marked by high volatility and systemic vulnerability, such as agriculture. In the specific case of agricultural cooperatives, the recurrence of external shocks—whether climatic, geopolitical, or economic—has revealed both the fragility of contractual mechanisms and the inadequacy of the current legal framework to address these challenges in a coherent and preventive manner.

The case of the Agro-Proviem Cooperative illustrates with particular clarity how the absence of adaptive legal instruments and sector-specific contractual standards leads not only to performance imbalances and financial losses, but also to a cascading effect across the entire agri-food value chain. The difficulty of demonstrating a justificatory impediment under Article 904 of the Civil Code, in the absence of model clauses or a consolidated judicial practice, further accentuates the legal uncertainty and discourages long-term cooperation between producers and their partners. Furthermore, the lack of legal expertise and standardized contractual templates among small and medium-sized cooperatives undermines their capacity to anticipate risks and integrate viable renegotiation or force majeure clauses. In this context, the justificatory impediment must be understood not only as a defensive legal institution but as a dynamic mechanism of economic resilience. Its coherent regulation can contribute both to protecting the interests of contracting parties and to ensuring the continuity of essential sectors under conditions of uncertainty.

The systemic impact of impediments—by affecting delivery flows, price stability, and market trust—justifies a rethinking of the legislative and institutional approach. International best practices, including the European Code of Good Practices and national models from countries like

France, Germany, or Romania, confirm the viability of contractual standardization, automatic adjustment mechanisms, and the strengthening of mediation and arbitration frameworks in agriculture. Therefore, the recognition and modernization of the justificatory impediment in the legal architecture of the Republic of Moldova should be treated as a priority in public policy and legal reform. Recommendations emerging from this study include the development of a national guide for agricultural contracts, the creation of a digital contractual registry for rural actors, and the legislative introduction of adaptation clauses for recurring risk situations.

Ultimately, the aim is to move from a reactive to a proactive model of contractual governance—one that anticipates crisis scenarios and equips cooperatives with the tools necessary to remain economically viable and legally protected. Only by aligning legislative provisions with the real dynamics of the agricultural sector can Moldova ensure a sustainable, transparent, and equitable environment for contractual relations in rural development.

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